MIDAS

Midas International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1172

Annual Report 2015

This Annual Report is printed by Midas International Holdings Limited

Contents

Corporate Information	2
Biographical Details of Honorary Chairman and Directors	6
Chairman's Statement	10
Corporate Governance Report	20
Directors' Report	34
Independent Auditor's Report	45
Consolidated Statement of Comprehensive Income	47
Consolidated Statement of Financial Position	48
Statement of Financial Position	50
Consolidated Statement of Cash Flows	51
Consolidated Statement of Changes in Equity	53
Notes to the Consolidated Financial Statements	54
Financial Summary	104
Notice of Annual General Meeting	105

Corporate Information

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

* Chairman of the relevant committee

Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	25th Floor, Alexandra House 18 Chater Road Central Hong Kong Website: http://www.midasprinting.com
Other Offices in the People's Republic of China (the "PRC")	**Guangdong Boluo Yuanzhou Midas Printing Limited** Boluo Yuanzhou Town Xianan Administration District Huizhou Guangdong The PRC **Fortune Wealth Memorial Park (Si Hui) Limited** Jiang Gu Si Hui Guangdong The PRC

Registrars	**Principal Registrar** Codan Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands **Registrar in Hong Kong** Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Bankers	The Hongkong and Shanghai Banking Corporation Limited Bank of China (Hong Kong) Limited
Stock Code	1172

Biographical Details of Honorary Chairman and Directors

Honorary Chairman

Mr. Alan Chuang Shaw Swee, aged 63, has been the consultant of the Group since 2002 and was appointed as the Honorary Chairman of the Company in February 2008. Mr. Chuang is the chairman of Chuang's Consortium International Limited ("CCIL", the controlling shareholder of the Company) and the honorary chairman of Chuang's China Investments Limited ("Chuang's China"), both are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He has extensive experience in business development and investment in Hong Kong, the People's Republic of China (the "PRC") and Southeast Asia. With his substantial connections, he has been actively involved in the development and management of investments in Hong Kong, the PRC and Southeast Asia. He was an Adviser of Hong Kong Affairs and a member of the Selection Committee for the Government of the Hong Kong Special Administrative Region. He is a member of the National Committee of The Chinese People's Political Consultative Conference, a standing committee member of All-China Federation of Returned Overseas Chinese, the Honorary President of the Association for the Promotion of Global Chinese Traders Fraternity Ltd., the Honorary member of Guangzhou Panyu Overseas Exchanges Association, the Vice President of China Federation of Overseas Chinese Entrepreneurs and the Committee for the Promotion of Fujian-Taiwan Economic Cooperation, the Honorary President of Hunan Overseas Friendship Association and Fujian International Culture & Economy Exchange Foundation, an economic adviser to Chengdu, Sichuan, an overseas consultant to Sichuan Provincial Overseas Exchanges Association, an Honorary Citizen of Xiamen City, Guangzhou City and Chia-Yi, Taiwan and an executive director of the Board of Trustees of Jimei University, Xiamen City. He is also the Vice President of the Hong Kong Factory Owners Association, the Honorary President of the Hong Kong Federation of Overseas Chinese Association, a director of the Chinese General Chamber of Commerce, a director of The Real Estate Developers Association of Hong Kong, the Senate of the Democratic Alliance for the Betterment and Progress of Hong Kong, the Life Honorary President of the General Association of Xiamen (H.K.) Ltd., the Permanent President of Hong Kong Huian Natives Association, the Life Honorary President of Chuang & Yen Clansmen's General Association and a director of the Friends of Hong Kong Association Ltd..

Executive Directors

Mr. Richard Hung Ting Ho, aged 61, the Chairman and Managing Director of the Group, is responsible for the overall strategic direction and management of the Group and production, procurement and finance functions of the printing division. He has more than 36 years of experience in corporate development and general administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Chartered Secretaries. He joined the Group in 2007.

Mr. Geoffrey Chuang Ka Kam, aged 27, the Deputy Managing Director of the Group, is responsible for the overall strategic direction and management of the Group, in particular, supervising the general management of the cemetery division and acting as the chief sales officer of the printing division. He has about 6 years of experience in financial and general management. He holds a Bachelor degree of Arts with major in economics. Mr. Chuang is the son of Mr. Alan Chuang Shaw Swee. He is also the brother of Miss Candy Chuang Ka Wai, an Executive Director of the Company. He joined the Group in 2011.

Miss Candy Chuang Ka Wai, aged 33, has over 11 years of experience in general management, marketing and property business. She is an executive director of CCIL and the chairman of Treasure Auctioneer International Limited. Miss Chuang is the daughter of Mr. Alan Chuang Shaw Swee. She is also the sister of Mr. Geoffrey Chuang Ka Kam, an Executive Director of the Company. She is a member of The Chinese People's Political Consultative Conference, Xiamen Committee, Beijing Youth Federation, Fujian Youth Federation, Xiamen Overseas Friendship Association, The Y. Elites Association Limited and Hong Kong United Youth Association, the Honorary President of the Hong Kong CPPCC of Fukien Province Members Association, the Vice Chairman of the General Association of Xiamen (H.K.) Ltd. and a member of the board of councillors of Public Art Hong Kong. She joined the Group in 2010.

Mr. Wong Chi Sing, aged 44, is responsible for the corporate finance, treasury, human resources management and internal audit functions of the Group. He has over 21 years of experience in finance, accounting and auditing. He holds a Bachelor degree in Business Administration and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 2004.

Non-Executive Director

Mr. Dominic Lai, aged 68, was an Independent Non-Executive Director of the Company from 20th March, 2000 until his re-designation as a Non-Executive Director of the Company on 5th August, 2004. He is a practising solicitor in Hong Kong and is admitted as a solicitor in England and Wales, the Republic of Singapore and the States of New South Wales and Victoria, Australia. Mr. Lai is currently a non-executive director of NWS Holdings Limited and Oriental Press Group Limited, both are listed on the Stock Exchange.

Independent Non-Executive Directors

Mr. Abraham Shek Lai Him, G.B.S., J.P., aged 70, was appointed as an Independent Non-Executive Director of the Company in 2001. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court of The Hong Kong University of Science & Technology, the Court and the Council of The University of Hong Kong and a non-executive director of the Mandatory Provident Fund Scheme Authority of Hong Kong. He holds a Bachelor degree of Arts. He is the chairman and an independent non-executive director of Chuang's China, an independent non-executive director of CCIL, Paliburg Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, ITC Corporation Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, MTR Corporation Limited, SJM Holdings Limited, Dorsett Hospitality International Limited, ITC Properties Group Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited, Cosmopolitan International Holdings Limited and Jinheng Automotive Safety Technology Holdings Limited, all are listed on the Stock Exchange, and a director of The Hong Kong Mortgage Corporation Limited. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust, and Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust, both trusts are listed on the Stock Exchange.

Dr. Eddy Li Sau Hung, B.B.S., J.P., aged 60, was appointed as an Independent Non-Executive Director of the Company in 2004. He has over 30 years of experience in the manufacturing business. He is a member of the National Committee of The Chinese People's Political Consultative Conference, the president of the Chinese Manufacturers' Association of Hong Kong and the president of Hong Kong Economic & Trade Association. Dr. Li holds a Master degree in Business Administration and a Ph.D. degree in Economics. He was the 1991 awardee of The Ten Outstanding Young Persons and the 1993 awardee of Young Industrialists of Hong Kong. He is currently an independent non-executive director of Oriental Watch Holdings Limited and Man Yue Technology Holdings Limited, both are listed on the Stock Exchange.

Mr. Yau Chi Ming, aged 61, was appointed as an Independent Non-Executive Director of the Company in 2004. He is a practising certified public accountant in Hong Kong with over 30 years of experience. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Certified General Accountants' Association in Canada. Mr. Yau is an independent non-executive director of CCIL.

Chairman's Statement

Financial Results

The board of Directors (the "Board") announces that the audited loss attributable to ordinary shareholders of the Company for the year ended 31st March, 2015 amounted to HK$16.6 million (2014: HK$42.5 million). Loss per ordinary share was 0.6 HK cent (2014: 1.7 HK cents).

Management Discussion on Results for the Year Ended 31st March, 2015

The principal activities of the Group during the year were printing business and property business. Printing business comprised of manufacture and sale of printed products including art books, packaging boxes and children's books while property business focused on the operation of cemetery in the People's Republic of China (the "PRC").

For the year ended 31st March, 2015, revenues of the Group amounted to HK$274.6 million (2014: HK$309.8 million), representing a decrease of 11.4% compared to that of the last year mainly due to a decrease in the sales of printing products. Revenues of the Group comprised income from the printing business of HK$262.1 million (2014: HK$300.3 million) and income from the property business of HK$12.5 million (2014: HK$9.5 million).

As a result of the decrease in revenues generated from the sales of printing products, gross profit of the Group during the year decreased to HK$43.0 million (2014: HK$67.6 million). Other income and net gain increased to HK$55.0 million (2014: HK$6.7 million). This was mainly due to a gain on disposal of property, plant and equipment, a gain arising from the disposal of subsidiaries (details of which were set out in the announcement of the Company dated 14th May, 2014) and a gain arising from the write-back of provision for certain expenses undertaking in relation to the disposal of certain subsidiaries in September 2007 as the undertaking had expired in September 2014. A detailed breakdown is shown in note 7 to the consolidated financial statements of this report.

On the costs side, selling and marketing expenses increased slightly to HK$25.2 million (2014: HK$24.4 million). Administrative and other operating expenses decreased to HK$81.9 million (2014: HK$82.3 million). In August 2014, the Group repaid all outstanding convertible notes upon maturity, therefore the finance costs decreased to HK$6.4 million (2014: HK$11.2 million). Taxation charge amounted to HK$1.7 million (2014: taxation credit of HK$0.4 million) mainly due to the PRC withholding corporate income tax payable arising from the disposal of subsidiaries.

Taking all the above into account, loss attributable to equity holders of the Company for the year ended 31st March, 2015 amounted to HK$16.6 million (2014: HK$42.5 million). Loss per share amounted to 0.6 HK cent (2014: 1.7 HK cents).

Dividends

In view of the loss incurred by the Group during the year under review, the Board has decided not to recommend the payment of a final dividend for the year. No interim dividend was paid during the year.

Business review

(A) Printing business

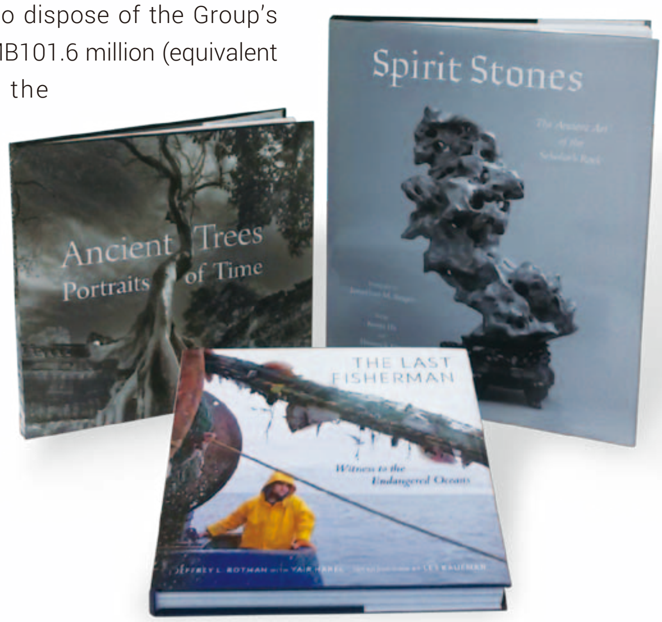
The uncertain economic outlook has dampened the global printing demand. Customer sentiment was adversely affected, causing them to take a cautious approach toward ordering and stocking. They withheld or reduced orders with shorter lead time, while intense competition in the printing industry brought down the price of orders. These trends affected the printing revenue of the Group. As a result, during the year under review, the Group recorded a decrease of sales of 12.7% in the printing division.

