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 2015

HIGHLIGHTS

- **The Group achieved solid results in FY2014/15, with revenue rose by 7.8% to HK$7.36 billion and profit attributable to shareholders increased 1.0% to HK$587 million.**
- **The Group performed well and maintained a strong growth base in all our key markets. Our Hong Kong quick service restaurants and institutional catering business continued to outperform the market.**
- **Under the Group's long-term growth plan, we also made a strategic leap in other market segments. Together, we continue to build a robust platform to support the sustainable business and organisational growth.**
- **A final dividend of HK61 cents per share (2014: HK51 cents) is recommended, with a total dividend payout ratio of 77.3% for the year.**

CHAIRMAN’S MESSAGE

EVOLVING HERITAGE

Since I last reported, our business performance has remained strong. In particular, I am proud of our management's efforts to consistently implement the Group’s sustainable strategy as laid down by the Board, with our business presence continuously expanding across geographies, brands, product categories and market segments through organic growth and franchise acquisitions.

On reflection, I cannot help but savour the gratifying journey that has brought us to where we are today. In our growth trajectory, a significant milestone was achieved when we became listed on the Hong Kong Stock Exchange in 1986. Since then, we have advanced in great strides for almost 30 years as a public company and have grown hand in hand with the city, while expanding our business footprints beyond local shores. Our turnover has increased about 27 folds while our profits have soared about 27 folds as well. Not only have we developed an industry-leading portfolio of brands, we have built an extensive restaurant network, especially in Hong Kong and Mainland China, matched by our successful foray into institutional catering, casual dining and other niche specialty restaurant markets, which have successfully transformed us into one of Asia’s largest publicly listed restaurant and catering groups known for its marketing innovation and professional management.

REMARKABLE JOURNEY

In our remarkable journey, we have our fair share of challenges. In our 46 years of existence, we have travelled across vastly diverse business landscapes, shaped by the unpredictable forces of larger economic and social change. We have weathered many economic downturns, including the SARS crisis, the Asian financial crisis and the global financial tsunami. Our strategy for dealing with uncertainties, over the decades, is best demonstrated by our perseverance to rise to the occasion in face of adversity. Undaunted by short term ups and downs, we have taken a long term vision to continue investing in strategic areas which would enhance our competitive edge. Attesting to this are the two central food processing centres we have built in Hong Kong and Mainland China with enhanced production capacity. Apart from providing a dependable logistics backup, the centres have enabled us to better monitor our food quality, safety and hygiene.

Other than the visionary strategy in turning crisis into opportunities, we pride ourselves in having the agility to respond to the changing needs of society. The Group’s evolution from a single-brand, single-location operation into one with multiple locations and multiple brands shows that we have adapted effectively to evolving market and consumer trends. This could not have been achieved without the entrepreneurial zeal of our past and present management who has a firm commitment to brand building, business development and management excellence. I would like to take this opportunity to thank all the people who have embraced this visionary strategy and accompanied me over the years in this fulfilling voyage.

LIVING LEGACY

Our mission now is to preserve the living legacy of Café de Coral and take it powerfully into the future. To do so, we must continually rejuvenate our brand image and reinvent our product offerings and services to ensure everything we undertake is attuned to the times. Although we have mapped out our future roadmap under the current 5-year growth plan, I believe our organisational structure must remain flexible and streamlined enough to adapt to any future initiative introduced by the Group. The rapidly changing landscape in the food and beverage industry requires agility in execution and astuteness in judgment.

For our organisation to stay agile and nimble, we have also turned our strategic attention towards management succession planning. A number of our senior management executives are due for retirement, following their long service spans with the Group. We have started recruiting externally for the right talents and promoting deserving candidates from within to prepare for a smooth transition. With this exercise underway, our management ranks will be rejuvenated as the baton is passed to the new generation of management. This would allow our management in having the flexibility to respond to foreseen changes and capture business opportunities, swiftly and efficiently.

Finally, I would like to extend my sincerest thanks to everyone who has been a partner in this challenging but ultimately rewarding voyage, especially my fellow Directors for the valuable input they have offered along the way. This, together with the dedication and hard work of all our staff, have certainly made my journey in Cafe de Coral all the more cherishable.

Chan Yue Kwong, Michael
Chairman

Hong Kong, 23 June 2015

CEO'S REPORT

It is my pleasure to present you with our Company's results for the FY2014/15 as well as our other achievements during this period.

Guided by our sustainability framework, we implemented the Café de Coral Group's comprehensive long-term strategic plan and action programme over the course of the year. Our objective with this exercise is to continue growing our business in the Group's key markets and strengthen our operations and organisation in a systematic and disciplined manner. This is part of our commitment to building an even stronger platform in support of sustainable business and organisational growth.

HIGHLIGHTS OF THE YEAR

I am delighted to report that the Group achieved satisfactory results despite the challenges we faced during the financial year. The Group's total turnover (excluding discontinued operations) grew 7.8% to HK$7,356 million, and profit attributable to shareholders increased 1% to HK$587 million. FY2014/15 earnings per share rose to HK$1.02, and the payment of a final dividend of HK61 cents per share to shareholders for the financial year ended 31 March 2015 has been recommended.

2014/15 saw the launch of the Group's current 5-year strategic growth plan. This is a holistic roadmap we crafted to achieve sustainable business growth and build a robust infrastructure for the Group. During the year, various programmes and projects were rolled out systematically to expand our leading brands, develop new concepts and strengthen our business platform and operations.

