KFM KINGDOM HOLDINGS LIMITED
KFM金德控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3816)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of KFM Kingdom Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 March 2014 prepared in accordance with relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, together with the comparative figures for the year ended 31 March 2013.

For and on behalf of
KFM KINGDOM HOLDINGS LIMITED
SUN KWOK WAH PETER
Chairman and Executive Director

Hong Kong, 24 June 2014

As at the date of this announcement, the executive directors are Mr. Sun Kwok Wah Peter, Mr. Wong Chi Kwok, Mr. Lam Kin Shun and Mrs. Chow Suen Christina and the independent non-executive directors are Mr. Wan Kam To, Mr. Lam Hon Keung Keith and Prof. Chung Chi Ping Roy.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 HK$'000	2013 HK$'000
Revenue	4	**945,798**	846,507
Cost of sales	5	**(737,936)**	(641,208)
Gross profit		**207,862**	205,299
Other gains, net		**125**	7,800
Distribution and selling expenses	5	**(22,381)**	(17,631)
General and administrative expenses	5	**(142,093)**	(140,149)
Operating profit		**43,513**	55,319
Finance income		**739**	297
Finance costs		**(6,715)**	(6,315)
Profit before income tax		**37,537**	49,301
Income tax expenses	6	**(2,525)**	(9,146)
Profit for the year		**35,012**	40,155
Other comprehensive income for the year, net of tax			
Item that may be reclassified to profit or loss			
Currency translation differences		**354**	4,390
Total comprehensive income for the year		**35,366**	44,545
Profit/(loss) for the year attributable to:			
– Equity holders of the Company		**36,383**	40,155
– Non-controlling interests		**(1,371)**	–
		35,012	40,155
Total comprehensive income/(loss) attributable to:			
– Equity holders of the Company		**36,737**	44,545
– Non-controlling interests		**(1,371)**	–
		35,366	44,545
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted (HK cents)	7	**6.06**	7.74
Dividends	8	**19,800**	85,228

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2014

	Note	**2014** *HK$'000*	2013 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**300,841**	224,086
Leasehold land and land use right	*10*	**26,023**	–
Intangible assets		**11,771**	11,305
Goodwill		**24,540**	24,540
Deferred income tax assets		**4,764**	5,565
Total non-current assets		**367,939**	265,496
Current assets			
Inventories	*11*	**138,942**	110,527
Trade and other receivables	*12*	**199,560**	229,215
Current income tax recoverable		**3,861**	–
Derivative financial asset		**–**	319
Available-for-sale financial assets		**12,500**	–
Restricted bank deposit		**23,400**	46,800
Cash and cash equivalents		**105,390**	218,678
Total current assets		**483,653**	605,539
Total assets		**851,592**	871,035
EQUITY			
Capital and reserves			
Share capital	*13*	**60,000**	60,000
Share premium		**26,135**	26,135
Reserves			
– Proposed dividends	*8*	**3,000**	12,000
– Others		**421,325**	395,388
Capital and reserves attributable to equity holders of the Company		**510,460**	493,523
Non-controlling interests		**4,746**	–
Total equity		**515,206**	493,523

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2014

	Note	**2014** *HK$'000*	2013 *HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**10,762**	14,716
Current liabilities			
Trade and other payables	*14*	**169,888**	144,302
Bank borrowings	*15*	**150,634**	211,024
Current income tax liabilities		**5,102**	7,470
Total current liabilities		**325,624**	362,796
Total liabilities		**336,386**	377,512
Total equity and liabilities		**851,592**	871,035
Net current assets		**158,029**	242,743
Total assets less current liabilities		**525,968**	508,239

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014

	Note	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Statutory reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
		Attributable to equity holders of the Company							
Balance at 1 April 2013		**60,000**	**26,135**	**3,445**	**21,074**	**40,849**	**342,020**	**–**	**493,523**
Comprehensive income									
Profit/(loss) for the year		**–**	**–**	**–**	**–**	**–**	**36,383**	**(1,371)**	**35,012**
Other comprehensive income									
Currency translation differences		**–**	**–**	**–**	**–**	**354**	**–**	**–**	**354**
Total comprehensive income/(loss) for the year		**–**	**–**	**–**	**–**	**354**	**36,383**	**(1,371)**	**35,366**
Transactions with equity holders									
Dividends paid	8	**–**	**–**	**–**	**–**	**–**	**(19,800)**	**–**	**(19,800)**
Transfer of retained profits to statutory reserve		**–**	**–**	**–**	**2,935**	**–**	**(2,935)**	**–**	**–**
Contribution from non-controlling interests upon the formation of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**6,117**	**6,117**
Balance at 31 March 2014		**60,000**	**26,135**	**3,445**	**24,009**	**41,203**	**355,668**	**4,746**	**515,206**

	Note	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Statutory reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total equity HK$'000
		Attributable to equity holders of the Company						
Balance at 1 April 2012		–	–	3,545	17,735	36,459	390,432	448,171
Comprehensive income								
Profit for the year		–	–	–	–	–	40,155	40,155
Other comprehensive income								
Currency translation differences		–	–	–	–	4,390	–	4,390
Total comprehensive income for the year		–	–	–	–	4,390	40,155	44,545
Transactions with equity holders								
Issue of share capital	13	15,100	87,000	(100)	–	–	–	102,000
Capitalisation of shares	13	44,900	(44,900)	–	–	–	–	–
Share issue expenses	13	–	(15,965)	–	–	–	–	(15,965)
Dividends paid	8	–	–	–	–	–	(85,228)	(85,228)
Transfer of retained profits to statutory reserve		–	–	–	3,339	–	(3,339)	–
Balance at 31 March 2013		60,000	26,135	3,445	21,074	40,849	342,020	493,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

KFM Kingdom Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 13 July 2011, as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 15 October 2012 (the "**Listing**").

