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 2016

HIGHLIGHTS

- **The Group faced a challenging year in FY2015/16 as a result of the weakening economy and market conditions. Despite this, the Group's revenue for the year reached HK$7.57 billion, an increase of 2.9%; and profit attributable to shareholders amounted to HK$518 million, a 11.7% decline or 6.6% lower if certain non-operating and non-recurring items were excluded.**

- **The Group continued to perform well in its quick service restaurants and institutional catering businesses with steady growth in the fast casual and casual dining sector, whereas results in Mainland China declined due to market conditions.**

- **With a diversified portfolio of strong brands and the successful leadership transition during the year, the Group is well positioned for long-term sustainable growth.**

- **A final dividend of HK63 cents per share (2015: HK61 cents) and a special dividend of HK35 cents per share (2015: Nil) are recommended, with a total dividend payout ratio of 130.7% for the year.**

* *For identification purposes only*

CHAIRMAN'S MESSAGE

This is my first letter to you, our shareholders, since assuming the role of Chairman of Café de Coral. My appointment to this position is indeed a great honour for me.

In my journey of more than 30 years with Café de Coral, the past few years have been particularly eventful and rewarding. The successful implementation of our management succession plan as well as the establishment of a solid sustainability platform were key milestones during my tenure as the CEO of the Group. This platform, which not only aligns with our founders' values but also complies with the modern international standards of sustainability, guides us in the way we do business and will help to shape our growth. In my new role as Chairman, I will maintain the same values and philosophy laid down by our founders that have helped us grow from a small shop in Causeway Bay into a thriving network of diverse restaurants capable of withstanding changes in the market.

I would like to thank Mr Michael Chan, our former Chairman, with whom I have worked alongside for over three decades. Under his leadership, we have witnessed the rapid growth and expansion of the Café de Coral Group. For his contributions to the Company, we owe him a great debt of gratitude.

I would also like to welcome Mr Peter Lo, who has succeeded me as the CEO of the Group. During his past 20 years with Café de Coral, Peter has performed important functions within the Group and led major projects for the growth and development of our business and operations. Peter was also a key driver in crafting the Group's current 5-year strategic plan. Under his leadership, I am confident that Café de Coral will continue to move to the next level in our development.

A YEAR OF PROGRESS

I am delighted to report that during the review period we made great progress with our succession plan in grooming our internal talent and bringing aboard a new generation of senior executives. This seasoned, vibrant management team will lead the Group into a new era of business and organisational growth.

During the year, we also made further investments in the infrastructure required to sustain our business. Although these investments may have had an impact on our financial performance, they are part of our long-term commitment to growth and will be instrumental in building on our strengths and skills for the future.

For the year ahead, we see both challenges and opportunities for our business. In Hong Kong, consumer sentiment has been softening but we also see a downward trend in rental costs that will open doors for our continuing expansion. The quick service restaurant (QSR) segment, our core business, will remain strong and maintain its market-leading position. In our fast casual and casual dining business, we will push forward our efforts to scale up while making constant adjustments in response to changing market conditions. Mainland China, while still challenging, continues to be a growth engine for the Group.

LOOKING AHEAD

Over the last 48 years, we have seen many changes at Café de Coral and in the markets we serve. We will likely experience additional challenges in the future, yet with the strong reputation of our brands, our dynamic management team and the ongoing implementation of our strategic plan, we are fully prepared to enter a new phase of development and growth.

I would like to take this opportunity to thank the Board for their confidence in my abilities to lead the Company as the new Chairman. I would also like to thank all of our hard-working staff, whose dedication and commitment to our Company has been outstanding. I look forward to working with all of you and continuing Café de Coral's values and tradition of excellence in the years ahead.

Lo Hoi Kwong, Sunny
Chairman

Hong Kong, 22 June 2016

CEO'S REPORT

On behalf of our management team, I am delighted to present our Company's results for FY2015/16 and to share our vision for Café de Coral.

The year under review was one of steady growth in our main businesses as well as setbacks in the Mainland of China, where we remain committed to building our brands. With the successful leadership transition and organisational adjustments we have made across our business units during the year, we are confident that we can take the Group to an even higher level in the years ahead.

HIGHLIGHTS OF THE YEAR

The Group's revenue grew 2.9% to HK$7,567 million, and profit attributable to shareholders decreased 11.7% to HK$518 million. If excluding the fair value change on investment properties, gain from the disposal of leasehold properties as well as the loss attributable to a discontinued operation, the adjusted net profit would have decreased by 6.6%. FY2015/16 earnings per share amounted to HK$0.9, and the payment of a final dividend of HK63 cents per share together with a special dividend of HK35 cents per share to shareholders for the financial year ended 31 March 2016 has been recommended, representing a total dividend payout ratio of 130.7% for the year.