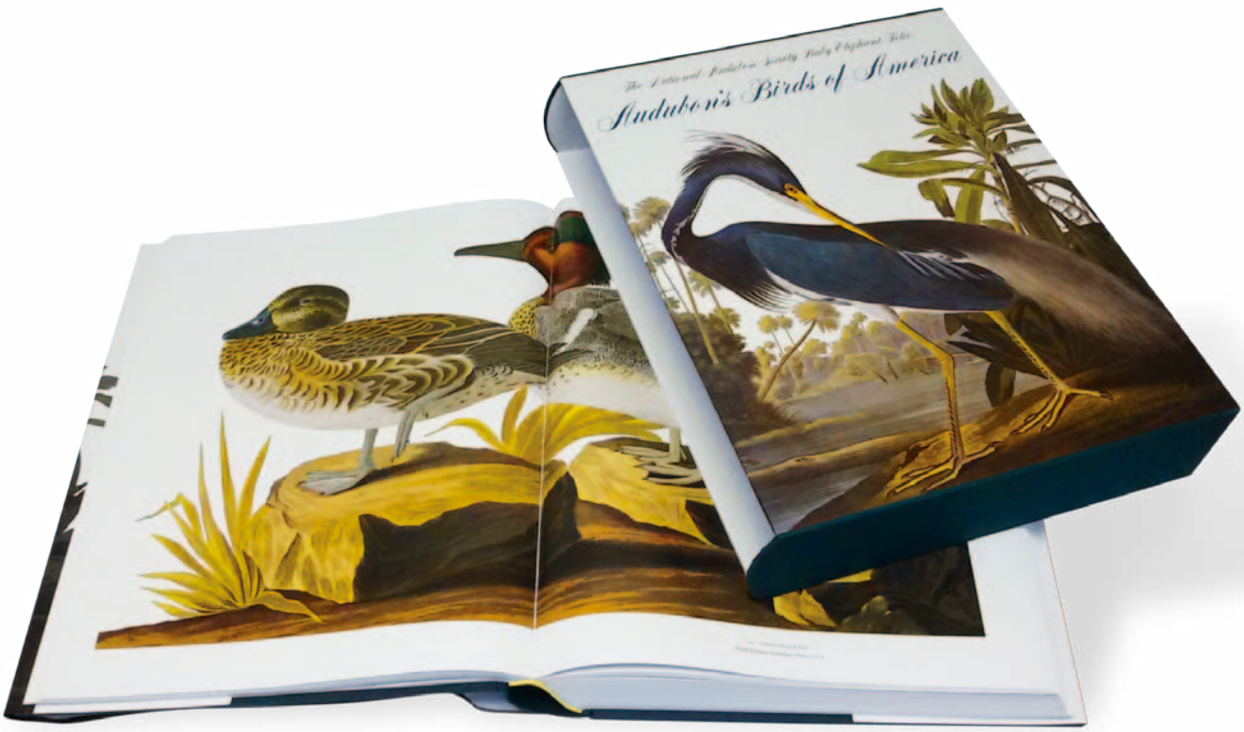
In the cost aspects, with further increase in minimum wages in the Southern China region, the Group experienced regular upward adjustments in labour cost during the year. Due to intense competition in the printing market, the additional costs could not be fully passed to the customers and, as a result, this has an adverse effect on the Group's profit margin. In response to the harsh operating environment, the Group enhanced production efficiency through automation and lean manufacturing practices, and continued to search for materials with lower costs so as to ease the cost pressure. The Group also upheld strict control on its capital investment and closely monitored its stock level and customer credit.

In order to achieve improvement, the Group will concentrate its effort on enhancing sales. In this respect, the Group will strengthen its marketing team and delegate additional resources to strengthen the product development and engineering department aiming to improve product structure and to lower processing cost. Coupled with the cost saving measures as mentioned above, this will enable the Group to offer a more competitive price to its customers for orders. Furthermore, the Group will focus to develop various stationary products with original design and launch these into the PRC market in order to capture steady revenue.

Taking into account the anticipated printing demand, the Group considered that the current production facilities at Boluo, Huizhou is sufficient for its requirement in the coming years. Accordingly, the Group had taken steps to dispose of the other two factory premises in order to realize their capital values. In May 2014, the Group disposed of the industrial land located at Coastal Industry Zone in Shatian, Dongguan to an independent third party. The net proceeds of HK$77.4 million from this disposal were applied as general working capital of the Group.

In April 2015, the Group entered into an agreement to dispose of the Group's another factory premises at Changan, Dongguan for RMB101.6 million (equivalent to approximately HK$127.0 million). Details of the transaction was set out in the circular issued by the Company dated 13th May, 2015 and the disposal was approved by the independent shareholders of the Company on 29th May, 2015. Completion is expected to take place soon after all approvals have been obtained from relevant PRC authorities. Upon completion of the disposal, the Group expects to realize a net gain of about HK$110 million.

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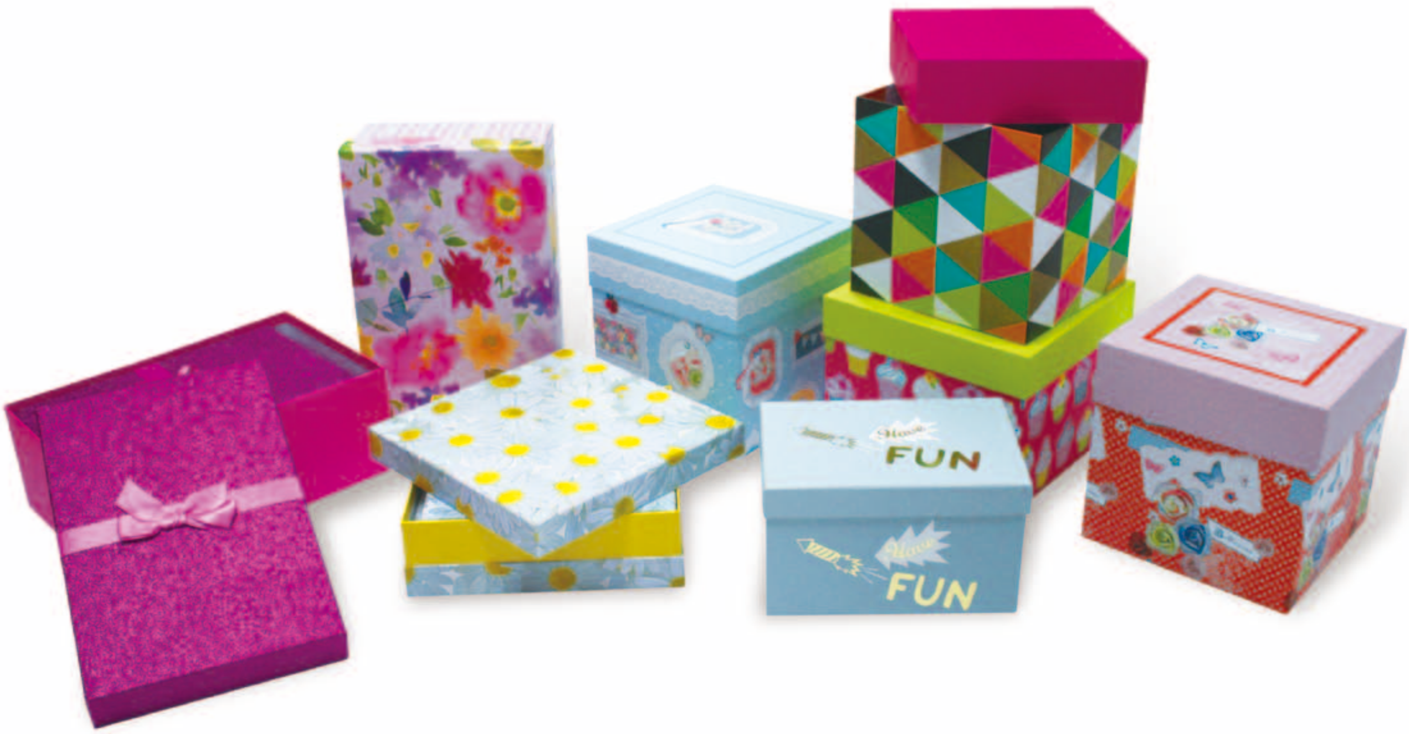
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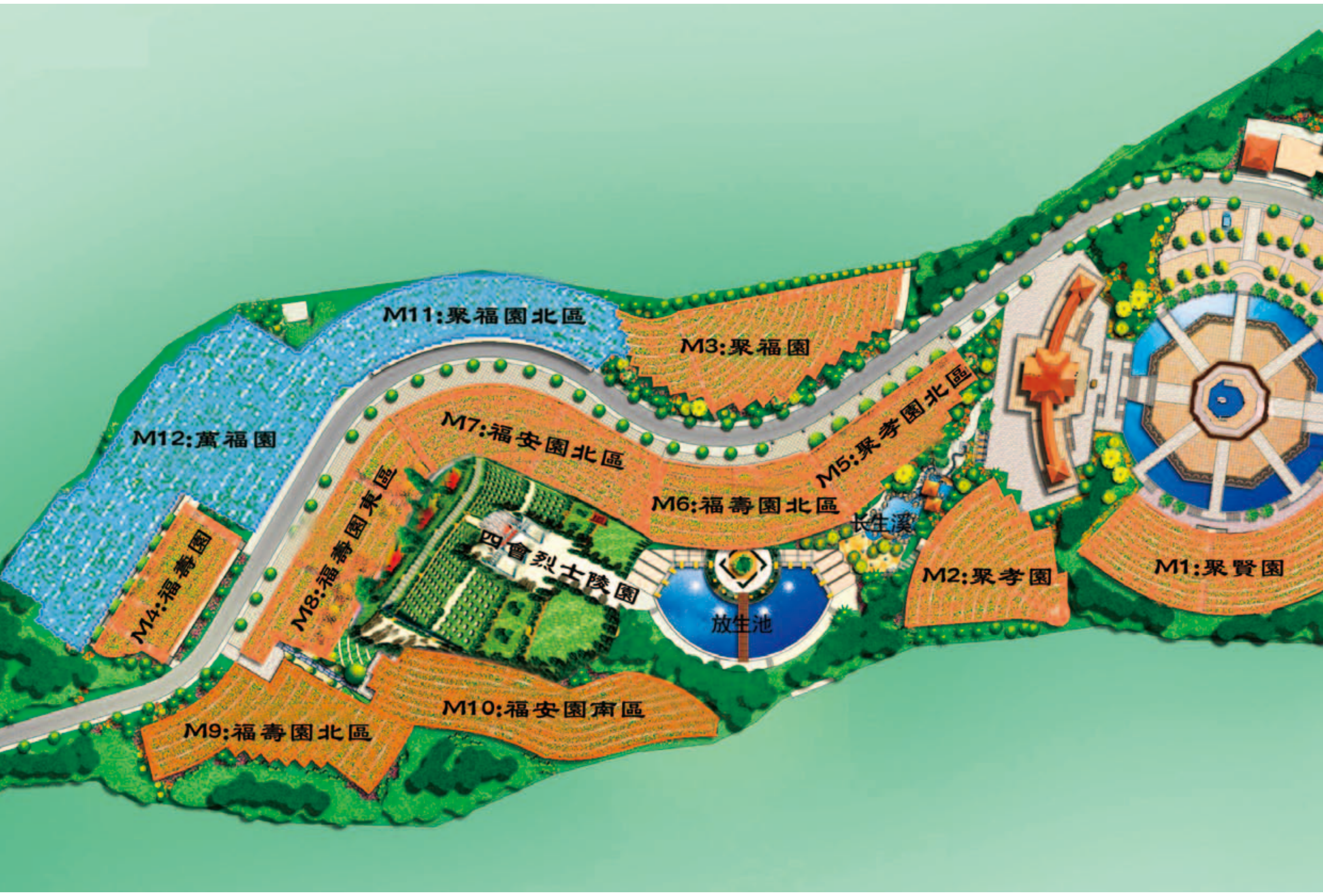
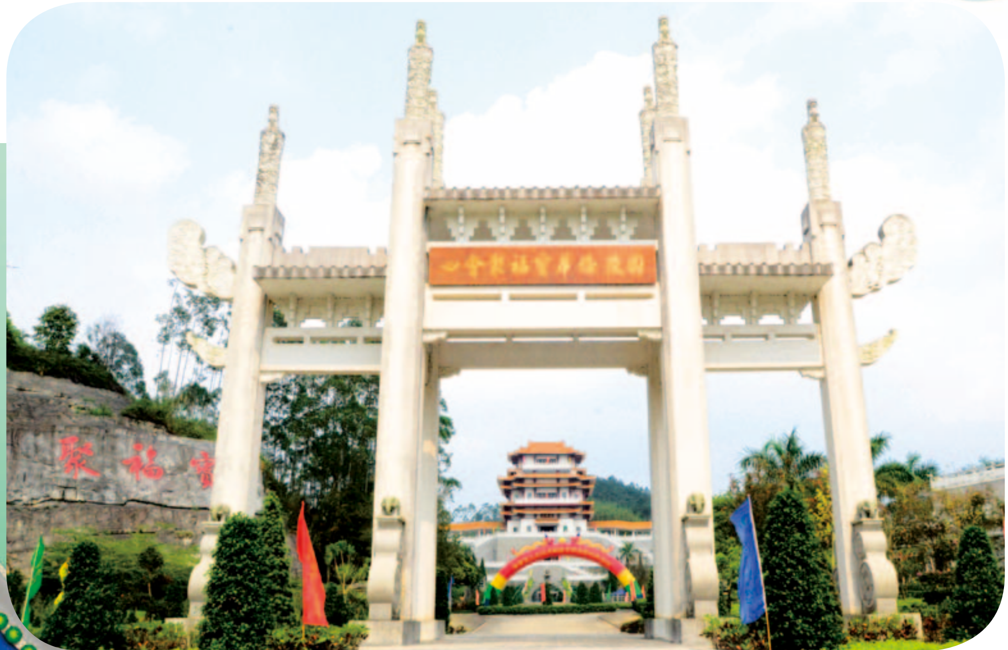


(B) Property business

The Group operates a cemetery – "Fortune Wealth Memorial Park" in Sihui, Guangdong which comprises a site of 518 mu, of which 100 mu have commenced development inclusive of a martyr memorial cemetery as mentioned below, and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

During the year under review, local government has approved to establish a martyr memorial cemetery within Fortune Wealth Memorial Park for commemorating martyrs. Construction work of this martyr memorial cemetery commenced in July 2014 and was completed in early 2015. The Group believes that this martyr memorial cemetery can enhance customer awareness and improve sales in the long run.