The Company is an investment holding company and its subsidiaries (together, the "**Group**") are principally engaged in the provision of precision metal stamping and lathing services, and the manufacturing and sales of fine metal products (the "**Group's Businesses**").

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange (the"**Listing Rules**"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

The preparation of 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.

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

Certain comparative figures of the segment information have been reclassified to conform with the financial statements presentation adopted for the current year as mentioned in note 4.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied in the preparation of these consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended 31 March 2013, as described in those annual financial statements.

(i) New and amended standards adopted by the Group:

The following new and amended standards are mandatory for the first time for the financial year beginning on or after 1 April 2013 and relevant to the Group.

The amendment to Hong Kong Accounting Standard ("**HKAS**") 1 "Presentation of Financial Statements" introduces a grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified.

HKFRS 12 "Disclosure of Interests in Other Entities" is effective for annual periods beginning on or after 1 January 2013. It introduces a wide range of disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

HKFRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and sets out a single source for fair value measurement and disclosure requirements across HKFRSs.

The adoption of the above new and amended standards does not have material impact on the results and financial position of the Group.

(ii) New standards, amendments, revisions and interpretation to existing standards effective in 2013 but not relevant to the Group:

The following new standards, amendments, revisions and interpretation to existing standards are mandatory for the first time for the financial year beginning 1 April 2013.

HKAS 19 (Amendment)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HKFRS 1 (Amendment)	First-time adoption of HKFRSs – Government Loans
HKFRS 7 (Amendment)	Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements Project	Annual Improvements 2009–2011

(iii) New standards, amendments and interpretation to existing standards that have been issued but are not yet effective for the financial year beginning 1 April 2013 and that have not been early adopted:

		Effective for accounting periods beginning on or after
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions	1 July 2014
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1 January 2014
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Impairment of Assets	1 January 2014
HKAS 39 (Amendment)	Financial Instruments: Recognition and measurement – Novation of Derivatives	1 January 2014
HKFRS 9	Financial Instruments	To be determined
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Consolidation for Investment Entities	1 January 2014
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HK(IFRIC) – Int 21	Levies	1 January 2014
Annual Improvements 2011 to 2013	Improvements to HKASs and HKFRSs	1 July 2014

The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments and interpretation to existing standards but is not yet in a position to state whether they will have a significant impact on its reported results of operations and financial position. The Group intends to adopt these new standards, amendments and interpretation to existing standards when they become effective.

4 SEGMENT INFORMATION

The chief operating decision-makers ("**CODM**") are identified as the executive directors and senior management.

In prior years, the CODM have determined the business segments by product type, namely "Office automation", "Medical and test equipment", "Finance equipment", "Consumer electronics" and "Network and data storage".

During the year ended 31 March 2014, the CODM have reassessed the nature of the Group's businesses and determined that business segments by manufacturing processes are more relevant. This new segment information is more comparable with information reported by other similar industry peers. Accordingly, the newly defined reportable segments are presented as follows:

(i) Manufacturing and sale of precision metal products involving metal stamping and computer numerical control ("**CNC**") sheet metal processing ("**Metal stamping**"); and

(ii) Manufacturing and sale of precision metal products involving lathing, machining and turning processes ("**Metal lathing**").

The CODM assess the performance of the operating segments based on segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the CODM are measured in a manner consistent with that in the 2013 interim condensed consolidated financial information.

Segment assets exclude deferred income tax assets, restricted bank deposit, cash and cash equivalents, current income tax recoverable, available-for-sale financial assets and other unallocated head office and corporate assets as these assets are managed on a Group basis.

Segment liabilities exclude deferred income tax liabilities, bank borrowings, current income tax liabilities and other unallocated head office and corporate liabilities.

Capital expenditures comprise additions to property, plant and equipment and leasehold land and land use right.

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

(a) The segment information provided to the executive directors and senior management collectively for the reportable segments is as follows:

(i) *For the year ended 31 March 2014:*

	Metal stamping *HK$'000*	**Metal lathing** *HK$'000*	**Total** *HK$'000*
Segment revenue			
Sales	**692,489**	**253,559**	**946,048**
Intersegment sales	**(242)**	**(8)**	**(250)**
Sales to external customers	**692,247**	**253,551**	**945,798**
Cost of sales	**(584,912)**	**(153,024)**	**(737,936)**
Gross profit	**107,335**	**100,527**	**207,862**
Gross profit %	**15.5%**	**39.6%**	**22.0%**
Other gains, net			**125**
Distribution and selling expenses			**(22,381)**
General and administrative expenses			**(142,093)**
Operating profit			**43,513**
Finance income			**739**
Finance costs			**(6,715)**
Profit before income tax			**37,537**
Income tax expenses			**(2,525)**
Profit for the year			**35,012**
Segment depreciation	**16,857**	**16,378**	**33,235**
Unallocated depreciation			**1,512**
			34,747
Segment amortisation	**909**	**–**	**909**
Unallocated amortisation			**3,769**
			4,678

(a) The segment information provided to the executive directors and senior management collectively for the reportable segments is as follows: (continued)

(ii) For the year ended 31 March 2013:

	Metal stamping *HK$'000*	Metal lathing *HK$'000*	Total *HK$'000*
Segment revenue			
Sales	643,392	203,277	846,669
Intersegment sales	(148)	(14)	(162)
Sales to external customers	643,244	203,263	846,507
Cost of sales	(524,570)	(116,638)	(641,208)
Gross profit	118,674	86,625	205,299
Gross profit %	18.4%	42.6%	24.3%
Other gains, net			7,800
Distribution and selling expenses			(17,631)
General and administrative expenses			(140,149)
Operating profit			55,319
Finance income			297
Finance costs			(6,315)
Profit before income tax			49,301
Income tax expenses			(9,146)
Profit for the year			40,155
Segment depreciation	15,237	13,318	28,555
Unallocated depreciation			1,237
			29,792
Unallocated amortisation			3,769