Key highlights of the year include the following:

- **Solid QSR and institutional catering business performance in Hong Kong.** Our Hong Kong quick service restaurants (QSR) and institutional catering business outperformed the market to achieve a 10% increase in revenue growth to HK$5,260 million for the 12 months ended 31 March 2015.

- **Strategic leap in the fast casual segment.** During the year, we expanded the Group's fast casual portfolio. We scaled up our home-grown concepts **Shanghai Lao Lao** and **Mixian Sense** and signed on popular Korean and Japanese brands, all of which brought new impetus and fuelled the growth of the fast casual segment in our business.

- **Disposal of non-core businesses.** In recognition of the need to better utilise our resources for achieving long-term growth, the Company disposed of its Manchu WOK business and joint venture interests in the Hong Kong 85°C bakery business during the year.

- **A stronger sustainability platform.** Major progress was made in the Group's sustainability programme during the fiscal year, including ISO 22000 certification for our new Central Food Processing Centre in Tai Po shortly after it commenced operation. In addition, we launched the Group's master CSR programme "**Café de Coral Twinkle Action"** in April 2015, signifying our concerted efforts to serve and engage the community within the Group's clearly-defined CSR parameters.

- **Implementation of the Group's succession and talent plans.** We continued to implement the Group's long-term talent development and succession plans during the review period. We made key appointments and promotions across the different corporate functions and business operations, while our young and vibrant senior management team, comprising incumbent and new managers, committed themselves to achieve more in the upcoming year.

Together with this Annual Report for 2015, I would also like to present to you the Group's second Sustainability Report, which outlines the Group's sustainability initiatives during the review period. In the report, we describe the specific key areas of our long-term sustainability programme, the progress made in this programme, and our future enhancement targets and projects.

DRIVING GROWTH

The key to the success of the Café de Coral Group lies in our determination to constantly review and reflect on the achievements we have made and the challenges we have encountered since opening our first shop in 1969. Through this process, we ensure that our objectives and strategies always remain relevant to our key markets and effective for our business and organisational growth. In mapping out the Group's future direction, we place as much emphasis on building a sustainable infrastructure as achieving our demanding business targets.

Expanding in the QSR and Institutional Catering Market

The QSR and institutional catering sectors in Hong Kong saw a steady decline in volume over the past years, mainly attributable to the continuous rise in rental, labour and raw material costs. As a result of the negative volume growth in these sectors, market competition has further intensified. However, this reality in the industry has provided us with good opportunities for growing our business and capturing a larger market share. We will continue to reinforce our production capacity, scale and outlet network while ensuring the right mix of business models to hone our competitive edge and build an even stronger platform for expansion.

Leveraging on our solid foundation and the success of our brands in various sub-segments of the QSR market, our Group is poised to grow the breadth and depth of our business. **Café de Coral** fast food and **Super Super Congee & Noodles** are among the leading QSR brands in Hong Kong with sizeable market shares. Now considered household names, these brands have won the trust and support of our customers in Hong Kong. In the institutional catering sector, our **Asia Pacific Catering** and **Luncheon Star** brands have been expanding as we constantly take our products and service to the next level and explore new business opportunities and income streams.

New brands and dining concepts have been created to further increase our market share in the QSR sector. These include our new brands, **Just About Food** and **C. Express**, which feature innovative business models designed to offer faster high quality service based on our high space and labour efficiency.

Scaling up our Fast Casual Portfolio

In carrying out the Group's plan for long-term growth, we continued to broaden our base in the fast casual sector and seize the enormous business opportunities in this lucrative market. Our solid foundation in both the QSR and casual dining segments will support our further expansion into the fast casual sector.

We are also riding on our extensive experience in the full-service casual dining segment through our leading brand, **The Spaghetti House**, to launch many exciting new concepts. **Shanghai Lao Lao** and **Mixian Sense** are just two recent examples of our new home-grown models featuring simple menus, a smaller footprint, and young lifestyle approach. We continue to rejuvenate the **Oliver's Super Sandwiches** brand and concept to ensure it stays relevant to our diverse customer groups.

Our collaboration with well-known Japanese and Korean partners has also enabled us to enrich our fast casual portfolio. The recent opening of **The Cup**, a Korean lifestyle fast casual chain, in Hong Kong as well as the forthcoming Japanese *donburi* and pasta chains will further expand the Group's presence in the fast casual sector.

Mainland China as a Growth Engine

The F&B market in Mainland China is highly dynamic and competitive. Players from all over the world are eyeing on this lucrative market. That being said, the rapid change of business environment and consumer habits in this fast-growing industry is a constant challenge for business operators in the country. The Café de Coral Group has a long-standing presence in the Mainland and has gained a good understanding of the country's business environment and consumer preference. This has helped us formulate the effective business strategies for the Group in capturing opportunities and unleashing our potential in the country.

Setting the right geographical strategy is a crucial theme in our long-term growth plans for the Mainland. By taking advantage of our similarities in culture and language as well as our close proximity to Guangdong, the Group is well positioned to branch out in the cities of this province. Its vast population and economic maturity provide the Café de Coral Group with ample opportunities for business expansion, and we are committed to growing our leading chains and to capturing a larger share of this market with new concepts and exciting brands.

We believe our optimism in the Mainland market is well founded. According to a comprehensive customer survey that Café de Coral recently commissioned, our brand is well received by Mainland consumers. The survey findings enlightened us on how to fine tune our business model and product offering in order to adapt to the Mainland market better. We will also closely watch market trends in this evolving market, and have our team constantly adjust the pace of our shop openings in the country. In the Group's 5-year plan, we have set concrete targets to grow our network in Guangdong Province at the right pace and with the right focus and we will introduce new brands and concepts to capture opportunities in our key business segments. Our efforts in building a more robust production platform and strengthening our team over the past years will further support our expansion strategies.