Key achievements of the year included the following:

- **Continuing solid performance of our core quick service restaurants (QSR) and institutional catering business**. The QSR and institutional catering segment, which accounted for 87% of the Group's revenue in Hong Kong, continued to be the mainstay of our business thanks to our strengths and competitive advantages in the mass market sector. We recorded satisfactory results from this segment during the year with the continuous expansion of our QSR outlets.

- **Growth in the fast casual and casual dining sector**. In 2015/16, we continued to look at opportunities for further diversifying our business in the fast casual and casual dining segment. Among our fast casual brands, our home-grown brands — **Shanghai Lao Lao** and **Mixian Sense** — performed particularly well. Our franchise co-operation with well-known Japanese and Korean brands also made progress as planned.

- **Implementation of our succession plan.** As a core component of our current 5-year strategic plan, our succession plan and organisational restructuring were completed successfully, and a smooth leadership transition was made among our senior management team across all of our major businesses. As a result, we have established a strong and vibrant platform for the next phase of our development.

BUILDING ON OUR FOUNDATION

Our success as a business depends on our ability to adapt to changes in the market and customer preferences and to remain relevant, which we do through a continuous process of review and refinement. Today, based on what we have learned over the years, we are expanding through a number of initiatives that support our long-term growth in the markets we serve.

5-Year Strategic Growth Plan

Our 5-year strategic plan guides our development in the Group's key markets of Hong Kong and Mainland China and allows us to build on our operational platform.

In 2015/16, we were on track with this plan and recorded milestone achievements in our business development that helped to reinforce our leadership in Hong Kong's fast food industry. We also continued to make a strategic leap forward in the fast casual and casual dining segment, built up our senior management team and completed the infrastructure we require for our long-term sustainable growth.

Despite macroeconomic conditions and intense market competition, we remain firm in our conviction that our blueprint for sustainable growth is fundamentally sound and will ultimately enable us to accomplish the objectives set out by our Board.

Strengthening our Commitment to Sustainability

During the year, we launched a comprehensive sustainability programme across all of our operations and functions. We continued to build and strengthen this platform as a solid framework for guiding our corporate governance and long-term business development in the following areas:

Risk management. We have always regarded risk management as being fundamental to our success and have adopted international best practices that guide our business decisions. After the launch of a risk management and internal control enhancement project endorsed by the Board last year, we developed an Enterprise Risk Management approach that will help to protect our business and guard against operational risks.

Supply chain management. To ensure fresh, timely and responsive deliveries to our customers, we have developed a reliable supply chain that underpins our business today. During the year, we further strengthened this part of our business by re-structuring and centralising our supply chain management team. We also reinforced Group policies and processes to ensure food quality and safety by undertaking a comprehensive upgrade of our supply chain management.

Other achievements included accreditation in ISO 22000 (the international food safety standard) for our Taipo Central Processing Centre and, most recently, our Central Processing Centre in Guangzhou, China. This certification represents our unwavering commitment to stringent food quality and safety standards while helping us to deliver and live up to our corporate motto, "A Hundred Points of Excellence".

Once again this year, we are publishing the Group's sustainability report simultaneously with our annual report. In this third report, we discuss our sustainability performance and the progress we have made towards achieving our targets. We were honoured to receive recognition for our sustainability initiatives during the year by being selected as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index.

Our People, Our Future

Our long-term succession programme proceeded according to plan during the year, ensuring a smooth transition of leadership among our senior management ranks. The Group now has a team of seasoned younger professionals in place across all of our business operations and corporate functions. With this strong talent pool, we are better equipped to overcome challenges in the market and to proceed to the next phase of our development.

As of 31 March 2016, we had a workforce of 17,575 employees. Recruiting and retaining good people continued to be a top priority for the Company during the year, particularly in a highly competitive labour market. We offer competitive staff remuneration and benefits packages and promote work-life balance as part of our corporate culture. In addition, we have a long-term incentive programme, including a share award scheme along with our share option programme, profit-sharing and other performance incentives. Both top and middle management executives received share awards during the year. Remuneration levels at all staff levels and for the Board of Directors are based on market rates, individual experience and qualifications, duties and responsibilities.

We are also conscious of the need to develop our people, as this benefits not only the Company but enables them to reach their full potential and enjoy a fulfilling career with us. To build staff competencies, we provide a comprehensive training and talent development programme within a structured framework, which has been further refined for both our Hong Kong and Mainland operations. We also launched a stronger Performance Management System with long-term incentives designed to motivate and bring out the best in our people.

BUSINESS REVIEW AND DIRECTION

Hong Kong Operations

In a difficult operating environment of falling retail sales, the food and beverage industry as a whole faced a challenging year in 2015/16. Despite the challenges, our Hong Kong business results achieved a 5% increase in revenue to HK$6,448 million for the twelve months ended 31 March 2016.

