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Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

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 2015, together with the comparative figures for the corresponding period in 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended	
		31 March	
	<i>Notes</i>	2015	2014
		HK\$'000	HK\$'000
Turnover			
Company and subsidiaries		212,105	177,569
Share of associates		107,053	103,650
		<hr/> 319,158	<hr/> 281,219
		<hr/> 319,158	<hr/> 281,219
Turnover of Company and subsidiaries	4	212,105	177,569
Properties operating expenses		(38,856)	(31,940)
Staff costs		(15,252)	(14,117)
Depreciation		(451)	(523)
Other expenses		(4,631)	(4,078)
		<hr/> (59,190)	<hr/> (50,658)
		<hr/> (59,190)	<hr/> (50,658)

		For the year ended	
		31 March	
		2015	2014
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Operating profit		152,915	126,911
Share of profits of associates		42,641	44,598
Change in fair value of investment properties		753,637	414,531
Other gains and losses	5	1,603	73
Finance costs		(37,557)	(35,146)
Profit before taxation	6	913,239	550,967
Taxation			
Current	7	(11,704)	(1,215)
Deferred	7	(6,082)	(14,889)
Profit for the year		895,453	534,863
Profit attributable to:			
Shareholders of the Company		804,243	477,449
Non-controlling interests		91,210	57,414
		895,453	534,863
		HK cents	<i>HK cents</i>
Earnings per share	9	69.69	41.37

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended	
	31 March	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>895,453</u>	<u>534,863</u>
Other comprehensive income/(expenses)		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of available for sale investments		
– subsidiaries	12,378	(3,475)
– associates	684	(56,746)
Exchange difference on translation of associates	<u>–</u>	<u>21</u>
Other comprehensive income/(expenses) for the year, net of tax	<u>13,062</u>	<u>(60,200)</u>
Total comprehensive income for the year	<u>908,515</u>	<u>474,663</u>
Total comprehensive income attributable to:		
Shareholders of the Company	817,289	415,703
Non-controlling interests	<u>91,226</u>	<u>58,960</u>
	<u>908,515</u>	<u>474,663</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 March 2015	At 31 March 2014
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Investment properties		6,121,100	5,220,700
Associates		765,925	736,659
Available for sale investments		321,653	260,895
Property, plant & equipment		1,817	2,213
Other assets		300	300
		<u>7,210,795</u>	<u>6,220,767</u>
Current assets			
Debtors, advances & prepayments	10	26,204	17,677
Available for sale investments		2,189	12,449
Financial assets at fair value		1,614	1,567
Cash & bank balances		244,906	175,430
Tax assets		–	230
		<u>274,913</u>	<u>207,353</u>
Total assets		<u>7,485,708</u>	<u>6,428,120</u>
EQUITY			
Share capital		115,404	115,404
Reserves		4,711,379	3,937,943
Shareholders' funds		4,826,783	4,053,347
Non-controlling interests		801,276	741,188
Total equity		<u>5,628,059</u>	<u>4,794,535</u>
LIABILITIES			
Non-current liabilities			
Creditors & accruals		53,299	33,188
Secured bank loans		635,242	1,259,803
Deferred taxation		47,772	41,690
		<u>736,313</u>	<u>1,334,681</u>
Current liabilities			
Creditors & accruals	11	19,191	36,340
Secured bank loans		1,100,433	242,064
Deferred payment		–	20,500
Tax liabilities		1,712	–
		<u>1,121,336</u>	<u>298,904</u>
Total liabilities		<u>1,857,649</u>	<u>1,633,585</u>
Total equity and liabilities		<u>7,485,708</u>	<u>6,428,120</u>

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”). These consolidated financial statements comply with the applicable disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32) for this financial year and the comparative period. In addition, these consolidated financial statements also comply with the 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 2014, 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.

HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Impairment of Assets
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK (IFRIC) – Int 21	Levies

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 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 1 (Amendments)	Presentation of Financial Statements – Disclosure Initiative ³
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortization ³
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ³
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions ¹
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ³
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁵
HKFRS 9	Financial Instruments ⁵
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities – Applying the Consolidation Exception ³
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interest in Joint Operations ³
HKFRS 14	Regulatory Deferral Accounts ³
HKFRS 15	Revenue from Contracts with Customers ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle ³

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

² Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

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

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

⁵ 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 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 and 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 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 result by reportable and operating segments for the year under review:

Segment Result

For the year ended 31 March 2015 (31 March 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	<u>195,220</u>	<u>164,779</u>	<u>16,885</u>	<u>12,790</u>	<u>212,105</u>	<u>177,569</u>
Segment result	137,067	115,065	16,013	12,095	153,080	127,160
Unallocated corporate expenses					<u>(165)</u>	<u>(249)</u>
Operating profit					152,915	126,911
Share of profits of associates	42,641	44,598	–	–	42,641	44,598
Change in fair value of investment properties	753,637	414,531	–	–	753,637	414,531
Other gains and losses	–	–	1,603	73	1,603	73
Finance costs					(37,557)	(35,146)
Taxation					(17,786)	(16,104)
Non-controlling interests					(91,210)	(57,414)
Profit attributable to shareholders					<u>804,243</u>	<u>477,449</u>

Geographical Segment

	2015 HK\$'000	2014 HK\$'000
Revenue by location		
Hong Kong	202,792	169,015
Overseas	<u>9,313</u>	<u>8,554</u>
	<u>212,105</u>	<u>177,569</u>

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

4. TURNOVER

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Rental income	165,193	137,713
Property expenses recovery	30,027	27,066
Dividend income	12,552	7,067
Interest income	4,333	4,706
Others	–	1,017
	<u>212,105</u>	<u>177,569</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	1,475	868
Increase/(decrease) in fair value of financial assets	144	(768)
Other losses	(16)	(27)
	<u>1,603</u>	<u>73</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	37,557	35,146
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	15,351	13,835
Pension scheme contributions	192	159
Auditors' remuneration	492	440
Depreciation	451	523
(Over-provision)/provision for long service payments	(291)	123
and after crediting:		
Rental income from investment properties	165,193	137,713
Less: direct outgoings	(5,631)	(2,433)
Listed investment income	5,806	4,951
Unlisted investment income	6,746	2,116
Interest income	4,333	4,706
Exchange gain	–	1,017

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
Hong Kong						
– Provision for the year	11,689	5,482	17,171	1,194	14,639	15,833
Overseas						
– Provision for the year	<u>15</u>	<u>600</u>	<u>615</u>	<u>21</u>	<u>250</u>	<u>271</u>
	<u>11,704</u>	<u>6,082</u>	<u>17,786</u>	<u>1,215</u>	<u>14,889</u>	<u>16,104</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 year. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

8. DIVIDEND

	2015 HK\$'000	2014 HK\$'000
Interim dividend of HK1.30 cents (2014: HK1.30 cents) per ordinary share	15,002	15,002
Proposed final cash dividend of HK2.80 cents (2014: HK2.50 cents) per ordinary share	<u>32,313</u>	<u>28,851</u>
	<u>47,315</u>	<u>43,853</u>
The dividends which have been paid during the year by cash are as follows:		
Interim for the year ended 31 March 2015 (2014)	15,002	15,002
Final for the year ended 31 March 2014 (2013)	<u>28,851</u>	<u>28,851</u>
	<u>43,853</u>	<u>43,853</u>

The 2015 final cash dividend of HK2.80 cents (2014: 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\$804,243,000 (2014: HK\$477,449,000) and on 1,154,038,656 shares (2014: 1,154,038,656 shares) in issue during the year.

No diluted earnings per share have been presented for the years ended 31 March 2015 and 31 March 2014 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 2015 HK\$'000	31 March 2014 HK\$'000
0 – 30 days	1,323	923
31 – 60 days	651	9
61 – 90 days	85	–
> 90 days	344	–
	<hr/> 2,403 <hr/>	<hr/> 932 <hr/>

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 2015 HK\$'000	31 March 2014 HK\$'000
0 – 30 days	4,139	15,244
31 – 60 days	350	51
61 – 90 days	116	11
> 90 days	989	21
	<hr/> 5,594 <hr/>	<hr/> 15,327 <hr/>

12. GUARANTEES AND COMMITMENTS

	The Group 31 March		The Company 31 March	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Guarantees				
– given to bank in respect of banking facilities utilized by subsidiaries	721,242	470,192	721,242	470,192
– given to bank in respect of banking facilities utilized by associates	162,565	166,927	14,000	15,500
– on utility deposits	533	548	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	2,230	2,905	–	–
– later than one year and not later than five years	764	2,992	–	–
– for purchase of available for sale investments				
– not later than one year	1,316	1,758	–	–

BUSINESS REVIEW

While the US Fed finally began the much anticipated tapering of the quantitative easing operation which pulled its economy out of the Global Financial Crisis of 2007/2008, we saw massive liquidity being injected from the central banks of other major economies, including Japan, China, and Europe. With all major economies in the world reducing interest rates, the US has continued to hold interest rates at a historical low. It is now expected that any upcoming increase in the US interest rate will be slow and gradual. This low interest rate and high liquidity environment has continued to fuel asset price inflation, especially benefitting financial assets such as stocks and physical assets such as real estate.