Robust Infrastructure and Platform

We continue to spearhead improvement measures based on the key pillars of our platform – total customer satisfaction, inclusive supply chain management, robust production processes, and centralised quality assurance. Specific targets and concrete actions have also been set to measure our performance and efficiency. Together, these long-term initiatives will complete our roadmap for sustainable growth and contribute to the on-going health of the Group.

Enhancing the effectiveness and efficiency of our business is key in supporting the Group's growth. We will also make a continuous effort to upgrade our information technology across our operations and corporate management – from our central food processing systems and branch management programmes to our payment gateway.

A Stronger and More Vibrant Team

In addition to the significant investments we have made to upgrade our information technology and strengthen the systems that support our business, we have not forgotten the importance of a strong and vibrant team.

Our 17,418 employees (as of 31 March 2015) are the backbone of the Café de Coral Group. Retaining good people and recruiting talent with the right skillsets remain one of the Company's top priorities. To that end, we ensure our staff remuneration and benefits packages are competitive and promote work-life balance as part of our corporate culture. Remuneration for our staff and Board of Directors is generally structured with reference to the market, individual experience, qualifications, duties, and responsibilities. During the year, we broadened the scope of the Company's long-term incentive programmes by introducing a stock award scheme on top of our existing share option programme, profit-sharing, and other performance incentives. During the year, the Company awarded shares to both top and middle management executives.

To meet the continuing challenges of labour shortages and talent scarcity, the Group has developed a well-structured internal promotion programme, comprehensive training and development scheme, and proactive talent retention and acquisition initiatives. Through our talent development and training programmes, our people are able to acquire and maintain the relevant skillsets needed to support the demanding growth targets of the Group. At the same time, we continue to explore automation in certain areas of our production process in order to enhance workplace safety.

The Group's long-term succession programme across our corporate functions and business operations ensures the stability and diversity of our team. Promoting experienced managers and staff and recruiting new talent with different skillsets and new ideas enable us to build a strong and vibrant team who live the Café de Coral Group's values and culture through mentorship and knowledge transfer.

In the Group's second Sustainability Report, we discuss at length the Company's comprehensive talent development and retention initiatives as well as the progress we have made in these areas.

BUSINESS REVIEW & DIRECTION

Hong Kong Operations

The overall F&B industry in Hong Kong recorded moderate growth in 2014. Against this background, I am pleased to report that despite the challenging business environment and weakening consumer confidence, our Hong Kong business results outperformed the market and achieved a 10% increase in revenue growth to HK$6,124 million for the 12 months ended 31 March 2015. Our Hong Kong operations continued to be the top contributor to the Company's results, taking up approximately 83% of the Group's FY2014/15 total turnover.

This solid performance was the result of the team's uncompromising dedication to quality and service, our robust and efficient procurement and supply chain, and the unfailing trust and support of our customers. All of these are pillars of the Café de Coral Group's success and have been built on the many, many years of hard work of our people. Our ability to overcome challenges is due to the Group's long-term sustainability initiatives and their implementation by our disciplined team.

During the year, sales from comparable stores of **Café de Coral** fast food and **Super Super Congee & Noodles** increased by approximately 9% and 6% respectively over the previous year, despite the challenging environment. **Café de Coral** continued to offer quality meals with great variety at affordable prices to our customers. The **Super Super Congee & Noodles** chain branched out into more commercial and residential hubs. We will also continue to expand our network beyond the current 156 **Café de Coral** fast food outlets and 35 **Super Super Congee & Noodles** shops (as of 31 March 2015).

It is equally encouraging to see that our institutional catering businesses continued to increase their market share. Having gained the trust and support of our corporate clients, **Asia Pacific Catering** maintained its market-leading position. During the year, we successfully signed on new clients and renewed a number of major contracts. As a result, our institutional catering arm was operating in over 50 locations (as of 31 March 2015) and continued making a positive contribution to the Group's performance. We also took pride in **Luncheon Star**'s reputation as the biggest provider of high quality school lunches in Hong Kong for the 10th consecutive year. A total of 22 schools (as of 31 March 2015) that commission our service received accreditation in the EatSmart School Accreditation Scheme (ESAS) (Healthy Lunch). Supported by its ISO 22000 certified production and distribution operation, our school lunch supply business offers quality and hygiene assurance at every stage of food production and delivery to schoolchildren. During the year, **Luncheon Star** achieved a record high with a daily average of over 80,000 meals prepared.

In accordance with the Group's business plan, we will further strengthen our position in the fast casual and casual dining sectors. While **The Spaghetti House** and **Spaghetti 360**° chains remain our leading western casual dining concepts, our younger **Mixian Sense** and **Shanghai Lao Lao** home-grown brands have been gaining popularity and expanding their networks. With 19 shops (as of 31 March 2015), the **Oliver's Super Sandwiches** restaurants continued to record encouraging growth during the year. The team made a strong effort to enrich the Group's fast casual restaurant portfolio and concluded new co-operation arrangements with well-known Japanese and Korean brand owners. In the near future, we will be introducing these exciting new concepts that we believe will be successful in capturing emerging business opportunities.

Mainland China Operations

Growth in the overall catering industry in the Mainland continued to slow down during the year, partly due to lower spending on business-related dining and receptions. This affected not only high-end restaurants but also other segments in the country's weakening dining industry. In face of the business environment and market trend, we had adjusted our shop-opening strategy and pace during the year. However, operating costs for our Mainland China business, especially those for rental and labour, have been rising substantially over the past years. These combined have affected the profitability of our business operation in the Mainland.