Our Hong Kong operation remained the top contributor to the Company's results, representing approximately 85% of the total revenue for FY2015/16. We achieved this performance thanks to the dedication and hard work of our people, their commitment to upholding our exacting standards of quality and service, our efficient procurement and supply chain, and the continuing trust and support of our customers, many of whom have been with us over several decades.

In 2015/16, revenue from the QSR and institutional catering sector, our core business, continued to flourish, with revenue growth of 6%. Sales from comparable stores of **Café de Coral** fast food and **Super Super Congee & Noodles** both increased by approximately 4%. **Café de Coral**'s reputation for fast, delicious and reasonably priced meals continued to attract customers, as did our **Super Super Congee & Noodles** chain. During the year, we opened a total of 24 new QSR and institutional catering outlets, most of which were **Café de Coral** fast food and **Super Super Congee & Noodles** shops.

Our institutional catering businesses continued to maintain its market leading position and make a positive contribution to the Group's performance. Despite keen market competition, **Asia Pacific Catering** renewed all major contracts for the year. **Luncheon Star**, which specialises in the preparation of healthy, nutritious lunches for schools, served a record daily average of 90,000 meals this year. Our institutional catering business is geared up to seize new business opportunities and expand its customer base. As of 31 March 2016, we operated a total of 282 QSR and institutional catering outlets, including 157 **Café de Coral** fast food outlets, 83 **Asia Pacific Catering** outlets and 40 **Super Super Congee & Noodles** shops.

The fast casual and casual dining segment accounted for a relatively low portion of the Group's revenue. During the year, we continued to make a strategic leap forward in the fast casual business, which experienced a steady growth trajectory. The number of fast casual and casual dining outlets as of 31 March 2016 increased to 69 from 62 as of last year.

The Spaghetti House and **spaghetti 360**° chains remained our leading western casual dining concepts. In 2015/16, we rejuvenated **The Spaghetti House** brand with a totally new look and menu at our pilot restaurant in City Plaza, Hong Kong. The refreshed brand has proven very successful, and this restaurant will serve as a model for the rejuvenation of all our **Spaghetti House** outlets. We are also planning to rejuvenate **Oliver's Super Sandwiches** in the year ahead. Our two main home-grown fast casual brands, **Shanghai Lao Lao** and **Mixian Sense**, continued to perform satisfactorily. Five more **Shanghai Lao Lao** outlets were opened during the year, with new dishes and a new menu being well received by customers.

Our co-operation with well-known Japanese and Korean brand owners made steady progress during the year. Among the new stores opened in 2015/16 were the first two **Don Don Tei** outlets in Hong Kong, which brought a new Japanese dining experience to customers in the city. **THE CUP**, our Korean dining concept under the franchising model, opened two more outlets during this period.

Mainland China Operations

The food and beverage industry in Mainland China as a whole experienced slower growth during the year as a result of the economic slowdown and lower consumer spending. Under these market conditions, we have deliberately adjusted our development plans and consolidated our operations in pursuit of a viable, long-term growth strategy.

As of 31 March 2016, we had a total of 110 outlets in our **Café de Coral** chain in Mainland China. In 2015/16, revenue from our fast food business in Southern China declined by 5%, while comparable store sales decreased 7% over the same period last year. Our performance in Eastern China also suffered as a result of softening market conditions.

In Southern China, we closed down our underperforming shops, mainly **The Spaghetti House**, so that we could focus our resources and strengths in growing our core business there. However, we are committed to maintaining a strong presence in Southern China and will resume our pace of expansion when the economy begins to recover.

FINANCIAL REVIEW

The Group's revenue increased by 2.9% to HK$7,567 million, and profit attributable to shareholders decreased by 11.7% to HK$518 million in FY2015/16. If excluding certain items which are non-operating and non-recurring in nature, as shown below, the adjusted net profit would have decreased by 6.6%.

	FY2015/16	FY2014/15	**Change**
	HK$'m	*HK$'m*	***%***
Profit attributable to shareholders	**518.0**	586.8	**(11.7)**
If excluding:			
Fair value loss/(gain) on investment properties	**0.9**	(38.8)	
Gain on disposal of leasehold properties	**(25.1)**	(34.5)	
Loss attributable to discontinued operation	**-**	15.0	
Adjusted net profit	**493.8**	528.5	**(6.6)**

Return on equity for FY2015/16 was 15% (FY2014/15: 16%), and return on assets was 12% (FY2014/15: 13%).

The Group's financial position for FY2015/16 remained healthy. As of 31 March 2016, the Group recorded net cash of approximately HK$1,187 million, with HK$394 million in available banking facilities. As of 31 March 2016, the Group's current ratio was 2.1 (31 March 2015: 2.0) and the cash ratio was 1.5 (31 March 2015: 1.3). The Group had no external borrowing (31 March 2015: nil) and a nil gearing ratio (ratio of total borrowing less cash and cash equivalents to total equity) (31 March 2015: nil). There has been no material change in contingent liabilities or charge on assets since 31 March 2016.

