CAFÉ DE CORAL HOLDINGS LIMITED

大 家 樂 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

Website: http://www.cafedecoral.com

(Stock Code: 341)

ANNUAL RESULTS ANNOUNCEMENT

FOR THE YEAR ENDED 31 MARCH 2014

HIGHLIGHTS

- **The Group's results for the year reached a new high despite the difficult business environment.**
- **Revenue for the year increased by 9%, reaching HK$6.99 billion.**
- **Profit attributable to shareholders for the year increased by 8% to HK$581 million.**
- **The Board recommends a final dividend of HK 51 cents per share, with a total dividend payout ratio of 67.7% for the year.**
- **The Group is heading towards a new chapter. We have developed a comprehensive strategy and implementation plan that will enable the sustainable growth of the Group.**

CHAIRMAN'S MESSAGE

I am delighted to report that Café de Coral, which has celebrated its 45th anniversary, experienced a successful and productive year in 2013. Our sustainable development strategy remained on track, and we made good progress with steady growth in our business performance.

During the year, we continued to refine our new Five-Year Plan, the fifth since we began strategic planning in the early 90s. The strategic planning process is especially critical for us as we embark on a new phase of growth. With a strong and solid foundation in Hong Kong, we are now gearing up for expansion in the Greater China and reinforcing our market leadership position through a multi-branding strategy based on organic and inorganic growth.

Our multi-branding strategy was initiated as early as 1991 with the acquisition of The Spaghetti House and the establishment of Asia Pacific Catering. Other brands were added soon after, such as Super Super Congee & Noodles, Oliver's Super Sandwiches and Luncheon Star. We diversified because as our society becomes more affluent, customer profiles have become increasingly segmented into niche markets. By broadening our restaurant portfolio, we have been able to satisfy different customer segments in the market while giving landlords more to choose from in our portfolio.

It is with much gratification and cause for celebration that we have laid a solid foundation and sustainable platform for the future. Since we went public in 1986, the Group has transformed from a small enterprise into an organisation whose scale and complexity would probably have seemed unthinkable in the early years. I am glad to have played a significant leadership role in this journey.

In our next Five-Year Plan, we will continue riding on the successful development strategy we have built and will be exploring additional opportunities for diversification, such as partnerships with overseas catering groups. We will also solidify our expansion strategy laid down years ago for the Greater China market, particularly in the Pearl River Delta and the Yangtze River Delta Region.

With growth, however, come challenges. To meet these challenges, it is vital that we strengthen our hardware and software infrastructure, including our major central processing plants both in Hong Kong and Mainland China, and ensure that we have a steady stream of capable management resources for the next five years. As many of our key management staff are now approaching retirement age, developing the next generation of leaders and ensuring an orderly succession of top management will be among our top priorities. This will enable us to transfer our years of experience and knowledge for the sustainable growth of our Company.

Even more importantly, in the next five years we will be instituting a more rigorous and comprehensive system of corporate governance. To that end, we have established a Board Charter that sets corporate governance standards for our Board and management. We have also been working with an independent consulting firm to evaluate the Board's performance as a whole, as well as to benchmark our practices on environmental and social responsibilities against industry best practices.

As our Company evolves from a family business into a professionally-managed one, I look forward to continue leading an effective Board. In my role as Chairman, I will help set our strategic direction, embrace issues of sustainability, ensure management continuity, and see that Café de Coral continues its impressive growth as in the past 45 years in order to provide optimal returns for all our shareholders.

Finally, I would like to thank the members of our Board and staff for all their hard work and dedication during the year, as well as our shareholders for their continuing confidence in our Company and vision for the future.

Chan Yue Kwong, Michael
Chairman

Hong Kong, 24 June 2014

CEO'S REPORT

It is a privilege for me as the Chief Executive Officer to report our Company's results for the 2013/14 financial year.

Last year, we celebrated our 45th anniversary and made a number of significant leaps forward -- in our business, in our operations and in our strategic direction. As the Café de Coral Group heads towards a new chapter, we require a holistic roadmap for our business and organisation. We have developed a comprehensive strategy and implementation plan that will enable the sustainable growth of the Group. With our solid foundation and careful planning, we are well positioned to accomplish even more.

HIGHLIGHTS OF THE YEAR

I am delighted to report that the Group's 2013/14 results reached a new high with total turnover growing by 9% to HK$6,990 million and profit attributable to shareholders surging by 8% to HK$581 million. FY2013/14 earnings per share rose to HK$1.01, and payment of a final dividend of HK51 cents per share to shareholders for the financial year ended 31 March 2014 has been recommended.

Last year's robust results and business performance did not come easily as our business faced the constant challenges of rising operating costs and labour shortages. The uncertain economic outlook continued to affect customer confidence and spending. In this difficult business environment, we have maintained our competitiveness and market position through disciplined implementation of our management's business efficiency initiatives, process enhancement, corporate governance, team building and sustainability during the past few years.

Key highlights of the year include the following:

- Our key production units in Hong Kong moved to the new Central Food Processing Plant in Tai Po, Hong Kong, following its completion in April 2013.

- Prominent benefits to our organisation and management were seen as a result of the corporate governance enhancement programme undertaken since 2012.

- During the past few years, management has taken major steps to drive organisational efficiency by preparing a succession plan and building a talent pool that caters to the Group's business and growth needs.

- Last year, our management launched a comprehensive Sustainability Programme across all of our operations within the Group to build a strong platform for business growth.

