Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

The Board of Directors of Pioneer Global Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2014, together with the comparative figures for the corresponding period in 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 March	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
Turnover			
Company and subsidiaries		**177,569**	199,415
Share of associates		**103,650**	107,068
		281,219	306,483
Turnover of Company and subsidiaries	*4*	**177,569**	199,415
Properties operating expenses		**(31,940)**	(32,395)
Staff costs		**(14,117)**	(13,218)
Depreciation		**(523)**	(429)
Other expenses		**(4,078)**	(3,684)
		(50,658)	(49,726)

	Notes	For the year ended 31 March **2014** *HK$'000*	2013 *HK$'000*
Operating profit		**126,911**	149,689
Share of profits of associates		**44,598**	76,232
Change in fair value of investment properties		**414,531**	607,761
Other gains and losses	*5*	**73**	11,968
Finance costs		**(35,146)**	(33,157)
Profit before taxation	*6*	**550,967**	812,493
Taxation			
Current	*7*	**(1,215)**	(3,580)
Deferred	*7*	**(14,889)**	(15,208)
Profit for the year		**534,863**	793,705
Profit attributable to:			
Shareholders of the Company		**477,449**	671,140
Non-controlling interests		**57,414**	122,565
		534,863	793,705
		HK cents	*HK cents*
Earnings per share	*9*	**41.37**	58.16

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 March	
	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**534,863**	793,705
Other comprehensive (expenses)/income		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of available for sale investments		
– subsidiaries	**(3,475)**	26,516
– associates	**(56,746)**	36,107
Exchange difference on translation of associates	**21**	(1,624)
Other comprehensive (expenses)/income for the year, net of tax	**(60,200)**	60,999
Total comprehensive income for the year	**474,663**	854,704
Total comprehensive income attributable to:		
Shareholders of the Company	**415,703**	730,512
Non-controlling interests	**58,960**	124,192
	474,663	854,704

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 March 2014 HK$'000	At 31 March 2013 HK$'000
ASSETS			
Non-current assets			
Investment properties		**5,220,700**	4,704,200
Associates		**736,659**	764,549
Available for sale investments		**260,895**	266,347
Property, plant & equipment		**2,213**	2,480
Other assets		**300**	300
		6,220,767	5,737,876
Current assets			
Debtors, advances & prepayments	*10*	**17,677**	25,637
Available for sale investments		**12,449**	16,761
Financial assets at fair value		**1,567**	2,336
Cash & bank balances		**175,430**	186,475
Tax assets		**230**	–
		207,353	231,209
Total assets		**6,428,120**	5,969,085
EQUITY			
Share capital		**115,404**	115,404
Reserves		**3,937,943**	3,566,093
Shareholders' funds		**4,053,347**	3,681,497
Non-controlling interests		**741,188**	682,956
Total equity		**4,794,535**	4,364,453
LIABILITIES			
Non-current liabilities			
Creditors & accruals		**33,188**	31,320
Secured bank loans		**1,259,803**	1,424,228
Deferred payment		**–**	20,500
Deferred taxation		**41,690**	26,801
		1,334,681	1,502,849
Current liabilities			
Creditors & accruals	*11*	**36,340**	26,120
Secured bank loans		**242,064**	33,720
Deferred payment		**20,500**	41,000
Tax liabilities		**–**	943
		298,904	101,783
Total liabilities		**1,633,585**	1,604,632
Total equity and liabilities		**6,428,120**	5,969,085

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. In addition, these consolidated financial statements include applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS AND PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those used in the financial statements for the year ended 31 March 2013, except for the changes as set out below.

During the current year, the Group has applied a number of new and revised standards, amendments to standards and interpretations ("new and revised HKFRSs") issued by the HKICPA which are relevant to its operations.