As of 31 March 2016, the Company provided guarantees of approximately HK$516 million (31 March 2015: HK$476 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 business were in Renminbi. Foreign currency exposure did not pose a significant risk for the Group, but we will remain vigilant and closely monitor our exposure to movements in relevant currencies.

OUTLOOK

Although the year under review has been a challenging one, Café de Coral is well positioned for long-term sustainable growth.

We have a diversified portfolio of well-recognised brands along with a large and growing base of customers. We also have strong systems and a robust infrastructure in place that enable us to manage our business and achieve high levels of efficiency. What's more, following the successful implementation of our succession plan we have a new team of young, energetic and motivated professionals ready to take our Company forward. Our significant investment in these platforms and talent acquisition over the past two years has been substantially completed, and our focus now is on investing in the growth of our business network.

We will remain focused on our QSR business, while seeking opportunities to grow the fast casual and casual dining segment through home-grown brands, joint ventures and franchises. We also have a clear vision for the expansion of our network, particularly in Hong Kong, both under our 5-year growth strategy and for the years beyond. Additionally, with the softening of rents in Hong Kong, we see ample opportunities to grow our market and diversify our portfolio of cuisines and dining concepts.

In the Mainland, we remain positive about the market as a whole, as it is an important growth engine for us. Under our 5-year strategic plan, we will grow our network when the market recovers and continue to strengthen our operational platform and our team.

Recognising that we can add even greater value for our customers, we are making adjustments to our service and product offerings in order to improve the overall quality and range of our dining experiences. As well as benefiting our customers, this would add value for our staff by enabling us to provide greater benefits that make Café de Coral a more attractive place to work in Hong Kong's highly competitive labour market. While the cost implications have not yet been determined, we believe such a move would be welcomed by both our customers and staff.

APPRECIATION

Finally, special thanks must go to Mr Sunny Lo, our former CEO and new Chairman, and Mr Michael Chan, our past Chairman, as well as all the founders of Café de Coral who have laid a strong foundation for Café de Coral. We would also like to express our great appreciation for the support of our customers, shareholders and business partners and, of course, our dedicated staff whose commitment underlies the success of our Company. Together, we will create even greater value for Café de Coral in the year ahead.

Lo Tak Shing, Peter
Chief Executive Officer

Hong Kong, 22 June 2016

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 2016, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT
- BY FUNCTION OF EXPENSE
FOR THE YEAR ENDED 31 MARCH 2016

	Note	**2016** *HK$'000*	2015 *HK$'000*
Continuing operations			
Revenue	*6*	**7,567,176**	7,355,738
Cost of sales	*8*	**(6,522,504)**	(6,332,590)
Gross profit		**1,044,672**	1,023,148
Other gains, net	*7*	**716**	59,713
Administrative expenses	*8*	**(430,039)**	(375,152)
Operating profit		**615,349**	707,709
Finance income	*9*	**12,712**	17,256
Share of profit of an associate		**22**	-
Share of loss of a joint venture		**-**	(5,434)
Profit before income tax		**628,083**	719,531
Income tax expense	*10*	**(110,223)**	(117,051)
Profit for the year from continuing operations		**517,860**	602,480
Discontinued operation			
Loss for the year from discontinued operation	*11*	**-**	(15,020)
Profit for the year		**517,860**	587,460
Profit/(loss) attributable to:			
Equity holders of the Company		**517,982**	586,773
Non-controlling interests		**(122)**	687
		517,860	587,460
Profit/(loss) attributable to equity holders of the Company arises from:			
– Continuing operations		**517,982**	601,793
– Discontinued operation		**-**	(15,020)
		517,982	586,773
Dividends	*13*	**676,954**	453,860

CONSOLIDATED INCOME STATEMENT (CONTINUED)
- BY FUNCTION OF EXPENSE
FOR THE YEAR ENDED 31 MARCH 2016

	Note	**2016**	2015
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$0.90**	HK$1.05
– From discontinued operation		**-**	(HK$0.03)
	12	**HK$0.90**	HK$1.02
Diluted earnings/(loss) per share			
– From continuing operations		**HK$0.90**	HK$1.04
– From discontinued operation		**-**	(HK$0.03)
	12	**HK$0.90**	HK$1.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	2016 *HK$'000*	2015 *HK$'000*
Profit for the year	**517,860**	587,460
Other comprehensive loss:		
Items that may be reclassified to profit or loss		
Exchange differences arising from translation of foreign subsidiaries, an associate and a joint venture	**(26,034)**	(4,748)
Exchange reserve released upon disposal of business	**-**	(8,084)
Fair value loss on available-for-sale financial assets	**(175,532)**	(167,369)
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of retirement benefit liabilities and provision for long service payments	**(27,210)**	(15,948)
Total comprehensive income for the year	**289,084**	391,311
Total comprehensive income/(loss) for the year attributable to:		
– Equity holders of the Company	**289,206**	390,624
– Non-controlling interests	**(122)**	687
	289,084	391,311
Total comprehensive income/(loss) for the year attributable to equity holders of the Company arising from:		
– Continuing operations	**289,206**	413,728
– Discontinued operation	**-**	(23,104)
	289,206	390,624