China's economic growth slowed to below 7%, the lowest level in a decade. In order to guide the domestic housing market to a soft landing, the government canceled home purchase restrictions across much of the country (except for the four tier-one cities of Beijing, Shanghai, Guangzhou, and Shenzhen, plus Haikou) and injected substantial liquidity into the banking system in the second half of 2014. In 2015, the government continued with lowering of interest rates and cutting of bank's Reserve Requirement Ratio, as well as relaxation of mortgage ratio. These measures spurred buying activities in large cities, though home prices and transaction volume are still soft in lower tier cities. While we do not expect the housing market to recover in the same manner as it did from the massive stimulus in 2009 after the Global Financial Crisis, we believe that the government will be successful in stabilizing the housing market and the economy in general. On the other hand, while China's economic growth slowed to its lowest level in a decade, the stock market went the opposite direction and sky rocketed since Q4 2014. The main index more than doubled while the ChiNext startup index tripled in the past year. While this meteoric rise is liquidity driven and is probably excessive, and may even lead to a financial bubble if not controlled properly, it also reflects domestic optimism of the long term reforms being carried out by the Chinese government. China's emergence as the largest e-commerce and consumption market in the world is real. The leading Chinese companies in these areas are world class and are true innovators. The government's policy of promoting innovation and encouraging entrepreneurship shall pay good dividends long term and continue to support the growth of its financial market and the economy.

In Q4 2014, Hong Kong was rocked by the Occupy Central movement which paralyzed parts of the key districts of Central, Causeway Bay, and Mongkok. While the protests ultimately did not cause any substantial physical damage, it created a very negative political environment and hurt Hong Kong's image as a tourism destination. Anti-mainland Chinese tourist protests associated with the Occupy movement and the Chinese government's anti-corruption campaign further damaged tourism and retail sales. On the other hand, the property market recovered on the back of a sustained low interest rate and high liquidity environment, despite continued harsh administrative measures by the Hong Kong government making it difficult for end users to purchase properties. The stock market has also performed strongly as the boom of the Chinese stock market migrated to Hong Kong via the direct connect of the two markets. This has provided a lot of support to the office market, in the form of higher occupancy and rental rates. In our opinion, this trend is expected to continue in the coming year.

In Thailand, the army coup in May 2014 brought back law and order after the capital city Bangkok was rocked by months of sometimes violent street protests. As the epicenter of the protests, Bangkok's tourism market recovered surprising quickly, with occupancy rates back to normal by Q4 2014, albeit at lower room rates. Pattaya's market also recovered well initially. Unfortunately, economic sanctions against Russia (due to conflicts in Ukraine) and its subsequent currency crisis significantly affected Russian outbound travelers, a key feeder market for Pattaya.

I am pleased to report that turnover for the Group and share of associates increased to HK\$319.2 million for the twelve months ended 31 March 2015, from HK\$281.2 million in 2014. Operating profits also increased by 20.5% to HK\$152.9 million, from HK\$126.9 million. The increase in turnover and operating profits were mainly due to the increase in rental income from the Group's investment properties, particularly the newly revitalized Pioneer Place in Kwun Tong. During the year, net profit attributable to shareholders was HK\$804.2 million, compared to HK\$477.5 million in 2014. The large jump in net profit was primarily due to a larger gain in fair value of investment properties during the current year (HK\$753.6 million for this year versus HK\$414.5 million in 2014). In particular, this year saw a substantial increase in value to the newly completed Pioneer Place and our 68 Yee Wo Street property.

Property Investments

In August 2014, the Group's Pioneer Building (245,678 sq.ft.) in Kwun Tong, Hong Kong reopened as "Pioneer Place" after a 16 months, HK\$240.0 million, major revitalization from an industrial building to an office building. Up to the end of 31 March 2015, occupancy of the building stood at 56% (including leases signed but not yet occupied), at rental rates ranging from HK\$21 to HK\$30 per sq.ft., compared to average rental rates of HK\$7 per sq.ft. prior to the conversion. Based on the leasing pipeline, we are confident that the building will be substantially leased within the next 12 months. For the year ended 31 March 2015, Pioneer Place contributed rental and related revenues of HK\$11.7 million and a substantial fair value increase of HK\$463.6 million, reflecting the successful revitalization of the building from industrial to commercial use.

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. Despite the Occupy movement in Causeway Bay near the property during Q4 2014, the tenants in the building have not experienced sustained, negative effects. During the fiscal year ended 31 March 2015, the property contributed rental and related revenues of HK\$118.1 million and a fair value increase of HK\$166.6 million to the Group.

