

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



king fook holdings limited

景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

GROUP RESULTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

The Board of Directors of King Fook Holdings Limited (the “Company”) announces that the audited consolidated loss of the Company and its subsidiaries (the “Group”) attributable to the shareholders of the Company for the financial year ended 31st March, 2015 amounted to HK\$149,251,000.

CONSOLIDATED INCOME STATEMENT

		Year ended 31st March,	
		2015	2014
	Note	HK\$'000	HK\$'000
CONTINUING OPERATIONS			
Revenue	5	842,263	1,163,733
Cost of sales		(666,114)	(887,961)
Gross profit		176,149	275,772
Other operating income		10,016	4,025
Distribution and selling costs		(262,727)	(325,885)
Administrative expenses		(61,721)	(72,976)
Other operating expenses		(7,390)	(674)
Operating loss		(145,673)	(119,738)
Finance costs		(5,321)	(7,422)
Loss before taxation	6	(150,994)	(127,160)
Taxation	7	1,737	(446)
Loss for the year from continuing operations		(149,257)	(127,606)
DISCONTINUED OPERATION			
Loss for the year from discontinued operation	8	-	(3,626)
Loss for the year		(149,257)	(131,232)

CONSOLIDATED INCOME STATEMENT (Continued)

		Year ended 31st March,	
		2015	2014
	<i>Note</i>	HK\$'000	HK\$'000
Loss for the year attributable to:			
Shareholders of the Company			
Continuing operations		(149,251)	(127,603)
Discontinued operation		-	(3,626)
		<hr/>	<hr/>
		(149,251)	(131,229)
Minority interests		(6)	(3)
		<hr/>	<hr/>
		(149,257)	(131,232)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share for loss attributable to the shareholders of the Company for the year			
- Basic and diluted (HK cents)			
Continuing and discontinued operations	<i>10</i>	(22.9) cents	(21.8) cents
		<hr/> <hr/>	<hr/> <hr/>
Continuing operations		(22.9) cents	(21.2) cents
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31st March,	
	2015	2014
	HK\$'000	HK\$'000
Loss for the year	(149,257)	(131,232)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of available-for-sale investments	3,589	1,128
Reclassification adjustment upon disposal of available-for-sale investments	(4,717)	-
Exchange differences on translation	658	(164)
Other comprehensive income for the year	(470)	964
Total comprehensive income for the year	(149,727)	(130,268)
Total comprehensive income for the year attributable to:		
Shareholders of the Company	(149,721)	(130,265)
Minority interests	(6)	(3)
	(149,727)	(130,268)

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at 31st March, 2015 HK\$'000	As at 31st March, 2014 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		8,203	23,034
Investment properties		658	691
Available-for-sale investments		952	5,186
Deferred tax assets		1,928	-
Other assets		396	396
		<u>12,137</u>	<u>29,307</u>
Current assets			
Inventories		715,088	884,791
Debtors, deposits and prepayments	11	60,882	94,556
Investments at fair value through profit or loss		1,192	8,208
Tax recoverable		32	32
Trust bank balances held on behalf of clients		-	144
Cash and cash equivalents		117,788	122,634
		<u>894,982</u>	<u>1,110,365</u>
Current liabilities			
Creditors, deposits received, accruals and deferred income	12	34,351	56,207
Tax payable		9	6
Gold loans, unsecured		17,559	24,850
Bank loans		147,500	201,000
		<u>199,419</u>	<u>282,063</u>
Net current assets		<u>695,563</u>	<u>828,302</u>
Total assets less current liabilities		<u>707,700</u>	<u>857,609</u>
Non-current liabilities			
Provision for long service payments		112	294
Net assets		<u>707,588</u>	<u>857,315</u>
CAPITAL AND RESERVES			
Capital and reserves attributable to the shareholders of the Company			
Share capital		241,021	241,021
Other reserves		36,202	36,672
Retained profits		430,232	579,483
		<u>707,455</u>	<u>857,176</u>
Minority interests		<u>133</u>	<u>139</u>
		<u>707,588</u>	<u>857,315</u>

Note:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and have been prepared in compliance with the Companies Ordinance.

2. ADOPTION OF NEW/REVISED HKFRSs - EFFECTIVE 1ST APRIL, 2014

In the year ended 31st March, 2015, the Group has applied for the first time the following new/revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1st April, 2014:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures
Amendments to HKAS 39	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities

The adoption of these new/revised HKFRSs has no significant impact on the Group’s consolidated financial statements.

3. NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The following new/revised HKFRSs have been issued but are not yet effective and have not been early adopted by the Group:

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

¹ Effective for annual periods beginning on or after 1st July, 2014

² Effective for annual periods beginning, or transactions occurring on, or after 1st July, 2014

³ Effective for annual periods beginning on or after 1st January, 2016

⁴ Effective for annual periods beginning on or after 1st January, 2017

⁵ Effective for annual periods beginning on or after 1st January, 2018

The Group is in the process of making an assessment of the potential impact of adopting the above new, revised or amended standards and interpretations to the Group. The directors of the Company do not expect that the adoption of these pronouncements will have a material impact on the consolidated financial statements of the Group.

4. SEGMENT INFORMATION

The Group's three (2014: four) reporting segments are as follows:

- (a) Retailing, bullion trading and diamond wholesaling
- (b) Construction services
- (c) All others
- (d) Securities broking (presented as discontinued operation in 2014)

	Continuing operations				
	Retailing, bullion trading and diamond wholesaling HK\$'000	Construction services HK\$'000	All others HK\$'000	Inter- segment elimination HK\$'000	Total HK\$'000
Year ended 31st March, 2015					
Revenue					
From external customers	832,210	3,314	6,739	-	842,263
Inter-segment sales	-	-	4	(4)	-
Reportable segment revenue	<u>832,210</u>	<u>3,314</u>	<u>6,743</u>	<u>(4)</u>	<u>842,263</u>
Interest income	46	1	-	-	47
Finance costs	(9,491)	(63)	-	-	(9,554)
Depreciation	(9,994)	-	(54)	-	(10,048)
Provision for and write down of inventories to net realisable value	(13,854)	-	-	-	(13,854)
Provision for impairment loss of property, plant and equipment	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>
Reportable segment results	(157,372)	979	(140)	-	(156,533)
Corporate income					46,199
Corporate expenses					(47,843)
Dividend income					97
Fair value change of investments at fair value through profit or loss					2,369
Gain on disposal of available-for-sale investments					<u>4,717</u>
Loss before taxation					<u>(150,994)</u>
At 31st March, 2015					
Reportable segment assets	801,194	303	6,388	-	807,885
Corporate assets					2,667
Available-for-sale investments					952
Deferred tax assets					1,928
Investments at fair value through profit or loss					1,192
Tax recoverable					32
Cash and cash equivalents					<u>92,463</u>
Total assets per consolidated balance sheet					<u>907,119</u>
Reportable segment liabilities	41,206	2,940	5,004	-	49,150
Corporate liabilities					2,872
Bank loans					147,500
Tax payable					<u>9</u>
Total liabilities per consolidated balance sheet					<u>199,531</u>

4. SEGMENT INFORMATION (Continued)

	Continuing operations					Discontinued operation	
	Retailing, bullion trading and diamond wholesaling HK\$'000	Construction services HK\$'000	All others HK\$'000	Inter-segment elimination HK\$'000	Sub-total HK\$'000	Securities broking HK\$'000	Total HK\$'000 (Re-presented)
Year ended 31st March, 2014							
Revenue							
From external customers	1,155,839	1,502	6,392	-	1,163,733	913	1,164,646
Inter-segment sales	-	-	5	(5)	-	-	-
Reportable segment revenue	<u>1,155,839</u>	<u>1,502</u>	<u>6,397</u>	<u>(5)</u>	<u>1,163,733</u>	<u>913</u>	<u>1,164,646</u>
Interest income	67	-	-	-	67	43	110
Finance costs	(13,811)	(1,159)	-	-	(14,970)	-	(14,970)
Depreciation	(17,465)	-	(33)	-	(17,498)	(3)	(17,501)
Provision for and write down of inventories to net realisable value	<u>(13,667)</u>	<u>(544)</u>	<u>-</u>	<u>-</u>	<u>(14,211)</u>	<u>-</u>	<u>(14,211)</u>
Reportable segment results	(122,679)	(7,679)	(675)	-	(131,033)	(3,626)	(134,659)
Corporate income					60,398		60,398
Corporate expenses					(58,358)		(58,358)
Dividend income					186		186
Fair value change of investments at fair value through profit or loss					<u>1,647</u>		<u>1,647</u>
Loss before taxation					<u>(127,160)</u>		<u>(130,786)</u>
At 31st March, 2014							
Reportable segment assets	1,016,612	4,106	5,523	-	1,026,241	5,149	1,031,390
Corporate assets							2,797
Available-for-sale investments							5,186
Investments at fair value through profit or loss							8,208
Tax recoverable							32
Cash and cash equivalents							<u>92,059</u>
Total assets per consolidated balance sheet							<u>1,139,672</u>
Reportable segment liabilities	69,875	3,331	4,542	-	77,748	282	78,030
Corporate liabilities							3,321
Bank loans							201,000
Tax payable							<u>6</u>
Total liabilities per consolidated balance sheet							<u>282,357</u>