In the sales aspect, the Group delegated more resources into the Guangzhou district, which was a major market for our cemetery business. The Group continued to strengthen its sales team by recruiting more salesmen and appointing new agencies for promoting the services of the cemetery. In order to expand our market presence and attract more customers, the Group has, during the year, set up two new sales offices in Guangzhou, making a total of four sales offices and the Group is planning to increase two more sales outlets in the Guangzhou district in the near future.

In the promotion aspect, the Group continued to allocate more resources in placing advertisements in newspapers or through funeral parlors. Our sales team continued to conduct regular visits to the home for the aged and to provide comprehensive caring and burial information and services to elderly so as to boost our publicity. All these efforts built up awareness among target customers and helped to boost cemetery sales and as a result, sales during the year under review increased by 31.6% over that of the last year.

In the development aspect, the Group has completed 8 graveyards (area M1 to M8) and a mausoleum which can accommodate niches on the 100 mu of land. There are 3,257 grave plots already built, of which 990 grave plots were sold at the balance sheet date, leaving 2,267 grave plots available for sales. The Group is in the process of constructing two new graveyards (area M9 and M10) which consisted of about 830 grave plots. These new graveyards are expected to be completed soon and the Group will launch these into the market once completed. In order to further

enhance the value of the cemetery, the Group plans to add two more graveyards (area M11 and M12) comprising about 1,350 grave plots. Layout plan of these new graveyards is in the process of being finalized and construction work will commence soon. Upon completion of the above development, there will be about 4,447 grave plots available for sale in the initial 100 mu of land with sales value of about RMB250 million based on current market prices.

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

(C) Information technology business

Since 2008, the Group has established a subsidiary, namely Midas Solution and Consulting Limited ("MSCL"), to provide information technology services to group companies on a cost sharing basis. MSCL has an experienced software development team with various information technology skills. Throughout these years, this team has successfully established and implemented an Enterprises Resources Planning System for the Group's printing operation. The team has also developed and maintained a management information system for the Group's cemetery operation. All these systems optimized the operating process and provided monitoring and controlling functions within the Group. Furthermore, MSCL has in the past years developed various Apps and a real time bidding system for an online auction company.

In view of experiences gained through the above developments and the substantial growth potential in the information technology business, the Group will in future delegate more resources to strengthen the information technology team and explore investment opportunities (including the formation of strategic partnership) in the e-publishing, e-commerce and e-auction businesses.

Prospects

The operating environment for the printing industry is challenging in the coming years. Moving forward, the Group is adopting a prudent approach in its resources allocation so as to enhance its competitive advantage. Furthermore, the Group will actively expand into the original design manufacturing business and explore other means to better utilize the Group's manufacturing network and resources. At the same time, the Group will be carefully monitoring the printing market and act swiftly and forcefully as and when opportunities arise.

As the majority of customers of the cemetery are from cities located nearby the cemetery in the Pearl River Delta, improvements in infrastructure in these areas are important to the development of the cemetery. In this respect, the Group noted that there are a number of major infrastructural development projects in progress within these areas and these projects are expected to be completed in the coming years. The Group is confident that, with the completion of these infrastructural development projects coupled with our continuous effort in sales and marketing, the return from the cemetery business should be promising in the long run.

In order to diversify the income base of the Group and to restore the Group into profitability soonest possible, in addition to looking into new business opportunities in the information technology business as stated above, the Group will review the development strategies of the printing and property businesses and such development strategies will include, inter alia, enticement of new investor, formation of strategic partnership, or disposing part or whole of the printing or property business to realize their intrinsic values.

Financial position

As at 31st March, 2015, cash and bank balances (including pledged bank balances) of the Group amounted to HK$114.4 million (2014: HK$85.8 million) whereas bank borrowings as at the same date amounted to HK$55.5 million (2014: HK$68.7 million). The debt to equity ratio (calculated as a percentage of bank borrowings over net asset value attributable to equity holders of the Group) amounted to 10.0% (2014: 14.8%). Most of the Group's cash, bank balances and bank borrowings were denominated in Hong Kong dollars and Renminbi. Interest on bank borrowings was charged at variable commercial rates prevailing in Hong Kong and the PRC.

In August 2014, the Group repaid the entire outstanding principal amount of the convertible notes of the Company amounted to HK$113.0 million.

In November 2014, the Company raised HK$107.4 million, after expenses, by way of the rights issue of 1,103,604,139 rights shares at the subscription price of HK$0.1 per rights share on the basis of one rights share for two ordinary shares. The net proceeds was used to acquire additional paper stock for future orders, to early repay part of the current suppliers' payables upon successful negotiation for discount and to reduce the bank borrowings of the Group.

In April 2015, the Group entered into an agreement to dispose of the factory premises at Changan, Dongguan for RMB101.6 million (equivalent to approximately HK$127.0 million). Upon completion of the disposal, the financial position of the Group will be further strengthened. Furthermore, as part of the Group's treasury operation, the Group may invest its surplus cash in bond market so as to enhance the investment return and to generate additional source of revenue to the Group.

Net asset value attributable to equity holders of the Company as at 31st March, 2015 amounted to HK$556.0 million, equivalent to about HK$0.168 (2014: HK$0.211) per share.

Staff

As at 31st March, 2015, the Group, including its subcontracting processing plants, employed approximately 1,259 staff and workers, with their remuneration normally reviewed annually. The Group also provides its staff with other benefits including year-end double-pay, discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

Appreciation

On behalf of the Board, I would like to express my heartfelt thanks to all management and staff for their dedicated contribution. With the support of my colleagues, I am confident that we can look ahead and continue to maximize our resources to bring the greatest reward to our shareholders.

Richard Hung Ting Ho
Chairman and Managing Director

Hong Kong, 24th June, 2015

Corporate Governance Report

Introduction

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

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

Report on Corporate Governance Practices

(A) The Board

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

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

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

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

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

(i) Board composition

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

Name	Position
Mr. Richard Hung Ting Ho ("Mr. Richard Hung")	Chairman and Managing Director
Mr. Geoffrey Chuang Ka Kam ("Mr. Geoffrey Chuang")*	Deputy Managing Director
Miss Candy Chuang Ka Wai ("Miss Candy Chuang")*	Executive Director
Mr. Wong Chi Sing (appointed on 1st December, 2014)	Executive Director
Mr. Dominic Lai	Non-Executive Director
Mr. Abraham Shek Lai Him ("Mr. Abraham Shek")	Independent Non-Executive Director
Dr. Eddy Li Sau Hung ("Dr. Eddy Li")	Independent Non-Executive Director
Mr. Yau Chi Ming	Independent Non-Executive Director

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

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

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

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

(iii) Nomination Committee

A Nomination Committee was established by the Company with clear terms of reference to review the composition of the Board. The Nomination Committee of the Company shall review the Board Diversity Policy annually and recommend any proposed changes to the Board for approval. The Nomination Committee currently comprises two Independent Non-Executive Directors, Mr. Abraham Shek and Dr. Eddy Li and a Non-Executive Director, Mr. Dominic Lai. The committee met twice during the year to review the structure, size and composition of the Board and to assess the independence of each Independent Non-Executive Director.

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Abraham Shek *(note)*	2/2
Dr. Eddy Li	2/2
Mr. Dominic Lai	2/2

note: Chairman of the Nomination Committee

(iv) Board meetings

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

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

Name	Position	No. of meetings attended/held
Mr. Richard Hung	Chairman and Managing Director	4/4
Mr. Geoffrey Chuang	Deputy Managing Director	4/4
Miss Candy Chuang	Executive Director	4/4
Mr. Wong Chi Sing (appointed on 1st December, 2014)	Executive Director	1/4
Mr. Dominic Lai	Non-Executive Director	4/4
Mr. Abraham Shek	Independent Non-Executive Director	4/4
Dr. Eddy Li	Independent Non-Executive Director	4/4
Mr. Yau Chi Ming	Independent Non-Executive Director	4/4

(v) Chairman and Chief Executive Officer

As Mr. Richard Hung took up both roles as the Chairman and the Chief Executive Officer, being the Chairman and the Managing Director of the Company, the roles of the Chairman and the Chief Executive Officer are not separated pursuant to code provision A.2.1 of the CG Code. The Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently.

(vi) Responsibilities of Directors

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

(vii) Directors' dealings in securities

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

(viii) Independence of Independent Non-Executive Directors

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

(ix) Directors' Training

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

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

Name	Reading regulatory updates relating to the director's duties and responsibilities or information relevant to the Group or its business	Reading newspapers, journals and updates relating to the economy, environment and social issues or the director's duties and responsibilities	Attending in-house seminar(s) or seminar(s) organized by external professional institution(s) or attending conference(s) relevant to the director's duties and responsibilities
Mr. Richard Hung	✓	✓	✓
Mr. Geoffrey Chuang	✓	✓	✓
Miss Candy Chuang	✓	✓	✓
Mr. Wong Chi Sing	✓	✓	✓
Mr. Dominic Lai	✓	✓	✓
Mr. Abraham Shek	✓	✓	✓
Dr. Eddy Li	✓	✓	✓
Mr. Yau Chi Ming	✓	✓	✓

(B) Remuneration of Directors and senior management

(i) Remuneration policy of Executive Directors and senior management

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

(ii) Fees paid to Non-Executive Directors

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

(iii) Remuneration Committee

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

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

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Mr. Yau Chi Ming *(note)*	1/1
Mr. Abraham Shek	1/1
Mr. Dominic Lai	1/1

note: Chairman of the Remuneration Committee

(C) Accountability and audit

(i) Financial reporting

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

The reporting responsibility of the Company's auditor on the consolidated financial statements of the Group is set out in the "Independent Auditor's Report" on pages 45 to 46 of this annual report.

(ii) Internal control

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

In this respect, the Group has adopted internal control procedures relating to financial, operational, compliance and risk management. The objectives are to provide reasonable assurance that assets are safeguarded against unauthorized use or disposition, transactions are executed in accordance with the management's authorization, the accounting records are reliable for preparing financial information within the business and for publication and risk is being identified and managed in an effective manner.

Qualified personnel throughout the Group maintains and monitors these internal control procedures on an ongoing basis. Upon the review of the effectiveness of the internal control system of the Group during the year and based on the assessment made by senior management of the Group, the Board, in conjunction with the Audit Committee, is satisfied that the existing internal control procedures of the Group are adequate for its present requirement.

(iii) Audit Committee

An Audit Committee was established by the Company with clear terms of reference to review and supervise the Group's financial reporting process and its internal controls, and review the relationship with the auditor. The Audit Committee held three meetings during the year under review in accordance with the relevant requirements, and reviewed with the Directors and the auditor the accounting principles and practices adopted by the Group, the internal controls and financial reporting process and the Group's consolidated financial statements for the year ended 31st March, 2015. The current members of the Audit Committee are three Independent Non-Executive Directors, Mr. Abraham Shek, Dr. Eddy Li and Mr. Yau Chi Ming and a Non-Executive Director, Mr. Dominic Lai.

The attendance record of each committee member is as follows:

Name	**No. of meetings attended/held**
Mr. Abraham Shek *(note)*	3/3
Dr. Eddy Li	3/3
Mr. Yau Chi Ming	3/3
Mr. Dominic Lai	3/3

note: Chairman of the Audit Committee

(iv) Auditor's remuneration

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

Services rendered	HK$'000
Audit and audit related services	**1,450**
Non-audit services	**1,318**
	2,768

(D) Delegation by the Board

(i) Board committees

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

(ii) Management function

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

(E) Corporate Governance

The Board delegated the corporate governance functions to the CG Committee which was established with clear terms of reference and is responsible for developing and reviewing the Company's policies and practices on corporate governance. The CG Committee is also delegated the responsibility to review any potential inside information of the Group and to make recommendation to the Board for any disclosure requirement or actions required. The CG Committee comprises three Executive Directors, Mr. Richard Hung, Mr. Geoffrey Chuang and Miss Candy Chuang.

The committee met twice during the year to review the corporate governance matters of the Company to ensure that the Company had complied with the principles and applicable code provisions of the CG Code.

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Richard Hung *(note)*	2/2
Mr. Geoffrey Chuang	2/2
Miss Candy Chuang	2/2

note: Chairman of the CG Committee

(F) Communication with shareholders

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

(i) Annual general meeting

The Board regards annual general meeting as the principal opportunity to meet shareholders of the Company. With the exception of Miss Candy Chuang and Mr. Abraham Shek who did not attend the 2014 annual general meeting of the Company held on 25th August, 2014 (the "2014 AGM") due to other commitments, all Directors (including the Chairman of the Board and members of the respective Board Committees) attended the 2014 AGM to answer questions raised by shareholders.

The attendance record of each Director in the 2014 AGM is as follows:

Name	Position	Attendance
Mr. Richard Hung	Chairman and Managing Director	Yes
Mr. Geoffrey Chuang	Deputy Managing Director	Yes
Miss Candy Chuang	Executive Director	No
Mr. Wong Chi Sing (appointed on 1st December, 2014)	Executive Director	N/A
Mr. Dominic Lai	Non-Executive Director	Yes
Mr. Abraham Shek	Independent Non-Executive Director	No
Dr. Eddy Li	Independent Non-Executive Director	Yes
Mr. Yau Chi Ming	Independent Non-Executive Director	Yes

(ii) Significant issues

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

(iii) Voting by poll

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

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

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

(v) Shareholders' enquiries

Shareholders of the Company may direct their questions about their shareholdings to the Company's share registrar and all other questions to the Board. Details have been published in the website of the Company.

