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Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

**INTERIM RESULTS FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 2015**

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2015, together with the comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 September	
		2015	2014
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Turnover			
Company and subsidiaries		129,932	102,251
Share of associates		44,241	42,949
		174,173	145,200
Turnover of Company and subsidiaries	4	129,932	102,251
Properties operating expenses		(24,373)	(19,035)
Staff costs		(6,194)	(5,759)
Depreciation		(182)	(224)
Other expenses		(2,806)	(1,980)
		(33,555)	(26,998)

		For the six months ended	
		30 September	
		2015	2014
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Operating profit	3	96,377	75,253
Share of profits of associates		791	2,271
Change in fair value of investment properties		235,884	233,163
Other gains and losses	5	(1,418)	2,032
Finance costs		(20,320)	(18,644)
Profit before taxation	6	311,314	294,075
Taxation			
– current	7	(6,315)	(5,635)
– deferred	7	(3,882)	(4,249)
Profit for the period		301,117	284,191
Profit attributable to:			
Shareholders of the Company		257,584	236,525
Non-controlling interests		43,533	47,666
		301,117	284,191
Interim dividend	8	16,157	15,003
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	9	22.32	20.50

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	301,117	284,191
Other comprehensive (expense)/income		
Items that will not be reclassified to profit or loss:		
Transfer from investment revaluation reserve	(174,497)	–
to property revaluation reserve – associates	174,497	–
	–	–
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of available for sale investments		
– subsidiaries	(28,630)	7,618
– associates	(2,101)	10,944
Exchange difference on translation of associates	–	168
	(30,731)	18,730
Other comprehensive (expense)/income for the period	(30,731)	18,730
Total comprehensive income for the period	270,386	302,921
Total comprehensive income attributable to:		
Shareholders of the Company	226,811	252,111
Non-controlling interests	43,575	50,810
	270,386	302,921

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
ASSETS			
Non-current assets			
Investment properties		6,373,200	6,121,100
Associates		1,101,174	765,925
Available for sale investments		316,775	321,653
Property, plant and equipment		1,644	1,817
Other assets		300	300
		7,793,093	7,210,795
Current assets			
Debtors, advances & prepayments	10	32,243	26,204
Available for sale investments		83,331	2,189
Financial assets at fair value		1,038	1,614
Cash & bank balances		171,134	244,906
		287,746	274,913
Total assets		8,080,839	7,485,708
EQUITY			
Share capital		115,404	115,404
Reserves		4,905,877	4,711,379
		5,021,281	4,826,783
Shareholders' funds		5,021,281	4,826,783
Non-controlling interests		818,204	801,276
		5,839,485	5,628,059
LIABILITIES			
Non-current liabilities			
Creditors & accruals	11	53,028	53,299
Secured bank loans		1,001,096	635,242
Deferred taxation		51,654	47,772
		1,105,778	736,313
Current liabilities			
Creditors & accruals	11	26,825	19,191
Secured bank loans		1,100,724	1,100,433
Tax liabilities		8,027	1,712
		1,135,576	1,121,336
Total liabilities		2,241,354	1,857,649
Total equity and liabilities		8,080,839	7,485,708

NOTES:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2015 have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the Group’s annual consolidated financial statements for the year ended 31 March 2015, except for the changes set out below.

During the current period, 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.

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The Group considered that the adoption of these new and revised HKFRSs had no material effect on the results and financial position of the Group and/or disclosures set out in these condensed consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKAS 1 (Amendments)	Presentation of Financial Statements – Disclosure Initiative ¹
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortization ¹
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ¹
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ¹
HKFRS 9	Financial Instruments ³
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities – Applying the Consolidation Exception ¹
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interest in Joint Operations ¹
HKFRS 14	Regulatory Deferral Accounts ¹
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

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

3. SEGMENT INFORMATION

Segment information is presented in respect of the Group primary business segment. In accordance with the internal financial reporting of the Group provided to the chief operating decision maker (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 period under review:

Segment Result

For the six months ended 30 September 2015 (30 September 2014)