No geographical information is presented as more than 90% of the Group's revenue and assets were derived from activities in Hong Kong (place of domicile).

For the years ended 31st March, 2014 and 2015, no revenue from a single customer amounted to 10% or more of the total revenue of the Group.

5. REVENUE

The Group is principally engaged in gold ornament, jewellery, watch, fashion and gift retailing, bullion trading and diamond wholesaling. Revenue, which includes the Group's turnover and other revenue, recognised during the year comprised the following:

	Year ended 31st March,	
	2015 HK\$'000	2014 HK\$'000
CONTINUING OPERATIONS		
Turnover		
Gold ornament, jewellery, watch, fashion and gift retailing	817,617	1,132,248
Bullion trading	10,083	15,611
Diamond wholesaling	4,510	7,980
	<u>832,210</u>	<u>1,155,839</u>
Other revenue		
Revenue on construction contracts	3,314	1,502
Income from provision of travel related products and services	6,739	6,392
	<u>10,053</u>	<u>7,894</u>
	842,263	1,163,733
DISCONTINUED OPERATION		
Turnover		
Commission from securities broking	-	913
Total revenue	<u>842,263</u>	<u>1,164,646</u>

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging and (crediting):

	Year ended 31st March,	
	2015	2014
	HK\$'000	HK\$'000
Continuing operations		
Auditors' remuneration		
- provision for the current year	778	840
Cost of inventories sold, including	668,242	889,988
- provision for and write down of inventories to net realisable value	13,854	14,211
- reversal of provision for and write down of inventories to net realisable value*	(7,916)	(5,863)
Depreciation of property, plant and equipment	10,738	18,352
Depreciation of investment properties	33	33
Foreign exchange difference, net	47	(75)
Loss on write off/disposal of property, plant and equipment	5,713	610
Loss on write off of investments at fair value through profit or loss	19	-
Operating lease charges in respect of properties	173,642	206,882
Operating lease charges in respect of furniture and fixtures	647	644
Outgoings in respect of investment properties	80	72
Provision for impairment loss of debtors		
- provided against allowance account	159	-
- reversal of provision	(21)	(53)
Provision for impairment loss of other receivables		
- reversal of provision	(88)	-
Provision for impairment loss of property, plant and equipment	1,500	-
Provision for long service payments		
- provided against the account	19	133
- reversal of provision	(162)	(17)
Directly write off of debtors	23	64
Directly write off of other receivables	57	-
Dividend income	(97)	(186)
Fair value change of investments at fair value through profit or loss	(2,369)	(1,647)
Gain on disposal of available-for-sale investments	(4,717)	-
Interest income from financial assets at amortised cost	(271)	(327)
Provision for impairment loss of available-for-sale investments		
- reversal of provision	-	(191)
Rental income		
- owned properties	(622)	(610)
- operating sub-leases	-	(6)
	<u>-</u>	<u>(6)</u>

* The reversal of provision for and write down of inventories to net realisable value arose from inventories that were sold subsequently during the year.

7. TAXATION

No Hong Kong profits tax has been provided for the year as the Group has no estimated assessable profit (2014: Nil). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

The amount of taxation (credited)/charged to the consolidated income statement represents:

	Year ended 31st March,	
	2015	2014
	HK\$'000	HK\$'000
Continuing operations		
Current tax		
- Hong Kong		
Under provision of prior years	160	-
- Overseas		
Current year	31	446
Deferred tax		
- Hong Kong		
Current year	(1,928)	-
Taxation (credit)/charge	<u>(1,737)</u>	<u>446</u>

8. DISCONTINUED OPERATION

By the end of July 2013, the business of securities broking operated by two subsidiaries of the Company, King Fook Securities Company Limited and King Fook Commodities Company Limited, had been ceased. This business segment was presented as discontinued operation in accordance with HKFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, accordingly.