(G) Shareholders' rights

(i) Convening an extraordinary general meeting

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

(ii) Enquiries to the Board

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

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

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

(iii) Putting forward proposals at shareholders' meetings

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

◦ Pursuant to Article 120 of the Articles of Association of the Company, a shareholder or shareholders (not being the person to be proposed) who holds or collectively hold not less than 5% in nominal value of the issued shares of any class of the Company may propose a person for election as a Director at any general meeting of the Company by giving a notice in writing to the secretary of the Company:

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

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

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

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

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

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

- ◦ Any such shareholder(s) shall be one(s) that is/are entitled to attend and vote at the meeting for which such notice is given.

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

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

(H) Amendments to constitutional documents of the Company

No amendments had been made to the constitutional documents of the Company during the year ended 31st March, 2015.

Conclusion

Except as mentioned above, the Company has complied with the code provisions of the CG Code for the year ended 31st March, 2015.

On behalf of the Board of
Midas International Holdings Limited

Richard Hung Ting Ho
Chairman and Managing Director

Hong Kong, 24th June, 2015

Directors' Report

The board of Directors (the "Board") presents the annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively as the "Group") for the year ended 31st March, 2015.

Principal Activities

The Company is an investment holding company. The principal activities and other details of the principal subsidiaries are set out in note 37 to the consolidated financial statements.

Results and Appropriations

The results of the Group and appropriations of the Company for the year ended 31st March, 2015 are set out in the consolidated statement of comprehensive income on page 47 and in the accompanying notes to the consolidated financial statements.

In view of the loss incurred by the Group during the year, the Board has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2015. No interim dividend was paid during the year.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 104.

Major Suppliers and Customers

The aggregate purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for approximately 12% and 36% of the total purchases of the Group for the year respectively.

The aggregate turnover attributable to the largest customer and the five largest customers of the Group accounted for approximately 13% and 36% of the total turnover of the Group for the year respectively.

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

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

Share Capital

Details of the share capital of the Company are set out in note 29 to the consolidated financial statements.

Proposed Increase in Authorized Share Capital of the Company

As at the date of this report, the current authorized share capital of Company is HK$420,000,000 comprising 4,000,000,000 ordinary shares of HK$0.10 each (the "Share(s)") and 2,000,000,000 preference shares of HK$0.01 each and 3,310,812,417 Shares had been issued. In order to provide the Company with greater flexibility to accommodate future issues of Shares, as and when necessary, the Board proposes the authorized share capital of the Company be increased to HK$820,000,000 comprising 8,000,000,000 Shares and 2,000,000,000 preference shares of HK$0.01 each by the creation of 4,000,000,000 additional Shares. The proposed increase in authorized share capital of the Company is subject to shareholders' approval at the coming annual general meeting of the Company.

Reserves

Share premium, other reserve and contributed surplus of the Company are available for distribution to ordinary shareholders (after deduction of the accumulated losses) provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. Accordingly, the Company's reserves available for distribution to shareholders at 31st March, 2015 amounted to approximately HK$270,133,000.

Detail of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 53.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Directors

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

Executive Directors:
Mr. Richard Hung Ting Ho *(Chairman and Managing Director)*
Mr. Geoffrey Chuang Ka Kam *(Deputy Managing Director)*
Miss Candy Chuang Ka Wai
Mr. Wong Chi Sing (appointed on 1st December, 2014)

Non-Executive Director:
Mr. Dominic Lai

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

In accordance with Article 116 of the Company's Articles of Association and Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Mr. Richard Hung Ting Ho, Mr. Geoffrey Chuang Ka Kam and Mr. Abraham Shek Lai Him will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

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

Directors' Service Contracts

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

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

As at 31st March, 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and the chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

Interests in the Company

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

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

Name of Director	Number of ordinary shares held	Capacity	Nature of interest	Approximate % of shareholding
Miss Candy Chuang Ka Wai ("Miss Candy Chuang")	1,177,375	Beneficial owner	Personal interest	0.07%

Other than as disclosed herein, as at 31st March, 2015, none of the Directors and the chief executive of the Company had any interest or short position in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

Arrangements to Purchase Shares or Debentures

Other than the rights issue detailed in note 29 to the consolidated financial statements, the share option scheme adopted by the Company as disclosed in the section headed "Share Option Scheme of the Company" below, and the share option schemes adopted by Chuang's Consortium International Limited ("CCIL") and Chuang's China, at no time during the year was the Company, any of its holding companies or its subsidiaries and 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 contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Substantial Shareholders

So far as is known to the Directors or chief executive of the Company and save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 31st March, 2015, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of shareholder	Number of ordinary shares of the Company held		Capacity
Gold Throne Finance Limited ("Gold Throne")	2,011,573,887	(note 1)	Beneficial owner
CCIL	2,011,573,887	(note 1)	(note 2)
Evergain Holdings Limited ("Evergain")	2,011,573,887	(note 1)	(note 2)
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	2,011,573,887	(note 1)	(note 2)
Mrs. Chong Ho Pik Yu	2,011,573,887	(note 1)	(note 3)

notes:

1. Such interests represented 60.76% of the issued ordinary share capital owned by Gold Throne. Gold Throne is a wholly-owned subsidiary of CCIL.

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

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

Substantial Shareholders (Continued)

Save as disclosed above, as at 31st March, 2015, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

Controlling Shareholder's Interests in Contracts

Save as the irrevocable undertaking dated 2nd September, 2014 from Gold Throne (a wholly-owned subsidiary of CCIL) to the Company in relation to the rights issue of the Company (details of which are set out in the circular of the Company dated 14th October, 2014 and note 29 to the consolidated financial statements), and the transaction as disclosed in the section headed "Connected Transaction" below, there was no other contract of significance between the Company or any of its subsidiaries and the controlling shareholder or any of its subsidiaries at the reporting date or at any time during the year and up to the date of this report.

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

A summary of the Scheme is set out as follows:

1.	Purpose:	To give incentive to Directors, employees or business consultants of the Group and any other party as approved under the Scheme
2.	Participants:	Including, inter alia, Directors, employees or business consultants of the Group
3.	Total number of shares available for issue under the Scheme and percentage of the issued share capital that it represents as at the date of this report:	220,720,827 shares are available for issue under the Scheme, representing approximately 6.67% of the issued share capital as at the date of this report
4.	Maximum entitlement of each participant:	1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme

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

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

5.	Period within which the shares must be taken up under an option:	Not applicable. No share option has been granted since the date of adoption of the Scheme on 29th August, 2012
6.	Amount payable on acceptance of an option and the period within which payments shall be made:	HK$1.00 payable to the Company upon acceptance of option which should be taken up within 28 days from the date of offer for option (the "Offer Date") (which must be a trading day)
7.	The basis of determining the exercise price:	No less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of the Company
8.	The remaining life of the Scheme:	Valid until 28th August, 2022 unless otherwise terminated under the terms of the Scheme

Pre-Emptive Rights

There 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.

Disclosure under Rule 13.21 of the Listing Rules

1. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for various term loans and trade related facilities up to HK$92 million. Pursuant to the terms of the facility letter, CCIL is required to beneficially own no less than 38% of the issued share capital of the Company at all times during the subsistence of the banking facilities. As at 31st March, 2015, the balance outstanding was approximately HK$4 million. The banking facilities are subject to annual review.

2. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for various trade related facilities up to HK$20 million. Pursuant to the terms of the facility letter, CCIL is required to maintain its shareholding in the Company for no less than 35% of the issued share capital of the Company at all times during the subsistence of the banking facilities. As at 31st March, 2015, no balance was outstanding. The banking facilities are subject to annual review.

3. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for a term loan, an overdraft facility and trade related facilities up to HK$54 million. Pursuant to the terms of the facility letter, CCIL is required to remain as the single largest shareholder of the Company at all times during the subsistence of the banking facilities. As at 31st March, 2015, the balance outstanding was approximately HK$8 million. The banking facilities are subject to annual review.

Connected Transaction

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

On 21st April, 2015, the Company and its wholly-owned subsidiary entered into a sale and purchase agreement with Chuang's China (a listed subsidiary of CCIL) and its wholly-owned subsidiary to sell the entire registered capital of a wholly-owned subsidiary of the Group in the People's Republic of China (the "PRC") (the major assets are the land and property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK$127.0 million) (subject to adjustment). The transaction was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 29th May, 2015. The consideration will be settled in full in cash at completion, which will be on the seventh business day after the last outstanding conditions precedent of the transaction is fulfilled and a net gain is expected to be realized by the Group. Details of the transaction were set out in the announcement and the circular of the Company dated 21st April, 2015 and 13th May, 2015 respectively.

Sufficiency of Public Float

The Company has maintained a sufficient public float of the Company's securities as required under the Listing Rules throughout the year ended 31st March, 2015 and up to the date of this report.

Auditor

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

On behalf of the Board of
Midas International Holdings Limited

Richard Hung Ting Ho
Chairman and Managing Director

Hong Kong, 24th June, 2015

Financial Information

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羅兵咸永道

TO THE SHAREHOLDERS OF
MIDAS INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Midas International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 47 to 103, which comprise the consolidated and company statements of financial position as at 31st March, 2015, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32), 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
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Auditor's Responsibility (Continued)

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2015, and of the Group's loss 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 predecessor Hong Kong Companies Ordinance (Cap. 32).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24th June, 2015

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Revenues	5	**274,582**	309,846
Cost of sales		**(231,627)**	(242,218)
Gross profit		**42,955**	67,628
Other income and net gain	7	**55,040**	6,715
Selling and marketing expenses		**(25,240)**	(24,426)
Administrative and other operating expenses		**(81,889)**	(82,310)
Operating loss	8	**(9,134)**	(32,393)
Finance costs	9	**(6,395)**	(11,180)
Loss before taxation		**(15,529)**	(43,573)
Taxation (charge)/credit	10	**(1,676)**	439
Loss for the year		**(17,205)**	(43,134)
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss			
Net exchange differences		**364**	(370)
Realization of exchange reserve upon disposal of subsidiaries	31	**(180)**	–
Total comprehensive loss for the year		**(17,021)**	(43,504)
Loss for the year attributable to:			
Equity holders of the Company	11	**(16,649)**	(42,521)
Non-controlling interests		**(556)**	(613)
		(17,205)	(43,134)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(16,522)**	(42,835)
Non-controlling interests		**(499)**	(669)
Total comprehensive loss for the year		**(17,021)**	(43,504)
		HK cent	HK cents (restated)
Loss per share (basic and diluted)	14	**(0.6)**	(1.7)

The notes on pages 54 to 103 are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Prepaid lease payments	15	**8,816**	9,448
Property, plant and equipment	16	**66,102**	80,854
Cemetery assets	17	**517,102**	513,710
		592,020	604,012
Current assets			
Inventories	19	**46,720**	44,809
Cemetery assets	17	**82,137**	83,001
Accounts receivable	20	**67,368**	72,662
Deposits, prepayments and other receivables		**12,183**	12,374
Pledged bank balances	21	**15,000**	25,000
Cash and bank balances	21	**99,442**	60,823
		322,850	298,669
Assets of disposal group classified as held for sale	22	**–**	48,354
		322,850	347,023
Current liabilities			
Accounts payable	23	**46,256**	46,973
Accrued charges and other payables	23	**36,622**	42,176
Amount due to a non-controlling shareholder	24	**1,366**	1,366
Tax payable		**9,443**	7,340
Bank borrowings	26	**55,546**	44,995
Convertible notes	27	**–**	109,176
		149,233	252,026
Net current assets		**173,617**	94,997
Total assets less current liabilities		**765,637**	699,009

	Note	2015 HK$'000	2014 HK$'000
Equity			
Share capital	29	**331,081**	220,721
Reserves	30	**224,930**	244,362
Shareholders' funds		**556,011**	465,083
Non-controlling interests		**68,847**	69,346
Total equity		**624,858**	534,429
Non-current liabilities			
Bank borrowings	26	**–**	23,750
Deferred income	25	**2,391**	1,791
Deferred taxation liabilities	28	**138,388**	139,039
		140,779	164,580
		765,637	699,009

Geoffrey Chuang Ka Kam
Director

Richard Hung Ting Ho
Director

The notes on pages 54 to 103 are an integral part of the consolidated financial statements.

