MOISELLE

MOISELLE INTERNATIONAL HOLDINGS LIMITED

慕詩國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 130)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

ANNUAL RESULTS

The board of directors (the "Board") of Moiselle International Holdings Limited (the "Company") announces that the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2014 with comparative figures for the previous corresponding year are as follows:

CONSOLIDATED INCOME STATEMENT

	Note	**2014** *HK$'000*	2013 *HK$'000*
Turnover	3	**458,677**	418,895
Cost of sales		**(88,843)**	(67,785)
Gross profit		**369,834**	351,110
Other revenue	5	**6,915**	9,666
Other net loss	5	**(969)**	(1,087)
Selling and distribution costs		**(268,517)**	(262,275)
Administrative and other operating expenses		**(74,209)**	(72,665)
Profit from operations		**33,054**	24,749
Finance costs		**–**	(3)
Valuation gains on investment properties		**1,244**	2,360
Share of loss of associate		**(219)**	(28)
Share of loss of joint venture		**(1,019)**	(327)
Profit before taxation	6	**33,060**	26,751
Income tax	7	**(5,137)**	(6,722)
Profit for the year		**27,923**	20,029
Attributable to:			
Equity shareholders of the Company		**27,923**	20,029
Earnings per share	8		
Basic		**HK$0.10**	HK$0.07
Diluted		**HK$0.10**	HK$0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**27,923**	20,029
Other comprehensive income for the year (after tax)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**12,583**	452
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of land and buildings held for own use	**18,637**	43,424
	31,220	43,876
Total comprehensive income for the year	**59,143**	63,905
Attributable to:		
Equity shareholders of the Company	**59,143**	63,905

CONSOLIDATED BALANCE SHEET

	Note	31 March 2014 HK$'000	31 March 2014 HK$'000	31 March 2013 HK$'000	31 March 2013 HK$'000
Non-current assets					
Fixed assets					
– Investment properties			**63,263**		31,370
– Other fixed assets			**402,860**		417,995
			466,123		449,365
Interest in an associate			**1,053**		972
Interest in a joint venture			**–**		–
Other assets			**20,832**		14,173
Deferred tax assets			**9,238**		7,166
			497,246		471,676
Current assets					
Inventories		**58,522**		59,311	
Trade and other receivables	10	**49,075**		56,929	
Tax recoverable		**182**		79	
Cash and bank deposits		**250,141**		227,962	
		357,920		344,281	
Current liabilities					
Trade and other payables	11	**59,092**		50,326	
Tax payable		**3,489**		5,098	
		62,581		55,424	
Net current assets			**295,339**		288,857
Total assets less current liabilities			**792,585**		760,533
Non-current liabilities					
Deferred tax liabilities			**63,797**		59,216
NET ASSETS			**728,788**		701,317
Capital and reserves					
Share capital			**2,880**		2,880
Reserves			**725,908**		698,437
TOTAL EQUITY			**728,788**		701,317

Notes:

1. Basis of preparation

The financial information set out in this announcement does not constitute the Group's financial statements for the year ended 31 March 2014, but is derived from these financial statements. These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

– Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
– HKFRS 10, *Consolidated financial statements*
– HKFRS 11, *Joint arrangements*
– HKFRS 12, *Disclosure of interest in other entities*
– HKFRS 13, *Fair value measurement*
– HKAS 28 (2011), *Investments in associates and joint ventures*
– Annual Improvements to HKFRSs 2009-2011 Cycle
– Amendments to HKFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

Except for HKFRS 13, *Fair value measurement,* the remaining new HKFRSs and amendments to HKFRSs have had no material impact on the Group's financial statements as they were consistent with policies already adopted by the Group. The impact of HKFRS 13, *Fair value measurement,* is discussed below:

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in the Group's financial statements. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Turnover

The principal activities of the Group are the design, manufacture, retail and wholesale of fashion apparel and accessories.

Turnover represents the invoiced value of goods sold, excluding value added tax and net of trade discounts.

4. Segment reporting

The Group manages its businesses by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– The Hong Kong operation represents the sales of house brands and imported brands in Hong Kong.

– The Outside Hong Kong operation represents the manufacture of house brands in Mainland China and sales of house brands and imported brands in Mainland China, Macau, Taiwan and Singapore.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reportable segment profit is profit from operations. Income tax is not allocated to reportable segments.