Amendments to HKAS 1 – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. As a result, the consolidated income statement and consolidated statement of comprehensive income are renamed as consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income. The amendments to HKAS 1 also require items to other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) – Int 12 "Consolidated – Special Purpose Entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group. The application of HKFRS 10 does not have material impact to the Group.

HKFRS 12 – Disclosures of Interests in Other Entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structures entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those required in the current standards. In accordance with the transitional provisions of HKFRS 13, additional information was disclosed in the notes to the consolidated financial statements.

New and revised Standards, Amendments to Standards and Interpretations in issue but not yet effective

The Group has not early applied the following new and revised standards, amendments to standards and interpretations that have been issued but are not yet effective.

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 July 2014 with limited exceptions
4 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

The Group is in the process of making an assessment of the potential impact of the above new and revised standards, amendments to standards and interpretations. The Group is not yet in a position to determine the impact of these new and revised standards, amendments to standards or interpretations on the results of operations and financial position of the Group.

3. SEGMENT INFORMATION

Segment information is presented in respect of the Group's primary business segments. In accordance with the internal financial reporting of the Group provided to the chief operating decision marker (i.e. Board of Directors) for the purposes of allocating resources to segments, assessing their performance and making strategic decisions, the reportable segments are (i) property and hotels and (ii) investments and others.

The following is an analysis of the Group's turnover and results by reportable and operating segments for the year under review:

Segment Result

For the year ended 31 March 2014 (31 March 2013)

	Property and others		Investments and hotels		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment turnover						
Company and subsidiaries	**164,779**	187,223	**12,790**	12,192	**177,569**	199,415
Segment result	**115,065**	138,310	**12,095**	11,575	**127,160**	149,885
Unallocated corporate expenses					**(249)**	(196)
Operating profit					**126,911**	149,689
Share of profits of associates	**44,598**	76,232	**–**	–	**44,598**	76,232
Change in fair value of investment properties	**414,531**	607,761	**–**	–	**414,531**	607,761
Other gains and losses	**–**	10,454	**73**	1,514	**73**	11,968
Finance costs					**(35,146)**	(33,157)
Taxation					**(16,104)**	(18,788)
Non-controlling interests					**(57,414)**	(122,565)
Profit attributable to shareholders					**477,449**	671,140

Geographical Segment

	2014	2013
	HK$'000	*HK$'000*
Revenue by location		
Hong Kong	**169,015**	192,626
Overseas	**8,554**	6,789
	177,569	199,415

In geographical segments, segment revenue is based on the geographical location of customers. Overseas segments include China, Thailand, Singapore and Malaysia.

4. TURNOVER

	2014	2013
	HK$'000	*HK$'000*
Rental income	**137,713**	158,133
Property expenses recovery	**27,066**	28,923
Dividend income	**7,067**	6,204
Interest income	**4,706**	4,809
Others	**1,017**	1,346
	177,569	199,415

5. OTHER GAINS AND LOSSES

	2014 *HK$'000*	2013 *HK$'000*
(Loss)/gain on disposal of investment properties and other fixed assets	**(27)**	10,850
Net gain on disposal of available for sale investments	**868**	563
(Decrease)/increase in fair value of financial assets	**(768)**	555
	73	11,968

6. PROFIT BEFORE TAXATION

	2014 *HK$'000*	2013 *HK$'000*
Profit before taxation has been arrived at after charging:		
Interest on bank loans wholly repayable within five years	**35,146**	33,157
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**13,835**	13,487
Pension scheme contributions	**159**	158
Auditors' remuneration	**440**	470
Depreciation	**523**	429
Provision/(over-provision) for long service payments	**123**	(427)
and after crediting:		
Rental income from investment properties	**137,713**	158,133
Less: direct outgoings	**(2,433)**	(1,230)
Listed investment income	**4,951**	2,946
Unlisted investment income	**2,116**	3,258
Interest income	**4,706**	4,809
Exchange gain	**1,017**	1,179