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	**31 March 2016** *HK$'000*	31 March 2015 *HK$'000*
ASSETS			
Non-current assets			
Leasehold land and land use rights		**84,598**	88,386
Property, plant and equipment		**1,729,269**	1,737,661
Investment properties		**477,500**	478,400
Intangible assets		**5,500**	2,132
Investment in an associate		**-**	1,195
Deferred income tax assets		**29,433**	25,955
Available-for-sale financial assets		**179,615**	355,147
Non-current prepayments and deposits		**275,366**	266,296
		2,781,281	2,955,172
Current assets			
Inventories		**214,551**	228,281
Trade and other receivables	*14*	**87,259**	143,342
Prepayments and deposits	*14*	**156,459**	123,215
Financial assets at fair value through profit or loss		**-**	39,838
Current income tax recoverable		**18,994**	-
Bank deposits with maturity over three months		**-**	15,428
Cash and cash equivalents		**1,186,643**	1,057,189
		1,663,906	1,607,293
Total assets		**4,445,187**	4,562,465
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**58,356**	58,162
Share premium		**576,633**	542,182
Shares held for share award scheme		**(162,733)**	(133,441)
Other reserves		**468,403**	640,613
Retained earnings			
– Proposed dividends		**572,002**	355,191
– Others		**2,025,616**	2,209,219
		3,538,277	3,671,926
Non-controlling interests		**3,720**	3,842
Total equity		**3,541,997**	3,675,768

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)
AS AT 31 MARCH 2016

	Note	**31 March 2016** *HK$'000*	31 March 2015 *HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**28,038**	21,147
Provision for long service payments		**51,955**	30,498
Retirement benefit liabilities		**20,762**	15,344
		100,755	66,989
Current liabilities			
Trade payables	*15*	**214,468**	212,282
Other creditors and accrued liabilities		**575,433**	577,555
Current income tax liabilities		**12,534**	29,871
		802,435	819,708
Total liabilities		**903,190**	886,697
Total equity and liabilities		**4,445,187**	4,562,465
Net current assets		**861,471**	787,585
Total assets less current liabilities		**3,642,752**	3,742,757

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.

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 22 June 2016.

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.

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) Amendment to standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2015:

- Amendments from annual improvements to HKFRSs - 2012 Cycle, on HKFRS 8, “Operating segments”, HKAS 16, “Property, plant and equipment”, HKAS 24, “Related party disclosures” and HKAS 38, “Intangible assets”.

- Amendments from annual improvements to HKFRSs - 2013 Cycle, on HKFRS 3, “Business combinations”, HKFRS 13, “Fair value measurement” and HKAS 40, “Investment property”.

- Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

The directors consider that the amendments do not have a significant impact on the Group’s consolidated financial statements.

(ii) 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 during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

3 ACCOUNTING POLICIES (Continued)

(iii) The following new and amended standards have been issued but are not effective for the financial year beginning 1 April 2015 and have not been early adopted

		Effective for annual periods beginning on or after
Annual Improvements Project	Annual Improvements 2012-2014 Cycle	1 January 2016
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortization	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16*	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Not yet established by Hong Kong Institute of Certified Public Accountants

*The Group is a lessee of certain land and buildings which are currently classified as operating leases. The Group's current accounting policy for such leases is to record the rental expenses in the Group's consolidated income statement for the current year with the related operating lease commitments being separately disclosed. HKFRS 16 provides new provisions for the accounting treatment of leases which no longer allows lessees to recognise leases outside of the consolidated statement of financial position. Instead, all non-current leases must be recognised in the form of assets (for the right of use) and financial liabilities (for the payment obligations) in the consolidated statement of financial position. Short- term leases of less than twelve months and leases of low-value assets are exempt from such reporting obligation. The new standard will therefore result in derecognition of prepaid operating leases, increase in right-of-use assets and increase in lease liabilities in the Group's consolidated statement of financial position. In the Group's consolidated statement of comprehensive income, the annual rental and amortisation expenses of prepaid operating lease under otherwise identical circumstances will decrease, while depreciation of right of use of assets and interest expense arising from the financial liabilities will increase. The new standard is not expected to apply until the financial year beginning on or after 1 January 2019.