Segment assets and liabilities of the Group are not reported to the Group's most senior executive management regularly. As a result, reportable segment assets and liabilities have not been presented in these financial statements.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2014 and 2013 is set out below:

	Hong Kong		**Outside Hong Kong**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**233,050**	206,195	**225,627**	212,700	**458,677**	418,895
Inter-segment revenue	**71,234**	50,190	**52,312**	49,562	**123,546**	99,752
Reportable segment revenue	**304,284**	256,385	**277,939**	262,262	**582,223**	518,647
Reportable segment profit/(loss)	**32,002**	20,869	**(4,894)**	(4,699)	**27,108**	16,170
Interest income from bank deposits	**122**	195	**3,460**	3,281	**3,582**	3,476
Finance costs	**–**	(3)	**–**	–	**–**	(3)
Depreciation for the year	**(11,962)**	(10,713)	**(14,733)**	(14,925)	**(26,695)**	(25,638)
Impairment of fixed assets	**–**	(1,127)	**(1,127)**	(4,253)	**(1,127)**	(5,380)
Impairment of trade receivables	**–**	–	**(164)**	–	**(164)**	–

(b) Reconciliation of reportable segment profit or loss

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Total revenue from reportable segments	**582,223**	518,647
Elimination of inter-segment revenue	**(123,546)**	(99,752)
Consolidated revenue	**458,677**	418,895
Profit		
Reportable segment profit	**27,108**	16,170
Other revenue and net loss	**5,946**	8,579
Finance costs	**–**	(3)
Valuation gains on investment properties	**1,244**	2,360
Share of loss of associate	**(219)**	(28)
Share of loss of joint venture	**(1,019)**	(327)
Consolidated profit before taxation	**33,060**	26,751

(c) **Geographic information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets, associate and joint venture ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of operations, in the case of interests in associate and joint venture.

	Revenues from external customers		**Specified non-current assets**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**233,050**	206,195	**336,142**	332,419
Mainland China	**112,319**	122,243	**126,025**	114,932
Taiwan	**49,227**	40,337	**1,328**	1,221
Macau	**57,334**	44,408	**765**	1,750
Singapore	**6,747**	5,712	**2,916**	15
	225,627	212,700	**131,034**	117,918
	458,677	418,895	**467,176**	450,337

5. Other revenue and net loss

	2014	2013
	HK$'000	*HK$'000*
Other revenue		
Interest income from bank deposits	**3,582**	3,476
Gross rental income from investment properties	**1,682**	653
Service fee income	**935**	918
Others	**716**	4,619
	6,915	9,666
Other net loss		
Net loss on disposal of fixed assets	**(372)**	(50)
Net exchange loss	**(597)**	(1,037)
	(969)	(1,087)

6. Profit before taxation is arrived at after charging:

	2014	2013
	HK$'000	*HK$'000*
Interest on bank advances	**–**	3
Depreciation	**26,695**	25,638
Staff costs (excluding directors' remuneration)	**104,587**	98,994
Operating lease charges in respect of land and buildings	**159,587**	157,726

7. Income tax

	2014	2013
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**5,931**	3,682
Over-provision in respect of prior years	**(1)**	(530)
	5,930	3,152
Current tax – Outside Hong Kong		
Provision for the year	**2,781**	3,881
Over-provision in respect of prior years	**(463)**	(1,241)
	2,318	2,640
Deferred tax		
Origination and reversal of temporary differences	**(3,111)**	930
	5,137	6,722

The provision for Hong Kong Profits Tax for 2014 is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year. Taxation for the People's Republic of China ("PRC") and overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

During the year ended 31 March 2014, the applicable tax rates for subsidiaries domiciled in the PRC, Taiwan and Singapore are 25% (2013: 25%), 17% (2013: 17%) and 17% (2013: 17%) respectively.

Macau complementary tax is levied at progressive rates ranging from 3% to 9% on the taxable income above MOP32,000 (equivalent to HK$31,000) but below MOP300,000 (equivalent to HK$291,000), and thereafter at a fixed rate of 12%. For the year ended 31 March 2014, a special complementary tax incentive was provided to the effect that the tax free income threshold was increased from MOP32,000 to MOP300,000 (equivalent to HK$31,000 to HK$291,000) with the profit above MOP300,000 (equivalent to HK$291,000) being taxed at a fixed rate of 12%.