During the year, the management team dedicated itself to designing a long-term growth strategy that maps the Group's direction for the next five years. In this report, I will present the rationale and direction of our growth plan.

I would also like to take this opportunity to congratulate my colleagues from the different business and operational teams on the prizes, awards and other external recognitions they won during the year. These accolades encourage us to do more and achieve even better results.

5-YEAR STRATEGIC GROWTH PLAN

The Group's future growth requires proactive planning and meticulous preparation. As the head of our management team, I have taken upon myself, among other duties, our single most important mission — to build a sustainable platform for the Group's continuing growth. After much deliberation and preparation over the past year, the Group completed and adopted our new 5-year growth plan that will commence in FY2014/15.

In crafting every detail of this long-term roadmap for the Group, the team reflected on our business and organisation. Every success achieved and every lesson learnt from our past growth plans have guided us in mapping our future. We see that our success depends on a strong and sustainable organisation and capable team of people, and we have emphasised these in our new growth plan in order to meet our demanding business targets.

Robust Platform: Wall-to-Wall Approach

A strong infrastructure is essential to the success of the Group's growth plan. For this reason, our management launched a comprehensive Sustainability Programme across all operations within the Group during the year. In the programme, we have devised a long-term holistic framework for our business, operations and organisation, including a high-standard corporate governance, effective management, inclusive supply chain management, robust production processes, centralised quality assurance and a customer-oriented approach in our frontline operations. We have also incorporated energy-efficient consumption, sustainable waste management, risk management, transparent internal controls, community engagement and team building. Together, these long-term initiatives will complete our framework for sustainable growth and contribute to the on-going health of the Group.

I am therefore delighted to present the Group's first Sustainability Report along with the Group's 2014 Annual Report, which has been expanded from the Company's current Corporate Social Responsibility Report. In our new Sustainability Report, we focus on specific key areas of our sustainability initiatives and, in future, will report on their progress.

People: A Strong & Vibrant Team

At this milestone juncture for our organisation, we are committed to building a stronger team and launching a long-term succession programme across all of our corporate functions and business operations. Experienced managers and staff are the cornerstone of our organisation. While it is important that our team holds on to our values and culture through mentorship and knowledge transfers, we also recognise the need to constantly bring in new people with different skill sets and new ideas. Continuing with our current efforts, we have set specific targets and an implementation timeline in our new growth plan to build a strong and united team.

20/20 Vision for Growth: Hong Kong & Mainland China

In the next five years, our objective is to expand in Hong Kong and Mainland China with a focus on the mass catering and casual dining segments. Creating value for customers has been the proven recipe for our key brands in the mass market. We look at expanding the network of our leading brands to maintain our leading position as well as capturing unclaimed market share in this segment with different brands and concepts. The great growth potential of the casual dining segment in both Hong Kong and Mainland China — a sector in which we have not done enough in the past — has become more prominent. Our focus will be on building a stronger platform with a portfolio of cuisines and dining concepts. We will also grow our leading brands and develop new concepts by increasing our internal capacity and co-operating with renowned overseas brand owners.

BUSINESS REVIEW & DIRECTION

Hong Kong Operations

Our Hong Kong operations continued to be the key driver of the Group's results with revenue growth of approximately 10% to HK$5,589 million achieved for the year ended 31 March 2014. Having contributed to approximately 80% of the Group's 2013/14 total turnover, our business operations in Hong Kong give us a solid foundation for accomplishing even greater market penetration and expanding our business. Our constant focus and commitment is on serving the vast majority of the city's population with affordable, quality meals whenever and wherever they need them — near their homes, next to their workplaces, in schools and in campuses. This has helped us maintain our leading position in the mass catering sector and will drive the future expansion of our network.

Our 153 **Café de Coral** fast food outlets, 32 **Super Super Congee & Noodles** shops and 20 **Oliver's Super Sandwiches** shops (as at 31 March 2014) are all just around the corner from our customers. They are always ready to serve those who want to start the day with a hot and healthy breakfast, spend their lunch break with a wide variety of delicious meal choices, have a cup of our signature milk tea in the middle of the day, or spend time catching up with friends and family over a relaxing dinner. We are truly delighted to be an essential part of our customers' daily lives as reflected in the growth of our business.

During the year, sales from comparable stores of **Café de Coral** fast food and **Super Super Congee & Noodles** increased by approximately 9% and 10% respectively over the previous year, despite severe competition and the increasingly challenging business environment. **Café de Coral**'s Value Meal series, launched during the year, received tremendous customer support. We will continue to come up with new ideas to create value for our customers. Riding on the proven success of the **Super Super Congee & Noodles** concept, we launched the **Mixian Sense** chain — one of the new directions we have taken in recent years as part of our multi-branding strategy. This noodle chain has started to gain momentum and has the potential to grow and branch out. **Oliver's Super Sandwiches** also recorded steady growth during the year. These chains continued with their phased renovations to enhance customer experience.

In the past few years, we have also been positioning ourselves to capture growth in the institutional catering market. As corporate clients upgrade their support for their staff, the demand for quality catering services on corporate premises has been increasing. **Asia Pacific Catering** continued to hold the market-leading position in this sector despite severe market competition. After successfully gaining new clients and renewing a number of major contracts during the year, the institutional catering arm of the Group operated 80 outlets (as at 31 March 2014) and continued to contribute positively to the Group's performance.