7. TAXATION

	2014			2013		
	Current taxation *HK$'000*	**Deferred taxation** *HK$'000*	**Total** *HK$'000*	Current taxation *HK$'000*	Deferred taxation *HK$'000*	Total *HK$'000*
Hong Kong						
– Provision for the year	**1,194**	**14,639**	**15,833**	3,557	13,520	17,077
Overseas						
– Provision for the year	**21**	**250**	**271**	23	1,688	1,711
	1,215	**14,889**	**16,104**	3,580	15,208	18,788

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated Hong Kong source assessable profits for the year. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

8. DIVIDEND

	2014	2013
	HK$'000	*HK$'000*
Interim dividend of HK1.30 cents (2013: HK1.30 cents) per ordinary share	**15,002**	15,002
Proposed final cash dividend of HK2.50 cents (2013: HK2.50 cents) per ordinary share	**28,851**	28,851
	43,853	43,853
The dividends which have been paid during the year by cash are as follows:		
Interim for the year ended 31 March 2014 (2013)	**15,002**	15,002
Final for the year ended 31 March 2013 (2012)	**28,851**	26,543
	43,853	41,545

The 2014 final cash dividend of HK2.50 cents (2013: HK2.50 cents) per ordinary share has been proposed by the Board of Directors and is subject to approval by the shareholders at the forthcoming annual general meeting ("AGM").

9. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to shareholders amounting to HK$477,449,000 (2013: HK$671,140,000) and on 1,154,038,656 shares (2013: 1,154,038,656 shares) in issue during the year.

No diluted earnings per share have been presented for the years ended 31 March 2014 and 31 March 2013 as the Company had no dilutive potential ordinary shares during both years.

10. TRADE RECEIVABLES

Trade and rental debtors mainly comprise rental receivables. Rent from leasing of investment properties are recognized according to the date of debit notes and normally received in advance. The aging analysis of the trade and rental debtors at the reporting date was as follows:

	31 March 2014	31 March 2013
	HK$'000	*HK$'000*
0 – 30 days	**923**	2,449
31 – 60 days	**9**	148
61 – 90 days	**–**	208
	932	2,805

11. TRADE PAYABLES

Trade payables are included in creditors and accruals. The aging analysis of the trade payables at the reporting date was presented based on the dates of the invoices as follows:

	31 March 2014 *HK$'000*	31 March 2013 *HK$'000*
0 – 30 days	**15,244**	5,290
31 – 60 days	**51**	597
61 – 90 days	**11**	–
> 90 days	**21**	–
	15,327	5,887

12. GUARANTEES AND COMMITMENTS

	The Group 31 March		**The Company 31 March**	
	2014 *HK$'000*	2013 *HK$'000*	**2014** *HK$'000*	2013 *HK$'000*
Guarantees				
– given to bank in respect of banking facilities utilized by subsidiaries	**470,192**	446,002	**470,192**	446,002
– given to bank in respect of banking facilities utilized by associates	**166,927**	195,435	**15,500**	20,000
– on utility deposits	**548**	609	**533**	533
Commitments				
– for total future minimum lease payments				
– not later than one year	**2,905**	2,185	**–**	–
– later than one year and not later than five years	**2,992**	2,644	**–**	–
– for purchase of available for sale investments				
– not later than one year	**1,758**	1,195	**–**	–

BUSINESS REVIEW

It has been a watershed year for the world economy as the western world seems to have found a stable footing while growth in Asia is slowing down. While the European economies have been stable but sluggish, the US has recovered to growth mode.