Statement of Financial Position

As at 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current asset			
Interest in a subsidiary	18	**502,611**	535,664
Current assets			
Other receivables		**338**	286
Pledged bank balances	21	**15,000**	25,000
Cash and bank balances	21	**84,070**	48,695
		99,408	73,981
Current liabilities			
Other payables	23	**805**	645
Convertible notes	27	**–**	109,176
		805	109,821
Net current assets/(liabilities)		**98,603**	(35,840)
Net assets		**601,214**	499,824
Equity			
Share capital	29	**331,081**	220,721
Reserves	30	**270,133**	279,103
		601,214	499,824

Geoffrey Chuang Ka Kam
Director

Richard Hung Ting Ho
Director

The notes on pages 54 to 103 are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Cash flows from operating activities			
Operating loss		**(9,134)**	(32,393)
Adjustments for:			
Depreciation of property, plant and equipment		**19,226**	22,130
Amortization of prepaid lease payments		**302**	1,475
Provision for impairment of accounts receivable		**1,763**	1,415
Provision for impairment of inventories		**2,855**	1,019
Reversal of provision for impairment of accounts receivable		**(523)**	(919)
Gain on disposal of property, plant and equipment		**(11,231)**	–
Loss on disposal of prepaid lease payment		**333**	–
Gain on disposal of subsidiaries		**(29,368)**	–
Write-back of provision for expenses undertaking		**(10,224)**	–
Interest income		**(583)**	(232)
Operating loss before working capital changes		**(36,584)**	(7,505)
(Increase)/decrease in inventories		**(4,766)**	1,076
Decrease/(increase) in cemetery assets		**878**	(192)
Decrease/(increase) in accounts receivable		**3,778**	(3,313)
Decrease in deposits, prepayments and other receivables		**174**	464
(Decrease)/increase in accounts payable		**(717)**	2,770
Increase in accrued charges and other payables		**4,662**	1,424
Increase in deferred income		**599**	282
Cash used in operations		**(31,976)**	(4,994)
Income tax paid		**(357)**	(346)
Interest paid		**(5,273)**	(5,530)
Net cash used in operating activities		**(37,606)**	(10,870)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(5,462)**	(10,236)
Proceeds from disposal of property, plant and equipment		**12,242**	–
Decrease/(increase) in pledged bank balances		**10,000**	(25,000)
Interest income received		**560**	242
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	31	**69,304**	–
Net cash generated from/(used in) investing activities		**86,644**	(34,994)

Consolidated Statement of Cash Flows (Continued)

For the year ended 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Cash flows from financing activities			
New bank borrowings		**157,903**	154,792
Repayment of bank borrowings		**(170,868)**	(157,211)
Redemption of convertible notes		**(113,000)**	–
Proceeds from issuance of ordinary shares		**110,360**	–
Payment for share issuance costs		**(2,910)**	–
Net cash used in financing activities		**(18,515)**	(2,419)
Net increase/(decrease) in cash and cash equivalents		**30,523**	(48,283)
Cash and cash equivalents at the beginning of the year		**68,917**	117,252
Exchange difference on cash and cash equivalents		**2**	(52)
Cash and cash equivalents at the end of the year	21	**99,442**	68,917
Cash and bank balances included in assets of disposal group classified as held for sale	21	**–**	(8,094)
Cash and bank balances	21	**99,442**	60,823

The notes on pages 54 to 103 are an integral part of the consolidated financial statements.

	Attributable to equity holders of the Company									
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000 *(note i)*	Merger reserve HK$'000 *(note ii)*	Translation reserve HK$'000	Convertible notes equity reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1st April, 2013	220,721	293,692	4,000	24,000	63,781	43,532	(141,808)	507,918	70,015	577,933
Loss for the year	–	–	–	–	–	–	(42,521)	(42,521)	(613)	(43,134)
Other comprehensive income:										
Net exchange differences	–	–	–	–	(314)	–	–	(314)	(56)	(370)
Total comprehensive loss for the year	–	–	–	–	(314)	–	(42,521)	(42,835)	(669)	(43,504)
At 31st March, 2014	220,721	293,692	4,000	24,000	63,467	43,532	(184,329)	465,083	69,346	534,429
Loss for the year	–	–	–	–	–	–	(16,649)	(16,649)	(556)	(17,205)
Other comprehensive income:										
Net exchange differences	–	–	–	–	307	–	–	307	57	364
Realization of exchange reserve upon disposal of subsidiaries	–	–	–	–	(180)	–	–	(180)	–	(180)
Total comprehensive income/(loss) for the year	–	–	–	–	127	–	(16,649)	(16,522)	(499)	(17,021)
Issue of shares	110,360	(2,910)	–	–	–	–	–	107,450	–	107,450
Expiration of conversion rights of convertible notes	–	–	–	–	–	(43,532)	43,532	–	–	–
At 31st March, 2015	**331,081**	**290,782**	**4,000**	**24,000**	**63,594**	**–**	**(157,446)**	**556,011**	**68,847**	**624,858**

notes:

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

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

The notes on pages 54 to 103 are an integral part of the consolidated financial statements.

1. General information

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

As at 31st March, 2015, the Company was a 60.8% owned subsidiary of Gold Throne Finance Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The Directors regard CCIL as the ultimate holding company.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are manufacturing and trading of printed products, development and operation of cemetery and information technology business.

2. Summary of significant accounting policies

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

(a) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Effect of adopting amendments to standards and interpretation

For the financial year ended 31st March, 2015, the Group adopted the following amendments to standards and interpretation that are effective for the accounting periods beginning on or after 1st April, 2014 and relevant to the operations of the Group:

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC)-Int 21	Levies

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

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

New standards and amendments to standards that are not yet effective

The following new standards and amendments to standards have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st April, 2015, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative (effective from 1st January, 2016)
HKAS 16 (Amendment) and HKAS 38 (Amendment)	Property, Plant and Equipment and Intangible Assets — Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contributions (effective from 1st July, 2014)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements (effective from 1st January, 2016)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception (effective from 1st January, 2016)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2017)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2011–2013 Cycle (effective from 1st July, 2014)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2012–2014 Cycle (effective from 1st January, 2016)

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

In addition, the revised Rules Governing the Listing of Securities on the Stock Exchange on disclosure of financial information with reference to the new Hong Kong Companies Ordinance (Cap. 622) will come into operation as from the Group's first financial year ending on or after 31st March, 2016. The Group is in the process of making an assessment of expected impact of the changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

2. Summary of significant accounting policies (continued)

(b) Consolidation

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

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

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

(c) Subsidiaries

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

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

(i) Business Combinations

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

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

2. Summary of significant accounting policies (continued)

(c) Subsidiaries (continued)

(i) Business Combinations (continued)

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

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

Inter-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) Disposal of subsidiaries

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

(iii) Separate financial statements

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

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

2. Summary of significant accounting policies (continued)

(d) Changes in ownership interest without change of control

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

(e) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

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

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

(f) Property, plant and equipment

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

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

2. Summary of significant accounting policies (continued)

(f) Property, plant and equipment (continued)

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

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

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

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

(g) Prepaid lease payments

Prepaid lease payments represent non-refundable rental payments for lease of land. The up-front prepayments made for prepaid lease payments are amortized on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the consolidated statement of comprehensive income.

(h) Cemetery assets

Cost of cemetery assets comprises the prepaid lease payments, costs of development expenditures incurred for the grave plots and niches for cremation urns and borrowing costs incurred during the construction period. Cemetery assets are classified as current assets unless the construction period of the relevant grave plots or niches for cremation urns is expected to complete beyond the normal operating cycle.

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

(i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated on the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2. Summary of significant accounting policies (continued)

(j) Trade and other receivables

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

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

(k) Financial assets

The Group classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition according to the purpose for which the financial assets are acquired.

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

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

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

(l) Impairment of non-financial assets

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

2. Summary of significant accounting policies (continued)

(m) Accounts payable and accruals

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

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

(n) Provisions

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

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

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

(o) Share capital

Ordinary shares are classified as equity.

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

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

(p) Assets of disposal groups classified as held for sale

Assets of disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The assets of disposal groups are stated at the lower of carrying amount and fair value less costs to sell.

2. Summary of significant accounting policies (continued)

(q) Borrowings

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

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

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

(r) Convertible notes

Convertible note issued by the Company that contains both the liability and conversion option components is classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceed of the issue of the convertible note and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible note into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible note is carried at amortized cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the retained profits. No gain or loss is recognized in the statement of comprehensive income upon conversion or expiration of the option.

2. Summary of significant accounting policies (continued)

(r) Convertible notes (continued)

Transaction costs that relate to the issue of the convertible note are allocated to the liability and equity components in proportion to the allocation of the gross proceed. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortized over the period of the convertible note using the effective interest method.

The liability component (or part of the liability component) of the convertible note is derecognized when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

The liability component of the convertible note is classified as current liability unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(s) Current and deferred taxation

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

2. Summary of significant accounting policies (continued)

(s) Current and deferred taxation (continued)

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

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

(t) Operating leases

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

(u) Revenue and income recognition

Revenue is recognized when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities have been met. Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable for goods supplied, stated net of returns, rebates and discounts, allowances for credit and other revenue reducing factors.

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

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

Revenue from sale of cemetery assets, including grave plots, niches for cremation urns and tomb sets, is recognized when the Group has transferred to the customers the right to use the cemetery assets upon the execution of a binding agreement.

2. Summary of significant accounting policies (continued)

(u) Revenue and income recognition (continued)

Management fee income is recognized when services are rendered.

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

(v) Borrowing costs

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

(w) Employee benefits

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

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

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

(x) Cash and cash equivalents

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

(y) Translation of foreign currencies

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

2. Summary of significant accounting policies (continued)

(y) Translation of foreign currencies (continued)

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

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

(i) assets and liabilities for each statement of financial position presented are translated at the rate of exchange ruling at the reporting date;

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

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

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

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

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

(z) Segment reporting

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

2. Summary of significant accounting policies (continued)

(aa) Dividend distribution

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

3. Financial risk management

(a) Financial risk factors

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

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

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset after deducting any impairment provision in the consolidated statement of financial position. The Group's exposure to credit risk arising from accounts receivable is set out in note 20.

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

The Group manages its deposits with banks and financial institutions by monitoring credit ratings and only places deposits with banks and financial institutions with no history of defaults. As at 31st March, 2015, the monies (including pledged bank balances and those in assets of disposal group classified as held for sale for 2014) placed with Hong Kong and the PRC banks and financial institutions amounted to approximately HK$109.1 million (2014: HK$81.3 million) and HK$4.5 million (2014: HK$12.0 million) respectively.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Credit risk (continued)

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

In respect of the other receivables, the Group monitors the recoverability of the balances closely and ensures that adequate impairment has been made for the estimated irrecoverable amounts.

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group has put in place a policy of obtaining long-term banking facilities to match its long-term investments in Hong Kong and the PRC. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. In addition, as at 31st March, 2015, the Group had standby banking facilities to provide contingency liquidity support which amounted to approximately HK$211.8 million (2014: HK$102.9 million). Details of the bank borrowings are disclosed in note 26.

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

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(ii) Liquidity risk (continued)

Group

	Within the first year HK$'000	Within the second year HK$'000	Total HK$'000
2015			
Accounts payable	**46,256**	**–**	**46,256**
Accrued charges and other payables	**36,622**	**–**	**36,622**
Amount due to a non-controlling shareholder	**1,366**	**–**	**1,366**
Bank borrowings	**57,945**	**–**	**57,945**
	142,189	**–**	**142,189**
2014			
Accounts payable	46,973	–	46,973
Accrued charges and other payables	42,176	–	42,176
Amount due to a non-controlling shareholder	1,366	–	1,366
Bank borrowings	47,511	25,397	72,908
Convertible notes	113,471	–	113,471
	251,497	25,397	276,894

Company

	Within the first year HK$'000	Total HK$'000
2015		
Other payables	**805**	**805**
Financial guarantees (note 33)	**14,706**	**14,706**
2014		
Other payables	645	645
Convertible notes	113,471	113,471
	114,116	114,116
Financial guarantees (note 33)	29,194	29,194

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(iii) Cash flow and fair value interest rate risk

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

The Company does not have significant interest rate risk. The interest rate risk of the Group mainly arises from interest-bearing bank deposits, bank borrowings and convertible notes. Bank deposits and bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. Convertible notes issued at fixed rates exposed the Group to fair value interest rate risk. The Group currently does not have any interest rate hedging policy in relation to interest rate risks. The Directors monitor the Group's exposure on an ongoing basis and will consider hedging interest rate risks should the need arise.

As at 31st March, 2015, if interest rates had been 1% (2014: 1%) higher/lower with all other variables held constant, the loss before taxation of the Group would have decreased/increased by approximately HK$355,000 (2014: HK$33,000).

(iv) Foreign exchange risk

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

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

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(iv) Foreign exchange risk (continued)

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

	2015	2014
	HK$'000	HK$'000
USD	**41,902**	51,090
EUR	**2,101**	3,970
RMB	**13,060**	3,294
GBP	**63**	610
NZD	**264**	592
AUD	**304**	103

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

	Increase/(decrease) in loss before taxation	
	2015	2014
	HK$'000	HK$'000
USD	**417**	427
EUR	**210**	331
RMB	**(3,978)**	(2,593)
AUD	**30**	10
GBP	**3**	25
NZD	**26**	49

3. Financial risk management (continued)

(b) Capital risk management

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

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

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as a percentage of bank borrowings over net asset value attributable to equity holders of the Company. Bank borrowings are calculated as total bank borrowings (including short-term and long-term bank borrowings as shown in the consolidated statement of financial position). Net asset value attributable to equity holders of the Company represents shareholders' funds as shown in the consolidated statement of financial position. As at 31st March, 2015, the debt to equity ratio is 10.0% (2014: 14.8%).

(c) Fair value estimation

The disclosure of fair value measurements of financial instruments carried at fair value by level in the following fair value measurement hierarchy:

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

The Group and the Company had no level 3 financial instruments as at 31st March, 2015 and 2014, and there was no transfer of financial instruments between level 1 and level 2 for the years ended 31st March, 2015 and 2014.

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

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

The financial assets and liabilities of the Group and the Company are classified as loans and receivables and financial liabilities at amortized cost respectively as at 31st March, 2015 and 2014.