	Property and hotels		Investments and others		Consolidated	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Segment turnover						
Company and subsidiaries	118,838	92,717	11,094	9,534	129,932	102,251
Segment result	86,034	66,119	10,476	9,266	96,510	75,385
Unallocated corporate expenses					(133)	(132)
Operating profit					96,377	75,253
Share of profits of associates	791	2,271	–	–	791	2,271
Change in fair value of investment properties	235,884	233,163	–	–	235,884	233,163
Other gains and losses	–	–	(1,418)	2,032	(1,418)	2,032
Finance costs					(20,320)	(18,644)
Taxation					(10,197)	(9,884)
Non-controlling interests					(43,533)	(47,666)
Profit attributable to shareholders of the Company					257,584	236,525

Segment result represents the profit earned by each segment without allocation of general administrative expenses incurred by corporate office, share of profit or loss of associates, change in fair value of investment properties, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

Segment Assets and Liabilities

As at 30 September 2015 (31 March 2015)

	Property and hotels		Investments and others		Consolidated	
	September 2015 HK\$'000	March 2015 HK\$'000	September 2015 HK\$'000	March 2015 HK\$'000	September 2015 HK\$'000	March 2015 HK\$'000
Segment assets	6,539,416	6,313,063	440,249	406,720	6,979,665	6,719,783
Investment in associates	1,101,174	765,925	–	–	1,101,174	765,925
Consolidated total assets					<u>8,080,839</u>	<u>7,485,708</u>
Segment liabilities	(2,239,341)	(1,855,856)	(859)	(1,060)	(2,240,200)	(1,856,916)
Unallocated corporate liabilities					<u>(1,154)</u>	<u>(733)</u>
Consolidated total liabilities					<u>(2,241,354)</u>	<u>(1,857,649)</u>

Geographical Segments

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

For the six months ended 30 September 2015 (30 September 2014)

	Segment revenue	
	September 2015 HK\$'000	September 2014 HK\$'000
Hong Kong	125,665	98,242
Overseas	4,267	4,009
	<u>129,932</u>	<u>102,251</u>

As at 30 September 2015 (31 March 2015)

	Segment assets	
	September 2015 HK\$'000	March 2015 HK\$'000
Hong Kong	6,774,822	6,578,842
Overseas	204,843	140,941
	<u>6,979,665</u>	<u>6,719,783</u>

4. TURNOVER

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Rental income	100,421	78,402
Property expenses recovery	18,416	14,315
Dividend income	8,707	7,214
Interest income	2,388	1,927
Others	–	393
	<u>129,932</u>	<u>102,251</u>

5. OTHER GAINS AND LOSSES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net gain on disposal of available for sale investments	1,319	1,476
(Decrease)/increase in fair value of financial assets	(575)	570
Exchange loss	(2,162)	–
Other losses	–	(14)
	<u>(1,418)</u>	<u>2,032</u>

6. PROFIT BEFORE TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Interest on bank loans wholly repayable within five years	20,320	18,644
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	6,002	5,716
Pension scheme contributions	104	89
Auditors' remuneration	246	246
Depreciation	182	224
Provision/(over-provision) for long service payments to employees	88	(46)
and after crediting:		
Rental income from investment properties	100,421	78,402
Less: direct outgoings	(5,116)	(3,451)
Listed investment income	6,246	4,420
Unlisted investment income	2,461	2,794
Interest income	2,388	1,927
Exchange (loss)/gain	(2,162)	393

7. TAXATION

	Current taxation HK\$'000	2015 Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	2014 Deferred taxation HK\$'000	Total HK\$'000
The Company and its subsidiaries						
Hong Kong	6,315	3,857	10,172	5,620	4,199	9,819
Overseas	–	25	25	15	50	65
	<u>6,315</u>	<u>3,882</u>	<u>10,197</u>	<u>5,635</u>	<u>4,249</u>	<u>9,884</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated Hong Kong source assessable profits for the period. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

8. INTERIM DIVIDEND

The Board of Directors declares an interim dividend of HK1.40 cents (2014: HK1.30 cents) per ordinary share, totaling HK\$16,157,000 for the six months ended 30 September 2015 (2014: HK\$15,003,000) to shareholders whose names appear on the register of members of the Company at the close of business on 24 December 2015. This amount is not included as a liability in these interim financial statements.

9. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$257,584,000 (2014: HK\$236,525,000) and on 1,154,038,656 shares (2014: 1,154,038,656 shares) in issue during the period.

No diluted earnings per share have been presented for the periods ended 30 September 2015 and 30 September 2014 as the Company had no dilutive potential ordinary shares during both periods.

10. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayment comprised the following:

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
Deferred rental receivables	23,357	17,153
Other deposits and prepayments	6,120	6,648
Trade and rental debtors	<u>2,766</u>	<u>2,403</u>
	<u>32,243</u>	<u>26,204</u>

Trade and rental debtors mainly comprise rental receivables. Rent from leasing of investment properties are normally received in advance.

At the reporting date, the aging analysis of the trade and rental debtors was as follows:

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
0 – 30 days	2,357	1,323
31 – 60 days	208	651
61 – 90 days	200	85
> 90 days	1	344
	<u>2,766</u>	<u>2,403</u>

11. CREDITORS & ACCRUALS

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
Creditors and accruals (due within one year)		
Rental deposits received	12,269	7,716
Accruals	7,454	5,881
Trade payables	7,102	5,594
	<u>26,825</u>	<u>19,191</u>
Creditors and accruals (due more than one year)		
Rental deposits received	53,028	53,299
	<u>79,853</u>	<u>72,490</u>

At the reporting date, the aging analysis of the trade payables based on the date of the invoices was as follows:

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
0 – 30 days	5,885	4,139
31 – 60 days	256	350
61 – 90 days	432	116
> 90 days	529	989
	<u>7,102</u>	<u>5,594</u>

12. GUARANTEES AND COMMITMENTS

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
Guarantees		
– given to bank in respect of banking facilities utilized by subsidiaries	1,087,096	721,242
– given to bank in respect of banking facilities utilized by associates	145,739	162,565
– on utility deposits	533	533
Commitments (contracted but not provided for)		
– for total future minimum lease payments in respect of land and buildings		
– not later than one year	2,979	2,230
– later than one year and not later than five years	1,440	764
– for purchase of available for sale investments		
– not later than one year	7,299	1,316

13. EVENTS AFTER THE REPORTING DATE AND RELATED PARTY TRANSACTION

On 7 October 2015, Kind Regent Holdings Limited, a wholly owned subsidiary of the Company entered into a sale and purchase agreement to purchase 4% of the issued shares of True Partner Investments Limited for about HK\$60.1 million. After restructuring, True Partner Investments Limited, through a property holding company, will own 98.68% of Ciro's Plaza, a commercial building located at 388 Nanjing West Road, Huangpa District, Shanghai. As the sellers are connected persons of the Company, this transaction constitutes a connected transaction under the Listing Rules. Details of the transaction were provided in the Company's announcement dated 7 October 2015.

BUSINESS REVIEW

The first 9 months of 2015 was tumultuous for the Chinese economy. The GDP growth rate fell below 7% for the first time in a decade. The stock market first boomed on the back of optimism on reforms and liquidity injected by the government and then crashed during the summer due to a combination of policy measures and profit taking by investors. Add to that the bungled devaluation of the RMB in August, many saw a perfect storm scenario and predicted hard landing or even “bubble bursting” for the Chinese economy. Since the tumultuous month of August, the Chinese government has continued monetary easing (cutting interest rate and bank reserve ratio requirement) to stabilize the financial market. The property market has also shown signs of a recovery, especially in the key tier-one cities. When examined closely, we feel that China is going through the transition from traditional export-led manufacturing economy to a service based one driven by domestic consumption and higher value services. While export and manufacturing sectors have slowed, domestic consumption and service industries have continued to grow. We remain optimistic that the government’s policy of promoting innovation and encouraging entrepreneurship will support the growth of China’s economy, in particular financial market.