Closer to home, the most significant economic news in the past year has been the reform package announced by China at the Third Plenary Session of the 18th CPC Central Committee. The reform package includes the relaxation of one child policy, rural land reform, interest rate and capital accounts liberalization, and the acknowledgement of private enterprises as the key driver of the economy. This reform package is a significant statement by the Chinese leadership that it is committed to move the economy into a new phase of sustainable, albeit more moderate growth. If implemented well, these reforms will have far reaching consequences for the world's second largest economy. Another important statement by the Chinese leadership under President Xi Jin Ping is its anti-corruption drive, which shows no sign of abating. This anti-corruption drive will be very positive for the country in the medium to long term as it catches up to global developed economy standards, though it has undoubtedly hit luxury consumption in the short run. Worries persist about a real estate bubble, as well as the growing shadow banking sector and excessive municipal government debts. However, we believe that with the many monetary levers that it controls, the Chinese government continues to be well placed to guide the economy to a soft landing while it steers the country on a sustainable long term growth path.

In Hong Kong, harsh administrative measures (Buyers Stamp Duty, Special Stamp Duty, Double Stamp Duty) by the government to dampen investment demand have been successful in containing property prices. However, recent price cuts along with stamp duty subsidies by developers in latest project launches have generated significant interest from both end-users and investors, indicating that underlying demand continues to be strong, especially in the urban areas. We believe that this trend will continue until the interest rate environment finally turns. On the other hand, in light of the government's determination to increase land supply, land auction prices in the New Territories have seen significant drops, foreshadowing price decreases in secondary locations where there will be large supplies in the future.

Thailand has had another tumultuous year, after a brief period of stability since the 2011 general election ushered in Yingluck Shinawatra as prime minister. Up until its push last year to pass the amnesty bill (which is seen as a key step to bring back the exiled former Prime Minister Thaksin Shinawatra), the government of Yingluck had been popular and was able to maintain political stability. Unfortunately, the amnesty bill saga together with a controversial rice subsidy scheme once again brought "yellow shirt" protestors to the streets in the 4th quarter of last year. After months of street protests in Bangkok where the government was unable to maintain law and order, the Thai army stepped in to restore stability. The latest military coup is well supported by the urban population as it brought back stability and law and order; however, it remains to be seen whether it can resolve the country's long standing polarized political situation. While major resort destinations such as Phuket and Koh Samui have continued to perform well, Bangkok and its feeder destinations such as Pattaya and Hua Hin have suffered from these political unrests.

Turnover for the Group and its share of associates was HK$281.2 million for the year ended 31 March 2014, representing a 8.3% decrease from 2013. The primary reason for the decrease in turnover was the revitalization scheme of the Pioneer Building in Kwun Tong. Since the start of the reporting period, all tenants in Pioneer Building had been vacated to allow for the conversion works, hence there were no longer rental and management income contribution from the building.

For the year ended 31 March 2014, net profit attributable to shareholders of the Group was HK$477.5 million, compared to HK$671.1 million in 2013. Other than the loss of income from Pioneer Building as mentioned above, the decrease in net profit was due mainly to the lower fair value gains in investment properties (HK$414.5 million in the 12 months ended 31 March 2014, versus HK$607.8 million in 2013).

Property Investments

During the first half of the year, the Group's 60% owned 68 Yee Wo Street Building (229,200 sq.ft.) in Causeway Bay, Hong Kong lost a large tenant (occupying 3 whole floors in the office tower). However, that vacancy had been subsequently filled, and the building's occupancy recovered to 95% by 31 March 2014. During the 12 months period, the property had rental and related revenues of HK$106.0 million and contributed fair value gain of HK$91.1 million to the Group.

For the year ended 31 March 2014, the Club Lusitano Building (80,100 sq.ft.) in Central, Hong Kong contributed HK$31.5 million in rental and related revenues and fair value increase of HK$37.5 million to the Group. During the period, the retail podium of the building was vacated as we have planned a renovation of the facade and interior layout of the podium space to bring in a new flagship retail store. As a result of that and a few other tenants movements, the building's occupancy rate dropped to 74%, from 92% at the beginning of the period.