4. Critical accounting estimates and judgments

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

(a) Impairment of the Group's printing business

The management conducted an impairment review of the cash generating unit of the Group's printing business and determined the recoverable amount of the printing business based on value in use model. This calculation takes into account the cash flow projections during the estimated useful lives of the property, plant and equipment and their projected disposal values at end of their estimated useful lives. The cash flow projections are based on the detailed financial budgets approved by the management covering a 5-year period with a discount rate of 13% and annual growth rate of 5% and by extrapolating the cash flow projections based on these financial budgets using a steady growth rate of 5% for year 6 to year 13. Estimates and judgments are applied in determining the growth rate, the discount rate and the disposal values of the property, plant and equipment. Management estimates the growth rate and the discount rate based on certain assumptions, such as sales growth, unit price, production cost and production capacity. This evaluation is also subject to changes in factors such as industry performance and changes in technology. The management determined that there was no impairment of the Group's printing business as at 31st March, 2015.

(b) Impairment of the Group's cemetery business

The Group assessed the estimated recoverable amount of the cash generating unit of the Group's cemetery business. The estimated recoverable amount is based on the valuation report from an independent valuer, in which the report is prepared according to the cash flow projections from the management.

The detailed financial budget for the cash flow projections approved by the management was prepared for a 10-year period with a discount rate of 15.9% and annual growth rates for various types of products ranging from 21% to 58% and by extrapolating the cash flow projections based on the financial budget using steady unit growth rates ranging from 30% to 40% for various types of products which would be available for sale by phases with a steady price increment over another 26-year period. Estimates and judgments are applied in determining the growth rate and the discount rate. Management estimates the growth rate and the discount rate based on certain assumptions, such as sales growth, unit price, development plan and development cost. This evaluation is also subject to changes in factors such as government regulations, demographic growth rate and death rate. The management determined that there was no impairment of the Group's cemetery business as at 31st March, 2015.

4. Critical accounting estimates and judgments (continued)

(c) Impairment of inventories of printing business

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

(d) Impairment of receivables

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

(e) Income taxes and deferred taxes

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

(f) Capitalization of borrowing costs

Borrowing costs directly attributable to the construction of cemetery assets are capitalized from the date that expenditure is incurred and development activities on the qualifying asset commence. As part of this assessment, judgment is required in determining the unit of account in circumstances where development will be performed in phases. Management assesses the date from which capitalization of borrowing costs should commence on a project-by-project basis.

5. Revenues

Revenues (representing turnover) recognized during the year are as follows:

	2015 **HK$'000**	2014 HK$'000
Sales of printed products	**262,110**	300,359
Sales of cemetery assets	**12,472**	9,487
	274,582	309,846

6. Segment information

(a) Segment information by business lines

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

The CODM considers the business from a business perspective, including printing, cemetery and others (including information technology business). The CODM assesses the performance of the operating segments based on a measure of segment result.

The segment information by business lines is as follows:

	Printing HK$'000	Cemetery HK$'000	Others and corporate HK$'000	Total HK$'000
2015				
Revenues	262,110	12,472	–	274,582
Other income and net gain	44,064	10,393	583	55,040
Operating (loss)/profit	(10,498)	6,680	(5,316)	(9,134)
Finance (costs)/income	(4,146)	21	(2,270)	(6,395)
(Loss)/profit before taxation	(14,644)	6,701	(7,586)	(15,529)
Taxation (charge)/credit	(6,012)	4,336	–	(1,676)
(Loss)/profit for the year	(20,656)	11,037	(7,586)	(17,205)
As at 31st March, 2015				
Total assets	181,597	618,831	114,442	914,870
Total liabilities	87,187	147,279	55,546	290,012
2015				
Other segment items are as follows:				
Capital expenditure	5,153	5,490	–	10,643
Gain on disposal of subsidiaries	29,368	–	–	29,368
Write-back of provision for expenses undertaking	–	10,224	–	10,224
Depreciation	18,582	644	–	19,226
Amortization of prepaid lease payments	228	74	–	302
Provision for impairment of accounts receivable	697	1,066	–	1,763
Reversal of provision for impairment of accounts receivable	523	–	–	523
Provision for impairment of inventories	2,855	–	–	2,855

6. Segment information (continued)

(a) Segment information by business lines (continued)

	Printing HK$'000	Cemetery HK$'000	Others and corporate HK$'000	Total HK$'000
2014				
Revenues	300,359	9,487	–	309,846
Other income and net gain	6,419	64	232	6,715
Operating loss	(24,231)	(3,635)	(4,527)	(32,393)
Finance costs	(4,384)	(369)	(6,427)	(11,180)
Loss before taxation	(28,615)	(4,004)	(10,954)	(43,573)
Taxation (charge)/credit	(186)	625	–	439
Loss for the year	(28,801)	(3,379)	(10,954)	(43,134)
As at 31st March, 2014				
Total assets	248,211	617,001	85,823	951,035
Total liabilities	78,395	160,290	177,921	416,606
2014				
Other segment items are as follows:				
Capital expenditure	10,229	10,299	–	20,528
Depreciation	21,443	687	–	22,130
Amortization of prepaid lease payments	1,401	74	–	1,475
Provision for impairment of accounts receivable	596	819	–	1,415
Reversal of provision for impairment of accounts receivable	919	–	–	919
Provision for impairment of inventories	1,019	–	–	1,019

6. Segment information (continued)

(b) Geographical segment information

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

	Revenues		Capital expenditure	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**19,787**	16,014	**580**	309
The PRC	**14,263**	11,083	**10,063**	20,219
United States of America	**92,600**	110,087	**–**	–
United Kingdom	**50,030**	62,859	**–**	–
Germany	**41,314**	39,758	**–**	–
France	**25,946**	29,537	**–**	–
Other countries	**30,642**	40,508	**–**	–
	274,582	309,846	**10,643**	20,528

	Non-current assets		Total assets	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**1,301**	1,281	**171,429**	148,811
The PRC	**590,719**	602,731	**743,441**	802,224
	592,020	604,012	**914,870**	951,035

7. Other income and net gain

	2015 HK$'000	2014 HK$'000
Interest income from bank deposits	**583**	232
Sales of scraped materials	**3,237**	5,325
Reversal of provision for impairment of accounts receivable	**523**	919
Gain on disposal of property, plant and equipment	**11,231**	–
Loss on disposal of prepaid lease payment	**(333)**	–
Gain on disposal of subsidiaries (notes 22 and 31)	**29,368**	–
Net exchange (loss)/gain	**(2,129)**	213
Write-back of provision for expenses undertaking (note)	**10,224**	–
Sundries	**2,336**	26
	55,040	6,715

Note: The write-back of provision for expenses undertaking was related to the disposal of certain subsidiaries by the Group in September 2007 as the respective undertaking expired in September 2014.

8. Operating loss

	2015 HK$'000	2014 HK$'000
Operating loss is stated after charging:		
Staff costs, including Directors' emoluments		
Wages and salaries	**99,288**	97,991
Retirement benefit costs (note 34)	**1,265**	1,460
Total staff costs	**100,553**	99,451
Less: Amount capitalized and included in cost of inventories sold for printing business	**(57,701)**	(59,429)
Less: Amount included in cost of sales for cemetery business	**(521)**	(765)
Staff costs included in selling and marketing expenses and administrative and other operating expenses	**42,331**	39,257
Auditors' remuneration		
Audit and audit related services	**1,450**	1,390
Non-audit services (excluded amount of HK$556,000 charged to share premium)	**762**	450
Cost of inventories sold		
Printing business	**151,198**	161,525
Cemetery business	**4,340**	3,210
	155,538	164,735
Depreciation	**19,226**	22,130
Less: Amount capitalized and included in cost of inventories sold for printing business	**(14,938)**	(16,197)
Depreciation included in selling and marketing expenses and administrative and other operating expenses	**4,288**	5,933
Provision for impairment of inventories (included in cost of sales)	**2,855**	1,019
Provision for impairment of accounts receivable	**1,763**	1,415
Amortization of prepaid lease payments	**302**	1,475
Operating leases rental	**3,140**	2,799

9. Finance costs

	2015 HK$'000	2014 HK$'000
Interest expenses		
Bank borrowings wholly repayable within five years	**4,146**	4,383
Convertible notes wholly repayable within five years	**4,958**	14,178
	9,104	18,561
Fair value adjustment of accounts receivable	**(21)**	369
Amount capitalized into cemetery assets	**(2,688)**	(7,750)
	6,395	11,180

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalized effective rate for cemetery assets is 14.86% (2014: 14.86%) per annum.

10. Taxation (charge)/credit

	2015 HK$'000	2014 HK$'000
Current income tax		
PRC withholding corporate income tax (notes 22 and 31)	**(6,300)**	–
Over/(under)-provision in prior years	**288**	(186)
Write-back of provision in prior years	**3,552**	–
Deferred taxation (note 28)	**784**	625
	(1,676)	439

10. Taxation (charge)/credit (continued)

No provision for Hong Kong profits tax has been provided as the Group had sufficient tax losses to offset the estimated assessable profit for the year ended 31st March, 2015 (2014: nil). PRC corporate income tax has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC.

The write-back of provision for the year ended 31st March, 2015 represented a write-back of provision for a PRC corporate income tax undertaking in relation to the disposal of certain subsidiaries by the Group in September 2007 as the respective undertaking expired in September 2014.

The taxation (charge)/credit on the loss before taxation of the Group differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2015 **HK$'000**	2014 HK$'000
Loss before taxation	**(15,529)**	(43,573)
Tax credit at the rate of 16.5% (2014: 16.5%)	**2,562**	7,190
Effect of different tax rates in other country	**(1,277)**	1,745
Expenses not deductible for taxation purpose	**(1,968)**	(1,772)
Income not subject to taxation	**3,940**	550
Tax losses and other temporary differences not recognized	**(8,782)**	(7,360)
Utilization of previously unrecognized tax losses	**9**	272
Over/(under)-provision in prior years	**288**	(186)
Write-back of provision for taxation undertaking	**3,552**	–
Taxation (charge)/credit for the year	**(1,676)**	439

11. Loss attributable to equity holders

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of loss of HK$6,060,000 (2014: HK$15,277,000).

12. Directors' and employees' emoluments

Particulars of the emoluments of Directors, the five highest paid employees and senior management are as follows:

(a) Directors' emoluments

The emoluments paid or payable to each of the 8 (2014: 7) Directors were as follows:

Name of Director	Fees	Salaries and other benefits	Bonuses	Retirement benefit scheme contributions	Total emoluments
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31st March, 2015					
Mr. Richard Hung Ting Ho (note i)	**30**	**1,800**	**150**	**24**	**2,004**
Mr. Geoffrey Chuang Ka Kam	**20**	**1,200**	**–**	**24**	**1,244**
Miss Candy Chuang Ka Wai	**20**	**–**	**–**	**–**	**20**
Mr. Wong Chi Sing (note ii)	**7**	**280**	**22**	**8**	**317**
Mr. Dominic Lai	**80**	**–**	**–**	**–**	**80**
Mr. Abraham Shek Lai Him	**80**	**–**	**–**	**–**	**80**
Dr. Eddy Li Sau Hung	**80**	**–**	**–**	**–**	**80**
Mr. Yau Chi Ming	**80**	**–**	**–**	**–**	**80**
	397	**3,280**	**172**	**56**	**3,905**
For the year ended 31st March, 2014					
Mr. Richard Hung Ting Ho (note i)	30	1,800	150	24	2,004
Mr. Geoffrey Chuang Ka Kam	20	600	–	24	644
Miss Candy Chuang Ka Wai	20	–	–	–	20
Mr. Dominic Lai	80	–	–	–	80
Mr. Abraham Shek Lai Him	80	–	–	–	80
Dr. Eddy Li Sau Hung	80	–	–	–	80
Mr. Yau Chi Ming	80	–	–	–	80
	390	2,400	150	48	2,988

note i: Mr. Richard Hung Ting Ho is the Chief Executive Officer of the Company.

note ii: Mr. Wong Chi Shing was appointed as an Executive Director of the Company with effect from 1st December, 2014.

12. Directors' and employees' emoluments (continued)

(b) Employees' emoluments

During the year ended 31st March, 2015, the five highest paid individuals included two (2014: one) Directors, details of whose emoluments are set out in note 12(a).

The emoluments of the remaining three (2014: four) individuals were as follows:

	2015	2014
	HK$'000	HK$'000
Salaries and other benefits	**2,485**	3,017
Bonuses	**67**	176
Retirement benefit scheme contributions	**48**	96
	2,600	3,289

Their emoluments were within the following bands:

	Number of employees	
	2015	2014
HK$1,000,000 or below	**3**	4

During the years ended 31st March, 2015 and 2014, no emoluments were paid/payable by the Group to the five highest paid individuals, including Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, during the years ended 31st March, 2015 and 2014, no Director waived any emoluments.

(c) Emoluments of senior management

There was no senior management disclosed in the "Biographical Details of Honorary Chairman and Directors" section of the 2015 annual report. In 2014, the emoluments of senior management whose profiles were included in the "Biographical Details of Honorary Chairman, Directors and Senior Management" section of the 2014 annual report fell within the following bands:

	Number of employees	
	2015	2014
HK$1,000,000 or below	**–**	2

13. Dividends

No dividend was paid or declared for each of the years ended 31st March, 2015 and 2014.

The Board does not recommend the payment of a final dividend for the year ended 31st March, 2015 (2014: nil).