The results of the securities broking segment for the year ended 31st March, 2014 were as follows:

	HK\$'000
Income	1,137
Expenses	<u>(4,763)</u>
Loss before taxation	(3,626)
Taxation	<u>-</u>
Loss for the year ended 31st March, 2014	<u><u>(3,626)</u></u>

The cash flows of the securities broking segment for the year ended 31st March, 2014 were as follows:

	HK\$'000
Operating cash flows	(10,805)
Investing cash flows	<u>4,959</u>
Total cash flows	<u><u>(5,846)</u></u>

9. DIVIDEND

No dividend was paid or proposed during the years ended 31st March, 2014 and 2015, nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

Continuing and discontinued operations

The calculation of basic loss per share is based on the consolidated loss attributable to the shareholders of the Company of HK\$149,251,000 (2014: HK\$131,229,000) and on the weighted average number of 652,607,475 (2014: 601,401,831) ordinary shares in issue during the year.

Diluted loss per share for the years ended 31st March, 2014 and 2015 are the same as the basic loss per share as there were no dilutive potential ordinary shares during both years.

Continuing operations

The calculation of basic loss per share from continuing operations attributable to the shareholders of the Company is based on the following data:

	Year ended 31st March,	
	2015	2014
	HK\$'000	HK\$'000
Loss for the year	149,251	131,229
Less: Loss for the year from discontinued operation	-	3,626
Loss for the purpose of basic loss per share from continuing operations	<u>149,251</u>	<u>127,603</u>

The denominators used are the same as those detailed above for basic loss per share.

Discontinued operation

For the year ended 31st March, 2014, basic loss per share for the discontinued operation attributable to the shareholders of the Company was HK0.6 cent, based on the loss for the year ended 31st March, 2014 from the discontinued operation of HK\$3,626,000 and the denominators detailed above for basic loss per share.

Diluted loss per share from discontinued operation for the year ended 31st March, 2014 was the same as the basic loss per share as there were no dilutive potential ordinary shares during the year ended 31st March, 2014.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	As at 31st March,	
	2015	2014
	HK\$'000	HK\$'000
Trade debtors	5,451	17,998
Other receivables	14,013	23,332
Deposits and prepayments	<u>41,418</u>	<u>53,226</u>
	<u>60,882</u>	<u>94,556</u>

11. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

The ageing analysis of trade debtors, based on the invoice dates, was as follows:

	As at 31st March,	
	2015 HK\$'000	2014 HK\$'000
Within 30 days	2,337	12,401
31 - 90 days	324	420
More than 90 days	2,790	5,177
	<u>5,451</u>	<u>17,998</u>

Trade debtors were normally due within three months.

12. CREDITORS, DEPOSITS RECEIVED, ACCRUALS AND DEFERRED INCOME

	As at 31st March,	
	2015 HK\$'000	2014 HK\$'000
Trade payables	15,151	24,198
Other payables and accruals	11,758	25,296
Deposits received and deferred income	6,767	6,038
Other provision	675	675
	<u>34,351</u>	<u>56,207</u>

The ageing analysis of trade payables, based on the invoice dates, was as follows:

	As at 31st March,	
	2015 HK\$'000	2014 HK\$'000
Within 30 days	9,820	13,546
31 - 90 days	1,630	5,269
More than 90 days	3,701	5,383
	<u>15,151</u>	<u>24,198</u>

DIVIDEND

The Board of Directors of the Company (the "Board") has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2015 (2014: Nil) to shareholders.

BUSINESS REVIEW

The Group's turnover from retailing business for the year ended 31st March, 2015 decreased by 27.8% to HK\$817,617,000 (2014: HK\$1,132,248,000) following the general decline of the Hong Kong luxury goods retail market. During the year under review, spending of the tourists from Mainland China was adversely affected by Mainland China's decelerating economic growth and Chinese Government's anti-extravagant campaign, which in turn had seriously affected the luxury goods retail market. Moreover, local consumption sentiment was negatively impacted by the outbreak of the "Occupy Central" protests during the period from September to December 2014.

In response to these challenges, the Group offered more aggressive discount to attract sales, and gross profit margin squeezed from 23.7% in the previous year to 20.9% in this year. During the year under review, the Group closed down or downsized five underperformed shops to consolidate the floor areas of its retail shops in Hong Kong in order to counter-balance the declining climate in the luxury goods retail market.

The Group's consolidated loss attributable to the shareholders of the Company from continuing operations for the year ended 31st March, 2015 was HK\$149,251,000 (2014: HK\$127,603,000), representing an increase of 17.0% from the previous year. In the previous year, the Group had applied for cessation of its securities broking business (the "Discontinued Operation") and recorded a consolidated loss attributable to the shareholders of the Company from the Discontinued Operation amounting to HK\$3,626,000. There was no profit or loss from the Discontinued Operation for the year under review.

OUTLOOK

The Hong Kong luxury goods retail market has not recovered since the outbreak of "Occupy Central" protests, and has further deteriorated by weakened consumption patterns and decreased spending of tourists from Mainland China. The Group expects the sluggish market conditions will continue and the challenge to the luxury goods retail market is severe.

Looking forward, the Group will enhance its competitiveness by cautiously reviewing and adjusting its store locations, operating costs and product mix so as to better address the changing tourists' needs and the local market. With implementation of rigorous costs control, the Group has successfully reduced the distribution and selling costs and administrative expenses in the second half of the year under review. The slowdown of the luxury goods retail market has already eased rental pressure, and some correction in rental would be expected. Moreover, the management will improve operating efficiency by streamlining the operations and optimising internal resources.

With its solid foundation and reputation, the Group is well positioned to provide exquisite, stylish and finest quality products to its customers. The management will continue launching various marketing activities and promotional events to maintain relationship with existing customers and attract new customers. Online consumption continues to trend up and is beginning to seriously influence the local retail market. The Group will take steps to develop an online platform for e-Commerce which may enable the management to better gauge customers' consumption patterns so as to more effectively localise or personalise products offerings and enhance sales efficiency. The online platform may also help directing internet users to visit the Group's retail shops personally.

To meet the challenge of the adverse market condition expected in the current financial year, the Group will explore various means to strengthen its financial position and to optimise its capital structure, including possible fund raising exercises such as, among various means, rights issue, open offer and/or issue of convertible securities.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year.

CORPORATE GOVERNANCE PRACTICES

The Company had complied with all the code provisions of the Corporate Governance Code (the “Code”) set out in Appendix 14 to the Listing Rules throughout the year except the deviations as explained below:

Code provision A.4.1

The non-executive directors of the Company were not appointed for a specific term, but each of them is subject to retirement by rotation at annual general meeting of the Company at least once every three years in accordance with the Articles of Association of the Company. The retiring directors shall be eligible for re-election.

Code provisions A.5.1 to A.5.4

The Company has not established a nomination committee. In view of the current structure of the Board and business operations of the Group, the Board believes that it is not necessary to establish a nomination committee as it considers that all directors of the Company should be involved in performing the duties set out in such code provisions.

Code provision D.1.4

Except for Mr. Yeung Ping Leung, Howard, the Company does not have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Board decides on the key terms and conditions of the appointment of the directors of the Company from time to time and records the same in the minutes of the relevant Board meetings.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed with the management of the Group the accounting policies and practices adopted by the Group, its internal control and financial reporting matters including review of the results for the year ended 31st March, 2015.

SCOPE OF WORK OF BDO LIMITED

The figures in this preliminary announcement in respect of the Group’s results for the year ended 31st March, 2015 have been reviewed and agreed by the Group’s auditor, BDO Limited (“BDO”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO 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 BDO on this preliminary announcement.

DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the two years ended 31st March, 2014 and 2015 included in this preliminary announcement of the annual results for the year ended 31st March, 2015 do not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31st March, 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31st March, 2015 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

By order of the Board
Yeung Ping Leung, Howard
Chairman

Hong Kong, 25th June, 2015

As at the date of this announcement, the executive directors of the Company are Mr. Yeung Ping Leung, Howard, Mr. Tang Yat Sun, Richard, Mr. Cheng Ka On, Dominic and Ms. Fung Chung Yee, Caroline; the non-executive director is Mr. Wong Wei Ping, Martin; and the independent non-executive directors are Mr. Lau To Yee, Mr. Cheng Kar Shing, Peter, Mr. Ho Hau Hay, Hamilton, Mr. Sin Nga Yan, Benedict and Mr. Cheng Kwok Shing, Anthony.