Despite the positive comparable sales growth of 3% achieved by our 100-outlet South China **Café de Coral** chain, the total revenue level of our business operations in Mainland China was flat compared with the previous financial year, largely due to the adjusted shop-opening pace. **The Spaghetti House** experienced a setback in its performance due to declining consumer spending in the mid-priced dining sector. Overall results of the Eastern China chain were also affected in the intensely competitive market environment.

Our food processing centre in Guangdong continues to play a pivotal role in the Group's business expansion in China. The team focused on upgrading the centre's systems and practices as well as increasing production volume. During the year, we also worked on the improvement and expansion of our production centre in Dongguan, China. This centre is currently producing our house brand **Viking Boats** ham and sausages, which are widely distributed to external parties throughout Hong Kong and Mainland China.

North American Operations

As announced by the Company on 24 October 2014 and 19 December 2014, the Company disposed of its operating and franchising assets in Manchu WOK, SenseAsian and Wasabi Grill and Noodle restaurants in North America for CA$7,888,888 (approximately HK$53 million). Following the completion of the disposal in December 2014, the Group ceased its entire operation in North America. The disposal, being a part of our current growth strategy, enables the team to focus on our core businesses in Hong Kong and Mainland China and to utilise the Group's resources for expansion in the Group's core business in our key markets.

The Company recorded a loss of approximately HK$4.7 million from the disposal. The proceeds from the disposal will be used as general working capital of the Group.

FINANCIAL OVERVIEW

The Group's financial position for the FY2014/15 remained healthy. As of 31 March 2015, the Group recorded net cash of approximately HK$1,057 million, with HK$476 million in available banking facilities. The Group had no external borrowing (31 March 2014: nil) and nil gearing (31 March 2014: nil). There has been no material change in contingent liabilities or charge on assets since 31 March 2015.

As of 31 March 2015, the Company provided guarantees of approximately HK$476 million (31 March 2014: 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 business were in Renminbi, USD, and Canadian dollars respectively. Foreign currency exposure did not pose a significant risk for the Group. We will, however, remain vigilant and closely monitor our exposure to movements in relevant currencies.

OUTLOOK

All of us at the Café de Coral Group look forward to another exciting year in 2015/16 as we work diligently to take advantage of the opportunities that lie before us. However, the macroeconomic environment remains a concern, owing to economic conditions in Hong Kong and the uncertainties of the business environment in Mainland China. High rental rates, rising raw material costs, and the persistent labour shortage all remain challenges for our business and operation. Nevertheless, we are confident that the solid foundation supporting our business and the robust infrastructure we have built under the Group's sustainability initiatives in the past years will enable us to continue our near-term business development and 5-year growth plans. Our steady and prudent shop-opening programme for both our leading brands and our younger concepts will continue. With the new ventures we have taken on, we will seize the most opportune time to expand in our key markets.

Hong Kong and Guangdong Province remain the Group's strongest profit sectors. With a solid infrastructure in place, we will endeavour to capture more market share in Hong Kong. Simultaneously, we hope to spearhead greater development and expansion in Guangdong Province and build on the ample business opportunities in this increasingly dynamic and growing market. We will also continue to drive synergies between our Hong Kong and Mainland China operations so as to create a platform for the Group's sustainable growth. The Group will also continue to explore business development opportunities through organic and inorganic growth.

In the new financial year, the young and vibrant senior management team we have established under our long-term succession plan will play a major role in helping us to accomplish the Group's growth objectives.

APPRECIATION

Once again, I would like to thank the Board for their guidance and the management team and all our staff for their commitment and dedication, without which we could not have overcome the many expected and unforeseen challenges during the year. I would also like to express my sincere gratitude to our customers, business partners and shareholders whose support has been the driving force behind the team's determination to achieve "*A Hundred Points of Excellence*" and sustain growth for a brighter future for the Café de Coral Group.

Lo Hoi Kwong, Sunny
Chief Executive Officer

Hong Kong, 23 June 2015

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 2015, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT
- BY FUNCTION OF EXPENSE
FOR THE YEAR ENDED 31 MARCH 2015

	Note	**2015** ***HK$'000***	2014 *HK$'000*
Continuing operations			
Revenue	*6*	**7,355,738**	6,826,254
Cost of sales	*8*	**(6,332,590)**	(5,841,875)
Gross profit		**1,023,148**	984,379
Other gains, net	*7*	**59,713**	67,887
Administrative expenses	*8*	**(375,152)**	(308,465)
Operating profit		**707,709**	743,801
Finance income	*9*	**17,256**	12,700
Share of loss of joint ventures		**(5,434)**	(3,958)
Profit before income tax		**719,531**	752,543
Income tax expense	*10*	**(117,051)**	(110,422)
Profit for the year from continuing operations		**602,480**	642,121
Discontinued operation			
Loss for the year from discontinued operation	*11*	**(15,020)**	(60,041)
Profit for the year		**587,460**	582,080
Profit attributable to:			
Non-controlling interests		**687**	884
Equity holders of the Company		**586,773**	581,196
		587,460	582,080
Profit/(loss) attributable to equity holders of the Company arises from:			
– Continuing operations		**601,793**	641,237
– Discontinued operation		**(15,020)**	(60,041)
		586,773	581,196
Dividends	*13*	**453,860**	393,189