During the reporting period, the Pioneer Building (245,678 sq.ft.) in Kwun Tong, Hong Kong had no rental and other revenues as all tenants are vacated for the construction works related to the revitalization scheme to convert the building from industrial to commercial use. In light of the change of use of the building, the building valuation has increased substantially and contributed a fair value increase of HK$214.0 million to the Group during the year.

As at 31 March 2014, the Pemberton Building (70,616 sq.ft.) in Sheung Wan, Hong Kong enjoyed an occupancy rate of 94% and had HK$25.7 million in rental and related revenues for the year. In addition, the property also contributed HK$66.4 million in fair value gain to the Group.

During the period, the Shanghai K. Wah Centre (a GFA 750,000 sq.ft. commercial tower in Shanghai held 15.4% through the Group's 50% owned associated company) contributed an associate profit of HK$26.9 million to the Group.

The Group's investment in 50% of the Guangzhou Jie Fang Building also contributed HK$9.6 million in associated profits.

Investments in Hotel Industry

The Group's investments in hotel industry have all been made through associated companies.

Before the political unrest started in the 4th quarter last year, Thailand's tourism industry had a very strong year. Our hotels in Bangkok and Pattaya had a strong first half and were forecasted to perform well during the tourism "high season" in the 1st quarter of 2014. Unfortunately, the massive street protests since 4th quarter last year in Bangkok changed everything. As the epicenter of the protests, Bangkok's hotel market suffered tremendously, and the negative impact, while lesser than that in Bangkok, also extended to Bangkok's feeder destinations such as Pattaya.

During the 12 months ended 31 March 2014, the Pullman Pattaya Hotel G (owned by the Group's 49.5% owned associated company) had revenues of Baht 357.6 million (2013: Baht 394.3 million) and operating profits of Baht 144.8 million (2013: Baht 178.9 million). In the same period, the Pullman Bangkok Hotel G (held by the Group through the same 49.5% owned associate that holds the Pullman Pattaya Hotel G) had revenues of Baht 424.2 million (2013: Baht 415.6 million) and operating profit of Baht 119.3 million (2013: Baht 91.8 million).

The Group (through its 49.5% owned Thai associated company) owns 37.5% of a 79 acre land site at Cape Nga in Phuket, Thailand. We plan to develop a world-class luxury resort with branded residences. Phase 1 of the project is a 100-keys all villa resort and luxury residences operating under the brand of Park Hyatt Phuket. The construction permit has been granted and the management is now finalizing interior design and other preparation works. However, due to the political unrest in Bangkok, we will be cautious before making the decision to commence construction of the project.

A 50% owned associated company of the Group holds 10.3% of Dusit Thani Public Company Limited ("Dusit Thani"), the leading owner and operator of hotels in Thailand. For the 12 months ended 31 December 2013, Dusit Thani had total revenues of Baht 5.1 billion (2012: Baht 4.75 billion) and net profit attributable to shareholders of Baht 90.2 million (2012 (Restated): Baht 156.9 million). Dividend income to our associated company was Baht 7.9 million (2012: Baht 4.4 million).

Strand Hotels International Limited, the Group's unlisted associated company (27.71% owned by the Group), is in a 50/50 joint venture with the government of Myanmar to own and operate (for 30 years) three hotels in Yangon – the Strand Hotel, the Inya Lake Hotel, and the Thamada Hotel. Since the start of political reform in Myanmar, our three hotels have performed very well, and 2013/2014 had been a record year. For the 12 months ended 31 March 2014, total revenues from the 3 hotels were US$13.9 million and operating profit was US$8.9 million. As the hotels' 30 years lease terms will end in the next 8-13 years (due to different start dates for different hotels), the management is actively working with its partner and applying for an extension of the lease terms for an additional 20 years (plus another 2 x 10 years options). Looking ahead, new hotels are being built in the city and some of our competitors are renovating their products. To meet competition, the management is also planning major refurbishment plans for our three properties when the lease extension is approved.