(b) The segment assets and liabilities are as follows:

(i) As at 31 March 2014:

	Metal stamping *HK$'000*	**Metal lathing** *HK$'000*	**Total** *HK$'000*
Segment assets	**409,017**	**185,153**	**594,170**
Reconciliation			
Corporate and other unallocated assets			
Deferred income tax assets			**4,764**
Current income tax recoverable			**3,861**
Available-for-sale financial assets			**12,500**
Restricted bank deposit			**23,400**
Cash and cash equivalents			**105,390**
Other unallocated head office and corporate assets			**107,507**
Total assets			**851,592**
Segment liabilities	**143,591**	**24,601**	**168,192**
Reconciliation			
Corporate and other unallocated liabilities			
Deferred income tax liabilities			**10,762**
Bank borrowings			**150,634**
Current income tax liabilities			**5,102**
Other unallocated head office and corporate liabilities			**1,696**
Total liabilities			**336,386**
Segmental capital expenditures	**61,673**	**7,622**	**69,295**
Reconciliation			
Other unallocated head office and corporate capital expenditures			**71,708**
Total capital expenditures			**141,003**

(b) The segment assets and liabilities are as follows: (continued)

(ii) As at 31 March 2013:

	Metal stamping *HK$'000*	Metal lathing *HK$'000*	Total *HK$'000*
Segment assets	357,728	201,076	558,804
Reconciliation			
Corporate and other unallocated assets			
Deferred income tax assets			5,565
Restricted bank deposit			46,800
Cash and cash equivalents			218,678
Other unallocated head office and corporate assets			41,188
Total assets			871,035
Segment liabilities	111,676	18,998	130,674
Reconciliation			
Corporate and other unallocated liabilities			
Deferred income tax liabilities			14,716
Bank borrowings			211,024
Current income tax liabilities			7,470
Other unallocated head office and corporate liabilities			13,628
Total liabilities			377,512
Segmental capital expenditures	15,551	52,928	68,479
Reconciliation			
Other unallocated head office and corporate capital expenditures			29,142
Total capital expenditures			97,621

(c) Revenue from external customers in the People's Republic of China ("**the PRC**"), North America, Europe, Japan, Singapore, Oceania, South America and other Asian countries is as follows:

	2014 ***HK$'000***	2013 *HK$'000*
The PRC	**632,812**	576,349
North America	**152,527**	106,834
Europe	**79,014**	68,379
Japan	**52,492**	56,298
Singapore	**15,519**	24,423
Oceania	**1,845**	2,446
South America	**940**	465
Other Asian countries excluding the PRC, Singapore and Japan	**10,649**	11,313
	945,798	846,507

(d) The total of non-current assets, other than intangible assets, goodwill and deferred income tax assets of the Group as at 31 March 2014 and 2013 are as follows:

	2014	2013
	HK$'000	*HK$'000*
The PRC	**250,374**	217,696
Hong Kong	**76,490**	6,390
	326,864	224,086

(e) During each of the years ended 31 March 2014 and 2013, revenue derived from one customer accounted for 10% or more of the Group's total revenue. This customer was in the metal stamping segment.

The revenue attributed from this customer is as follows:

	2014	2013
	HK$'000	*HK$'000*
Segment of which this customer belongs to		
Metal stamping	**112,610**	90,478

5 EXPENSES BY NATURE

	2014	2013
	HK$'000	*HK$'000*
Raw materials and consumables used	**422,781**	365,347
Changes in inventory of finished goods and work in progress	**(28,345)**	(8,533)
Employee benefit expenses	**238,609**	204,749
Processing fees	**74,801**	60,544
Depreciation of property, plant and equipment *(note 9)*	**34,747**	29,792
Amortisation of leasehold land and land use right *(note 10)*	**440**	–
Amortisation of intangible assets	**4,238**	3,769
Operating lease rental in respect of buildings	**32,876**	26,793
Research and development costs	**24,087**	19,719
Utilities expenses	**18,768**	16,833
Transportation, postage and courier expenses	**14,361**	13,186
Legal and professional fees		
– incurred for initial public offerings	**–**	11,506
– others	**4,410**	5,019
Auditor's remuneration		
– audit services	**1,800**	2,100
– non-audit services	**874**	3,436
Others	**57,963**	44,728
Total cost of sales, distribution and selling expenses and general and administrative expenses	**902,410**	798,988
Represented by:		
Cost of sales	**737,936**	641,208
Distribution and selling expenses	**22,381**	17,631
General and administrative expenses	**142,093**	140,149
	902,410	798,988

6 INCOME TAX EXPENSES

	2014	2013
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong	**6,099**	5,752
– The PRC	**8,338**	9,920
Adjustments in respect of prior years		
– Refund of PRC dividend withholding tax	**(3,055)**	–
– Over-provision in respect of prior year	**(5,704)**	(2,926)
	5,678	12,746
Deferred income tax		
– Origination and reversal of temporary differences	**(3,360)**	(3,600)
– Impact of change in the PRC tax rate	**207**	–
	(3,153)	(3,600)
	2,525	9,146

Income tax of the Group's entities has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the entities operate.

Below are the major tax jurisdictions that the Group operates in for the years ended 31 March 2014 and 2013.

(a) Hong Kong profits tax

The Group is subject to Hong Kong profits tax which is provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year ended 31 March 2014.

(b) The PRC enterprise income tax (the "PRC EIT")

The PRC EIT is provided on the assessable income of the companies of the Group derived from the PRC, adjusted for those items which are not taxable or deductible for PRC EIT purpose.