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

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

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

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

(a) Foreign exchange risk

The Group mainly operates in Hong Kong and Mainland China and is exposed to foreign exchange risk from various currency exposures, primarily with respect to Chinese Renminbi ("RMB") and United States ("US") dollar.

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 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) Price risk

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

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

As at 31 March 2016, 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$17,962,000 (2015: HK$35,515,000).

(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 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 2016, all of the Group's financial liabilities equaled their carrying amounts as they are due within 12 months from 31 March 2016 with insignificant discounting impact.

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 2015 and 31 March 2016.

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 2016:

	Level 1 *HK$'000*	Level 2 *HK$'000*	Total *HK$'000*
Assets			
Available-for-sale financial assets			
– Listed investments	179,615	-	179,615
Total financial assets measured at fair value	179,615	-	179,615

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

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 (which was disposed of during the year ended 31 March 2015). Segment result as presented below represents operating profit before interest, tax, fair value (loss)/gain on investment properties, gain on disposal of a leasehold property, 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 2016					
Total segment revenue	**6,450,813**	**1,222,602**	**7,673,415**	**-**	**7,673,415**
Inter-segment revenue *(Note i)*	**(2,697)**	**(103,542)**	**(106,239)**	**-**	**(106,239)**
Revenue (from external revenue) *(Note ii)*	**6,448,116**	**1,119,060**	**7,567,176**	**-**	**7,567,176**
Segment result *(Note iii)*	**862,148**	**53,066**	**915,214**	**-**	**915,214**
Depreciation and amortisation	**(236,212)**	**(66,520)**	**(302,732)**	**-**	**(302,732)**
Fair value loss on investment properties	**(900)**	**-**	**(900)**	**-**	**(900)**
Gain on disposal of a leasehold property	**25,097**	**-**	**25,097**	**-**	**25,097**
Impairment loss of property, plant and equipment	**(5,554)**	**(15,776)**	**(21,330)**	**-**	**(21,330)**
Finance income	**8,130**	**4,582**	**12,712**	**-**	**12,712**
Share of profit of an associate	**22**	**-**	**22**	**-**	**22**
Income tax expense	**(105,315)**	**(4,908)**	**(110,223)**	**-**	**(110,223)**
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)*	854,302	83,169	937,471	(2,926)	934,545
Depreciation and amortisation	(220,692)	(68,118)	(288,810)	(9,562)	(298,372)
Fair value gain on investment properties	38,800	-	38,800	-	38,800
Gain on disposal of a leasehold property	34,511	-	34,511	-	34,511
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)

(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 2016 and 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:

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Segment results	**915,214**	937,471
Depreciation and amortisation	**(302,732)**	(288,810)
Gain on disposal of a leasehold property	**25,097**	34,511
Fair value (loss)/gain on investment properties	**(900)**	38,800
Impairment loss of trademark	**-**	(65)
Impairment loss of property, plant and equipment	**(21,330)**	(14,198)
Operating profit	**615,349**	707,709
Finance income	**12,712**	17,256
Share of profit of an associate	**22**	-
Share of loss of a joint venture	**-**	(5,434)
Profit before income tax	**628,083**	719,531

	2016	2015
	HK$'000	*HK$'000*
Discontinued operation		
Segment results	**-**	(2,926)
Depreciation and amortisation	**-**	(9,562)
Operating loss	**-**	(12,488)
Finance income	**-**	99
Share of profit of an associate	**-**	215
Income tax credit	**-**	1,854
Loss on disposal of business	**-**	(4,700)
Loss for the year from discontinued operation	**-**	(15,020)

5 SEGMENT INFORMATION (Continued)

	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 2016					
Segment assets	3,478,969	738,176	4,217,145	-	4,217,145
Segment assets include:					
Additions to non-current assets (other than financial instruments and deferred income tax assets)	395,897	39,601	435,498	-	435,498
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

As at 31 March 2016, the Group's non-current assets (other than financial instruments and deferred income tax assets) that are located in Hong Kong and the Mainland China amounted to HK$2,199,576,000 (2015: HK$2,120,770,000) and HK$372,657,000 (2015: HK$453,300,000) respectively.

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

	2016	2015
	HK$'000	*HK$'000*
Total segment assets	**4,217,145**	4,141,525
Deferred income tax assets	**29,433**	25,955
Available-for-sale financial assets	**179,615**	355,147
Financial assets at fair value through profit or loss	**-**	39,838
Current income tax recoverable	**18,994**	-
Total assets	**4,445,187**	4,562,465

6 REVENUE

	2016	2015
	HK$'000	*HK$'000*
Sales of food and beverages	**7,486,153**	7,261,606
Rental income	**39,385**	40,754
Management and service fee income	**10,593**	13,005
Franchise income	**555**	618
Sundry income	**30,490**	39,755
	7,567,176	7,355,738