CONSOLIDATED INCOME STATEMENT (CONTINUED)
- BY FUNCTION OF EXPENSE
FOR THE YEAR ENDED 31 MARCH 2015

	Note	**2015**	2014
Earnings/(loss) per share for profit/(loss) from continuing operations and discontinued operation attributable to the equity holders of the Company during the year			
Basic earnings/(loss) per share			
– From continuing operations		**HK$1.05**	HK$1.11
– From discontinued operation		**(HK$0.03)**	(HK$0.10)
	12	**HK$1.02**	HK$1.01
Diluted earnings/(loss) per share			
– From continuing operations		**HK$1.04**	HK$1.10
– From discontinued operation		**(HK$0.03)**	(HK$0.10)
	12	**HK$1.01**	HK$1.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	2015 *HK$'000*	2014 *HK$'000*
Profit for the year	**587,460**	582,080
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss		
Exchange differences arising from translation of foreign subsidiaries, associates and a joint venture	**(4,748)**	(13,015)
Exchange reserve released upon disposal of business	**(8,084)**	-
Exchange reserve released upon disposal of investment in an associate	**-**	(2,763)
Fair value (loss)/gain on available-for-sale financial assets	**(167,369)**	71,438
Reserve released upon disposal of available-for-sale financial assets	**-**	(3)
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of retirement benefit liabilities and provision for long service payments	**(15,948)**	15,852
Total comprehensive income for the year	**391,311**	653,589
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**390,624**	652,705
– Non-controlling interests	**687**	884
	391,311	653,589
Total comprehensive income/(loss) for the year attributable to equity holders of the Company arising from:		
– Continuing operations	**413,728**	724,959
– Discontinued operation	**(23,104)**	(72,254)
	390,624	652,705

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	**31 March 2015 *HK$'000***	31 March 2014 *HK$'000*
ASSETS			
Non-current assets			
Leasehold land and land use rights		**88,386**	91,380
Property, plant and equipment		**1,737,661**	1,720,324
Investment properties		**478,400**	439,600
Intangible assets		**2,132**	48,417
Investment in an associate		**1,195**	1,190
Investment in a joint venture		**-**	19,772
Deferred income tax assets		**25,955**	26,562
Available-for-sale financial assets		**355,147**	522,516
Non-current prepayments and deposits		**266,296**	248,652
Financial assets at fair value through profit or loss		**-**	7,777
		2,955,172	3,126,190
Current assets			
Inventories		**228,281**	211,759
Trade and other receivables	*14*	**143,342**	79,660
Prepayments and deposits	*14*	**123,215**	106,921
Financial assets at fair value through profit or loss		**39,838**	8,067
Bank deposits with maturity over three months		**15,428**	31,010
Cash and cash equivalents		**1,057,189**	1,004,093
		1,607,293	1,441,510
Total assets		**4,562,465**	4,567,700
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**58,162**	57,730
Share premium		**542,182**	466,353
Shares held for share award scheme		**(133,441)**	-
Other reserves		**640,613**	820,453
Retained earnings			
– Proposed dividends		**355,191**	295,168
– Others		**2,209,219**	2,089,696
		3,671,926	3,729,400
Non-controlling interests		**3,842**	3,155
Total equity		**3,675,768**	3,732,555

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)
AS AT 31 MARCH 2015

	Note	**31 March 2015** ***HK$'000***	31 March 2014 *HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**21,147**	30,458
Provision for long service payments		**30,498**	22,850
Retirement benefit liabilities		**15,344**	7,483
		66,989	60,791
Current liabilities			
Trade payables	*15*	**212,282**	208,844
Other creditors and accrued liabilities		**577,555**	534,867
Current income tax liabilities		**29,871**	30,643
		819,708	774,354
Total liabilities		**886,697**	835,145
Total equity and liabilities		**4,562,465**	4,567,700
Net current assets		**787,585**	667,156
Total assets less current liabilities		**3,742,757**	3,793,346

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 and institutional catering, fast casual and casual dining chains, as well as food processing and distribution business.

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

On 23 October 2014, the Group entered into an agreement with a third party to dispose of its North American operations for an aggregate consideration of CA$7.9 million (equivalent to approximately HK$53 million). The disposal was completed on 18 December 2014 (see Note 11). The financial results of the North American operation for the period from 1 April 2014 to 18 December 2014 (date of disposal) were presented as discontinued operation in the accompanying consolidated income statement and the comparative figures for the year ended 31 March 2014 had been restated accordingly.

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 23 June 2015.

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

In accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit” as set out in sections 76 to 87 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), the consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

3 ACCOUNTING POLICIES

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

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2014:

Amendment to HKAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the consolidated financial statements.

Amendments to HKAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of Cash-generating Units which had been included in HKAS 36 by the issue of HKFRS 13. It also enhanced the disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments did not have a significant impact on the Group’s financial statements.

Amendment to HKAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under HKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The amendment did not have any significant impact on the consolidated financial statements as a result.

There are no other new standards or amendments and interpretations to existing standards that are effective for the first time for the financial year beginning on or after 1 April 2014 that are expected to have a material impact on the Group’s result and financial position.

3 ACCOUNTING POLICIES (Continued)

(ii) New standards, amendments and interpretations that have been issued but are not effective for the financial year beginning 1 April 2014 and have not been early adopted.

		Effective for annual periods beginning on or after
HKAS 19 (2011) Amendment	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements Project	Annual Improvements 2010-2012 Cycle	1 July 2014
Annual Improvements Project	Annual Improvements 2011-2013 Cycle	1 July 2014
Annual Improvements Project	Annual Improvements 2012-2014 Cycle	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 10 and HKAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKAS1 Amendment	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 Amendment	Agriculture: Bearer Plants	1 January 2016
HKAS 27 Amendment	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018

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.