7 EARNINGS PER SHARE

	2014	2013
Profit attributable to equity holders of the Company (HK$'000)	**36,383**	40,155
Weighted average number of shares in issue ('000)	**600,000**	519,041
Basic and diluted earnings per share (HK cents per share)	**6.06**	7.74

Basic earnings per share for the year ended 31 March 2014 is calculated by dividing the profit attributable to equity holders of the Company by 600,000,000 ordinary shares in issue during the year.

Basic earnings per share for the year ended 31 March 2013 was calculated based on the profit attributable to equity holders of the Company, and on the assumption that capitalisation issue of 449,000,000 ordinary shares have been in issue throughout the year.

The Group had no potentially dilutive ordinary share (i.e. share options and warrants) in issue during the years ended 31 March 2014 and 2013.

8 DIVIDENDS

At a meeting held on 24 June 2014, the Board proposed a final dividend of HK0.5 cents per share totaling to HK$3,000,000 (2013: HK2.0 cents totaling to HK$12,000,000) for the year ended 31 March 2014. This proposed dividend is not reflected as dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 March 2015.

On 26 November 2013, the Board declared an interim dividend of HK1.3 cents per share totaling to HK$7,800,000 (2013: nil) for the six months ended 30 September 2013 which was paid in January 2014.

For the year ended 31 March 2013, final dividends totaling to HK$12,000,000 were declared and fully paid in September 2013.

On 2 May 2012 and 26 June 2012, the Group declared dividends of HK$53,646,000 and HK$31,582,000, respectively, to its then shareholders and has been fully paid by the Group.

9 PROPERTY, PLANT AND EQUIPMENT

	2014 ***HK$'000***	2013 *HK$'000*
At 1 April	**224,086**	181,873
Additions	**114,067**	97,621
Disposals	**(2,480)**	(27,552)
Depreciation	**(34,747)**	(29,792)
Currency translation differences	**(85)**	1,936
At 31 March	**300,841**	224,086

10 LEASEHOLD LAND AND LAND USE RIGHT

	2014 ***HK$'000***	2013 *HK$'000*
In the PRC, held on:		
Lease of between 10 to 50 years	**26,023**	–

The Group's interest in leasehold land and land use right represents prepaid operating lease payments and its net book value is analysed as follows:

	2014 ***HK$'000***	2013 *HK$'000*
At 1 April	**–**	–
Addition *(note)*	**26,936**	–
Amortisation	**(440)**	–
Currency translation differences	**(473)**	–
At 31 March	**26,023**	–

Note: Land use right addition was net of a government grant of approximately HK$6,678,000 received in respect of the acquisition of the land in the PRC.

11 INVENTORIES

	2014	2013
	HK$'000	*HK$'000*
Raw materials	**31,597**	31,527
Work in progress	**36,102**	29,824
Finished goods	**71,243**	49,176
	138,942	110,527

12 TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables *(note (a))*	**166,860**	183,502
Prepayments, deposits and other receivables	**32,700**	45,713
	199,560	229,215

Note:

(a) The Group normally grants credit periods of 30 to 90 days (2013: 30 to 90 days). The ageing analysis of trade receivables based on invoice dates is as follows:

	2014	2013
	HK$'000	*HK$'000*
Up to 3 months	**159,100**	174,529
3 to 6 months	**5,531**	6,854
6 months to 1 year	**2,156**	1,151
1 to 2 years	**73**	968
	166,860	183,502

13 SHARE CAPITAL

Authorised share capital

Pursuant to a shareholders' resolution passed on 22 September 2012, the authorised share capital of the Company was increased from HK$100,000 to HK$450,000,000 by the creation of 4,499,000,000 new shares with a par value of HK$0.1 per share.

Issued share capital

	Number of shares	Share capital *HK$'000*
The Company		
At 1 April 2012	1	–
Issue of new shares *(note (a))*	999,999	100
Issue of new shares pursuant to the Global Offering *(note (b))*	150,000,000	15,000
Capitalisation of shares *(note (b))*	449,000,000	44,900
At 31 March 2014 and 2013	600,000,000	60,000

Notes:

(a) On 13 September 2012, the Company acquired the entire equity interest in KFM Group Limited by (a) issuing and allotting 999,999 new shares to Kingdom International Group Limited ("**KIG**"), credited as fully paid; and (b) crediting as fully paid at par the one nil-paid share which was then registered in the name of KIG.

(b) The Company's shares were listed on the Stock Exchange on 15 October 2012. The ordinary issued share capital of the Company was increased from 1,000,000 ordinary shares to 600,000,000 ordinary shares. On the same day, 599,000,000 ordinary shares were issued to the underlying controlling shareholders of the Group and the general public. In respect of the 599,000,000 shares newly issued, 150,000,000 ordinary shares were issued pursuant to the global offering and 449,000,000 ordinary shares were issued pursuant to the capitalisation issue. The 150,000,000 ordinary shares issued pursuant to the global offering were issued at HK$0.68 per share. The ordinary shares newly issued ranked pari passu in all respects with the issued shares then existing.

14 TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables *(note (a))*		
– third parties	**114,694**	100,279
– related companies	**1,248**	801
	115,942	101,080
Accruals, deposits and other payables	**53,946**	30,434
Considerations payable for acquisition of business *(note (b))*	**–**	12,788
	169,888	144,302

Notes:

(a) The ageing analysis of trade payables at the respective balance sheet dates is as follows:

	2014	2013
	HK$'000	*HK$'000*
Up to 3 months	**113,339**	97,915
3 to 6 months	**2,508**	2,700
6 months to 1 year	**79**	358
1 to 2 years	**16**	107
	115,942	101,080

(b) On 29 March 2012, the Group acquired the product assembly business from a third party customer. The balance had been settled in full during the year.