We are also excited to report that our **Luncheon Star** has remained the biggest school lunch provider in Hong Kong for nine consecutive years. As many as 17 schools served by us received the highest level of accreditation in the EatSmart School Accreditation Scheme (ESAS) (Healthy Lunch) during the year. **Luncheon Star**'s production and distribution has been accredited with ISO 22000 since 2007. By insisting on food quality and hygiene at every stage of production and delivery, the **Luncheon Star** team has won the long-term trust and support of schoolchildren and their parents. During the year, **Luncheon Star** served an average of 80,000 meals daily and continued to record positive growth.

In the casual dining sector, **The Spaghetti House** focuses on dining among family and friends with 22 shops (as at 31 March 2014) while **spaghetti 360˚** restaurants appeal to younger patrons who look for new dining concepts. Both chains recorded positive results and contributed to the Group's performance during the year. We also continued to add new concepts and brands to capture emerging opportunities in this segment. Our new home-grown brands **Shanghai Lao Lao** and **Lane Noodles** are both examples of recent efforts that have been well-received. We have been amplifying our portfolio by bringing in strong brands from overseas, including **85°C** and **espressamente illy.** Joint ventures with foreign brand owners such as these not only facilitate business growth for us but also bring in new knowledge and skills. In our new 5-year growth plan, we target further expansion in this sector with other exciting concepts and strong brands from overseas owners and franchisors. We appreciate that each of these new businesses has its own growth pace, and we will tailor specific business models and timelines to release their full business potential.

Mainland China Operations

Mainland China is the second strongest contributor and growth engine for the Group, increasingly fuelling our Company's performance. Our operations in Mainland China contributed to approximately 18% of the Group's FY2013/14 total turnover. The significant reduction of business-related dining and receptions in Mainland China during the year posed a great challenge for higher-end restaurants and affected overall consumer confidence and thus other segments in the country's dining industry. Despite the impact on the overall market, total revenue from all of our business operations in Mainland China surged by approximately 10% compared with the last financial year. Sales from comparable stores of **Café de Coral** increased by approximately 4% over the previous year, while **The Spaghetti House** continued to capture the higher-end dining sector with healthy growth recorded. We attribute this satisfactory business performance to our long-term strategy of adding value and our team's ability to take immediate steps to capture opportunities arising from changes in dining trends. By extending our Value Meal series to our shops in Southern China and designing menus to capture more sales and customer support, we continued to reinforce our formula for success in Mainland China.

As the catering market in Mainland China has become more mature and dynamic, our growth strategy is increasingly relevant and vital. In our new 5-year plan, we have set concrete targets to grow our network in Southern China in the right pace as well as introducing new brands and concepts to capture opportunities in both the mass catering and casual dining segments in the Mainland China market.

North American Operations

Manchu WOK chain faced a very challenging business environment last year, with consumer spending greatly affected by the economic slowdown in the region. The 140-outlet chain (as at 31 March 2014) in Canada and other areas of North America saw the worst winter in 20 years, which aggravated its performance. Whilst the team has put measures in place to improve the business and continue to monitor their implementation, the Company prudently provided for full impairment of the carrying amount of the goodwill for the business in the Group's financial statements for the year ended 31 March 2014. Management is in the process of reviewing the Manchu WOK business and mapping the way forward for the business within the parameters of the Group's 5-year plan.

Central Food Processing Plants

After more than five years of planning and hard work, we completed the construction of our new Central Food Processing Plant in Tai Po, Hong Kong. One by one, our key production units moved into this well-structured production centre in April 2013. We take pride in the pioneering design and advanced technology of this plant, which will keep us ahead of our competitors. With this centralised production facility, we are able to increase efficiency and production capacity as well as reduce our energy consumption. Most importantly, it ensures food quality and safety which are critical to our business and future expansion.

The Group's Central Food Processing Plant in Guangzhou, China, commenced operation in 2011, is now supporting our Southern China business. The team's experience gained in designing, building and operating the Guangzhou production centre has also helped us in the implementation of our Hong Kong processing plant project. With its huge production capacity, the Guangzhou plant will fuel our continuous business growth in the country.

In Dongguan, China our food processing plant has made full use of its production capacity to support our catering business and supply food products including our **Viking Boats** brand ham and sausages, which are widely distributed to external parties throughout Hong Kong and Mainland China.

People and Support

Our people are key to the Group's ongoing growth. During the year, the Group took many initiatives to provide our staff with a better workplace. We also strengthened our people development programmes in order to attract more talent and prepare the workforce for our future business growth as well as to facilitate internal knowledge transfer and smooth succession.

As at 31 March 2014, the Group had approximately 17,500 employees. We constantly focus on the Group's competitiveness to attract and retain people. Remuneration packages are generally structured by reference to market terms, individual experience, qualifications, duties and responsibilities. Employees share the benefits of the Group's growth through our share option schemes, profit-sharing and performance incentive programme.

In a tight labour environment, the Group has been focusing on maintaining and building a strong and stable workforce through a well-structured internal promotion programme, extensive training and development, and proactive talent retention and acquisition initiatives. At the same time, we continue to explore automation in certain areas of our production process in order to enhance workplace safety and free up our staff to take on other roles.

We remain committed to investing in information technology to strengthen the systems and networks that support our business. These include our central food processing centres, branch management of shops, our payment gateway, centralised headquarters management, business contingency and many other aspects of our business and operations.

FINANCIAL OVERVIEW

The Group's financial position for the 2013/14 financial year remained healthy and strong. As at 31 March 2014, the Group recorded net cash of approximately HK$1,004 million, with HK$536 million in available banking facilities. The Group had no external borrowing (31 March 2013: nil) and nil gearing (31 March 2013: nil). There has been no material change in contingent liabilities or charge on assets on 31 March 2014.