For the year ended 31 March 2013, the special complementary tax incentive provided was to the effect that the tax free income threshold was increased from MOP32,000 to MOP200,000 (equivalent to HK$31,000 to HK$194,000) with the next MOP100,000 (equivalent to HK$97,000) of profit being taken at a fixed rate of 9% and thereafter at a fixed rate of 12%.

The Group is subject to withholding tax at a rate of 10% (unless reduced by treaty) on distribution of profits generated after 31 December 2007 from the Group's foreign-invested enterprises in the PRC. As all of the Group's foreign-invested enterprises are directly and wholly owned by Hong Kong incorporated subsidiaries, a reduced rate of 5% is applicable in the calculation of this withholding tax. Deferred tax liabilities of HK$11,319,000 (2013: HK$11,424,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits since these earnings are not intended to be distributed in the foreseeable future.

8. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$27,923,000 (2013: HK$20,029,000) and the weighted average number of 287,930,000 (2013: 287,930,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share for the years ended 31 March 2014 and 2013 as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2014 and 2013.

9. Dividends

The Board recommended the payment of a final dividend of 8 Hong Kong cents (2013: 7 Hong Kong cents) per ordinary share in respect of the year, payable on or before 1 September 2014 in cash to all shareholders whose names appear on the register of members of the Company at the closure of business on 25 August 2014.

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2014 ***HK$'000***	2013 *HK$'000*
Interim dividend declared and paid of 4 Hong Kong cents per ordinary share (2013: 3 Hong Kong cents per ordinary share)	**11,517**	8,637
Final dividend proposed after the balance sheet date of 8 Hong Kong cents per ordinary share (2013: 7 Hong Kong cents per ordinary share)	**23,035**	20,155
	34,552	28,792

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2014	2013
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of 7 Hong Kong cents per share (2013: 12 Hong Kong cents per share)	**20,155**	34,552

10. Trade and other receivables

	2014	2013
	HK$'000	*HK$'000*
Trade debtors	**18,653**	20,490
Less: Impairment loss on trade debtors	**(164)**	–
	18,489	20,490
Deposits, prepayments and other receivables	**30,586**	36,439
	49,075	56,929

As of the balance sheet date, the ageing analysis of trade debtors (which are included in trade and other receivables and net of impairment loss on trade debtors), based on invoice date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**14,274**	14,334
Between 31 to 90 days	**4,176**	5,725
Between 91 to 180 days	**39**	423
Over 1 year	**–**	8
	18,489	20,490

Trade debtors are due within 30 to 90 days from the date of billing.

11. Trade and other payables

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**3,715**	2,941
Other creditors and accrued charges	**55,377**	47,385
	59,092	50,326

As of the balance sheet date, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**1,696**	2,474
Between 31 to 90 days	**1,783**	357
Over 90 days	**236**	110
	3,715	2,941

REVIEW OF OPERATIONS

In Hong Kong, the Group operated 12 *MOISELLE*, 9 *mademoiselle* and one *imaroon* (2013: 15 *MOISELLE*, 7 *mademoiselle* and one *imaroon*) retail stores as at 31 March 2014. The Group also maintained one (2013: one) retail store for the young brand, *GERMAIN*, at Matheson Street, Causeway Bay during the year. One new *GERMAIN* retail store was opened at the New Town Plaza, Shatin during the year. The four brands were separately managed with each having its own distinctive target customers. The design teams for each brand worked out their own collections and image stories from different creative sources of fashion trends. The Group's retail operations, however, were managed to pursuit their respective objectives in the most effective and efficient manner.

As at 31 March 2014, the Group operated one (2013: one) retail store of *COCCINELLE*, an Italian fashion accessories brand, at the New Town Plaza, Shatin in Hong Kong. The retail stores of *SEQUOIA*, a French fashion accessories brand, were maintained at the K11 shopping mall and at Matheson Street, Causeway Bay during the year. A new *SEQUOIA* retail store was opened at the Grand Century Place, Mongkok during the year and the brand was operated by a joint venture of the Group.

Two *MOISELLE*, one *mademoiselle* and one *COCCINELLE* (2013: two *MOISELLE,* one *mademoiselle* and one *COCCINELLE*) stores were maintained in Macau during the year. With the increased number of tourists traveling to, and expatriates staying in, Macau, the demand for prestigious fashion apparel and accessories products had increased and the Group continued to introduce more attractive and valuable fashionable products into this market.

As at 31 March 2014, the Group operated in the Taiwan market 15 *MOISELLE* stores (2013: 13) and 6 *mademoiselle* stores (2013: 5) in Taipei, Taoyuan, Hsinchu, Taichung, Kaohsiung and Tainan. With the expanded sales network in Taiwan, the Group managed to continue to introduce the Group's brands into various districts in Taiwan during the year.

In Mainland China, the Group maintained its sales network under three house brands, *MOISELLE*, *mademoiselle* and *GERMAIN*, during the year. There were 42 *MOISELLE* stores (2013: 45) operating in Mainland China as at 31 March 2014. 23 (2013: 29) out of the 42 (2013: 45) stores were operated as consignment counters in department stores and 17 (2013: 14) were retail shops. The remaining ones were operated by franchisees. The sales network of *mademoiselle* was redefined in the Mainland China region during the year. There were 8 (2013: 13) *mademoiselle* stores operating as at 31 March 2014. Two *GERMAIN* stores (2013: two stores) were maintained in Mainland China during the year, which included one in Sanlitun, Beijing and one in TaiKoo Hui, Guangzhou. During the year, one new *GERMAIN* store was opened at APM, Shanghai. The continued restructure of the sales network aimed at capturing the most suitable locations in the competitive market and diverse cities in China. The multi-brand strategies had enhanced the Group's competitive edge and brought synergy effects on the brand building process targeting at increase in sales in the China fashion retail market.

The restructured network in the market of the Mainland China region was expected to provide future growth opportunities to the Group and to increase the brand exposure in the major and second- or third-tier cities. Under the implementation of integrated marketing and visual merchandising strategies, activities in both Hong Kong and China regions had delivered and strengthened refreshed brand image and new look design concepts for products of *MOISELLE* during the year.

By establishing retail stores in the shopping districts with high pedestrian flows, in addition to strategically launched marketing campaigns, the Group successfully maintained the brand mix and increased the brand equity of the brands under the Group. The strengthened customer base also contributed to the increase in the brand awareness of both the house brands and the European brands operated by the Group.

FINANCIAL REVIEW

Overview

The Group's turnover increased by approximately 9% to approximately HK$458,677,000 (2013: HK$418,895,000) during the year ended 31 March 2014 as compared with 2013. Due to the significant improvement in performance of Macau and Taiwan, the segment outside Hong Kong had achieved increase in turnover during the year under review. The revenue of the segment outside Hong Kong increased by approximately 6% to approximately HK$225,627,000 (2013: HK$212,700,000) during the year as a result. The segment turnover ratio had arrived at approximately 49% which was two percentage points lower as compared to the year ended 31 March 2013.

The revenue earned from Hong Kong segment increased by approximately 13% to approximately HK$233,050,000 (2013: HK$206,195,000) which was mainly due to the improved sales brought in by diverse marketing strategies adopted by the Group in the market during the financial year under review.

During the year under review, the Group's gross profit margin was approximately 81%, as compared to 84% of the previous year. The gross profit margin was decreased yet still remained in the normal range of gross margin of the Group during previous years. Operating expenses for the year ended 31 March 2014 totaled approximately HK$342,726,000, compared to approximately HK$334,940,000 for 2013, increased by approximately 2%. The increase in turnover more than covering the increase in cost of sales and operating expenses, mainly staff costs and rental expenses, had resulted in the increase in operating margin to 7% (2013: 6%).

The profit for the year ended 31 March 2014 was approximately HK$27,923,000 (2013: HK$20,029,000), increased by approximately HK$7,894,000, 39%. The increase was in line with the increase in operating margin.

Liquidity and financial resources

During the year, the Group financed its operations with internal generated cash flows. The Group adopts a prudent financial policy such that it can meet the financial obligations when they fall due and maintain a sufficient operating fund for the development of the Group's business. At the end of the year, the Group's aggregate fixed deposits and cash balances amounted to approximately HK$250 million (2013: HK$228 million). As at 31 March 2014, the Group maintained aggregate composite banking facilities of approximately HK$41 million (2013: HK$51 million) with various banks, of which approximately HK$2 million (2013: HK$5 million) were utilised.