15 BANK BORROWINGS

	2014	2013
	HK$'000	*HK$'000*
Bank overdrafts	**184**	1,176
Short-term bank borrowings	**60,000**	70,000
Portion of long-term bank borrowings due for repayment within one year	**49,000**	66,742
Portion of long-term bank borrowings due for repayment after one year which contain a repayment on demand clause	**41,450**	73,106
	150,634	211,024

The interest-bearing bank borrowings, including the bank borrowings repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contain a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

The Group's bank borrowings and bank overdrafts are repayable based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 year	**109,184**	137,918
Between 1 and 2 years	**27,350**	47,400
Between 2 and 5 years	**5,223**	25,706
Over 5 years	**8,877**	–
	150,634	211,024

As at 31 March 2014, the Group's bank borrowings and bank overdrafts of HK$99,956,000 (2013: HK$161,024,000) were secured by a bank deposit of HK$23,400,000 (2013: HK$46,800,000). The Group's bank borrowings of HK$50,678,000 (2013: nil) were secured by land and buildings with a carrying amount of HK$46,500,000 (2013: nil).

16 COMMITMENTS

(a) Capital commitments

	2014	2013
	HK$'000	*HK$'000*
Authorised but not contracted for		
– Construction cost	**48,421**	–
Contracted but not provided for		
– Leasehold land and buildings	**11,625**	63,426
– Construction cost	**65,579**	–
– Capital investment	**–**	7,235
	77,204	70,661

(b) Operating lease commitments

The Group acts as lessee under operating leases. The Group had future minimum lease payments under non-cancellable operating leases of land use rights and buildings as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 year	**26,824**	25,655
Later than 1 year and not later than 5 years	**86,139**	84,676
Later than 5 years	**1,312**	11,773
	114,275	122,104

These leases typically run for an initial period of one to ten years. Certain of the operating leases contain renewal options which allow the Group to renew.

17 SUBSEQUENT EVENT

The Group has no material subsequent events up to the date of this annual results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2014, revenue of the Group reached approximately HK$945.8 million, representing an increase of approximately HK$99.3 million or 11.7% from approximately HK$846.5 million for the corresponding period last year. Set out below is a breakdown of our revenue by business segments:

	2014		2013	
	HK$'000	*%*	*HK$'000*	*%*
Metal Stamping	**692,247**	**73.2**	643,244	76.0
Metal Lathing	**253,551**	**26.8**	203,263	24.0
	945,798	**100.0**	846,507	100.0

During the year ended 31 March 2014, the Group had redefined its business segment in order to better describe our business activities and to align with market practice and enhance comparability. Under the new segment classification, our business activities are categorised by the manufacturing process by which we produce products for customers, namely, metal stamping and metal lathing.

Metal stamping is the process of bending, forming and cutting a sheet metal into the desired shape and size through the use of a die on a stamping machine. It includes computer numerical control ("**CNC**") metal plate processing which is also used for producing stamped metal parts. The metal stamping process is usually employed to produce products to customers engaged in various industries, including office automation, medical and test equipment, finance equipment, network and data storage, and consumer electronics. Metal lathing includes two categories of metal production processes, namely cam-operated automatic lathing and CNC lathing. It is a metal cutting operation, in which a work piece is fast spinning while the blade is moving on a plane in a linear or curvilinear track, so as to remove excess material from a work piece to produce parts in desired shapes. The process is used to shape the inner and outer cylindrical surface, end surface, cone surface, finished surface and screw thread, etc. The metal lathing process is usually employed to produce products mainly to customers engaged in the consumer electronics and medical and test equipment industries.

Revenue from the metal stamping segment increased by approximately HK$49.0 million or 7.6% from approximately HK$643.2 million for the year ended 31 March 2013 to approximately HK$692.2 million for the year ended 31 March 2014. The improvement was mainly due to a number of our customers introducing new product models to the market during the year ended 31 March 2014 and placed more orders to the Group. However, the increase was partly offset by the phasing out of certain office automation products.

Revenue from the metal lathing segment increased approximately by HK$50.3 million or 24.7% from approximately HK$203.3 million for the year ended 31 March 2013 to approximately HK$253.6 million for the year ended 31 March 2014. The improvement was mainly caused by the rebound of orders from our Ultimate Customer (as defined in our prospectus for global offering dated 28 September 2012 (the "**Prospectus**")) during the year ended 31 March 2014.

As stated in the Prospectus, our Ultimate Customer had gradually ceased to engage one of our major customers for procurement of related metal parts at the beginning of 2012. Instead, from June 2012 onward, the Group started to serve two other sub-contracting manufacturers of the Ultimate Customer to manufacture similar type of metal parts that we previously produced for that major customer. As a result, the Group experienced significant drop in revenue from this segment during the transitional period which happened in the corresponding period last year.

After the transitional period, purchase orders placed by the two sub-contracting manufacturers of the Ultimate Customer gradually increased to normal level. At the same time, the Group was engaged by other customers which are also sub-contracting manufacturers of our Ultimate Customer to produce other metal parts which are ultimately used in the main product and accessory products of the Ultimate Customer. The above factors, combined to contribute to the rebound of our revenue from the metal lathing segment.

Geographically, the PRC, North America, Europe and Japan continued to be the major markets of the Group's products. They accounted for approximately 66.9%, 16.1%, 8.4% and 5.6% of our Group's revenue respectively for the year ended 31 March 2014. Details of revenue generated by different geographical location are set out in Note 4(c)of this annual results announcement.

Cost of sales

Cost of sales primarily comprises of the direct costs associated with the manufacturing of our products. It consists mainly of direct materials, direct labour, processing fee and other direct overheads. Set out below is the breakdown of our Group's cost of sales:

	Year ended 31 March			
	2014		2013	
	HK$'000	***%***	*HK$'000*	*%*
Direct materials	**422,781**	**57.3**	365,347	57.0
Direct labour	**173,269**	**23.5**	145,544	22.7
Processing fee	**74,801**	**10.1**	60,544	9.4
Other direct overheads	**67,085**	**9.1**	69,773	10.9
	737,936	**100.0**	641,208	100.0

During the year ended 31 March 2014, cost of sales of the Group increased by approximately 15.1% or HK$96.7 million as compared to the corresponding period last year. The increase was largely in line with the growth in total revenue. The percentage of cost of sales to the total revenue was approximately 78.0%, representing an increase of 2.3%, as compared to approximately 75.7% in the corresponding period last year. This was primarily due to the continuous increase in average labour costs and processing fee in the PRC.

Gross profit and gross profit margin

During the year ended 31 March 2014, our gross profit was approximately HK$207.9 million, representing an increase of approximately 1.2% as compared to the corresponding period in 2013. It was mainly due to increase in overall sales by approximately 11.7%.

For the year ended 31 March 2014, the gross profit margin of the Group was approximately 22.0% which decreased by 2.3% as compared to approximately 24.3% in the corresponding period in 2013. The decrease in gross profit margin was mainly attributable to the continuous increase in production costs which was partly offset by the change in product mix of the Group.

For the year ended 31 March 2014, the gross profit margin of our metal stamping and metal lathing segment was 15.5% and 39.6% respectively. Although the Group had implemented counter measures, the gross profit margin of both our segments decreased by 2.9% and 3.0%, respectively from the same period last year, mainly due to the continued increase in labour and operating costs in the PRC as explained above.

However, the above effect was partly offset by the increase of revenue from the higher margin metal lathing segment, which improved the Group's overall gross margin by 0.3%. As a percentage of total revenue, the revenue from the metal lathing segment increased from approximately 24.0% for the year ended 31 March 2013 to approximately 26.8% for the year ended 31 March 2014.

For details of the gross profit margin of the Group's two business segments, please refer to Note 4(a) of this annual results announcement.

Other gains, net

During the year ended 31 March 2014, the Group recorded other gains, net which amounted to approximately HK$0.1 million. In the corresponding period of 2013, the Group recorded other gains, net of approximately HK$7.8 million.

The decrease was due primarily to a one-off gain of HK$9.6 million from the disposal of certain leasehold land and building in Hong Kong during the year ended 31 March 2013.

Distribution and selling expenses

Distribution and selling expenses relate to the expenses incurred for the promotion and selling of our products. It mainly comprised of, among others, salaries and related costs for the sales and marketing staff, travelling and transportation costs, and marketing expenses. Distribution and selling expenses were approximately HK$22.4 million and HK$17.6 million for the year ended 31 March 2014 and 2013, respectively. The increase in distribution and selling expenses was in line with the increase in sales as more resources were being used in our business development.

General and administrative expenses

General and administrative expenses comprised primarily of salaries and related costs for key management, our finance and administration staff, rental expenses, depreciation, audit fees, and professional and related costs incurred by the Group.

The general and administrative expenses of the Group increased from approximately HK$140.1 million for the year ended 31 March 2013 to approximately HK$142.1 million for the year ended 31 March 2014.

The increase was a combined effect of (i) an increase in remuneration of directors, senior and administrative staff; (ii) an increase in the research and development costs; and (iii) additional operational costs which were incurred by a newly established subsidiary. However, the increase was partly offset by the one-off listing expenses of approximately HK$14.5 million incurred for the year ended 31 March 2013 which was not incurred during the year ended 31 March 2014.

Finance costs

Our finance costs of approximately HK$6.7 million for the year ended 31 March 2014 (2013: HK$6.3 million) represented interest expenses on bank borrowings. Increase in finance costs were mainly due to the higher average bank borrowings balance and higher average interest rates for the year ended 31 March 2014, as compared to the corresponding period last year.

Income tax expenses

Our income tax expenses amounted to approximately HK$2.5 million for the year ended 31 March 2014. For the year ended 31 March 2013, income tax was approximately 9.1 million. Our effective tax rate decreased from approximately 18.6% for the year ended 31 March 2013 to approximately 6.7% for the year ended 31 March 2014.

The significant decrease was mainly triggered by two events during the year ended 31 March 2014. Firstly, during the year ended 31 March 2014, our application submitted to the Suzhou Municipal Office, State Administration of Taxation to reduce the withholding tax rate on dividend payment according to a tax treaty between China and Hong Kong was approved. As a result, the Group received a tax refund on the withholding tax previously paid which amounted to HK$3.1 million.

Secondly, our income tax expenses was further lowered by reversal of over-provision of corporate income tax of HK$5.7 million by certain of the Group's Hong Kong and PRC subsidiaries made in prior year.

Profit attributable to equity holders of the Company

For the year ended 31 March 2014, profit attributable to equity holders of the Company amounted to approximately HK$36.4 million, representing a decrease of 9.4% as compared to the corresponding period in 2013. The decrease of net profit was a combined effect of (i) an increase in general and administrative expenses, and distribution and selling expenses during the year ended 31 March 2014; and (ii) the fact that the Group did not incur any one-off gain on disposal of leasehold land and buildings in Hong Kong for the year ended 31 March 2014. The decrease of net profit was partly offset by (i) an increase in the revenue of the Group, which in turn resulted in an increase of the gross profit; and (ii) that there were dividend withholding tax refund of HK$3.1 million and reversal of over-provision of corporate income tax of HK$5.7 million as stated above for the year ended 31 March 2014. Had the gain on disposal of property, plant and equipment of HK$9.6 million not been incurred for the year ended 31 March 2013, the operating profit before income tax for the year ended 31 March 2013 would have been HK$45.7 million which was comparable to HK$43.5 million for the year ended 31 March 2014.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Financial resources and liquidity

Our current assets comprise mainly of cash and bank balances, trade and other receivables and inventories. Our total current assets amounted to approximately HK$483.7 million and HK$605.5 million as at 31 March 2014 and 31 March 2013 respectively, which represented approximately 56.8% and 69.5% of our total assets as at 31 March 2014 and 31 March 2013, respectively.

Capital structure

The Group's capital structure is summarised as follow:

	2014	2013
	HK$'000	*HK$'000*
Bank borrowings	**150,450**	209,848
Bank overdrafts	**184**	1,176
Total debts	**150,634**	211,024
Less: Cash and cash equivalent	**(105,390)**	(218,678)
Restricted bank deposit	**(23,400)**	(46,800)
Net debt/(cash)	**21,844**	(54,454)
Shareholders' equity	**515,206**	493,523
Total capitalisation*	**537,050**	493,523
Gearing ratio		
– Total debt to shareholders' equity ratio#	**29.2%**	42.8%
– Net debt to shareholders' equity ratio##	**4.2%**	Net cash

* *Total capitalisation is the sum of the net debt and the shareholders' equity*

\# *Total debt to shareholders' equity ratio is calculated based on total debts divided by shareholders' equity at the end of the respective year*

\## *Net debt to equity ratio is calculated based on net debt divided by shareholders' equity at the end of the respective year*

The Group's primary source of funds came from cash generated from operating activities. The Group had recorded net cash inflow from operating activities of approximately HK$98.9 million and HK$58.0 million for the year ended 31 March 2014 and 2013, respectively.

Details of the Group's bank loans and other borrowings as at 31 March 2014 are set out in Note 15 of this annual results announcement.

The capital structure of the Group consists of equity attributable to the equity holders of the Company (comprising issued share capital and reserves) and bank borrowings. The Directors will review the capital structure regularly. As part of such review, the Directors consider the cost of capital and the optimal use of debt and equity so as to maximise the return to the equity holders.

Capital expenditure

During the year ended 31 March 2014, the Group acquired property, plant and equipment and leasehold land and land use rights of approximately HK$141.0 million as compared to the year ended 31 March 2013 of approximately HK$97.6 million.

During the year ended 31 March 2014, the Group purchased a piece of land in Suzhou with net land premium and construction cost incurred which amounted to approximately HK$44.4 million; an office for the Group's headquarters in Hong Kong which amounted to approximately HK$46.5 million; and other property, plant and equipment of approximately HK$50.1 million during the normal and ordinary course of our business.

We financed our capital expenditure through cash flows generated from operating activities, IPO proceeds and bank borrowings.

Charges on the Group's assets

As at 31 March 2014, the Group's bank borrowings and bank overdrafts of HK$99,956,000 (2013: HK$161,024,000) were secured by bank deposits of HK$23,400,000 (2013: HK$46,800,000). The Group's bank borrowings of HK$50,678,000 (2013: nil) were secured by land and building with a carrying amount of HK$46,500,000 (2013: nil).

Foreign currency exposure

Each individual group entity has its own functional currency. Foreign exchange risk to each individual group entity arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group operates mainly in Hong Kong and the PRC. The Group's Hong Kong entities are exposed to foreign exchange risk arising from Renminbi, while the Group's PRC entities are exposed to foreign exchange risk arising from United States dollars.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Save for bank borrowings denominated in Renminbi as discussed below, the Group does not use any derivative financial instruments to manage the foreign exchange exposure arising from the financial assets/liabilities which are denominated in a currency which is not the functional currency of our Group entities.

Derivative financial instruments

In August 2011, the Group entered into one foreign exchange derivative contract to hedge against the foreign exchange exposure in relation to a long-term bank loan denominated in Renminbi. The effective period of the contract is two years and the contract had expired in August 2013.

Capital commitments and operating lease commitments

Details of the Group's capital commitments and operating lease commitments as at 31 March 2014 are set out in Note 16(a) and Note 16(b) of this annual results announcement.

Contingent liabilities

As at 31 March 2014, our Group had no material contingent liabilities.

Business review

In spite of the uncertainty in the United States ("**US**") and European markets which continued to cloud the pace of global recovery of the economy, the Group saw steady and continued improvement in our business performance and business fundamentals during the year ended 31 March 2014.

During the year ended 31 March 2014, the Group recorded revenue which amounted to approximately HK$945.8 million. It shows an increase of approximately HK$99.3 million, or 11.7% as compared to approximately HK$846.5 million for the corresponding period in 2013. The growth in revenue was fueled by a combination of factors. In the metal stamping segment, there was a continued rise in orders from customers engaged in the medical and test equipment sector, office automation sector and consumer electronics sector. The increase in orders was mainly caused by the launching of new product models by these customers. Although the up-trend was partly offset by the Group's exercise to restructure our product portfolio, in which we phased out certain office automation products, the segment generated approximately 7.6% more revenue than the corresponding period last year.

In the metal lathing segment, the Group recorded vibrant growth of approximately 24.7% against the same period last year. During the year ended 31 March 2014, revenue generated by the metal lathing segment was approximately HK$253.6 million, representing a hike of approximately HK$50.3 million as compared to 2013. Such growth was mainly contributed by the rebound of orders from our Ultimate Customer after the fourth quarter of 2012. Apart from this, during the year ended 31 March 2014, the Group was also engaged by certain other subcontractors of the Ultimate Customer to produce other metal components which are used in the products or accessories of our Ultimate Customer.

As part of the Group's strategic plan, the Group's first product assembly facilities started to operate in December 2012. The assembly operation formed part of our strategic downward expansion from the provision of precision metal engineering and processing service, to a one-stop full scale service to our customers. By providing additional value-added service to our customers, we are able to open new windows of business opportunities with our customers, and enhance the Group's competitiveness and profitability. Although it is still in the start-up phase, the product assembly operation had begun to contribute value towards its strategic objectives. Management is optimistic that the project will further realise its value in year to come.

Apart from the above, the Group was also making progress regarding the development of our Suzhou production base, which is intended to be used as a comprehensive production base to serve nearby customers which are engaged in the medical and test equipment industry. As of the date of this annual results announcement, the construction of the new Suzhou base is in progress. The gross site area of our new Suzhou production base is approximately 52,000 square metres ("**sq.m.**"). When completed, it will provide the Group a factory premise with the gross floor area of approximately 37,000 sq.m.. Our management is optimistic that, if completed, the new site will provide us with sufficient production capacity to expand into the medical and test equipment industry which has promising profit margin.

OUTLOOK AND STRATEGY

Although under continuing competition, the Group has continued to focus on our business fundamentals and endeavor to mitigate business risks. We believe that the fast expanding PRC precision metal and precision engineering market is still far from saturation and has plenty of room to allow quality and well-managed industry players to expand its market share. Compounded with the expected recovery of the global economy, we are cautiously optimistic about the business environment in the foreseeable future.

In order to capture the opportunity presented before us, the Group shall continue to maintain close relationship with our customers in our traditional market, and sort out effective measures to reduce increasing production cost. The Group will continue our effort in enhancing cost management and production efficiency through the use of robotic automation in our production process in order to counter the increasing staff cost in the PRC and enhance production efficiency.

On the other hand, the Group will continue to explore new business and products in high value and high growth industries, such as the medical and test equipment and the consumer electronics industries. We will closely monitor the construction progress of our Suzhou production base, which is intended to capture the high value medical and test equipment market.

Besides, our Group is also expanding our existing business model to develop our own-branded kiosk products. Being a new industry, the kiosk products have a higher profit margin than the traditional metal stamping products. As at 31 March 2014, we have already signed contracts with various customers located in Hong Kong, Singapore, Thailand and the Philippines in which the Group will deliver different kinds of kiosk products to these customers in the coming years. Management is optimistic that our kiosk products business shall provide a good prospect by contributing revenue and profit to the Group in the financial years to come.

With our solid long term relationship with our major customers, our extensive business knowledge in the industry, and our core values of commitment to top product quality, we would dedicate ourselves to maximise the returns to the shareholders of the Company (the "**Shareholders**").

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2014, our Group had a total number of 2,811 full-time employees (2013: 2,792). The Group determined the remuneration packages of all employees based on factors including individual qualifications, contribution to our Group, performance and years of experience of the respective staff.

The Group provides on-going training to our staff in order to enhance their technical skills and product knowledge and to provide them with updates with regard to industry quality and work safety.

The Group maintains good relationships with our employees. We did not have any labour strikes or other labour disturbances that would have interfered with our operations during the year ended 31 March 2014.

As required by PRC regulations, the Group participates in the social insurance schemes operated by the relevant local government authorities.

USE OF PROCEEDS FROM THE SHARE OFFER

The shares of the Company were listed on the Main Board of the Stock Exchange on 15 October 2012 and raised net proceeds of approximately HK$85.6 million. As at 31 March 2014, the unused proceeds of approximately HK$36.0 million were deposited with licensed banks in Hong Kong and the PRC.

As at 31 March 2014, the net proceeds had been utilised as follows:

	Actual net proceeds *HK$ million*	**Actual utilisation up to 31 March 2014** *HK$ million*	**Balance as at 31 March 2014** *HK$ million*
For the purchase of a piece of land in Suzhou	58.0	33.6	24.4
For the construction of production facilities in Suzhou	27.6	16.0	11.6
	85.6	49.6	36.0

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK0.5 cents per share (2013: HK2.0 cents) per share for the year ended 31 March 2014 which will be payable to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company (the "**Register of Members**") on Thursday, 4 September 2014 subject to the Shareholders' approval in the annual general meeting of the Company to be held on Thursday, 28 August 2014 (the "**AGM**").

On 26 November 2013, the Board declared an interim dividend of HK1.3 cents per share (2013: nil) in respect of the six months ended 30 September 2013 which was paid in January 2014.

For the year ended 31 March 2013, final dividends totaling to HK$12,000,000 were declared and fully paid in September 2013.

On 2 May 2012 and 26 June 2012, our Group declared dividends of HK$53,646,000 and HK$31,582,000 respectively to its then shareholders and the dividend has been fully paid by the Group.

CLOSURE OF REGISTER OF MEMBER

For the purpose of ascertaining Shareholders' right to attend and vote at the AGM, the Register of Members will be closed from Wednesday, 27 August 2014 to Thursday, 28 August 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, namely Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 26 August 2014.

Subject to the Shareholders' approval of the recommended final dividend at the AGM, the final dividend will be payable on or about Monday, 15 September 2014. For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the Register of Members will be closed from Wednesday, 3 September 2014 to Thursday, 4 September 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend for the year ended 31 March 2014, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, namely Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 September 2014.

CORPORATE GOVERNANCE

The Company and the Directors confirm, to the best of their knowledge, that the Company has complied with the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 March 2014.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by the Directors on terms equivalent to the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

The Board confirmed that, having made specific enquiry, the Directors have complied in full with the required standards as set out in the Model Code and its code of conduct during the year ended 31 March 2014 and up to 24 June 2014, the date of this annual results announcement.

REVIEW OF ACCOUNTS

The Company's Audit Committee has reviewed the accounting policies adopted by the Group and the consolidated financial statements of the Group for the year ended 31 March 2014.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PURCHASE, SALE OF REDEMPTIONS OF LISTED SECURITIES

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.kingdom.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2014 Annual Report containing all the information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and available on the said websites in due course.