PROSPECTS

The revitalization scheme to convert the Pioneer Building from industrial to commercial use will be completed by 3rd quarter 2014. Pre-leasing of the building has started and thus far leases have been signed in the range HK$24.0 to HK$30.0 per sq. ft., compared to the average rent of HK$7.0 per sq. ft. before the conversion. Upon completion of the revitalization scheme, Pioneer Building will be re-launched as "Pioneer Place" and we are confident that the re-launched building will become a major income contributor to the Group. And it is expected that further fair value gains will be recognized.

As reported in the previous report, the Group is exploring potential investment opportunities in Myanmar, especially in the tourism industry. In September 2013, the Group's associated company, Strand Hotels International Limited, committed to construct a river cruise ship in Myanmar at an estimated cost of about US$5.3 million. The ship will have 26 cabins and is scheduled to be completed by 3rd quarter 2015. The plan is to launch the ship as "Strand Cruise" which will be marketed with cruise packages in conjunction with the Strand Hotel in Yangon.

Looking forward, we are concerned about the political environment in some of the key markets that we operate in. The political unrest in Thailand has had severe impact on our hotel business there. While we are hopeful that normalcy will be restored by the new military government, we are conscious of the fact that underlying elements of instability is still there. As such, cost containment measures have been implemented in both Bangkok and Pattaya hotels to sustain ourselves in a more challenging operating environment.

Likewise, Hong Kong is also plagued by a polarized political environment. We fear the destabilizing effects of the anti-establishment “Occupy Central” movement and the Chinese leadership’s reaction to it. We also fear that the anti-Chinese rhetoric now populating both the social and mainstream media will have a negative impact on the tourism and retail industries. We shall remain cautious about the Hong Kong market in the near future.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2014, the Group continued to enjoy a strong financial position with substantial unutilized bank facilities. At 31 March 2014, the Group’s total debts to total assets ratio was 23.7% (31 March 2013: 25.5%) and net debt to total assets ratio was 21.0% (31 March 2013: 22.3%).

EMPLOYEES

As at 31 March 2014, the number of salaried staff at the holding company level was 17 (2013: 17). The Group ensures that its employees’ remuneration packages are competitive. Employees are rewarded on a performance related basis within the general framework of the Group’s salary and bonus system.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK2.50 cents (2013: HK2.50 cents) per share for the year ended 31 March 2014. The proposed dividend is subject to the approval of shareholders at the forthcoming AGM and payable on 29 September 2014 to all persons registered as shareholders on 24 September 2014.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The AGM of the Company is scheduled to be held on Friday, 5 September 2014. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 2 September 2014 to 5 September 2014, both days inclusive, during which period no transfer of shares will be effected.

In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Monday, 1 September 2014.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The record date for entitlement to the proposed final dividend is Wednesday, 24 September 2014. For determining the entitlement to the proposed final dividend for the year ended 31 March 2014, the register of members of the Company will be closed from 19 September 2014 to 24 September 2014, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 18 September 2014.

CORPORATE GOVERNANCE

During the year ended 31 March 2014, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for deviation from code provision A.6.7 of the CG Code which stipulates, among others, that independent non-executive directors and other non-executive directors should attend general meetings. Due to other business engagement, Mr. Arnold Tin Chee Ip, an independent non-executive director, was unable to attend the annual general meeting of the Company.

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

During the year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management and external auditors the accounting principles and practices adopted by the Group, the internal control system and the consolidated financial statements of the Group for the year ended 31 March 2014. The Committee is satisfied with the review and has no disagreement regarding the financial results for the year ended 31 March 2014. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have also been agreed with the Company's external auditors to the amounts set out in the Group's consolidated financial statements for the financial year.

By Order of the Board
Kenneth Gaw
Managing Director

Hong Kong, 27 June 2014

As at the date of this announcement, the executive directors of the Company are Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw and Mr. Alan Kam Hung Lee and the independent non-executive directors of the Company are Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip.