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Fulum Group Holdings Limited
富臨集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1443)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

HIGHLIGHTS
Year ended 31 March 2015

	2015	2014	**% Change**
	HK$'000	*HK$'000*	
Revenue	**2,528,689**	2,226,189	13.6
Restaurant operations			
"Fulum (富臨)" main brand	**1,918,050**	1,781,071	7.7
"Sportful Garden (陶源)" main brand	**372,997**	352,254	5.9
"Fulum Concept (富臨概念)" main line	**171,981**	25,418	576.6
Sale of food and other operating items	**65,661**	67,446	(2.6)
EBITDA *(Note 1)*	**280,446**	285,990	(1.9)
Profit for the year *(Note 2)*	**160,292**	180,058	(11.0)
Profit attributable to owners of the Company	**160,292**	167,541	(4.3)
Number of restaurants (As at 31 March)			
"Fulum (富臨)" main brand	**41**	35	
"Sportful Garden (陶源)" main brand	**11**	10	
"Fulum Concept (富臨概念)" main line	**12**	7	
TOTAL	**64**	52	

Note 1: EBITDA denotes earnings before interest, tax and depreciation.

Note 2: The decrease in profit for the year was mainly due to an increase in a one-off listing expenses by approximately HK$13.2 million incurred during the year ended 31 March 2015, compared to the prior year.

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Fulum Group Holdings Limited (the "Company", together with its subsidiaries collectively, the "Group"), hereby announces the consolidated results of the Group for the year ended 31 March 2015, together with comparative figures for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
REVENUE	7	**2,528,689**	2,226,189
Other income and gains	7	**17,033**	7,376
Cost of inventories sold		**(734,398)**	(639,343)
Staff costs		**(772,644)**	(685,567)
Property rentals and related expenses		**(372,274)**	(301,513)
Depreciation		**(78,540)**	(65,299)
Fuel and utility expenses		**(170,314)**	(155,627)
Other expenses		**(215,646)**	(165,525)
Finance costs	8	**(936)**	(792)
PROFIT BEFORE TAX	9	**200,970**	219,899
Income tax expense	10	**(40,678)**	(39,841)
PROFIT FOR THE YEAR		**160,292**	180,058
Attributable to:			
Owners of the Company		**160,292**	167,541
Non-controlling interests		**–**	12,517
		160,292	180,058
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic	12	**HK14.59 cents**	HK17.18 cents
— Diluted	12	**HK14.40 cents**	HK17.18 cents

Details of the dividends payable and proposed for the year are disclosed in note 11 below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2015

	2015	2014
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**160,292**	180,058
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(12)**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**160,280**	180,058
Attributable to:		
Owners of the Company	**160,280**	167,541
Non-controlling interests	**–**	12,517
	160,280	180,058

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	**223,844**	184,327
Goodwill	*14*	**58,707**	58,707
Deposits		**86,504**	37,059
Intangible assets/deposits paid in relation to intangible assets		**13,000**	–
Deposits for purchases of items of property, plant and equipment		**5,281**	–
Deferred tax assets		**17,770**	14,826
Total non-current assets		**405,106**	294,919
CURRENT ASSETS			
Inventories	*15*	**72,298**	97,725
Trade receivables	*16*	**8,604**	8,347
Prepayments, deposits and other receivables		**49,656**	40,216
Due from shareholders		**–**	3,729
Due from related parties		**–**	269,175
Tax recoverable		**5,754**	3,459
Pledged time deposit		**2,356**	2,349
Cash and cash equivalents		**704,871**	253,946
Total current assets		**843,539**	678,946
CURRENT LIABILITIES			
Trade payables	*17*	**78,286**	64,869
Other payables, accruals and deferred income		**133,977**	107,939
Interest-bearing bank borrowings		**50,777**	–
Finance lease payables		**326**	287
Due to a shareholder		**–**	400
Due to related parties		**935**	245,467
Provision		**5,886**	1,525
Tax payable		**21,401**	31,888
Total current liabilities		**291,588**	452,375
NET CURRENT ASSETS		**551,951**	226,571
TOTAL ASSETS LESS CURRENT LIABILITIES		**957,057**	521,490

	Notes	**2015** *HK$'000*	2014 *HK$'000*
NON-CURRENT LIABILITIES			
Accruals and deferred income		**19,764**	14,775
Finance lease payables		**679**	687
Provision		**21,603**	21,016
Deferred tax liabilities		**1,283**	1,291
Total non-current liabilities		**43,329**	37,769
Net assets		**913,728**	483,721
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*18*	**1,300**	15
Reserves		**847,428**	283,706
Proposed dividend		**65,000**	200,000
Total equity		**913,728**	483,721

NOTES

1. CORPORATE INFORMATION

Fulum Group Holdings Limited was incorporated in the Cayman Islands on 24 February 2014 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 15th Floor, Luk Hop Industrial Building, 8 Luk Hop Street, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company and the Company's subsidiaries were principally engaged in restaurant operations in Hong Kong. The shares of the Company (the "Shares") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 November 2014 (the "Listing").