14. Loss per share

The calculation of the loss per share is based on the loss attributable to equity holders of HK$16,649,000 (2014: HK$42,521,000) and the weighted average number of 2,815,605,000 (2014: 2,461,886,000, restated) shares in issue during the year. The weighted average numbers of shares used in the calculation of loss per share have been adjusted for the bonus element of the rights issue following the completion of the rights issue on 6th November, 2014 and the prior period comparative had also been restated for such effect.

The potential ordinary shares attributable to the assumed conversion of convertible notes have anti-dilutive effect for each of the years ended 31st March, 2015 and 2014.

15. Prepaid lease payments

	Group	
	2015	2014
	HK$'000	HK$'000
The Group's prepaid lease payments comprise:		
Land use rights in the PRC under medium-term leases	**8,816**	9,448

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

Prepaid lease payments of the Group with net book value of approximately HK$6,707,000 (2014: nil) have been pledged as securities for the banking facilities granted to the Group (note 26).

16. Property, plant and equipment

Group

	Buildings in the PRC under medium-term lease	Leasehold improve-ments	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST							
At 1st April, 2013	66,213	3,228	329,244	40,332	4,705	385	444,107
Changes in exchange rates	(28)	(2)	–	(4)	(2)	(1)	(37)
Additions	3,023	–	5,853	736	10	614	10,236
Reclass to assets of disposal group classified as held for sale	(5,481)	–	–	–	–	–	(5,481)
At 31st March, 2014	63,727	3,226	335,097	41,064	4,713	998	448,825
Changes in exchange rates	29	2	–	2	–	–	33
Additions	228	–	4,100	726	408	–	5,462
Disposals	–	–	(50,211)	(3,464)	–	–	(53,675)
Transfers	419	–	300	–	–	(719)	-
At 31st March, 2015	**64,403**	**3,228**	**289,286**	**38,328**	**5,121**	**279**	**400,645**
ACCUMULATED DEPRECIATION							
At 1st April, 2013	28,525	2,092	274,717	36,359	4,166	–	345,859
Changes in exchange rates	(5)	(2)	–	(8)	(3)	–	(18)
Charge for the year	2,767	465	16,197	2,528	173	–	22,130
At 31st March, 2014	31,287	2,555	290,914	38,879	4,336	–	367,971
Changes in exchange rates	5	2	–	2	1	–	10
Charge for the year	2,832	461	14,938	751	244	–	19,226
Disposals	–	–	(49,266)	(3,398)	–	–	(52,664)
At 31st March, 2015	**34,124**	**3,018**	**256,586**	**36,234**	**4,581**	**–**	**334,543**
NET BOOK VALUE							
At 31st March, 2015	**30,279**	**210**	**32,700**	**2,094**	**540**	**279**	**66,102**
At 31st March, 2014	32,440	671	44,183	2,185	377	998	80,854

Buildings and plant and machinery of the Group with net book value of approximately HK$31,868,000 (2014: HK$31,421,000) have been pledged as securities for the banking facilities granted to the Group (note 26).

17. Cemetery assets

	Group 2015 HK$'000	2014 HK$'000
Total cemetery assets	**599,239**	596,711
Current portion included in current assets	**(82,137)**	(83,001)
	517,102	513,710

As at 31st March, 2015, included in the cemetery assets which are classified as current assets are grave plots and niches for cremation urns of cemetery business with the aggregate carrying amounts of HK$78,023,000 (2014: HK$79,937,000) that are expected to be realized after more than twelve months from the reporting date.

18. Interest in a subsidiary

	Company 2015 HK$'000	2014 HK$'000
Unlisted shares, at cost	**92,963**	92,963
Receivable from a subsidiary	**409,648**	442,701
	502,611	535,664

Receivable from a subsidiary represents equity funding by the Company to a subsidiary and is not expected to be repaid in the foreseeable future.

Details of principal subsidiaries which, in the opinion of the Directors, materially affected the results or net assets of the Group are set out in note 37.

19. Inventories

	Group 2015 HK$'000	2014 HK$'000
Raw materials	**19,440**	21,142
Work in progress	**14,457**	12,840
Finished goods	**12,823**	10,827
	46,720	44,809

20. Accounts receivable

	Group 2015 HK$'000	2014 HK$'000
Accounts receivable	**81,992**	86,345
Less: provision for doubtful debts	**(14,624)**	(13,683)
	67,368	72,662

The Group allows a credit period ranging from 30 days to 180 days to its trade customers of the printing business. Sales proceeds receivable from the cemetery operation are settled in accordance with the terms of respective contracts.

As at 31st March, 2015, sales proceeds receivable from the cemetery operation with the aggregate carrying amount of HK$2,644,000 (2014: HK$6,859,000) are expected to be recovered after more than twelve months from the reporting date.

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

	Group 2015 HK$'000	2014 HK$'000
Below 30 days	**20,613**	27,702
31 to 60 days	**18,884**	7,706
61 to 90 days	**11,627**	18,891
Over 90 days	**16,244**	18,363
	67,368	72,662

As at 31st March, 2015, accounts receivable of HK$51,119,000 (2014: HK$52,484,000) of the Group were neither past due nor impaired. As at 31st March, 2015, accounts receivable of HK$16,249,000 (2014: HK$20,178,000) were past due but not impaired. Management has assessed the credit quality and the repayment ability of the relevant customers. The Group does not hold any collateral over these balances. The average age of these receivables is 93 days (2014: 86 days).

20. Accounts receivable (continued)

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

	Group	
	2015	2014
	HK$'000	HK$'000
Below 60 days	**2,672**	1,049
61 to 90 days	**963**	4,810
Over 90 days	**12,614**	14,319
	16,249	20,178

As at 31st March, 2015, accounts receivable of HK$14,624,000 (2014: HK$13,683,000) were impaired. The amount of the provision was HK$14,624,000 (2014: HK$13,683,000).

The movement in provision for doubtful debts is as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Balance at the beginning of the year	**13,683**	13,336
Provision for the year	**1,763**	1,415
Amounts written off as uncollectible	**(208)**	(192)
Reversal of provision	**(523)**	(919)
Changes in exchange rates	**(91)**	43
Balance at the end of the year	**14,624**	13,683

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

	Group	
	2015	2014
	HK$'000	HK$'000
Hong Kong dollar	**15,618**	8,949
RMB	**8,701**	9,108
USD	**40,385**	49,332
EUR	**2,079**	3,970
AUD	**260**	102
GBP	**61**	610
NZD	**264**	591
	67,368	72,662

21. Pledged bank balances and cash and bank balances

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Pledged bank balances	**15,000**	25,000	**15,000**	25,000
Cash at bank and in hand	**8,432**	20,636	**60**	414
Short-term deposits	**91,010**	48,281	**84,010**	48,281
	99,442	68,917	**84,070**	48,695
Less: Cash and bank balances reclass to assets of disposal group classified as held for sale	**–**	(8,094)	**–**	–
Cash and bank balances	**99,442**	60,823	**84,070**	48,695

Pledged bank balances of HK$15,000,000 (2014: HK$25,000,000) have been pledged as securities for the banking facilities (note 26) granted to the Group. The effective interest rates on short-term deposits range from 0.4% to 0.7% (2014: 0.001% to 0.8%) per annum and these deposits have maturities ranged from 14 days to 30 days (2014: 1 day to 90 days).

Cash and bank balances (including pledged bank balances and those in assets of disposal group classified as held for sale for 2014) are denominated in the following currencies:

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong dollar	**107,641**	89,190	**99,070**	73,695
RMB	**5,216**	2,968	**–**	–
USD	**1,517**	1,757	**–**	–
EUR	**22**	–	**–**	–
AUD	**44**	–	**–**	–
GBP	**2**	2	**–**	–
	114,442	93,917	**99,070**	73,695

22. Assets of disposal group classified as held for sale

	Group 2015 HK$'000	2014 HK$'000
Prepaid lease payments	–	34,779
Property, plant and equipment	–	5,481
Cash and bank balances	–	8,094
	–	48,354

On 14th May, 2014, a wholly-owned subsidiary of the Group entered into an agreement with an independent third party to dispose of its investments in Success Gain Investment Limited and Dongguan Da Hua Printing Company Limited, wholly-owned subsidiaries of the Group, at a consideration of approximately HK$78.2 million. All the related assets had been reclassified as "assets of disposal group classified as held for sale" as at 31st March, 2014. The transaction was completed during the year ended 31st March, 2015. A gain on disposal of subsidiaries and the related PRC withholding corporate income tax were recorded in "Other income and net gain" and "Taxation (charge)/credit" respectively (see also Notes 7, 10 and 31).

23. Accounts payable/accrued charges and other payables

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

	Group 2015 HK$'000	2014 HK$'000
Below 30 days	**19,493**	14,854
31 to 60 days	**8,119**	13,052
Over 60 days	**18,644**	19,067
	46,256	46,973

23. Accounts payable/accrued charges and other payables (continued)

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

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accrued staff costs and other accruals	**23,830**	30,668	**805**	645
Receipt in advance from customers	**9,969**	8,537	**–**	–
Others	**2,823**	2,971	**–**	–
	36,622	42,176	**805**	645

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

24. Amount due to a non-controlling shareholder

The amount is denominated in Hong Kong dollar, unsecured, interest-free and repayable on demand.

25. Deferred income

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

	Group	
	2015	2014
	HK$'000	HK$'000
Balance at the beginning of the year	**1,791**	1,510
Changes in exchange rates	**1**	(1)
Additions	**669**	338
Recognized in consolidated statement of comprehensive income during the year	**(70)**	(56)
Balance at the end of the year	**2,391**	1,791

26. Bank borrowings

	Group 2015 HK$'000	2014 HK$'000
Secured bank borrowings		
Short-term bank borrowings	**24,871**	12,659
Long-term bank borrowings	**23,750**	31,250
	48,621	43,909
Unsecured bank borrowings		
Short-term bank borrowings	**4,045**	16,676
Long-term bank borrowings	**2,880**	8,160
	6,925	24,836
Total bank borrowings	**55,546**	68,745
The long-term bank borrowings are analysed as follows:		
Long-term bank borrowings wholly repayable within five years*	**26,630**	39,410
Current portion included in current liabilities		
Portion due within one year	**(26,630)**	(12,780)
Portion due after one year which contains a repayment on demand clause	**–**	(2,880)
	–	23,750

* Ignoring the effect of any repayment on demand clause

The bank borrowings of the Group are secured by certain assets including prepaid lease payments, property, plant and equipment and bank deposits with an aggregate carrying value of HK$53,575,000 (2014: HK$56,421,000) and guaranteed by the Company.

The effective interest rates of the Group's bank borrowings range from 1.64% to 7.80% (2014: 1.62% to 7.56%) per annum. The fair values of bank borrowings, based on cash flows discounted at the borrowing rates of 1.64% to 7.80% (2014: 1.62% to 7.56%) per annum, approximate their carrying amounts and are within level 2 of the fair value hierarchy.

26. Bank borrowings (continued)

The bank borrowings are repayable in the following periods (the amounts due are based on the agreed scheduled dates set out in the loan agreements and ignore the effect of any repayment on demand clause):

	Group	
	2015	2014
	HK$'000	HK$'000
Within the first year	**55,546**	42,115
Within the second year	**–**	26,630
	55,546	68,745

Bank borrowings amounted to HK$10,730,000 as at 31st March, 2014 included covenants that require the maintenance of certain financial covenants. As at 31st March, 2014, certain of these financial ratio covenants were not met by the Group. Consequently, these bank borrowings became repayable on demand as at 31st March, 2014 and were classified as current liabilities. Subsequently to 31st March, 2014, the Group had obtained written consent from the relevant bank that the bank agreed not to demand immediate payment as a result of the breach of financial covenants. The Board was of the opinion that the breach of covenants would not affect the financial position of the Group.

As at 31st March, 2015, the Group had complied with all financial covenants of the bank borrowings.

The bank borrowings are denominated in the following currencies:

	Group	
	2015	2014
	HK$'000	HK$'000
Hong Kong dollar	**14,531**	28,834
RMB	**41,015**	39,911
	55,546	68,745

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

	Group	
	2015	2014
	HK$'000	HK$'000
6 months or less	**31,796**	37,495
7 to 12 months	**23,750**	31,250
	55,546	68,745

27. Convertible notes

The Company issued (i) a convertible note with a principal sum of HK$130,000,000 on 19th September, 2007 (the "CN Sept 2007") and (ii) a convertible note with a principal sum of HK$60,000,000 on 3rd August, 2009 (the "CN Aug 2009"). CN Aug 2009 was issued to CCIL, which is currently the ultimate holding company of the Company, and CN Sept 2007 was issued to Great Income Profits Limited, which is also a shareholder of the Company.

All convertible notes were denominated in Hong Kong dollar. The effective interest rates of the liability component and the other major terms of the convertible notes were as follows:

Group and Company

	Principal amount of convertible notes HK$'000	**Maturity dates**	**Conversion price**	**Effective interest rate on date of issue**	**Contractual coupon rate during the year**	**Effective interest rate during the year**
CN Sept 2007	130,000	3rd August, 2014	HK$0.223 per share (note i)	7.48%	1% (2014: 1%)	14.86%
CN Aug 2009	60,000	3rd August, 2014	HK$0.223 per share (note ii)	14.86%	1% (2014: 1%)	14.86%

notes:

(i) The initial conversion price on the date of issue was HK$1 per share and was adjusted to HK$0.886 upon the completion of the rights issue on 16th June, 2008, and further adjusted to HK$0.25 per share as a result of the modification of the terms on 3rd August, 2009, and further adjusted to HK$0.223 per share upon the completion of the rights issue on 20th July, 2011 (the "Rights Issue").

(ii) The initial conversion price on the date of issue was HK$0.25 per share and was adjusted to HK$0.223 upon the completion of the Rights Issue.

27. Convertible notes (continued)

The convertible notes entitle the holders to convert, in whole or in part, the principal amount into ordinary shares of the Company on any business day prior to five business days before the respective maturity dates. Unless previously converted, the convertible notes will be redeemed on maturity dates at par. Both convertible notes were redeemed on their maturity date on 3rd August, 2014 at par.

The fair values of the liability portion and the equity portion of CN Sept 2007 and CN Aug 2009 on the respective dates of issue are as follows.

Group and Company

	CN Sept 2007 HK$'000	**CN Aug 2009** HK$'000	**Total** HK$'000
Liability portion	109,776	32,027	141,803
Equity portion	46,242	27,973	74,215
	156,018	60,000	216,018

The movement of the liability component of the convertible notes for the years ended 31st March, 2015 and 2014 is set out below:

Group and Company

	CN Sept 2007 HK$'000	**CN Aug 2009** HK$'000	**Total** HK$'000
Carrying amount at 1st April, 2013	52,550	43,579	96,129
Interest charge (note 9)	7,750	6,428	14,178
Interest paid	(618)	(513)	(1,131)
Carrying amount at 31st March, 2014	59,682	49,494	109,176
Interest charge (note 9)	2,688	2,270	4,958
Interest paid	(620)	(514)	(1,134)
Redeemed during the year	(61,750)	(51,250)	(113,000)
Carrying amount at 31st March, 2015	**–**	**–**	**–**
Principal amount at 31st March, 2015	**–**	**–**	**–**
Principal amount at 31st March, 2014	61,750	51,250	113,000

Classified as:

	2015 **HK$'000**	2014 HK$'000
Current liabilities	**–**	109,176

28. Deferred taxation liabilities

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

Group

	Fair value adjustments of assets on business combination HK$'000
At 1st April, 2013	139,798
Credited to consolidated statement of comprehensive income (note 10)	(625)
Changes in exchange rates	(134)
At 31st March, 2014	139,039
Credited to consolidated statement of comprehensive income (note 10)	(784)
Changes in exchange rates	133
At 31st March, 2015	**138,388**

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

Deferred taxation assets of HK$47.0 million (2014: HK$47.7 million) arising from unused tax losses and temporary differences in respect of accelerated tax depreciation in the aggregate amount of HK$233.3 million (2014: HK$222.6 million) have not been recognized in the consolidated financial statements. The tax losses either have no expiry dates or will expire within five years for those from the PRC.

29. Share capital

	Number of shares	Amount
	'000	HK$'000
Authorized:		
Ordinary shares of HK$0.10 each		
At 1st April, 2013, 31st March, 2014 and 31st March, 2015	4,000,000	400,000
Preference shares of HK$0.01 each (note i)		
Series A Preference Shares		
At 1st April, 2013, 31st March, 2014 and 31st March, 2015	1,000,000	10,000
Series B Preference Shares		
At 1st April, 2013, 31st March, 2014 and 31st March, 2015	1,000,000	10,000
	2,000,000	20,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 1st April, 2013 and 31st March, 2014	2,207,208	220,721
Issue of shares under rights issue (note ii)	1,103,604	110,360
At 31st March, 2015	**3,310,812**	**331,081**

note:

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

(ii) On 6th November, 2014, a rights issue on the basis of one rights share for every two existing ordinary share held was completed at a subscription price of HK$0.10 per rights share. A total of 1,103,604,139 rights shares were issued resulting in gross proceeds of approximately HK$110 million to the Company. The new shares rank pari passu with the then existing shares in all aspects.

The Company adopted a share option scheme (the "Scheme") pursuant to the annual general meeting held on 29th August, 2012, which is valid and effective for a term of ten years from the date of its adoption. Under the Scheme, the Directors may grant options to the eligible persons as defined in the Scheme, inter alia, any Directors, employees or business consultants of the Company and its subsidiaries, to subscribe for shares in the Company under the terms and conditions stipulated therein. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company as at 29th August, 2012. No option have been granted under the Scheme since its adoption.

30. Reserves

Group

	Share premium HK$'000	Other reserve HK$'000	Merger reserve HK$'000	Translation reserve HK$'000	Convertible notes equity reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st April, 2013	293,692	4,000	24,000	63,781	43,532	(141,808)	287,197
Loss for the year	–	–	–	–	–	(42,521)	(42,521)
Other comprehensive income:							
Net exchange differences	–	–	–	(314)	–	–	(314)
At 31st March, 2014	293,692	4,000	24,000	63,467	43,532	(184,329)	244,362
Loss for the year	–	–	–	–	–	(16,649)	(16,649)
Other comprehensive income:							
Net exchange differences	–	–	–	307	–	–	307
Realization of exchange reserve upon disposal of subsidiaries	–	–	–	(180)	–	–	(180)
Issue of shares	(2,910)	–	–	–	–	–	(2,910)
Expiration of conversion rights of convertible notes	–	–	–	–	(43,532)	43,532	–
At 31st March, 2015	**290,782**	**4,000**	**24,000**	**63,594**	**–**	**(157,446)**	**224,930**

Company

	Share premium HK$'000	Other reserve HK$'000	Convertible notes equity reserve HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st April, 2013	293,692	4,000	43,532	77,963	(124,807)	294,380
Loss for the year	–	–	–	–	(15,277)	(15,277)
At 31st March, 2014	293,692	4,000	43,532	77,963	(140,084)	279,103
Loss for the year	–	–	–	–	(6,060)	(6,060)
Issue of shares	(2,910)	–	–	–	–	(2,910)
Expiration of conversion rights of convertible notes	–	–	(43,532)	–	43,532	–
At 31st March, 2015	**290,782**	**4,000**	**–**	**77,963**	**(102,612)**	**270,133**

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

30. Reserves (continued)

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

31. Disposal of subsidiaries

	2015 **HK$'000**	2014 HK$'000
Consideration	**78,219**	–
Less: Transaction costs	**(821)**	–
Net proceeds	**77,398**	–
Net assets disposed of		
Prepaid lease payments	**34,779**	–
Property, plant and equipment	**5,931**	–
Deposits	**40**	–
Cash and bank balances	**8,094**	–
Accrued charges and other payables	**(634)**	–
Net assets disposed of	**48,210**	–
Realization of exchange reserve upon disposal of subsidiaries	**(180)**	–
	48,030	–
Gain on disposal of subsidiaries before taxation (note 7)	**29,368**	–
Less: PRC withholding corporate income tax (note 10)	**(6,300)**	–
Gain on disposal of subsidiaries after taxation	**23,068**	–
Analysis of net cash flow in respect of the disposal of subsidiaries is as follows:		
Net cash consideration received	**77,398**	–
Cash and bank balances disposed of	**(8,094)**	–
Net cash flow from disposal of subsidiaries	**69,304**	–

32. Commitments

(a) Capital commitments

	Group 2015 HK$'000	2014 HK$'000
Contracted but not provided for property, plant and equipment	**974**	1,491

(b) Operating leases rental payable

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

	Group 2015 HK$'000	2014 HK$'000
Within the first year	**2,150**	2,067
Within the second to fifth years	**1,257**	2,765
	3,407	4,832

Operating lease payments represent rentals payable by the Group for certain of its offices and warehouse properties with fixed monthly rentals for an average term of three years.

33. Financial guarantees

	Company 2015 HK$'000	2014 HK$'000
Guarantees for outstanding bank borrowings of subsidiaries as at the reporting date (note 26)	**14,531**	28,834

34. Employee retirement benefits

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

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

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

35. Event after the reporting period

On 21st April, 2015, the Company and its wholly-owned subsidiary entered into a sale and purchase agreement with Chuang's China Investments Limited (a listed subsidiary of CCIL) and its wholly-owned subsidiary to sell the entire registered capital of a PRC wholly-owned subsidiary of the Group (the major assets are the land and property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK$127.0 million) (subject to adjustment). The consideration will be settled in full in cash at completion, which will be on the seventh business day after the last outstanding conditions precedent of the transaction is fulfilled and a net gain is expected to be realized by the Group. Details of the transaction were set out in the announcement and the circular of the Company dated 21st April, 2015 and 13th May, 2015 respectively.

36. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board on 24th June, 2015.

37. Principal subsidiaries

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	(note i)
廣東省博羅縣圓洲勤達印務有限公司 Guangdong Boluo Yuanzhou Midas Printing Limited	The PRC (note ii)	US$12,500,000	**100%**	100%	Book printing and binding
Midas Printing International Limited	Hong Kong	HK$7,000	**100%**	100%	Trading of printed products
Success Gain Investment Limited (notes 22 and 31)	Hong Kong	HK$2	**–**	100%	Investment holding
東莞勤達印刷有限公司 Dongguan Midas Printing Company Limited (note 35)	The PRC (note ii)	HK$160,000,000	**100%**	100%	Book printing and binding and property investment
Fortune Wealth Memorial Park Limited	Hong Kong	HK$10,000	**87.5%**	87.5%	Investment holding
四會聚福寶華僑陵園有限公司 Fortune Wealth Memorial Park (Si Hui) Limited	The PRC	HK$45,700,000	**83.4%**	83.4%	Development and construction of cemetery and provision of related management services in the PRC
Midas Solution and Consulting Limited	Hong Kong	HK$2	**100%**	100%	Provision of information technology services

notes:

i. All subsidiaries carry out their operations principally in their respective place of incorporation or registration.

ii. These companies are registered in the form of wholly-owned foreign investment enterprises.

RESULTS

	For the year ended 31st March, 2015 HK$'000	2014 HK$'000	2013 HK$'000	For the fifteen months ended 31st March, 2012 HK$'000	For the year ended 31st December, 2010 HK$'000
REVENUES	**274,582**	309,846	277,668	369,549	293,584
LOSS BEFORE TAXATION	**(15,529)**	(43,573)	(48,184)	(92,975)	(76,100)
TAXATION (CHARGE)/CREDIT	**(1,676)**	439	488	6,394	499
LOSS FOR THE YEAR/PERIOD	**(17,205)**	(43,134)	(47,696)	(86,581)	(75,601)
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY	**(16,649)**	(42,521)	(46,848)	(83,502)	(73,896)
NON-CONTROLLING INTERESTS	**(556)**	(613)	(848)	(3,079)	(1,705)
LOSS FOR THE YEAR/PERIOD	**(17,205)**	(43,134)	(47,696)	(86,581)	(75,601)

ASSETS AND LIABILITIES

	At 31st March, 2015 HK$'000	2014 HK$'000	2013 HK$'000	2012 HK$'000	At 31st December, 2010 HK$'000 (restated)
TOTAL ASSETS	**914,870**	951,035	996,407	1,012,315	991,908
TOTAL LIABILITIES	**(290,012)**	(416,606)	(418,474)	(393,674)	(411,168)
NET ASSETS	**624,858**	534,429	577,933	618,641	580,740
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY	**556,011**	465,083	507,918	548,720	510,510
NON-CONTROLLING INTERESTS	**68,847**	69,346	70,015	69,921	70,230
TOTAL EQUITY	**624,858**	534,429	577,933	618,641	580,740

Notice is hereby given that the Annual General Meeting of the Company will be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Tuesday, 25th August, 2015 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the Directors' report and the auditor's report for the year ended 31st March, 2015.

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

   (b) To re-elect Mr. Geoffrey Chuang Ka Kam as an Executive Director.

   (c) To re-elect Mr. Abraham Shek Lai Him as an Independent Non-Executive Director.

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

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

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

   A. "**THAT**:

      (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or any other stock exchange on which securities (including ordinary shares of HK$0.10 each (the "Shares")) in the capital of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to purchase such securities, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

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

(c) for the purpose of this Resolution,

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

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

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

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

B. "**THAT**:

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

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

(c) the aggregate number of Shares in the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); (2) an issue of Shares as scrip dividends pursuant to the Articles of Association of the Company; (3) an issue of Shares by the exercise of options granted under any share option scheme of the Company, shall not exceed 20 per cent of the number of issued Shares of the Company at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution,

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

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

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

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

"Rights Issue" means an offer of Shares open for a period fixed by the Directors of the Company to the holders of Shares of the Company on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

C. "**THAT**:

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

D. “**THAT**:

the authorized share capital of the Company be and is hereby increased from HK$420,000,000 (comprising 4,000,000,000 ordinary shares of HK$0.10 each and 2,000,000,000 preference shares of HK$0.01 each) to HK$820,000,000 (comprising 8,000,000,000 ordinary shares of HK$0.10 each and 2,000,000,000 preference shares of HK$0.01 each) by the creation of an additional 4,000,000,000 ordinary shares of HK$0.10 each, and such additional ordinary shares, upon issue, shall rank pari passu with the existing ordinary shares of the Company.”

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

Hong Kong, 22nd July, 2015

notes:

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

(2) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting.

(3) An explanatory statement containing further details regarding the resolutions set out in items 2 and 4 will be sent to shareholders together with the annual report for the year ended 31st March, 2015.