7 OTHER GAINS, NET

	2016	2015
	HK$'000	*HK$'000*
Fair value gain/(loss) on financial assets at fair value through profit or loss	**436**	(311)
(Loss)/gain on disposal of financial assets at fair value through profit or loss	**(2)**	95
Gain on disposal of available-for-sale financial assets	**441**	-
Dividend income from listed investments	**12,246**	12,553
Fair value (loss)/gain on investment properties	**(900)**	38,800
Gain on disposal of a leasehold property	**25,097**	34,511
Loss on disposal of other property, plant and equipment, net	**(17,983)**	(10,535)
Impairment loss of property, plant and equipment	**(21,330)**	(14,198)
Impairment loss of trademark	**-**	(65)
Gain on disposal of an associate	**530**	-
Loss of disposal of a joint venture	**-**	(2,738)
Government subsidy	**2,181**	1,601
	716	59,713

8 EXPENSES BY NATURE

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

	2016	2015
	HK$'000	*HK$'000*
Cost of raw materials and consumables used	**2,360,204**	2,402,937
Amortisation of leasehold land and land use rights	**2,943**	3,011
Amortisation of intangible assets	**580**	157
Depreciation of property, plant and equipment	**299,209**	285,642
Operating lease rentals in respect of rented premises (including contingent rentals of HK$63,024,000 (2015: HK$69,873,000))	**866,927**	820,930
Exchange losses/(gains), net	**8,517**	(889)
Employee benefit expense (excluding share-based compensation expenses)	**2,152,547**	1,986,428
Share-based compensation expenses	**40,540**	12,622
Auditor's remuneration	**3,769**	5,200
Electricity, water and gas	**390,026**	402,233
Advertising and promotion expenses	**112,275**	101,906
Provision for impairment on trade receivables	**285**	-
Other expenses	**714,721**	687,565
	6,952,543	6,707,742
Representing:		
Cost of sales	**6,522,504**	6,332,590
Administrative expenses	**430,039**	375,152
	6,952,543	6,707,742

9 FINANCE INCOME

	2016	2015
	HK$'000	*HK$'000*
Interest income	**12,712**	17,256

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% (2015: 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:

	2016	2015
	HK$'000	*HK$'000*
Current income tax:		
- Hong Kong profits tax	**100,919**	106,179
- Overseas taxation	**4,810**	4,902
Deferred income tax relating to the origination and reversal of temporary differences	**3,263**	5,118
Under provision in prior years	**1,231**	852
	110,223	117,051

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:

	2016	2015
	HK$'000	*HK$'000*
Profit before income tax	**628,083**	719,531
Calculated at a taxation rate of 16.5% (2015: 16.5%)	**103,634**	118,723
Effect of different taxation rates in other countries	**(3,076)**	(283)
Income not subject to taxation	**(12,757)**	(16,944)
Expenses not deductible for taxation purposes	**12,582**	10,132
Recognition of previously unrecognised temporary difference	**(6,422)**	(4,172)
Tax losses not recognised	**15,380**	9,369
Under provision in prior years	**1,231**	852
Others	**(349)**	(626)
Taxation charge	**110,223**	117,051

11 DISCONTINUED OPERATION

On 18 December 2014, 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 Hong Kong Institute of Certified Public Accountant.

Details of the loss from discontinued operation are as follows:

	2016	2015
	HK$'000	*HK$'000*
Loss after tax from discontinued operation *(Note (a))*	-	(10,320)
Loss on disposal *(Note (b))*	-	(4,700)
	-	(15,020)

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

	2016	2015
	HK$'000	*HK$'000*
Revenue	-	104,235
Cost of sales	-	(79,152)
Gross profit	-	25,083
Other gains, net	-	2,750
Administrative expenses	-	(40,321)
Operating loss from discontinued operation	-	(12,488)
Finance income, net	-	99
Share of profit of an associate	-	215
Loss before income tax from discontinued operation	-	(12,174)
Income tax credit	-	1,854
Loss after tax from discontinued operation	-	(10,320)

11 DISCONTINUED OPERATION (Continued)

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

	2016 *HK$'000*	**2015** *HK$'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 (outflows)/inflows of the discontinued operation is as follows:

	2016 *HK$'000*	2015 *HK$'000*
Net cash used in operating activities	-	(15,478)
Net cash generated from investing activities	-	34,239
Total cash inflows	-	18,761

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.

	2016	2015
Profit/(loss) attributable to equity holders of the Company (HK$'000)		
– From continuing operations	**517,982**	601,793
– From discontinued operation	**-**	(15,020)
	517,982	586,773
Weighted average number of ordinary shares in issue ('000)	**577,114**	576,557
Basic earnings/(loss) per share (HK dollars per share)		
– From continuing operations	**HK$0.90**	HK$1.05
– From discontinued operation	**-**	(HK$0.03)
	HK$0.90	HK$1.02

12 EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year (excluding the ordinary shares purchased by the Company under the share award scheme) with the weighted average number of ordinary shares deemed to be issued assuming the dilutive impact on the share options and shares under the share award scheme.