2. REORGANISATION AND BASIS OF PRESENTATION

Pursuant to a reorganisation of the Company in connection with the Listing (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 31 March 2014. Since the Company and the companies now comprising the Group were under the common control of Mr. Yeung Wai, Mr. Yeung Yun Chuen and Mr. Yeung Yun Kei (the "Controlling Shareholders") both before and after the Reorganisation, the Reorganisation was accounted for using the principles of merger accounting. Details of the Reorganisation are set out in the paragraph headed "Reorganization" in the section headed "History and Corporate Structure — Shareholding and Corporate Structure" in the prospectus of the Company dated 4 November 2014 (the "Prospectus").

The consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year ended 31 March 2014 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the Controlling Shareholders, where this is a shorter period. The consolidated statement of financial position of the Group as at 31 March 2014 was prepared to present the assets and liabilities of the Group using the existing carrying values from the Controlling Shareholders' perspectives. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance, which because the Company has not early adopted the revised Listing Rules issued by the Stock Exchange, are those of the predecessor Hong Kong Companies Ordinance (Cap. 32). They have been prepared under the historical cost convention. The financial statements are prepared in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010–2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010–2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010–2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011–2013 Cycle*	*Meaning of Effective HKFRSs*

1 Effective from 1 July 2014

The adoption of the above revised standards and interpretation has had no significant financial effect on the financial statements.

5. NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the financial statements.

HKFRS 9 (2014)	*Financial Instruments*[4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 1	*Disclosure Initiative*[2]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010–2012 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2011–2013 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs[2]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 January 2018
[5] Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 March 2016. The Group is in the process of making an assessment of the impact of these changes.

6. OPERATING SEGMENT INFORMATION

The Group is principally engaged in restaurant operations in Hong Kong. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Information about geographical areas

Since over 90% (2014: 100%) of the Group's revenue and profit were generated from the restaurant operations in Hong Kong and over 90% (2014: 100%) of the Group's non-current assets were located in Hong Kong during the year, no geographical segment information in accordance with HKFRS 8 *Operating Segments* is presented.

Information about major customers

Since no revenue derived from sales to a single customer of the Group has individually accounted for over 10% of the Group's total revenue during the year, no information about major customers in accordance with HKFRS 8 *Operating Segments* is presented.

7. REVENUE, OTHER INCOME AND GAINS

Revenue represents the gross revenue from restaurant operations and net invoiced value of goods and other operating items sold, after allowances for returns and trade discounts. An analysis of revenue, other income and gains is as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Restaurant operations	**2,463,028**	2,158,743
Sale of food and other operating items	**65,661**	67,446
	2,528,689	2,226,189
Other income and gains		
Bank interest income	**2,654**	12
Licensing income	**2,111**	1,496
Sponsorship income	**5,101**	3,501
Ticketing income	**3,242**	–
Gain on disposal of a subsidiary	**–**	900
Gain on disposal of items of property, plant and equipment, net	**113**	–
Others	**3,812**	1,467
	17,033	7,376

8. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank overdrafts and bank loan wholly repayable on demand or within five years	**323**	62
Interest on finance leases	**57**	44
Interest on loans from a related party	**556**	686
	936	792

9. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2015 HK$'000	2014 HK$'000
Lease payments under operating leases in respect of land and buildings:		
Minimum lease payments	**316,595**	248,685
Contingent rents	**1,217**	579
	317,812	249,264
Employee benefit expenses (including directors' remuneration)		
Salaries, bonuses and other allowances	**736,624**	657,046
Equity-settled share option expense	**5,301**	–
Retirement benefit scheme contributions (defined contribution schemes)	**30,719**	28,521
	772,644	685,567
Listing expenses	**19,867**	6,662
(Gain)/loss on disposal of items of property, plant and equipment, net	**(113)**	568
Write-off of items of property, plant and equipment	**2,778**	–
Foreign exchange differences, net	**2,051**	–

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

No provision for corporate income tax has been made for the Company's subsidiaries in the People's Republic of China as no assessable profits in mainland China was generated during the year.

	2015 HK$'000	2014 HK$'000
Group:		
Current — Hong Kong		
Charge for the year	**43,495**	40,798
Underprovision in prior years	**135**	254
Deferred	**(2,952)**	(1,211)
Total tax charge for the year	**40,678**	39,841

11. DIVIDEND

	2015 HK$'000	2014 HK$'000
Proposed final dividend — HK5.00 cents (2014: approximately HK$13,333.33) per ordinary share	**65,000**	200,000

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The proposed final dividend of HK$200,000,000 for the year ended 31 March 2014 was approved by the Company's shareholders on 8 August 2014. Investors becoming shareholders of the Company after the listing of the Company on the Stock Exchange are not entitled to such final dividend.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share for the year is based on profit for the year attributable to ordinary equity holders of the Company of HK$160,292,000 (2014: HK$167,541,000) and the weighted average number of ordinary shares of 1,098,767,123 (2014: 975,000,000) in issue and issuable during the year, on the assumption that the Reorganisation and capitalisation issue as further detailed in note 18 below, had been completed on 1 April 2013.

The calculation of the diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of HK$160,292,000 (2014: HK$167,541,000), and the weighted average number of ordinary shares of 1,098,767,123 (2014: 975,000,000), as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 14,426,419 (2014: Nil) assumed to have been issued at no consideration on the deemed exercise of all share options into ordinary shares.

The calculation of basic and diluted earnings per share are based on:

	2015 HK$'000	2014 HK$'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**160,292**	167,541
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**1,098,767,123**	975,000,000
Effect of dilution — weighted average number of ordinary shares:		
Share options	**14,426,419**	–
	1,113,193,542	975,000,000

13. PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired items of property, plant and equipment amounting to HK$120,723,000 (2014: HK$84,269,000).

14. GOODWILL

	2015	2014
	HK$'000	*HK$'000*
Cost and carrying amount at beginning of the year	**58,707**	–
Acquisition of subsidiaries	**–**	58,707
Cost and carrying amount at 31 March	**58,707**	58,707

On 1 March 2014, the Group acquired the entire issued capital of Central Dynamic International Limited, China Base Development Limited, China Forward Development Limited, China Harvest (Hong Kong) Limited, New Central Industrial Limited and Sun Profit Hong Kong Development Limited (collectively, the "Acquired Companies") from Mr. Yeung Wai, a director of the Company. The Acquired Companies are engaged in restaurant operations in Hong Kong. The purchase consideration for the acquisition was satisfied by allotment and issue of 1,500 new shares of the Company (the "New Shares") to Mr. Yeung Wai. The fair values of the identifiable assets and liabilities of the Acquired Companies as at the date of acquisition was HK$18,293,000 and the fair value of the New Shares was HK$77,000,000, resulting in a goodwill upon acquisition of HK$58,707,000.

The fair value of the New Shares is measured by reference to the acquisition-date fair value of the equity interests in the Acquired Companies determined based on a valuation performed by Savills Valuation and Professional Services Limited, independent professionally qualified valuers, using the discounted cash flow method.

15. INVENTORIES

	2015	2014
	HK$'000	*HK$'000*
Food and beverages	**68,719**	94,554
Other operating items for restaurant operations	**3,579**	3,171
	72,298	97,725

16. TRADE RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Credit card receivables	**3,353**	3,454
Due from related parties	**–**	3,930
Others	**5,251**	963
	8,604	8,347

The Group's trading terms with its customers are mainly on cash and credit card settlement while trading terms with related parties are on credit with a credit period of 45 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 1 month	**4,818**	7,933
1 to 3 months	**1,398**	4
3 to 12 months	**1,717**	410
Over 12 months	**671**	–
	8,604	8,347

17. TRADE PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Third party suppliers	**78,286**	55,767
Due to related companies	**–**	9,102
	78,286	64,869

An aged analysis of the trade payables as at the end of each of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 1 month	**55,250**	52,999
1 to 3 months	**21,901**	11,870
3 to 12 months	**351**	–
Over 12 months	**784**	–
	78,286	64,869

The trade payables are non-interest-bearing and generally have payment terms of 45 to 90 days.

18. SHARE CAPITAL

	As at 31 March	
	2015	2014
	HK$'000	*HK$'000*
Authorised		
2,000,000,000 (2014: 100,000) ordinary shares of HK$0.001 (2014: HK$1) each	**2,000**	100
Issued and fully paid:		
1,300,000,000 (2014: 15,000) ordinary shares of HK$0.001 (2014: HK$1) each	**1,300**	15

The movements in the Company's authorised and issued share capital during the period from 24 February 2014 (date of incorporation) to 31 March 2015 are as follows:

	Notes	**Number of ordinary shares**	**Nominal value of ordinary shares** *HK$*
Authorised:			
100,000 ordinary shares of HK$1 each on 24 February 2014 (date of incorporation) and as at 31 March 2014 and 1 April 2014	*(a)*	100,000	100,000
Sub-division of all the ordinary shares of HK$1 each into ordinary shares of HK$0.001 each on 28 October 2014	*(e)*	99,900,000	–
Increase of 1,900,000,000 ordinary shares of HK$0.001 each on 28 October 2014	*(f)*	1,900,000,000	1,900,000
As at 31 March 2015		2,000,000,000	2,000,000
Issued and fully paid:			
Issuance of 13,500 ordinary shares of HK$1 each on 24 February 2014 (date of incorporation)	*(b), (c)*	13,500	13,500
Issuance of 1,500 ordinary shares of HK$1 each on 1 March 2014	*(d)*	1,500	1,500
As at 31 March 2014		15,000	15,000
Sub-division of all the issued ordinary shares of HK$1 each into ordinary shares of HK$0.001 each on 28 October 2014	*(e)*	14,985,000	–
Capitalisation issue of 960,000,000 ordinary shares of HK$0.001 each on 28 October 2014	*(g)*	960,000,000	960,000
Issuance of 325,000,000 ordinary shares of HK$0.001 each on 13 November 2014	*(h)*	325,000,000	325,000
As at 31 March 2015		1,300,000,000	1,300,000

Notes:

(a) The Company is a limited liability company incorporated in the Cayman Islands on 24 February 2014 with an authorised share capital of HK$100,000 divided into 100,000 ordinary shares of HK$1 each.

(b) Pursuant to an ordinary resolution passed on 24 February 2014, 1 ordinary share of HK$1 was allotted, issued and credited as fully paid to the Company's initial subscriber, and was subsequently transferred to Mr. Yeung Wai.

(c) Pursuant to an ordinary resolution passed on 24 February 2014, a total of 13,499 ordinary shares of HK$1 each were issued at par to Mr. Yeung Wai, Mr. Yeung Yun Chuen, Mr. Yeung Yun Kei and Mr. Leung Siu Sun.

(d) Pursuant to an ordinary resolution passed on 1 March 2014, a total of 1,500 ordinary shares of HK$1 each were issued at par for acquisition of the Acquired Companies (note 14).

(e) Pursuant to an ordinary resolution passed on 28 October 2014, each issued and unissued ordinary share of HK$1 of the Company was sub-divided into 1,000 ordinary shares of HK$0.001 each.

(f) Pursuant to an ordinary resolution passed on 28 October 2014, the authorised share capital of the Company was increased from HK$100,000 to HK$2,000,000 by the creation of 1,900,000,000 additional ordinary shares of HK$0.001 each, ranking pari passu in all respects with the existing shares of the Company.

(g) Pursuant to an ordinary resolution passed on 28 October 2014, 960,000,000 ordinary shares of HK$0.001 each were allotted and issued, credited as fully paid at par, by way of capitalisation from the share premium account to the holders of shares whose names appeared on the register of members of the Company at the close of business on 28 October 2014 in proportion to their respective shareholdings. This allotment and capitalisation issue were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in note (h) below.

(h) In connection with the Company's initial public offering, 325,000,000 ordinary shares of HK$0.001 each were issued at a price of HK$1.55 per Share for a total cash consideration before expenses, of approximately HK$503,750,000. Dealing in the Shares of the Company on the Stock Exchange commenced on 13 November 2014.

19. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	2015	2014
	HK$'000	*HK$'000*
Bank guarantees given in lieu of rental and utility deposits	**43,434**	34,212
Guarantees given to banks in connection with facilities granted to related companies*	**–**	260,797
	43,434	295,009

* These entities are controlled by the Controlling Shareholders.

As at 31 March 2014, the guarantees given to banks in connection with facilities granted to related companies were utilised to the extent of HK$210,797,000. All guarantees provided by the Group to the banks in connection with facilities to related companies had been fully released upon the Listing.

20. COMMITMENTS

(a) Operating lease arrangements —As lessee

The Group leases certain of its restaurants, office premises and warehouses under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to twelve years.

At 31 March 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015	2014
	HK$'000	*HK$'000*
Within one year	**336,404**	192,728
In the second to fifth years, inclusive	**497,409**	256,580
Beyond five years	**31,187**	3,806
	865,000	453,114

In addition, the operating lease rentals for certain restaurants are based on the higher of a fixed rental and a contingent rent based on the sales of these restaurants pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

(b) Capital commitments

In addition to the operating lease commitments above, the Group had the following capital commitments at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**28,602**	264

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

Apart from the ongoing intense market competition among fellow catering operators, the catering business in Hong Kong had been facing a number of additional challenges from early 2014 till now. Domestic political incidents, such as the "Occupy Central" movement, together with food safety issues presented by contaminated lard in the food ingredient supply chains as seen in the Taiwan "gutter oil" incident in September 2014, had indirectly affected diners' confidence in restaurants in Hong Kong and casting a negative impact on food businesses in Hong Kong. In the first quarter of 2015, the combined effect of campaigns against mainlanders' individual visits and the appreciation of Hong Kong dollar made Hong Kong less attractive to tourists. The retail market in Hong Kong was hampered while the income of retail practitioners and owners were reduced and gave rise to sluggish economic performance, which inevitably affected domestic spending power. According to the statistics published by the Hong Kong Census & Statistics Department, for the year 2014 as a whole, the value of total receipts of the restaurants sector was provisionally estimated at HK$100.4 billion, an increase of 3.5% in value but a decrease of 1% in volume compared with 2013. Analyzing by types of restaurants and comparing 2014 with 2013, total receipts of Chinese restaurants increased by 1.8% in value but decreased by 2.8% in volume. The statistics indicated that the overall number of dining transactions declined in line with the economic change in Hong Kong. On the other hand, the catering business in the People's Republic of China ("China" or the "PRC") started to pick up from the three-year decline since 2011 and showed a promising rebound with an annual growth rate of 9.8% in 2014 compared to prior years. The mass market or mid-range restaurants, in particular, witnessed notable rapid growth. At the same time, the Chinese government has provided its support for the development of mass catering with the Ministry of Commerce of the PRC (MOFCOM) promulgating "Guidance on Accelerating Developing Mass Catering" from June 2014. Mass catering is continuing to gain market share, and constitutes a major trend validating our corporate strategy in expanding the sub-brand "Fulum Palace" line in the PRC.

Financial Results

During the year under review, the Group's revenue increased by 13.6% to approximately HK$2,528.7 million (2014: approximately HK$2,226.2 million) from last year, mainly due to the increase of number of restaurants. The Group added 13 new restaurants (2014: 12 restaurants) to its network during the year ended 31 March 2015. To execute our multi-brand strategy, one-third of the new restaurants established in Hong Kong are under the"Fulum Concept (富臨概念)" line of business and these restaurants target the youth market with the aim to widen the customers spectrum of the Group. Moreover, the relatively small operating areas of Fulum Concept restaurants have provided more flexibility in the selection of appropriate shop locations and also reduced the time and streamlined procedures for operators to establish a new shop. These improvements could help to accelerate the expansion of outlets offering trendy cuisines.

Furthermore, to implement the long-term strategic development plan to penetrate the national mass catering market in China, the Group has set up its first Cantonese restaurant "Fulum Palace (富臨皇宮)" in Guangzhou, the PRC in mid-January 2015. The rest of the newly established restaurants were under the "Fulum (富臨)" and "Sportful Garden (陶源)" main brands to further strengthen the Group's operation base in full-service Cantonese dining in Hong Kong.

Despite the rapid growth in revenue, the rising costs including rent, labour, raw materials and utilities remained unavoidable challenges to the Group. Through the persistent enhancement in the procurement of raw materials, reducing wastage of food ingredients and "best dishes" menu combination, the Group managed to stabilise its gross margin level at 71.0% for the year (2014: 71.3%) to retard further erosion of margins. However, other expenses increased significantly this year due to an increase of approximately HK$18.5 million in the aggregate amount of listing expenses and the pre-IPO share option expense incurred during the year. The total listing expenses incurred during the reporting year amounted to approximately HK$19.9 million. As a non-recurring expense, the impact on the financial result would not recur in future financial years. The profit attributable to owners of the Company decreased by around 4.3%, or approximately HK$7.2 million, from approximately HK$167.5 million for the year ended 31 March 2014 to approximately HK$160.3 million for the year ended 31 March 2015.

As at 31 March 2015, the Group owned 64 restaurants in both Hong Kong and the PRC, of which 41, 11 and 12 restaurants are under the "Fulum (富臨)" main brand, the "Sportful Garden (陶源)" main brand and the "Fulum Concept (富臨概念)" line of business, respectively.

Business and Operations Review

Mass market and mid-range to high end Cantonese cuisine

"Fulum (富臨)" and "Sportful Garden (陶源)" are our main brands widely recognised in the Hong Kong catering market. Both brands' operations have been focusing on authentic Cantonese cuisine targeted at different customer segments ranging from mass and mid-range to high-end market. For the mass market segment operated under the main brand "Fulum (富臨)", revenue from operations amounted to approximately HK$1,918.1 million (2014: approximately HK$1,781.1 million), accounting for approximately 75.9% (2014: approximately 80.0%) of the total Group's revenue. While revenue from operations of "Sportful Garden (陶源)" brand for mid-range to high end market segments amounted to approximately HK$373.0 million (2014: approximately HK$352.3 million), accounting for approximately 14.8% (2014: approximately 15.8%) of the total Group's revenue. In order to strengthen the foundation base of our Group and increase market penetration, we have opened six restaurants under the "Fulum (富臨)" main brand in Hong Kong and one restaurant located in Guangzhou, the PRC during the reporting year. In the third quarter of the year 2014, we opened a restaurant under the "Sportful Garden (陶源)" main brand with a novel design in Tsuen Wan, Hong Kong. During the reporting year, we have closed one restaurant under the "Fulum (富臨)" main brand after the expiration of the lease agreement as we were unable to secure a lease renewal.

Brand building to firmly establish customers' brand awareness

The Group strategically employed a number of online and traditional media platforms, such as social networking websites, microblogs for dining, dining search mobile apps, TV commercials and indoor visual advertisement to boost the image of our restaurants with continuous promotions on different sub-brands such as "King of Lobsters (龍蝦大王)" and "King of Roast Goose (燒鵝大王)" for the Fulum brand and "Abalone Culinary Expert (鮑魚專門店)" for the "Sportful Garden" brand to attract new customers and increase customer traffic, with our featured products or signature dishes.

Driving up banquet sales with customised services

Banquet revenue from our restaurants provided a remarkable contribution to the Group's revenue. Banquets mostly refer to birthday dinners, dinners for annual or one-time celebratory events, corporate annual dinners and wedding banquets. During the reporting year, the Group focused on increasing the revenue contribution from group banquet sales by (i) developing different banquet menus catering for various customer groups; (ii) strengthening marketing efforts targeting on loyal customers as well as customers enrolled in our membership programme; and (iii) collaborating with various credit card companies to promote group banquet sales.

Among the different types of banquets, wedding banquets are the focal point of our banquet operation. The Group has aimed to provide an elegant and comfortable dining and banquet experience for our customers banquets since our wedding banquet services commenced in 2005. The Group had established two sub-brands, namely "Pleasant Palace (囍臨門)" and "Banquet Palace (金皇廷)." Pleasant Palace restaurants have a spacious environment featuring the main theme colors of white and gold. The decoration of these restaurants enhances the image of Chinese banquets while the Banquet Palace restaurant has a European palace-style interior design which, together cater the needs of different wedding banquet customers.

A new sub-brand, namely "Royal One (皇室一號)" recently debuted in December 2014. This is a new banquet line with the introduction of gigantic LED display wall and visual and audio interactive lightning arrangement on decoration in order to create memorable wedding banquets for our customers. With our discreet services in truly memorable experiences for our customers, we are confident of generating more new banquet orders through word-of-mouth advertising from our customers.

Continuously promoting packaged Chinese festival products

The Group also channeled equal effort in promoting and selling packaged Chinese festival products, such as mooncakes for Chinese mid-autumn festivals and rice cakes for Chinese New Year festivals. We have launched different marketing campaigns for our products through various media channels and strategically employed TV celebrities to promote the packaged festival food sale of mooncakes in boosting customers' awareness which have successfully increased the respective sales. Revenue generated from the sales of foods and other operating items amounted to approximately HK$65.7 million (2014: approximately HK$67.4 million) representing a decrease of approximately 2.6% as compared with the corresponding figure in the immediate preceding financial year and accounting for approximately 2.6% (2014: approximately 3.0%) of the total Group's revenue for the year ended 31 March 2015.

Mainland China market and operation

To capture the opportunity in the China market, the Group intends to progressively expand into the PRC. The recent declining trend in high-end consumption in the PRC has opened an opportunity for us to leverage our experience and expertise in providing value-for-money quality food and services in order to cater the clientele who will continue frequenting restaurants they deem as high quality but with affordable prices. Therefore, the Group has opened its first Fulum Palace (富臨皇宮) at Mayflower Plaza in Guangzhou, the PRC in January 2015 and the sales performance of the restaurant indicates our PRC exploration strategy is on the right track. We selected Zhuhai, the PRC as the location for opening our second restaurant, which commenced its business at the end of April 2015 to strategically diversify the geographic location and market penetration in China. Going forward, the Group intends to continue to execute its development plans, actively raise the brand awareness of Fulum Group and its sub-brand, "Fulum Palace (富臨皇宮)" and expand its customer base and market share.

Expansion of Fulum Concept (富臨概念)

For the new business line under the "Fulum Concept (富臨概念)" brand, revenue from operations amounted to approximately HK$172.0 million (2014: approximately HK$25.4 million), accounting for approximately 6.8% (2014: approximately 1.1%) of total Group's revenue. The drastic increase in revenue between the current and last reporting year is because of this operating line debuted on 1 March 2014 by acquiring five specialty cuisine restaurants from the controlling shareholders of the Company.

Within the demographics and spending habits of the Hong Kong population, the young adult group would be relatively keen on dining out and want to have more diversity in the choice of cuisines. The Group has kept abreast of the current dining trends and has opened another five restaurants, including two Beijing Barbecue Cuisine outlets and three MeokBang Korean BBQ & Bar restaurants (炑八韓烤), established under the "Fulum Concept (富臨概念)" line during the reporting year, which mainly serve Beijing and Korean cuisines. Among these restaurants, the MeokBang Korean BBQ & Bar reported the most satisfactory performance during the reporting year. These restaurants were decorated with an understated modern design, so customers are able to enjoy local dishes in a Korean ambience. The first Korean style restaurant was opened in August 2014 in Prince Edward, Hong Kong and soon whet the appetites of customers by offering a range of Korean cuisines and a genuine Korean BBQ experience. As such, in view of the overwhelming response, the Group has opened four additional Korean restaurants which attracted additional customers with stronger spending power subsequent to the reporting year-end. All of these restaurants have recorded encouraging results and the first two Korean restaurants managed to breakeven within three months, currently with more than HK$200 per capita spending.

Prospects and Outlook

Looking ahead, the Group has anticipated that the Hong Kong economy would remain sluggish due to the influence of global economy. Catering business is always regarded as a "barometer" to reflect the true picture of the domestic economy. As the operating environment is still tough in the catering industry, therefore, diversification in the variety of cuisines our Group offers should be the first priority to broaden the Group's customer base and tackle the changes in the dining habit and its trend to maintain the profitability of the Group. MeokBang Korean BBQ & Bar (炑八韓烤) under the "Fulum Concept (富臨概念)" line is to be one of the specialty restaurants where the Group is focusing on expansion in Hong Kong during the upcoming financial year. In addition, we are evaluating other fast-moving specialty cuisines in line with Hong Kong people's dining habits and taste and will accordingly open other restaurants where opportunities arise.

From the operational perspective, the Group has the advantage as a large-scale catering operator to leverage its central kitchen and logistics centre by upgrading both hardware and software and reengineering procedures to achieve more favourable operating margins through the ongoing expansion plan in order to enjoy the benefit of economies of scale. The Group is also emphasizing branding promotion to create brand awareness in order to attract customers. We plan to use more online advertising channels such as dining mobile apps to be more effectively and widely spread the marketing message to the mass public for better penetration while our restaurants are promoting special offer/menu packages or new dishes. Furthermore, we are introducing loyalty programme membership cards in June 2015 with the pilot testing in the business of "Sportful Garden" in Hong Kong for our loyal customers to accumulate credit points in providing value-added benefits or gifts to loyal customers for rewarding their frequent visits.

In China, high-end catering sales growth has slowed down as a result of the government's effort to curb government spending on lavish banquets and to rein in extravagant spending since 2013. However, China's catering sector has witnessed a broadbased gradual recovery in 2014. Mass catering in China is being supported by the Central Government in line with the gradual and steady growth of the consumption sector within the domestic economy. Mass-market dining is now a new trend and we anticipate that the mass catering market is promising for the long-term development. Therefore, the Group is closely monitoring the development trend in China and will carefully select possible locations for our Fulum Palace restaurants. By the end of April, 2015, we have selected Zhuhai in the Guangdong province as the location for opening our second restaurant in the PRC. During the year ending 31 March 2016, the Group plans to open two Fulum Palace restaurants within and outside the Guangdong province, so as to actively raise the brand awareness of Fulum Group and expand its customer base and market share nationwide.

Subsequent to the year ended 31 March 2015 and as at the date of this announcement, we have established two restaurants under the "Fulum (富臨)" main brand, three restaurants under the "Fulum Concept (富臨概念)" brand in Hong Kong and one more restaurant in mainland China. As at the date of this announcement, the Group possesses a total of 70 restaurants, of which 68 are located in Hong Kong and two restaurants in mainland China.

Financial resources and liquidity

As at 31 March 2015, the Group's total assets increased to approximately HK$1,248.6 million (2014: approximately HK$973.9 million) while the total equity increased to approximately HK$913.7 million (2014: approximately HK$483.7 million).

As at 31 March 2015, we had approximately HK$704.9 million in cash and bank balances available. The current ratio of the Group was approximately 2.9 (2014: approximately 1.5).

As at 31 March 2015, the Group's total borrowings amounted to approximately HK$51.8 million (2014: approximately HK$31.9 million), mainly consist of finance leases in the amount of approximately HK$1.0 million (2014: approximately HK$1.0 million), bank overdrafts in the amount of approximately HK$0.8 million (2014: Nil) and a tax loan in the amount of approximately HK$50 million (2014: approximately HK$30.9 million). These finance lease liabilities are denominated in Hong Kong dollars and the effective interest rates ranged from approximately 5.6% to approximately 7.5% while a tax loan was denominated in Hong Kong dollars with effective interest rate of approximately 2.2% per annum and were repayable within one year. There are no material covenants relating to these outstanding indebtedness.

As at 31 March 2015, the gearing ratio (being the total of finance lease, tax loans and interest-bearing borrowings divided by total equity attributable to the owners of the Company) of the Group decreased to approximately 5.7% (2014: approximately 6.6%).

Capital expenditure

The capital expenditure during the year under review was primarily related to expenditures on additions and renovation of property, plant and equipment for our central kitchen and logistics center new restaurants, and maintenance of existing restaurants and payment for our intangible assets. The capital commitments were related to leasehold improvements and equipment for our restaurants.

Contingent liabilities

As at 31 March 2015, we had contingent liabilities not provided for in the consolidated financial statements in the amount of approximately HK$43.4 million in relation to bank guarantees given in lieu of rental and utility deposits (2014: approximately HK$34.2 million).

As at 31 March 2014, we also had contingent liabilities not provided for in the consolidated financial statements in the amount of approximately HK$260.8 million in related to guarantees given to banks in connection with facilities granted to related companies. All guarantees provided by the Group to the banks in connected with facilities granted to related companies had been fully released upon the Listing.

Foreign currency exposure

The Group's exposure to the risk of changes in foreign exchange rates relates preliminary to the Group's operating activities (to the extent that revenue or expenses are denominated in a currency that is different from the functional currency of the relevant subsidiaries of the Group). None of the Group's purchase during the reporting year was denominated in currencies other than the functional currency of the relevant subsidiaries.

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong dollars. Certain of the Group's time deposits are denominated in Renminbi ("RMB") which is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business. The directors of the Company are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore no hedging arrangements were made. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when appropriate.

Human resources

As at 31 March 2015, the Group had approximately 4,800 employees in Hong Kong. We believe that in hiring, motivating and retaining qualified employees are crucial to our success as a restaurant operator. During the year under review, we have conducted a series of standardised training and advancement programs for all our staff, from serving staff, cashiers, floor managers, chefs, restaurant managers to district managers. These training programs intend to ensure that all new staff are equipped with the skills required for their positions. Our internal advancement programs can provide our staff with clear advancement guidelines and promote employee satisfaction. The Group offers competitive remuneration packages to its employees, including basic salary, allowances, insurance and commission/bonuses.

In addition, the Group also adopted the Pre-IPO Share Option Scheme (as defined below) and Share Option Scheme (as defined below), where eligible employees are entitled to various share options to subscribe for the ordinary shares in the Company for their past and potential contribution to the growth of the Group. As at 31 March 2015, approximately 52,050,000 options were outstanding under the Pre-IPO Share Option Scheme and no share options have been exercised during the year. Also, as at 31 March 2015, no options have been granted or agreed to be granted pursuant to the Share Option Scheme.

Indebtedness and Charges on Group Assets

As at 31 March 2015, the Group's certain assets with carrying amount in aggregate of approximately HK$2.4 million (2014: approximately HK$2.3 million) were pledged to secure its bank borrowings and/or utilities guarantees.

Material Acquisition or Disposal of Subsidiaries

To rationalize the current structure of the Group for the Listing, the Company underwent Reorganisation of the business comprising the Group, pursuant to which the Company became the holding company of the subsidiaries of the Company now comprising the Group. Details of the Reorganisation have been set out in the prospectus of the Company dated 4 November 2014.

Save for the Reorganisation, during the reporting year under review, there was no other material acquisition or disposal of subsidiaries or associated companies of the Company.

Dividends

The Board recommends a final dividend of HK5.00 cents per ordinary share for the year ended 31 March 2015 (2014: approximately HK$13,333.33 per ordinary share) to shareholders whose names appear on the register of members of the Company on Monday, 24 August 2015. The final dividend, if approved, is to be payable in cash.

Share Option Schemes

The Company has adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") which became effective on 28 October 2014. The Company has granted 54,000,000 options to eligible directors, senior management and employees of the Group to subscribe for ordinary shares of the Company subject to terms and conditions stipulated under the Pre-IPO Share Option Scheme. The exercise price shall be 60% of the final offer price to the public and the Pre-IPO Share Option Scheme is to remain in force for a period of 5 years from the grant date.

Pursuant to a post-IPO share option scheme (the "Share Option Scheme") adopted by the Company on 28 October 2014, the Directors may invite eligible participants to take up options at a price determined by the Board but in any event the share price of the option shall not be less than whichever is the highest of (i) the nominal value of Shares; (ii) the closing price of Shares as stated in the Stock Exchange daily quotations sheet on the offer date; and (iii) the average of the closing prices of Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the offer date.

The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and conveyed by the Board to the grantee at the time an offer is made. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the 13 November 2014 (the "Listing Date").

As at the date of this announcement, no option has been granted under the Share Option Scheme.

Corporate Governance Code

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. For the period from the Listing Date and up to the date of this announcement, save for the deviation from code provision A.2.1 of the CG Code, the Board considered that the Company has complied with the code provisions set out in the CG Code.

Pursuant to code provision A.2.1 of the CG Code, the roles of the chairman (the "Chairman") and the chief executive officer (the "Chief Executive Officer") of the Company should be separate and should not be performed by the same individual. For the year under review, the Company did not have a separate Chairman and Chief Executive Officer, with Mr. Yeung Wai performing these two roles, as Mr. Yeung Wai has in-depth experience and knowledge of the Group and its businesses. The Board is of the view that his appointment into the dual roles as the Chairman and the Chief Executive Officer is in the best interest of the Group in order to ensure continuity of leadership and efficiency in formulation and execution of corporate strategies, and that there is adequate balance of power and authority in place.

The Board is committed to maintain a high standard of corporate governance practices to safeguard the interests of the shareholders of the Company, and to enhance corporate value and accountability. These objectives can be achieved by an effective Board, segregation of duties with clear responsibility, sound internal controls, appropriate risk assessment procedures and transparency to all the Company's shareholders.

Model Code of Securities Transactions by Directors

The Company has adopted a code of conduct (the "Code of Conduct") regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Based on responses of specific enquiries made with the Directors, all of the Directors have confirmed that they have complied with required standards as set out in the Model Code and Code of Conduct since the Listing Date and up to the date of this announcement.

Purchases, Sale or Redemption of Listed Securities

For the period from the Listing Date to 31 March 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Events after the Reporting Period

There are no material subsequent events undertaken by the Company or by the Group after 31 March 2015 and up to the date of this announcement.

Audit Committee

The Company has established the audit committee ("Audit Committee") on 28 October 2014 which comprises three independent non-executive Directors, namely Mr. Wu Kam On Keith (鄔錦安) (chairman), Mr. Lock Kwok On Anthony (駱國安) and Mr. Fan Chun Wah Andrew (范駿華), all of whom possess extensive experience in financial and general management. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations for ensuring compliance with the relevant regulatory requirements.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 March 2015 with the management of the Company, and discussed with the management of the Company, the auditing, internal control and financial reporting matters including the review of the annual report of the Group for the year ended 31 March 2015.

Review of final results

The figures in respect of the Group's results for the year ended 31 March 2015 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Messrs. Ernst & Young ("EY"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by EY on this preliminary announcement.

2015 Annual General Meeting

It is proposed that the 2015 Annual General Meeting will be held on Friday, 14 August 2015. A notice convening the 2015 Annual General Meeting will be published on the Company's website (www.fulumgroup.com) and the Stock Exchange's website (www.hkexnews.hk) and will be dispatched to the shareholders of the Company accordingly.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 12 August 2015 to Friday, 14 August 2015, both days inclusive, during which no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting to be held on 14 August 2015, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investors Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 11 August 2015 for registration.

Subject to the approval of shareholders at the meeting, the proposed final dividend will be payable on or about Friday, 4 September 2015 to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Monday, 24 August 2015, and the register of members of the Company will be closed from Thursday, 20 August 2015 to Monday, 24 August 2015, both days inclusive, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East not later than 4:30 p.m. on Wednesday, 19 August 2015 for registration.

Publication of Annual Results Announcement and Annual Report

This results announcement is published on the Company's website (www.fulumgroup.com) and the Stock Exchange's website (www.hkexnews.hk). The annual report will be dispatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course.

By order of the Board of
Fulum Group Holdings Limited
YEUNG WAI
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 24 June 2015

As at the date of this announcement, the Board comprises Mr. Yeung Wai, Mr. Yeung Yun Chuen, Mr. Yeung Yun Kei and Mr. Leung Siu Sun as executive Directors; and Mr. Fan Chun Wah Andrew, Mr. Lock Kwok On Anthony and Mr. Wu Kam On Keith as independent non-executive Directors.