For the twelve months ended 31 March 2015, the Club Lusitano Building (80,100 sq.ft.) in Central, Hong Kong contributed HK\$36.8 million in rental and related revenues and HK\$80.5 million in fair value increase to the Group. The building's retail podium is currently under renovation and scheduled to be completed in September 2015. During the year, the Group successfully signed leases with two new tenants for the entire 11,828 sq.ft. retail podium. Upon the completion of the works for the retail podium, the occupancy of the building shall be 100%.

As at 31 March 2015, the Pemberton Building (70,616 sq.ft.) in Sheung Wan, Hong Kong enjoyed an occupancy rate of 100% and contributed HK\$27.4 million in rental and related revenues and a fair value increase of HK\$38.0 million for the financial year.

During the reporting period, the Shanghai K. Wah Centre (a 750,000 sq.ft. commercial tower in Shanghai held 15.4% through the Group's 50.0% owned associated company) contributed an associate profit of HK\$21.9 million to the Group.

Investments in Hotel Industry

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

Thailand's tourism industry was hit hard by the massive street protests that started in Q4 2013. While both the Bangkok and Pattaya markets suffered negative impacts during the financial year, the army led coupe in May 2014 restored law and order and occupancy rates subsequently recovered. In particular, the Bangkok market recovered lost grounds surprisingly quickly while the Pattaya market struggled with the weakened Russian market due to economic sanctions and the depreciation of the Russian Ruble. During the financial year ended 31 March 2015, the Pullman Pattaya Hotel G (owned by the Group's 49.5% owned associated company) performed satisfactorily despite the effects of the political disturbance, with revenues of Baht 349.1 million (2014: Baht 357.6 million) and operating profits of Baht 138.2 million (2014: Baht 144.8 million). For 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 444.2 million (2014: Baht 424.2 million) and operating profit of Baht 151.7 million (2014: Baht 119.3 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, with plans 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 Group plans to begin construction of the project during this fiscal year, with completion expected in the first half of 2018.

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 year ended 31 December 2014, Dusit Thani achieved total revenues of Baht 4.79 billion (2013 (Restated): Baht 5.01 billion) and net loss attributable to shareholders of Baht 20.6 million (2013 (Restated): profit of Baht 163.7 million). Like our two hotels in Bangkok and Pattaya, Dusit Thani's results were negatively affected by the street protests in Bangkok.

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. During the year, the three hotels performed well, with record revenues of US\$15.0 million and operating profits of US\$9.5 million. In Q1 2015, Strand Hotels International Limited also obtained in principle approval by the government to extend the lease terms of the hotels until 2043, plus two ten year extensions at our option. As a condition to the extension of the leases and also to meet upcoming competition, the management of the joint venture company has major refurbishment plans for the three properties. These works are expected to be carried out in phases over the next 3-4 years.

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. It is expected that the ship will be completed by November 2015 and will be ready for service during the tourism high season of 2016.

With the completion of the revitalization scheme of Pioneer Place and the continued leasing up of the building, the Group has added a substantial source of income to our stable of investment properties. And with the continued strong performance of our commercial portfolio in Hong Kong and the stabilization of our Thai hotel assets, the Group is on a strong financial footing. While we continue to be cautious about the political environment in Hong Kong, we are exploring interesting opportunities due to the slowdown of the tourism industry in the city. In China, we believe the ongoing economic uncertainty may also create investment opportunities for the Group going forward.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group continued to enjoy a strong financial position. At 31 March 2015, the Group’s total debts to total assets ratio was 23.2% (31 March 2014: 23.7%) and net debt to total assets ratio was 19.9% (31 March 2014: 21.0%).

EMPLOYEES

As at 31 March 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.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK2.80 cents (2014: HK2.50 cents) per share for the year ended 31 March 2015. The proposed dividend is subject to the approval of shareholders at the forthcoming AGM and payable on 30 September 2015 to all persons registered as shareholders on 23 September 2015.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The AGM of the Company is scheduled to be held on Monday, 7 September 2015. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 3 September 2015 to 7 September 2015, 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 Wednesday, 2 September 2015.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The record date for entitlement to the proposed final dividend is Wednesday, 23 September 2015. For determining the entitlement to the proposed final dividend for the year ended 31 March 2015, the register of members of the Company will be closed from 21 September 2015 to 23 September 2015, 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 Friday, 18 September 2015.

CORPORATE GOVERNANCE

During the year ended 31 March 2015, 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: Mr. Stephen Tan, an independent non-executive director, was unable to attend the annual general meeting of the Company due to his prior business commitment.

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 2015. The Committee is satisfied with the review and has no disagreement regarding the financial results for the year ended 31 March 2015. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 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, 22 June 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.