The Group continues to enjoy healthy financial position. As at 31 March 2014, the current ratio (current assets divided by current liabilities) was approximately 5.7 times (2013: 6.2 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was zero (2013: zero).

Contingent liabilities

As at 31 March 2014, the Company had contingent liabilities in relation to guarantees given to banks against facilities extended to certain wholly owned subsidiaries amounting to approximately HK$2 million (2013: HK$5 million).

OUTLOOK

With the fast changing economic conditions in the markets that the Group operates and based on currently available information, the Group will approach the new financial year with caution.

The new store in Sands Cotai Central, Macau opened in June 2014 which includes a whole new concept store, M Concept. The overall 6,000 square feet retail space provides greater offering of services and products to our prestigious customers. With the Group's unique and delightful product collections, the management expects the new concept store will bring in increased sales volume and high performance potential in the Macau market.

The Group has started to research and develop menswear under its main brand, *MOISELLE*. The first collection will be launched in the near future. With the fuller product range enhanced by the menswear collection, the brand is able to attract new customers and broaden the long term customer base. The management will continue to study the potential of any new product ranges and the benefits of the launch of any of them.

The Group has engaged in long term exclusive agreement with French fashion accessories brand, *SEQUOIA*, to design, manufacture, wholesale and retail apparel products of the brand. This is the first time the brand launches products other than fashion accessories. With the launch in apparel products for *SEQUOIA* brand, the Group will be able to exhibit its capabilities of nurturing multiple fashion brands and provide versatile selections to its customers.

The Group has engaged in license agreement with *Walt Disney* to design and launch various fashionable life style products which will be launched in the coming months. At the second round co-operation with *Walt Disney*, brand new designs for household decorative products as well as apparel products will be launched in the market so that both *Disney* and *MOISELLE* customers would be able to enjoy refreshed images of *Disney* famous characters.

The Group will continue to formulate focused strategies to increase its competitive edge and improve the market potential of its products. Refreshed images and new styling for *MOISELLE* brand products will be launched and target at both existing and potential customers. The Group will also continue to raise its customer service standards so that customers can enjoy a valuable shopping experience in the Group's retail outlets.

Various marketing campaigns will be launched to continue to maintain and improve brand images and increase exposure of brand profiles to new and younger potential customers. The management will explore more prestigious locations in the different markets where the products of the Group's brands are desirable by the favorable customer groups.

The Group will also focus on the Mainland China market as its key area of business development. Despite the economic fluctuations in the short term, the long term development of the China economy is considered contributory to positive returns to the Group's brand investments. The Group plans to strengthen its sales network in existing cities so as to achieve increased market penetration in the country.

The Group will continue to enhance the brand equity under the multiple brand strategy. In addition, the Group will keep on refining the brand images of each brand under the Group. The Group will also allocate resources in developing overseas markets in order to gain more potential customers in the future. The Group will monitor closely the economic conditions and fashion trends in the markets and make appropriate adjustment to the above plans to keep abreast of changes in the market.

EMPLOYEES

As at 31 March 2014, the Group employed 821 (2013: 880) employees mainly in Hong Kong and Mainland China. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, statutory and medical insurance cover and training programmes.

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

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions listed in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the year ended 31 March 2014. The only exception is that Mr. Chan Yum Kit is the chairman of the Board and also assumes the role of the chief executive officer. The Board considers that the current management structure ensures consistent leadership and optimal efficiency for the operation of the Company.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and the draft consolidated financial statements of the Group for the year ended 31 March 2014. The audit committee comprises three independent non-executive directors of the Company.

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 August 2014 to 25 August 2014 (both days inclusive) and during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 20 August 2014.

By Order of the Board
Chan Yum Kit
Chairman

Hong Kong, 25 June 2014

As at the date of this announcement, the Company's executive directors are Mr. Chan Yum Kit, Ms. Tsui How Kiu, Shirley, Mr. Chui Hing Yee and Mr. Chan Sze Chun, and independent non-executive directors are Ms. Yu Yuk Ying, Vivian, Mr. Chu Chun Kit, Sidney and Ms. Wong Shuk Ying, Helen.