Amidst the chaos of the surprise RMB devaluation in August and the correction of the China stock markets, global markets were deeply shaken, leading to the US Fed delaying its much anticipated interest rate rise. As global markets have since stabilized, it is now likely for the US Fed to raise rates before the end of this year. However, we also believe that any rate increase will be slow and gradual. The continued low interest rate environment and supply/demand imbalance has provided support for the Hong Kong property sector despite a price decline long predicted by many experts. And the prime office sector has also performed well on the back of the expansion of finance sector due to the Shanghai-Hong Kong Stock Connect scheme. On the other hand, the slowdown in economic growth and anti-corruption campaign in China have led to a downturn in tourism and luxury retail sales in Hong Kong.

In Thailand, the army coup in May 2014 brought back law and order after the capital city Bangkok was rocked by months of violent street protests. While the stability is a much welcomed reprieve, GDP growth for the country has been down and consumer confidence is weak. The export sector has also been lackluster. The only key bright spot for the economy has been the tourism sector. Bangkok’s hotel occupancy recovered strongly following the May coup and 2015 was on track for a superb year until the August terrorist bombing. Despite the negative impact of the terror attack, the market recovered quickly in the subsequent months, indicating the resilience of the tourism market for Thailand.

For the six months ended 30 September 2015, the Group’s turnover (including share of associates) amounted to HK\$174.2 million, a 20.0% increase from a year earlier. Operating profits increased by 28.0% to HK\$96.4 million (2014: HK\$75.3 million). Net profits attributable to shareholders during the interim period was HK\$257.6 million, compared to HK\$236.5 million in 2014. The increase in turnover and profits were due mainly to the commencement of rental income from Pioneer Place, which reopened in August 2014 after an extensive renovation for the conversion of the building into a high class commercial building in Kowloon.

Property Investments

The Group's investment property Pioneer Place (245,678 sq.ft.) in Kwun Tong, Hong Kong reopened in August 2014 after an extensive renovation for the conversion of the building into a high class commercial building in Kowloon. Up to the end of the reporting period, occupancy of the building stood at 65%, at rental rates ranging from HK\$21 to HK\$30 per sq.ft. The remaining vacancy mainly consists of two retail podium floors (1-2/F) and the top floor (10/F) of the building. These are among the highest value space in the building and the management is continuing discussions with a number of prospective tenants. For the six months ended 30 September 2015, Pioneer Place contributed rental and related revenues of HK\$23.4 million and a fair value increase of HK\$85.1 million.

The Group's 60% owned 68 Yee Wo Street building (229,200 sq.ft.) in Causeway Bay, Hong Kong performed well, enjoying rising average rental rate and high occupancy at 96% as at the close of the reporting period. During the interim period ended 30 September 2015, the property contributed rental and related revenues of HK\$59.7 million and a fair value increase of HK\$78.6 million to the Group.

For the six months ended 30 September 2015, the Club Lusitano Building (80,100 sq.ft.) in Central, Hong Kong contributed HK\$21.5 million in rental and related revenues and HK\$51.0 million in fair value increase to the Group. The building's retail podium renovation was completed in September 2015 and is now fully leased to two tenants.

At the end of the interim period, the Pemberton Building (70,616 sq.ft.) in Sheung Wan, Hong Kong enjoyed an occupancy rate of 90% and contributed HK\$13.5 million in rental and related revenues and a fair value increase of HK\$19.2 million for the financial period.

During the reporting period, the Shanghai K. Wah Centre (a GFA 750,000 sq.ft. commercial tower in Shanghai held 15.4% through the Group's 50.0% owned associated company) contributed an associated profit of HK\$4.8 million to the Group.

Investments in Hotel Industry

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

After the army led coup in May 2014 restored law and order to Bangkok (from massive street protests), occupancy rates of hotels recovered. In fact, Bangkok was on track for a superb year until the terrorist bombing at the Erawan Shrine occurred in August. The terror attack had an immediate negative impact on the tourism market for Thailand. However, visitors returned surprisingly quickly in the subsequent months. At the moment, Q4 and high season bookings look promising for the Bangkok market. Pattaya, on the other hand, was more affected by the Russian economic downturn and devaluation of the rouble, as Russia was a key source market for the destination.

For the interim period ended 30 September 2015, the Pullman Bangkok Hotel G (owned by the Group's 49.5% owned associated company) had revenues of Baht 233.6 million (2014: Baht 179.8 million) and operating profits of Baht 76.6 million (2014: Baht 41.8 million). For the same period, the Pullman Pattaya Hotel G (held by the Group through the same 49.5% owned associate that holds the Pullman Bangkok Hotel G) had revenues of Baht 134.1 million (2014: Baht 144.1 million) and operating profits of Baht 31.4 million (2014: Baht 40.5 million). Other than the negative effects of the aforementioned Russian downturn, the Pattaya property was also affected due to the renovation of the remaining un-renovated rooms during the year.

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. During the nine months ended 30 September 2015, Dusit Thani achieved total revenues of Baht 3.53 billion (2014 (Restated): Baht 3.32 billion) and net profit attributable to shareholders of Baht 91.4 million (2014: net loss of Baht 53.8 million).

The Group's unlisted associated company (27.71% owned by the Group), Strand Hotels International Limited, is in a 50/50 joint venture with the government of Myanmar to own and operate three hotels in Yangon – the Strand Hotel, the Inya Lake Hotel, and the Thamada Hotel. As part of the in-principle approval by the government to extend the lease terms of the hotels until 2043 plus two ten year extensions at our option, the JV company will undertake major renovations and expansions of the three properties. As such, the Thamada Hotel has commenced its renovation in Q3 2015 and the Strand Hotel and Annex is scheduled for renovation and redevelopment (of the Annex portion) during the low season of 2016.

PROSPECTS

The "Strand Cruise", owned by a subsidiary of Strand Hotels International Limited, is a luxury river cruise ship with 27 cabins under construction in Myanmar. The cruise ship will be marketed with packages in conjunction with the Strand Hotel in Yangon under the same brand name. The ship has been completed in November 2015 and will be ready for service during the tourism high season of 2016.

On 30 September 2015, the Group together with an investment consortium, advised and managed by Gaw Capital Partners, acquired the company that holds 100% interest in the 503 rooms InterContinental Hong Kong. The Group invested HK\$395.8 million and will hold a 10% interest in this joint venture. The InterContinental Hong Kong is one of the leading 5 star hotels in the territory and is world renowned for its commanding harbour view and Michelin star restaurants. The joint venture plans to upgrade the hotel's guest rooms and facilities to the highest global standards and will hold this asset as a long term investment.

On 7 October 2015, the Group entered into an investment agreement together with an investment consortium managed by Gaw Capital Partners to acquire a 98.68% stake in Ciro's Plaza, a commercial building located at 388 Nanjing West Road in Shanghai, China. The consortium will pay RMB2.9 billion for this investment, of which the Group will invest HK\$60.1 million for an effective equity stake of 4.0% of the consortium. Ciro's Plaza is a 84,968 sq.m. commercial tower with a prime location adjacent to People Square in Shanghai's Puxi district. As at the date of the commitment, Ciro's Plaza enjoyed an occupancy rate of 93%. The consortium plans to hold the property as a long term investment.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to enjoy a strong financial position with cash & bank balances of HK\$171.1 million and marketable securities of HK\$309.4 million. At 30 September 2015, the Group's total debts to total assets was 26.0% (31 March 2015: 23.2%) and net debt to total assets was 23.9% (31 March 2015: 19.9%).

EMPLOYEES

As at 30 September 2015, the number of salaried staff at the holding company level was 18 (2014: 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.

INTERIM DIVIDEND

The Board of Directors recommends the payment of an interim dividend for the six months ended 30 September 2015 at the rate of HK1.40 cents per share (2014: HK1.30 cents), payable on 21 January 2016 to all persons registered as shareholders on 24 December 2015. The transfer books and register of members of the Company will be closed from 22 December 2015 to 24 December 2015, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 21 December 2015.

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

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

CORPORATE GOVERNANCE

During the six months ended 30 September 2015, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

REVIEW OF INTERIM REPORT

The Audit Committee comprises three independent non-executive directors, including Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip. The Committee has reviewed and recommended for board approval of the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2015.

By Order of the Board
Kenneth Gaw
Managing Director

Hong Kong, 26 November 2015

As at the date of this announcement, the executive directors of the Company are Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw, Ms. Christina 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.