	2016	2015
Profit/(loss) attributable to equity holders of the Company (HK$'000)		
– From continuing operations	**517,982**	601,793
– From discontinued operation	**-**	(15,020)
	517,982	586,773
Weighted average number of ordinary shares in issue ('000)	**577,114**	576,557
Adjustment for share options ('000)	**748**	1,685
Adjustment for share award scheme ('000)	**728**	-
	578,590	578,242
Diluted earnings/(loss) per share (HK dollars per share)		
– From continuing operations	**HK$0.90**	HK$1.04
– From discontinued operation	**-**	(HK$0.03)
	HK$0.90	HK$1.01

13 DIVIDENDS

	2016 *HK$'000*	2015 *HK$'000*
Interim dividend, paid, of HK18 cents (2015: HK17 cents) per ordinary share	**104,952**	98,669
Final dividend, proposed, HK63 cents (2015: HK61 cents) per ordinary share	**367,716**	355,191
Special dividend, proposed, HK35 cents (2015: Nil) per ordinary share	**204,286**	-
	676,954	453,860

A final dividend of HK63 cents and a special dividend of HK35 per ordinary share in respect of the year ended 31 March 2016 amounting to a total final and special dividends of approximately HK$572,002,000, were proposed. Such final and special dividends are 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

	2016 *HK$'000*	2015 *HK$'000*
Trade receivables	**43,482**	39,781
Less: provision for impairment of trade receivables	**(285)**	-
Trade receivables – net *(Note a)*	**43,197**	39,781
Other receivables *(Note b)*	**44,062**	103,561
	87,259	143,342
Prepayments and deposits	**156,459**	123,215
	243,718	266,557

(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 and receivables from disposal of the North American business amounting to HK$6,712,000. The proceeds from disposal of a property was received in full and the receivables from disposal of the North American business amounted to HK$2,883,000 as at 31 March 2016.

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

The ageing analysis of trade receivables is as follows:

	2016	2015
	HK$'000	*HK$'000*
0 – 30 days	**25,529**	25,360
31 – 60 days	**9,653**	8,622
61 – 90 days	**5,081**	3,174
Over 90 days	**3,219**	2,625
	43,482	39,781

15 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2016	2015
	HK$'000	*HK$'000*
0 – 30 days	**210,191**	207,737
31 – 60 days	**1,788**	2,555
61 – 90 days	**612**	443
Over 90 days	**1,877**	1,547
	214,468	212,282

16 COMMITMENTS

As at 31 March 2016, the Group had the following capital commitments:

	2016	2015
	HK$'000	*HK$'000*
Acquisition of property, plant and equipment		
Authorised and contracted for	**40,948**	21,938
Authorised but not contracted for	**440,339**	391,750
	481,287	413,688

FINAL AND SPECIAL DIVIDENDS

The Board has recommended the payment of a final dividend of HK63 cents per share (2015: HK61 cents) and a special dividend of HK35 per share (2015: Nil), totaling HK98 cents per share (2015: HK61 cents) for the year ended 31 March 2016. The proposed final and special dividends are subject to approval by the shareholders of the Company at the annual general meeting ("AGM") to be held on 9 September 2016. Upon shareholders' approval, the proposed final and special dividends will be paid on 26 September 2016 to shareholders whose names shall appear on the register of members of the Company on 15 September 2016.

Together with the interim dividend of HK18 cents per share (2015: HK17 cents), the total dividend for the year ended 31 March 2016 will amount to HK116 cents per share (2015: HK78 cents).

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 6 September 2016 (Tuesday) to 9 September 2016 (Friday) during which no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 5 September 2016 (Monday).

For the purpose of determination of entitlement to the final and special dividends, the Register of Members of the Company will be closed on 15 September 2016 (Thursday) on which no transfer of shares will be registered. In order to qualify for the final and special dividends, 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 14 September 2016 (Wednesday).

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 2016, 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 enhances the Group's governance standard. During the year, the Board and management conducted a comprehensive review of the Group's risk management framework and practices and adopted an Enterprise Risk Management System with clear policies and process devised to ensure that the Group's material risks are identified, assessed and appropriately minimised and managed.

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 2016.

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 2016.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2016, 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 1,313,518 shares of the Company at a total consideration of about HK$36.7 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
Lo Hoi Kwong, Sunny
Chairman

Hong Kong, 22 June 2016

As at the date of this announcement, the Board comprises Mr. Lo Tak Shing, Peter (Chief Executive Officer), Ms. Lo Pik Ling, Anita and Mr. Lo Ming Shing, Ian as executive directors; Mr. Lo Hoi Kwong, Sunny (Chairman), Mr. Chan Yue Kwong, Michael 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.