As at 31 March 2014, the Company had provided guarantees of approximately HK$536 million (31 March 2013: HK$536 million) to financial institutions in connection with banking facilities granted to its subsidiaries.

With regard to foreign exchange fluctuations, the Group earned revenue and incurred costs and expenses mainly denominated in Hong Kong dollars, while those of our Mainland China and North American subsidiaries and joint ventures were in Renminbi and in United States dollars and Canadian dollars, respectively. Foreign currency exposure did not pose a significant risk for the Group. However, we will continue to stay vigilant and closely monitor our exposure to movements of relevant currencies.

OUTLOOK

We appreciate that rising rental rates and raw material costs as well as shortages in labour have become the norm in our business. This year, global market and economic uncertainties, especially in Mainland China and the US, will likely continue. In response to these imminent challenges, we shall continue our near-term business development initiatives and long-term growth plans in order to maintain healthy and steady growth. Our team will continue to drive efficiencies and effectiveness to reinforce our leading position in segments where we have a very strong foundation, to continue with our steady and cautious shop-opening strategy, to grow a scalable platform for our younger brands, and to launch new brands and concepts.

Hong Kong and Mainland China remain the dual growth engines for our Group. We will strive to maintain our market position and upgrade our products and services to meet the dynamic and ever-growing Hong Kong market. At the same time, we will continue to expand and build a solid platform in Mainland China where the potential for growth is enormous. Our Hong Kong and Mainland China operations, synergizing with each other, will become the platform for the Group's sustainable growth. Our diversification strategy remains the key driver in the Group's sustainable growth, through which we will strive to increase market penetration and market share across all the segments on which we focus. The Group will also continue to explore different opportunities to bring in new brands and concepts through organic and inorganic growth.

APPRECIATION

I would like to thank the Board for their guidance and the management team and all our staff for their dedication throughout the year. I would also like to express my heartfelt gratitude to our customers, business partners and shareholders. Your support has been the driving force behind our Company's ability to accomplish even more.

Lo Hoi Kwong, Sunny
Chief Executive Officer

Hong Kong, 24 June 2014

RESULTS

The board of directors (the "Board") is pleased to announce the audited consolidated results of Café de Coral Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 March 2014, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	**2014**	2013
		HK$'000	*HK$'000*
			(Restated)
Revenue	*6*	**6,990,463**	6,394,089
Cost of sales	*8*	**(5,971,366)**	(5,485,896)
Gross profit		**1,019,097**	908,193
Other gains, net	*7*	**19,099**	61,319
Administrative expenses	*8*	**(358,683)**	(329,003)
Operating profit		**679,513**	640,509
Finance income	*9*	**12,989**	10,966
Share of profit/(loss) of associates		**213**	(4,243)
Share of loss of joint venture		**(3,958)**	(5,987)
Profit before income tax		**688,757**	641,245
Income tax expense	*10*	**(106,677)**	(100,282)
Profit for the year		**582,080**	540,963
Allocated as:			
Profit attributable to non-controlling interests		**884**	1,000
Profit attributable to equity holders of the Company		**581,196**	539,963
Dividends	*12*	**393,189**	517,204
Earnings per share for profit attributable to the equity holders of the Company during the year			
– Basic	*11*	**HK$1.01**	HK$0.94
– Diluted	*11*	**HK$1.00**	HK$0.94

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Profit for the year	**582,080**	540,963
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss		
Exchange differences arising from translation of foreign subsidiaries, associates and a joint venture	**(13,015)**	5,458
Reserve released upon disposal of investment in an associate	**(2,763)**	-
Fair value gains on available-for-sale financial assets	**71,438**	38,649
Reserve released upon disposal of available-for-sale financial assets	**(3)**	(581)
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligation	**15,852**	(22,632)
Total comprehensive income for the year	**653,589**	561,857
Attributable to:		
– Equity holders of the Company	**652,705**	560,857
– Non-controlling interests	**884**	1,000
	653,589	561,857

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	**As at 31 March 2014 *HK$'000***	As at 31 March 2013 *HK$'000*
Assets			
Non-current assets			
Leasehold land and land use rights		**91,380**	94,411
Property, plant and equipment		**1,720,324**	1,672,430
Investment properties		**439,600**	385,000
Intangible assets		**48,417**	111,579
Investments in associates		**1,190**	11,780
Investments in joint ventures		**19,772**	24,372
Deferred income tax assets		**26,562**	24,320
Available-for-sale financial assets		**522,516**	451,087
Non-current prepayments and deposits		**248,652**	268,633
Financial assets at fair value through profit or loss		**7,777**	33,094
		3,126,190	3,076,706
Current assets			
Inventories		**211,759**	204,548
Trade and other receivables	*13*	**79,660**	147,671
Prepayments and deposits	*13*	**106,921**	124,966
Financial assets at fair value through profit or loss		**8,067**	56,077
Bank deposits with maturity over three months		**31,010**	31,076
Cash and cash equivalents		**1,004,093**	772,694
		1,441,510	1,337,032
Total assets		**4,567,700**	4,413,738

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)
AS AT 31 MARCH 2014

	Note	**As at 31 March 2014** *HK$'000*	As at 31 March 2013 *HK$'000*
Equity			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**57,730**	57,407
Other reserves		**1,286,806**	1,164,384
Retained earnings			
– Proposed dividends		**295,168**	419,790
– Others		**2,089,696**	1,907,793
		3,729,400	3,549,374
Non-controlling interests		**3,155**	2,271
Total equity		**3,732,555**	3,551,645
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**30,458**	31,616
Provision for long service payments		**22,850**	19,680
Retirement benefit liabilities		**7,483**	25,670
		60,791	76,966
Current liabilities			
Trade payables	*14*	**208,844**	179,103
Other creditors and accrued liabilities		**534,867**	563,216
Current income tax liabilities		**30,643**	42,808
		774,354	785,127
Total liabilities		**835,145**	862,093
Total equity and liabilities		**4,567,700**	4,413,738
Net current assets		**667,156**	551,905
Total assets less current liabilities		**3,793,346**	3,628,611

Notes:

1 GENERAL INFORMATION

Café de Coral Holdings Limited (the “Company") was incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda with limited liability on 1 October 1990. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally engaged in the operation of quick service restaurants, fast casual dining, institutional catering and specialty restaurant chains, and the food processing and distribution business.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 24 June 2014.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

3 ACCOUNTING POLICIES

(i) New standards and amendments to standard adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2013 and currently relevant to the Group.

HKFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group assessed the adoption of this standard and concluded that it did not result in any changes in the consolidated status of its subsidiaries.

HKFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; and are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The Group assessed the adoption of this standard and concluded that it did not have a significant impact on the Group's results and financial position except that certain new disclosures are introduced.

HKFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group has adopted this standard, which additional disclosures required in respect of fair value measurements are introduced. The adoption of this standard has no significant impact on the Group's results and financial position, except that certain new disclosures are introduced.

Amendment to HKAS 1, 'Financial statement presentation', includes changes in presentation of other comprehensive income. The main change resulting from this amendment is a requirement for entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). The Group has categorised ‘Exchange differences arising from translation”, ‘Reserve released upon disposal of investment in an associate’, ‘Reserve released upon disposal of available-for-sale financial assets’ and ‘Fair value gains on available-for-sale financial assets’ under ‘items that may be reclassified to profit or loss’, while ‘Remeasurement of defined benefit obligation’ under ‘items that will not be reclassified subsequently to profit or loss’ in the statement of comprehensive income.

3 ACCOUNTING POLICIES (Continued)

(i) New standards and amendments to standard adopted by the Group (Continued)

HKAS 19 (revised 2011), 'Employee benefits' which the Group has applied the standard retrospectively in accordance with the transition provisions of the standard. Such new standard replaces the interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability or asset. This has no effect on total comprehensive income as the increased charge in profit or loss would be offset by a credit in other comprehensive income. In addition, the new standard also introduced a new term called "remeasurement", which is made up of actuarial gains and losses as the difference between actual investment returns and the return implied by the net interest cost. The impact of this new accounting standard has been reflected in the accompanying consolidated financial statements. The adoption of this standard leads to the following changes on the Group's consolidated financial statements:

- Increase in cost of sales and administrative expenses in the consolidated income statement for the year ended 31 March 2013 by HK$4,984,000.

- Increase in other comprehensive income in the consolidated statements of comprehensive income for the year ended 31 March 2013 by HK$4,984,000.

The adoption of this standard has no impact on the amount of retirement benefit assets/liabilities recognised in the consolidated statement of financial position, as well as the consolidated statement of cash flows.

There are no other new standards or amendments and interpretations to standards that are effective for the first time for the financial year beginning on or after 1 April 2013 that are expected to have a material impact on the Group.

3 ACCOUNTING POLICIES (Continued)

(ii) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 April 2013 and have not been early adopted.

		Effective for accounting periods beginning on or after
Amendment to HKAS 19	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendment to HKAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment to HKAS 36	Recoverable Amount Disclosures For Non-Financial Assets	1 January 2014
Amendment to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date and Transition Disclosures	1 January 2015
HKFRS 9	Financial Instruments	1 January 2015
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities	1 January 2014
HK (IFRIC) – Int 21	Levies	1 January 2014
Annual improvement Project	Annual improvements 2012	1 July 2014
Annual improvement Project	Annual improvements 2013	1 July 2014

The Group has commenced an assessment of the impact of these new, amended and revised HKFRSs but is not yet in a position to state whether they would have a significant impact of its results of operations and financial position.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

(a) Foreign exchange risk

The Group mainly operates in Hong Kong, Mainland China and North America and is exposed to foreign exchange risk from various currency exposures, primarily with respect to Chinese Renminbi ("RMB"), United States ("US") dollar and Canadian dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has a policy to require group companies to manage their foreign exchange risks against their respective functional currencies. It mainly includes managing the exposures arisen from sales and purchases made by relevant group companies in currencies other than their own functional currencies. The Group also manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure.

As the assets and liabilities of each company within the Group are mainly denominated in the respective company's functional currency, Directors are of the opinion that the Group's volatility of its profits against changes in exchange rates of foreign currencies would not be significant.

(b) Interest rate risk

The Group has no significant interest-bearing assets except for bank deposits and debt securities, the income and operating cash flows of which are substantially independent of changes in market interest rates.

Interest rate risk mainly arises from bank deposits and debt securities at variable interest rate which are subject to cash flow interest rate risk. The Directors are of the opinion that any reasonable changes in interest rates would not result in a significant change in the Group's results. Accordingly, no sensitivity analysis is presented for interest rate risk.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) Price risk

The Group is exposed to securities price risk because investments held by the Group are classified on the consolidated statement of financial position either as available-for-sale financial assets or financial assets at fair value through profit or loss. The Group has not mitigated its price risk arising from these financial assets.

For the Group's financial assets that are publicly traded, the fair value is determined with reference to quoted market prices. For the Group's financial assets that are not publicly traded, the Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date.

As at 31 March 2014, if the price of the listed securities (available-for-sale financial assets) has increased/ decreased by 10% with all other variables held constant, the Group's investment reserve would have increased/ decreased by HK$52,252,000 (2013: HK$45,109,000).

(d) Credit risk

Credit risk is managed on a group basis. Credit risk mainly arises from bank balances and deposits, rental deposits, debt securities and trade and other receivables. The carrying amount of these balances in the statement of financial position represents the Group's maximum exposure to credit risk in relation to its financial assets.

Majority of the Group's bank balances and, deposits and derivative financial instruments are placed in those banks and financial institutions which are independently rated with high credit ratings. Management does not expect any losses from non-performance by these banks and financial institutions as they have no default history in the past.

The credit quality of the landlords and debtors is assessed based on the financial position of the landlords as well as past experience of the Group in dealing with the respective landlords. The Group has policies in place to ensure rental deposits are placed to landlords with appropriate credit histories and credit terms are granted to reliable debtors. The Group's historical experience in collection of deposits and receivables falls within recorded allowance and the Directors are of the opinion that adequate provision for uncollectible receivable has been made.

There is no concentration of credit risk as the Group's bank balances and deposits were mainly deposited in over ten financial institutions with good credit ratings, and the Group has a large number of counterparties for rental deposits, trade and other receivables. Management does not expect any losses from non- performance by these financial institutions and counterparties.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(e) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of available credit facilities. The Group continues to maintain a healthy net cash position by keeping credit lines available and to maintain flexibility in future funding.

The Group's primary cash requirements have been for payments for trade and other payables and operating expenses. The Group mainly finances its working capital requirements through internal resources.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash balances and adequate credit facilities to meet its liquidity requirements in the short and long-term.

As at 31 March 2014, all of the Group's financial liabilities were due within 12 months and equal their carrying amounts as the impact of discounting is not significant.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability 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, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital of the Group is calculated as "capital and reserves attributable to the equity holders of the Company" less total borrowings, if any. Management considers that the Group's capital risk is minimal as there is no borrowing as at 31 March 2013 and 31 March 2014.

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The difference levels have been defined as follows:

- 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).

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value at 31 March 2014:

	Level 1 *HK$'000*	**Level 2** *HK$'000*	**Total** *HK$'000*
Assets			
Available-for-sale financial assets			
– Listed investments	522,516	-	522,516
Derivative financial instruments	-	15,844	15,844
Total financial assets measured at fair value	522,516	15,844	538,360

The following table presents the Group's assets that are measured at fair value at 31 March 2013:

	Level 1 *HK$'000*	**Level 2** *HK$'000*	**Total** *HK$'000*
Assets			
Available-for-sale financial assets			
– Listed investments	451,087	-	451,087
Derivative financial instruments	-	39,278	39,278
Investment portfolio			
– Debt investments	-	8,644	8,644
– Equity securities	40,770	-	40,770
– Others	-	479	479
Total financial assets measured at fair value	491,857	48,401	540,258

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying values less impairment provision of trade and other receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5 SEGMENT INFORMATION

The Group is principally engaged in the operation of quick service restaurants, fast casual dining, institutional catering and specialty restaurant chains, and the food processing and distribution business.

The Chief Executive Officer of the Group reviews the Group's internal reporting in order to allocate resources amongst different segment. He assesses the business principally from a geographical perspective including Hong Kong, Mainland China and North America. Segment result as presented below represents operating profit before interest, tax, depreciation and amortisation and impairment loss.

Segment information for the Group for the current year and comparative figures are as follows:

	Hong Kong	**Mainland China**	**North America**	**Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2014				
Total segment revenue	**5,592,414**	**1,346,001**	**164,209**	**7,102,624**
Inter-segment revenue *(Note i)*	**(3,231)**	**(108,930)**	**-**	**(112,161)**
Revenue (from external revenue) *(Note ii)*	**5,589,183**	**1,237,071**	**164,209**	**6,990,463**
Segment result *(Note iii)*	**885,003**	**116,400**	**675**	**1,002,078**
Depreciation and amortisation	**191,256**	**66,346**	**16,200**	**273,802**
Impairment loss of goodwill	**-**	**-**	**45,979**	**45,979**
Impairment loss of property, plant and equipment	**-**	**-**	**2,784**	**2,784**
Finance income	**8,525**	**4,175**	**289**	**12,989**
Share of profit of associates	**-**	**-**	**213**	**213**
Share of loss of joint ventures	**(3,882)**	**(76)**	**-**	**(3,958)**
Income tax expense/(credit)	**98,251**	**12,171**	**(3,745)**	**106,677**
Year ended 31 March 2013				
Total segment revenue	5,076,765	1,233,477	194,201	6,504,443
Inter-segment revenue *(Note i)*	(2,948)	(107,406)	-	(110,354)
Revenue (from external revenue) *(Note ii)*	5,073,817	1,126,071	194,201	6,394,089
Segment result *(Note iii)*, restated	863,780	84,036	10,421	958,237
Depreciation and amortisation	175,365	64,590	16,638	256,593
Impairment loss of goodwill	-	-	48,232	48,232
Impairment loss of a joint venture	-	3,700	-	3,700
Impairment loss of property, plant and equipment	-	9,203	-	9,203
Finance income	7,230	3,638	98	10,966
Share of profit/(loss) of associates	387	(4,825)	195	(4,243)
Share of (loss)/profit of joint ventures	(5,995)	8	-	(5,987)
Income tax expense/(credit)	90,447	12,611	(2,776)	100,282

5 SEGMENT INFORMATION (Continued)

(i) Inter-segment transactions were entered into in the normal course of business.

(ii) The Group has a large number of customers. For the year ended 31 March 2014, no revenue was derived from transactions with a single external customer representing 10% or more of the Group's total revenue.

(iii) Reconciliation of total segment results to total profit before income tax is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Segment results	**1,002,078**	958,237
Depreciation and amortisation	**(273,802)**	(256,593)
Impairment loss of goodwill	**(45,979)**	(48,232)
Impairment loss of a joint venture	**-**	(3,700)
Impairment loss of property, plant and equipment	**(2,784)**	(9,203)
Operating profit	**679,513**	640,509
Finance income	**12,989**	10,966
Share of profit/(loss) of associates	**213**	(4,243)
Share of loss of joint ventures	**(3,958)**	(5,987)
Profit before income tax	**688,757**	641,245

5 SEGMENT INFORMATION (Continued)

	Hong Kong *HK$'000*	Mainland China *HK$'000*	North America *HK$'000*	Group *HK$'000*
Year ended 31 March 2014				
Segment assets	**3,028,204**	**835,457**	**139,117**	**4,002,778**
Segment assets include:				
Investments in associates	**-**	**-**	**1,190**	**1,190**
Investments in joint ventures	**19,772**	**-**	**-**	**19,772**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**323,119**	**63,225**	**6,153**	**392,497**
Year ended 31 March 2013				
Segment assets	2,819,095	814,867	215,198	3,849,160
Segment assets include:				
Investments in associates	-	10,577	1,203	11,780
Investments in joint ventures	23,726	646	-	24,372
Additions to non-current assets (other than financial instruments and deferred income tax assets)	418,324	107,656	14,125	540,105

As at 31 March 2014, the Group's non-current assets (other than financial instruments and deferred income tax assets) located in Hong Kong, the Mainland China and North America amounted to HK$2,028,096,000 (2013: HK$1,905,781,000), HK$459,529,000 (2013: HK$508,483,000) and HK$81,711,000 (2013: HK$153,940,000), respectively.

Reconciliation of total segment assets to total assets is provided as follows:

	Group	
	2014 ***HK$'000***	2013 *HK$'000*
Total segment assets	**4,002,778**	3,849,160
Deferred income tax assets	**26,562**	24,320
Available-for-sale financial assets	**522,516**	451,087
Financial assets at fair value through profit or loss	**15,844**	89,171
Total assets	**4,567,700**	4,413,738

6 REVENUE

	2014	2013
	HK$'000	*HK$'000*
Sales of food and beverages	**6,859,106**	6,265,645
Rental income	**36,450**	32,900
Royalty income	**33,738**	36,699
Management and service fee income	**8,440**	7,457
Franchise income	**2,569**	3,772
Sundry income	**50,160**	47,616
	6,990,463	6,394,089

7 OTHER GAINS, NET

	2014	2013
	HK$'000	*HK$'000*
Fair value gain on financial assets at fair value through profit or loss	**1,645**	3,376
Gain on disposal of financial assets at fair value through profit or loss	**1,330**	269
Gain on disposal of available-for-sale financial assets	**3**	920
Dividend income from listed investments	**13,267**	13,213
Fair value gains on investment properties	**54,600**	58,800
(Loss)/gain on disposal of property, plant and equipment, net	**(9,805)**	41,825
Impairment loss of a joint venture	**-**	(3,700)
Impairment loss of property, plant and equipment	**(2,784)**	(9,203)
Impairment loss of goodwill	**(45,979)**	(48,232)
Gain on disposal of associate	**7,053**	4,051
Loss of disposal of joint venture	**(231)**	-
	19,099	61,319

8 EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Cost of raw materials and consumables used	**2,273,687**	2,090,196
Amortisation of leasehold land and land use rights	**3,017**	3,014
Amortisation of intangible assets	**8,730**	9,742
Depreciation of property, plant and equipment	**262,055**	243,837
Operating lease rentals in respect of rented premises (including contingent rentals of HK$52,220,000 (2013: HK$43,100,000))	**759,569**	709,485
Exchange gains, net	**(985)**	(4,191)
Employee benefit expense	**1,862,229**	1,693,371
Auditor's remuneration	**5,591**	5,109
Electricity, water and gas	**400,472**	375,042
Advertising and promotion expenses	**86,052**	82,231
Provision for impairment of trade receivables	**-**	55
Other expenses	**669,632**	607,008
	6,330,049	5,814,899

9 FINANCE INCOME

	2014	2013
	HK$'000	*HK$'000*
Interest income	**12,989**	10,966

10 INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been provided for at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

	2014	2013
	HK$'000	*HK$'000*
Current income tax:		
- Hong Kong profits tax	**100,446**	99,113
- Overseas taxation	**13,558**	12,562
Deferred income tax relating to the origination and reversal of temporary differences	**(3,510)**	(6,948)
Over-provision in prior years	**(3,817)**	(4,445)
	106,677	100,282

11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013 (Restated)
Profit attributable to equity holders of the Company (HK$'000)	**581,196**	539,963
Weighted average number of ordinary shares in issue ('000)	**575,758**	572,060
Basic earnings per share (HK dollars per share)	**HK$1.01**	HK$0.94

11 EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are share options. For the share options, a calculation is prepared to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2014	2013 (Restated)
Profit attributable to equity holders of the Company (HK$'000)	**581,196**	539,963
Weighted average number of ordinary shares in issue ('000)	**575,758**	572,060
Adjustment for share options ('000)	**3,116**	3,796
	578,874	575,856
Diluted earnings per share (HK dollars per share)	**HK$1.00**	HK$0.94

12 DIVIDENDS

	2014 *HK$'000*	2013 *HK$'000*
Interim dividend, paid, of HK17 cents (2013: HK17 cents) per ordinary share	**98,021**	97,414
Special dividend, paid, of Nil (2013: HK25 cents) per ordinary share	**-**	143,764
Final dividend, proposed, HK51 cents (2013: HK48 cents) per ordinary share	**295,168**	276,026
	393,189	517,204

A final dividend of HK51 cents per ordinary share in respect of the year ended 31 March 2014 was proposed. Such final dividend is subject to approval by the shareholders at the upcoming annual general meeting. These financial statements do not reflect this dividend payable.

13 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Group	
	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**38,523**	37,665
Less: provision for impairment of receivables	**-**	(129)
Trade receivables – net (Note a)	**38,523**	37,536
Other receivables (Note b)	**41,137**	110,135
	79,660	147,671
Prepayments and deposits	**106,921**	124,966
	186,581	272,637

(a) The Group's sales to customers are mainly on a cash basis. The Group also grants a credit period between 30 to 90 days to certain customers for the provision of the Group's institutional catering services, sales of merchandise for the Group's food manufacturing business and its franchisees.

(b) Other receivables comprised, among others, balance due from a joint venture of HK$7,552,000 (2013: HK$6,658,000). The balance due from a joint venture is unsecured, non-interest bearing and repayable on demand.

The ageing analysis of trade receivables is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**27,346**	23,321
31 – 60 days	**8,094**	7,484
61 – 90 days	**1,856**	2,801
Over 90 days	**1,227**	4,059
	38,523	37,665

14 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**193,884**	172,078
31 – 60 days	**8,590**	3,079
61 – 90 days	**1,125**	1,163
Over 90 days	**5,245**	2,783
	208,844	179,103

15 COMMITMENTS

As at 31 March 2014, the Group had the following capital commitments:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Acquisition of property, plant and equipment		
Authorised and contracted for	**22,222**	10,205
Authorised but not contracted for	**392,371**	446,501
	414,593	456,706

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK51 cents per share for the year ended 31 March 2014 (2013: HK48 cents per share). The proposed final dividend is subject to approval by the shareholders of the Company at the annual general meeting (“AGM”) to be held on 11 September 2014. Upon shareholders’ approval, the proposed final dividend will be paid on 25 September 2014 to shareholders whose names shall appear on the register of members of the Company on 17 September 2014.

Together with the interim dividend of HK17 cents per share, the total dividend for the year ended 31 March 2014 will amount to HK68 cents per share (2013: HK90 cents per share including a special dividend of HK25 cents per share).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of eligibility to attend and vote at the AGM, the Register of Members of the Company will be closed from 8 September 2014 (Monday) to 11 September 2014 (Thursday) during which no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 5 September 2014 (Friday).

For the purpose of determination of entitlement to the final dividend, the Register of Members of the Company will be closed on 17 September 2014 (Wednesday) on which no transfer of shares will be registered. In order to qualify for the final dividend, all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 16 September 2014 (Tuesday).

CORPORATE GOVERNANCE

The Board and management of the Group are committed to maintaining a high standard of corporate governance and striving for a responsible and value-driven management focused on safeguarding and enhancing shareholder interest and value. The Group’s corporate governance framework and practices adhere to the principles of the Corporate Governance Code (the “CG Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For the year ended 31 March 2014, the Group complied with all code provisions of the CG Code and adopted the recommended best practices of the CG Code insofar as they are relevant and practicable.

The Board continuously reviews and improves the Group's governance standard. During the year, a comprehensive review of the Group's corporate governance performance was conducted and a corporate governance enhancement programme was established through internal efforts and external advice. Key enhancement initiatives undertaken during the year include revision of the Board Charter and adoption of the Directors' Handbook for Corporate Governance and various corporate governance policies, including Board Diversity Policy, Disclosure Policy, Corporate Compliance Policy and the Protocol on Malpractice Reporting and Investigation. A board evaluation programme was launched during the year under which the Board completed its latest evaluation in June 2014.

Details of the Company's corporate governance practices are set out in the Corporate Governance Report which will be included in the Company's Annual Report for the year ended 31 March 2014.

REVIEW OF THE RESULTS

The Audit Committee of the Company, which consists of the four independent non-executive Directors of the Company, has reviewed the Group's audited annual results for the year ended 31 March 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed the Company's listed securities.

By order of the Board
Chan Yue Kwong, Michael
Chairman

Hong Kong, 24 June 2014

As at the date of this announcement, the Board comprises Mr. Lo Hoi Kwong, Sunny, Ms. Lo Pik Ling, Anita and Mr. Lo Tak Shing, Peter as executive directors; Mr. Chan Yue Kwong, Michael, Mr. Lo Ming Shing, Ian and Mr. Hui Tung Wah, Samuel as non-executive directors; and Mr. Choi Ngai Min, Michael, Mr. Li Kwok Sing, Aubrey, Mr. Kwok Lam Kwong, Larry and Mr. Au Siu Cheung, Albert as independent non-executive directors.