(iii) New Hong Kong Companies Ordinance (Cap.622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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, the 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.

4.1 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 2015, if the price of the listed securities (available-for-sale financial assets) has increased/decreased by 10% with all other variables being held constant, the Group's investment reserve would have increased/decreased by HK$35,515,000 (2014: HK$52,252,000).

(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 are 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 2015, 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 2014 and 31 March 2015.

4 FINANCIAL RISK MANAGEMENT (Continued)

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).

The following table presents the Group's financial assets that are measured at fair value at 31 March 2015:

	Level 1 *HK$'000*	Level 2 *HK$'000*	Total *HK$'000*
Assets			
Available-for-sale financial assets			
– Listed investments	355,147	-	355,147
Derivative financial instruments	-	39,838	39,838
Total financial assets measured at fair value	355,147	39,838	394,985

The following table presents the Group's financial 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

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

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.

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. There were no transfers between level 1, 2 and 3 during the year.

5 SEGMENT INFORMATION

The Group is principally engaged in the operation of quick service restaurants and institutional catering, fast casual and casual dining chains, as well as 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 segments. 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.

5 SEGMENT INFORMATION (Continued)

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

	Continuing operations			Discontinued operation	
	Hong Kong	Mainland China	Total	North America	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2015					
Total segment revenue	**6,134,621**	**1,339,465**	**7,474,086**	**104,235**	**7,578,321**
Inter-segment revenue *(Note i)*	**(10,805)**	**(107,543)**	**(118,348)**	**-**	**(118,348)**
Revenue (from external revenue) *(Note ii)*	**6,123,816**	**1,231,922**	**7,355,738**	**104,235**	**7,459,973**
Segment result *(Note iii)*	**927,613**	**83,169**	**1,010,782**	**(2,926)**	**1,007,856**
Depreciation and amortisation	**220,692**	**68,118**	**288,810**	**9,562**	**298,372**
Impairment loss of trademark	**65**	**-**	**65**	**-**	**65**
Impairment loss of property, plant and equipment	**4,192**	**10,006**	**14,198**	**-**	**14,198**
Finance income	**11,540**	**5,716**	**17,256**	**99**	**17,355**
Share of profit of an associate	**-**	**-**	**-**	**215**	**215**
Share of loss of a joint venture	**(5,434)**	**-**	**(5,434)**	**-**	**(5,434)**
Loss on disposal of business	**-**	**-**	**-**	**4,700**	**4,700**
Income tax expense/(credit)	**112,118**	**4,933**	**117,051**	**(1,854)**	**115,197**
Year ended 31 March 2014					
Total segment revenue	5,592,414	1,346,001	6,938,415	164,209	7,102,624
Inter-segment revenue *(Note i)*	(3,231)	(108,930)	(112,161)	-	(112,161)
Revenue (from external revenue) *(Note ii)*	5,589,183	1,237,071	6,826,254	164,209	6,990,463
Segment result *(Note iii)*	885,003	116,400	1,001,403	675	1,002,078
Depreciation and amortisation	191,256	66,346	257,602	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	12,700	289	12,989
Share of profit of an associate	-	-	-	213	213
Share of loss of joint ventures	(3,882)	(76)	(3,958)	-	(3,958)
Income tax expense/(credit)	98,251	12,171	110,422	(3,745)	106,677

(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 2015, no revenue was derived from transactions with a single external customer representing 10% or more of the Group's total revenue.

5 SEGMENT INFORMATION (Continued)

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

	Group	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Segment results	**1,010,782**	1,001,403
Depreciation and amortisation	**(288,810)**	(257,602)
Impairment loss of trademark	**(65)**	-
Impairment loss of property, plant and equipment	**(14,198)**	-
Operating profit	**707,709**	743,801
Finance income	**17,256**	12,700
Share of loss of joint ventures	**(5,434)**	(3,958)
Profit before income tax	**719,531**	752,543

	Group	
	2015	2014
	HK$'000	*HK$'000*
Discontinued operation		
Segment results	**(2,926)**	675
Depreciation and amortisation	**(9,562)**	(16,200)
Impairment loss of goodwill	**-**	(45,979)
Impairment loss of property, plant and equipment	**-**	(2,784)
Operating loss	**(12,488)**	(64,288)
Finance income	**99**	289
Share of profit of an associate	**215**	213
Income tax credit	**1,854**	3,745
Loss on disposal of business	**(4,700)**	**-**
Loss for the year from discontinued operation	**(15,020)**	(60,041)

5 SEGMENT INFORMATION (Continued)

	Continuing operations Hong Kong *HK$'000*	Mainland China *HK$'000*	Total *HK$'000*	Discontinued operation North America *HK$'000*	Group *HK$'000*
Year ended 31 March 2015					
Segment assets	3,319,437	822,088	4,141,525	-	4,141,525
Segment assets include:					
Investment in an associate	1,195	-	1,195	-	1,195
Additions to non-current assets (other than financial instruments and deferred income tax assets)	373,503	88,485	461,988	-	461,988
Year ended 31 March 2014					
Segment assets	3,028,204	835,457	3,863,661	139,117	4,002,778
Segment assets include:					
Investment in an associate	-	-	-	1,190	1,190
Investment in a joint venture	19,772	-	19,772	-	19,772
Additions to non-current assets (other than financial instruments and deferred income tax assets)	323,119	63,225	386,344	6,153	392,497

As at 31 March 2015, the Group's non-current assets (other than financial instruments and deferred income tax assets) that are located in Hong Kong, the Mainland China and North America amounted to HK$2,120,770,000 (2014: HK$2,028,096,000), HK$453,300,000 (2014: HK$459,529,000) and Nil (2014: HK$81,710,000), respectively.

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

	Group **2015** ***HK$'000***	2014 *HK$'000*
Total segment assets	**4,141,525**	4,002,778
Deferred income tax assets	**25,955**	26,562
Available-for-sale financial assets	**355,147**	522,516
Financial assets at fair value through profit or loss	**39,838**	15,844
Total assets	**4,562,465**	4,567,700

6 REVENUE

	2015	2014
	HK$'000	*HK$'000*
Sales of food and beverages	**7,261,606**	6,734,940
Rental income	**40,754**	36,450
Management and service fee income	**13,005**	5,664
Franchise income	**618**	391
Sundry income	**39,755**	48,809
	7,355,738	6,826,254

7 OTHER GAINS, NET

	2015	2014
	HK$'000	*HK$'000*
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(311)**	1,645
Gain on disposal of financial assets at fair value through profit or loss	**95**	1,330
Gain on disposal of available-for-sale financial assets	**-**	3
Dividend income from listed investments	**12,553**	13,267
Fair value gain on investment properties	**38,800**	54,600
Gain/(loss) on disposal of property, plant and equipment, net	**23,976**	(9,780)
Impairment loss of property, plant and equipment	**(14,198)**	-
Impairment loss of trademark	**(65)**	-
Gain on disposal of an associate	**-**	7,053
Loss of disposal of a joint venture	**(2,738)**	(231)
Government subsidy	**1,601**	-
	59,713	67,887

8 EXPENSES BY NATURE

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

	2015	2014
	HK$'000	*HK$'000*
Cost of raw materials and consumables used	**2,402,937**	2,236,560
Amortisation of leasehold land and land use rights	**3,011**	3,017
Amortisation of intangible assets	**157**	27
Depreciation of property, plant and equipment	**285,642**	254,558
Operating lease rentals in respect of rented premises (including contingent rentals of HK$69,873,000 (2014: HK$52,220,000))	**820,930**	734,428
Exchange (gain)/expenses, net	**(889)**	116
Employee benefit expense	**1,999,050**	1,804,949
Auditor's remuneration	**5,200**	4,811
Electricity, water and gas	**402,233**	396,101
Advertising and promotion expenses	**101,906**	83,980
Other expenses	**687,565**	631,793
	6,707,742	6,150,340
Representing:		
Cost of sales	**6,332,590**	5,841,875
Administrative expenses	**375,152**	308,465
	6,707,742	6,150,340

9 FINANCE INCOME

	2015	2014
	HK$'000	*HK$'000*
Interest income	**17,256**	12,700

10 INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2035. Hong Kong profits tax has been provided for at the rate of 16.5% (2014: 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:

	2015	2014
	HK$'000	*HK$'000*
Current income tax:		
- Hong Kong profits tax	**106,179**	100,446
- Overseas taxation	**4,902**	14,171
Deferred income tax relating to the origination and reversal of temporary differences	**5,118**	(378)
Under/(over) provision in prior years	**852**	(3,817)
	117,051	110,422

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2015	2014
	HK$'000	*HK$'000*
Profit before income tax	**719,531**	752,543
Calculated at a taxation rate of 16.5 % (2014: 16.5%)	**118,723**	124,170
Effect of different taxation rates in other countries	**(283)**	2,430
Income not subject to taxation	**(16,944)**	(24,891)
Expenses not deductible for taxation purposes	**10,132**	9,084
Recognition of previously unrecognised temporary difference	**(4,172)**	(2,504)
Tax losses not recognised	**9,369**	6,222
Under/(over) provision in prior years	**852**	(3,817)
Others	**(626)**	(272)
Taxation charge	**117,051**	110,422

11 DISCONTINUED OPERATION

During the year, the Group completed the disposal of its business in North America ("the disposed business"). Accordingly, the financial results of the disposed business are presented in the consolidated income statement and consolidated statement of cash flows as "Discontinued Operation" in accordance with HKFRS 5 "Non-current Assets Held for Sales and Discontinued Operation" issued by the HKICPA. Comparative figures have been restated.

Details of the loss from discontinued operation are as follows:

	2015	2014
	HK$'000	*HK$'000*
Loss after tax from discontinued operation *(Note (a))*	**(10,320)**	(60,041)
Loss on disposal *(Note (b))*	**(4,700)**	-
	(15,020)	(60,041)

(a) An analysis of the results of operations of the Discontinued Operation is set out below:

	For the period from 1 April 2014 to 18 December 2014	For the year ended 31 March 2014
	HK$'000	*HK$'000*
Revenue	**104,235**	164,209
Cost of sales	**(79,152)**	(129,491)
Gross profit	**25,083**	34,718
Other gain/(losses), net	**2,750**	(48,788)
Administrative expenses	**(40,321)**	(50,218)
Operating loss from discontinued operation	**(12,488)**	(64,288)
Finance income, net	**99**	289
Share of profit of an associate	**215**	213
Loss before income tax from discontinued operation	**(12,174)**	(63,786)
Income tax credit	**1,854**	3,745
Loss after tax from discontinued operation	**(10,320)**	(60,041)

11 DISCONTINUED OPERATION (Continued)

(b) An analysis of loss on the disposal is as follows:

	2015
	HK$'000
Cash consideration	**53,259**
Less: direct expenses	**(13,129)**
	40,130
Less: net assets disposed of:	
Property, plant and equipment	**(23,778)**
Intangible assets	**(39,825)**
Inventories	**(1,279)**
	(64,882)
Exchange reserve released upon disposal of business	**8,084**
Release of deferred tax liabilities upon disposal of business	**11,968**
Loss on disposal	**(4,700)**

(c) An analysis of the cash inflows/(outflows) of the discontinued operation is as follows:

	For the period from 1 April 2014 to 18 December 2014	For the year ended 31 March 2014
	HK$'000	*HK$'000*
Net cash used in operating activities	**(15,478)**	(871)
Net cash generated from/(used in) investing activities	**34,239**	(3,149)
Total cash inflows/(outflows)	**18,761**	(4,020)

12 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company for share award scheme.

	2015	2014
Profit/(loss) attributable to equity holders of the Company (HK$'000)		
– From continuing operations	**601,793**	641,237
– From discontinued operation	**(15,020)**	(60,041)
	586,773	**581,196**
Weighted average number of ordinary shares in issue ('000)	**576,557**	**575,758**
Basic earnings/(loss) per share (HK dollars per share)		
– From continuing operations	**HK$1.05**	HK$1.11
– From discontinued operation	**(HK$0.03)**	(HK$0.10)
	HK$1.02	HK$1.01

12 EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted

Diluted earnings/(loss) 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.

	2015	2014
Profit/(loss) attributable to equity holders of the Company (HK$'000)		
– From continuing operations	**601,793**	641,237
– From discontinued operation	**(15,020)**	(60,041)
	586,773	581,196
Weighted average number of ordinary shares in issue ('000)	**576,557**	575,758
Adjustment for share options ('000)	**1,685**	3,116
	578,242	578,874
Diluted earnings/(loss) per share (HK dollars per share)		
– From continuing operations	**HK$1.04**	HK$1.10
– From discontinued operation	**(HK$0.03)**	(HK$0.10)
	HK$1.01	HK$1.00

13 DIVIDENDS

	2015 *HK$'000*	2014 *HK$'000*
Interim dividend, paid, of HK17 cents (2014: HK17 cents) per ordinary share	**98,669**	98,021
Final dividend, proposed, HK61 cents (2014: HK51 cents) per ordinary share	**355,191**	295,168
	453,860	393,189

A final dividend of HK61 cents per ordinary share in respect of the year ended 31 March 2015 was proposed. Such final dividend is subject to approval by the shareholders at the upcoming annual general meeting. These financial statements do not reflect these dividends payable.

14 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Group	
	2015 *HK$'000*	2014 *HK$'000*
Trade receivables	**39,781**	38,523
Less: provision for impairment of receivables	**-**	-
Trade receivables – net *(Note a)*	**39,781**	38,523
Other receivables *(Note b)*	**103,561**	41,137
	143,342	79,660
Prepayments and deposits	**123,215**	106,921
	266,557	186,581

(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 as at 31 March 2015 comprised, among others, proceeds receivable from disposal of a property of HK$57,658,000 (2014: Nil) and receivables from disposal of the North American business amounting to HK$6,712,000 (2014: Nil).

14 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

The ageing analysis of trade receivables is as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**25,360**	27,346
31 – 60 days	**8,622**	8,094
61 – 90 days	**3,174**	1,856
Over 90 days	**2,625**	1,227
	39,781	38,523

15 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**207,737**	193,884
31 – 60 days	**2,555**	8,590
61 – 90 days	**443**	1,125
Over 90 days	**1,547**	5,245
	212,282	208,844

16 COMMITMENTS

As at 31 March 2015, the Group had the following capital commitments:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Acquisition of property, plant and equipment		
Authorised and contracted for	**21,938**	22,222
Authorised but not contracted for	**391,750**	392,371
	413,688	414,593

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK61 cents per share for the year ended 31 March 2015 (2014: HK51 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 10 September 2015. Upon shareholders' approval, the proposed final dividend will be paid on 24 September 2015 to shareholders whose names shall appear on the register of members of the Company on 16 September 2015.

Together with the interim dividend of HK17 cents per share, the total dividend for the year ended 31 March 2015 will amount to HK78 cents per share (2014: HK68 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 7 September 2015 (Monday) to 10 September 2015 (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 4 September 2015 (Friday).

For the purpose of determination of entitlement to the final dividend, the Register of Members of the Company will be closed on 16 September 2015 (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 15 September 2015 (Tuesday).

CORPORATE GOVERNANCE

The Board and management of the Group aspire to a high standard of corporate governance and constantly strive for a responsible and value-driven management focusing on safeguarding and enhancing interest and value of the shareholders of the Company as well as the long-term sustainability of the Group. 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 (the "Hong Kong Stock Exchange"). For the year ended 31 March 2015, the Company 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 board evaluation programme was conducted under which areas of improvement were identified and implemented to further strengthen the governance and practices of the Board. The Board has also embarked on a risk management and internal control enhancement project to review and strengthen the Group's risk management framework and practices.

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 2015.

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 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities, except that the trustee of the Company's Share Award Scheme purchased on the Hong Kong Stock Exchange a total of 4,784,362 shares of the Company at a total consideration of about HK$133 million to satisfy the award of shares to selected employees pursuant to the terms of the rules and trust deed of the Share Award Scheme.

By order of the Board
Chan Yue Kwong, Michael
Chairman

Hong Kong, 23 June 2015

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.