

2014 *Annual Report* 年報



翠華餐廳®
Tsui Wah Restaurant

Tsui Wah Holdings Limited 翠華控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1314



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Corporate Information

EXECUTIVE DIRECTORS

Mr. Lee Yuen Hong
Mr. Ho Ting Chi
Mr. Cheung Yu To
Mr. Cheung Wai Keung
Mr. Cheung Yue Pui

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Goh Choo Hwee
Mr. Wong Chi Kin
Mr. Yim Kwok Man

AUTHORIZED REPRESENTATIVE

Mr. Lee Yuen Hong
Mr. Yang Dong John

AUDIT COMMITTEE

Mr. Yim Kwok Man (*Chairman*)
Mr. Goh Choo Hwee
Mr. Wong Chi Kin

REMUNERATION COMMITTEE

Mr. Goh Choo Hwee (*Chairman*)
Mr. Wong Chi Kin
Mr. Lee Yuen Hong

NOMINATION COMMITTEE

Mr. Wong Chi Kin (*Chairman*)
Mr. Goh Choo Hwee
Mr. Lee Yuen Hong

COMPANY SECRETARY

Mr. Yang Dong John (HKICPA)

LEGAL ADVISERS

Pang & Co. in association with Loeb & Loeb LLP

AUDITORS

Ernst & Young

COMPLIANCE ADVISER

Fortune Financial Capital Limited
35/F, Office Tower Convention Plaza
No. 1 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART XI OF THE COMPANIES ORDINANCE

3/F, Tsui Wah Group Centre
50 Lai Yip St., Ngau Tau Kok, Kowloon
Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

COMPANY WEBSITE ADDRESS

www.tsuiwah.com

STOCK CODE

1314

Chairman's Statement



Dear Shareholders,

On behalf of the board of directors (the "**Board**") of Tsui Wah Holdings Limited (the "**Company**"), I am pleased to announce the annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2014.

The Group's management team is seasoned and pragmatic, and all of the directors of the Company (the "**Directors**") have dedicated their utmost efforts on managing the business operations and enhancing the corporate governance of the Group. During the year under review, there were no changes in the Board's composition.

REVIEW OF THE YEAR ENDED 31 MARCH 2014

Despite the volatile global economy, both the Group's management as well as its professional team have flexibly responded to various challenges in the market in order to maintain steady business growth. They have also continued to execute the Group's expansion blueprint with the successful opening of nine new restaurants in total across Hong Kong and the People's Republic of China (the "**PRC**" or "**China**") during the year under review.

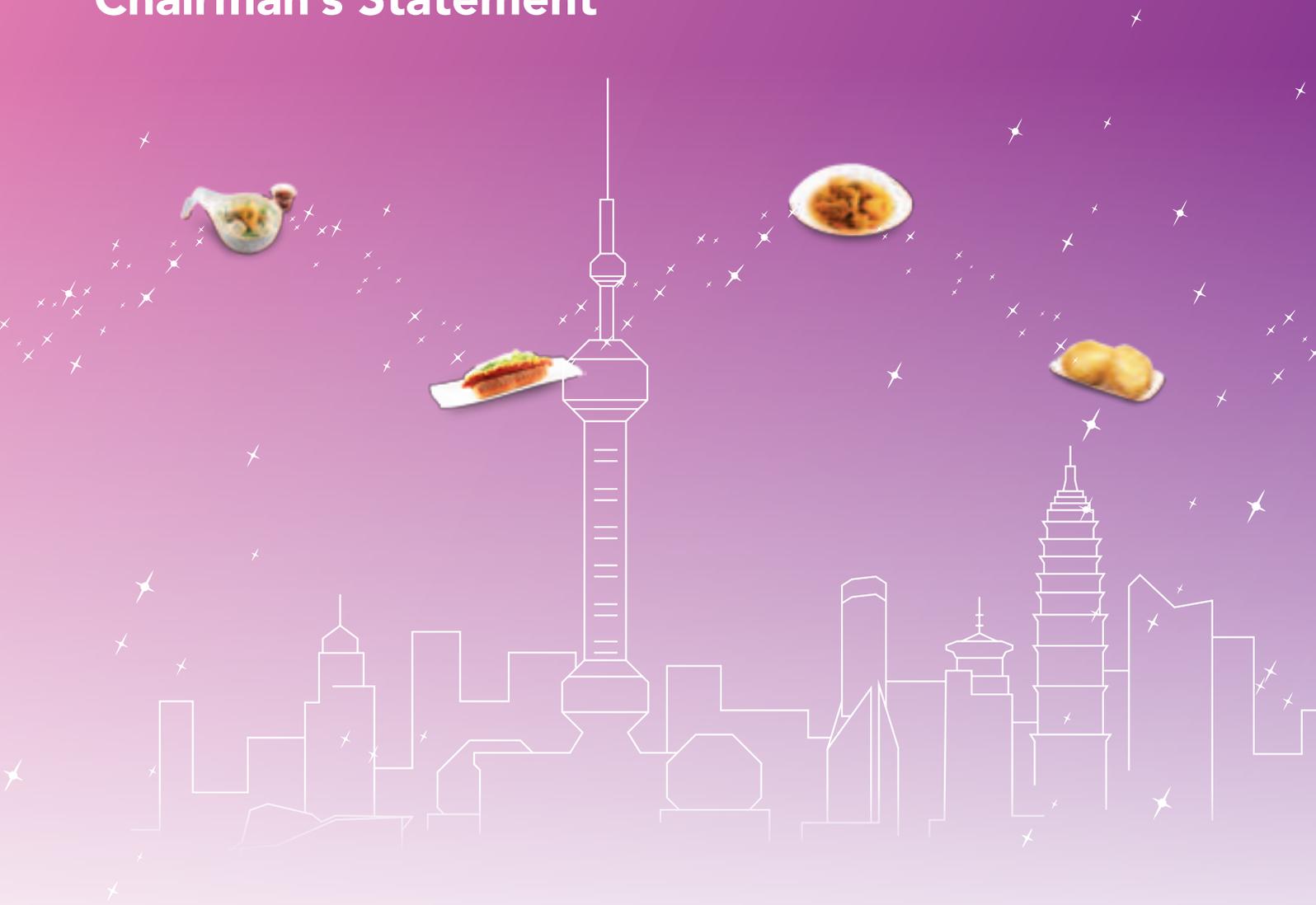
In the past year, the significant slowdown of China's economy has greatly affected the consumption patterns of the domestic retail market. Faced with depressed consumer sentiment, competition within the food and beverage industry has intensified. However, the Group was able to continue its stable development by leveraging Tsui Wah's well-recognised brand advantages. During the year under review, the Group had opened restaurants in five different cities in the PRC, namely Shanghai, Hangzhou, Guangzhou, Shenzhen and Wuhan. While expanding its restaurant network, the Group has also dedicated resources to raising the quality standard of its cuisine and standardisation of

Chairman's Statement



Mr. Lee Yuen Hong
Chairman

Chairman's Statement



its food processing procedures, enhancing operating efficiency, unifying quality testing and consolidating supply chain management through the establishment of central kitchens. Following the commencement of operations of its first central kitchen in Shanghai in June 2013, the Group has further acquired the land-use right and buildings in Shanghai to establish a larger central kitchen in the city in order to support future business expansion.

In addition to the opening of new restaurants, the Group has also established its Eastern China headquarter in Shanghai to bolster the future expansion in the region. The headquarter will not only facilitate the close communications between the Group and the municipal government, but also boost customers' confidence in the "Tsui Wah" brand. Furthermore, the Group has opened two new offices in Southern China, situated in Guangzhou and Shenzhen. These new offices served the purposes of improving the management efficiency and brand awareness of the Group, and better position the Group to further expand its footprint in Southern China.

Along with the Group's industry peers in Hong Kong, the Group has been pressurised by the rising food and labour costs. While it has a proven track record in maintaining costs at reasonable levels, it has also encountered increasing labour costs, thus its staff costs to revenue ratio rose during the year under review. However, as Hong Kong is the origin of *Cha Chaan Teng* culture with a long history, local demand for high quality *Cha Chaan Teng* cuisine has remained strong. In view of this, the Group has steadily expanded its restaurant network in the city during the year under review in order to achieve better economies of scale. At the same time, the Group has been striving to further develop its "Tsui Wah Delivery" (快翠送) business through expanding service coverage for customers to enjoy Hong

Chairman's Statement

Kong style and steaming hot "Tsui Wah" delicacies without leaving their home. While "Tsui Wah Delivery" reaches most areas in Kowloon, the Group is expanding its coverage to other districts. Indeed, it has already extended the delivery service to cover certain areas on the Hong Kong Island and in the New Territories during the year under review.

Since the Group has been extending its restaurant network in Hong Kong and progressively expanding the service coverage of "Tsui Wah Delivery" in order to further penetrate the market, it is confident in the future development of its operation in Hong Kong. Hence, it has acquired properties in the New Territories to establish a second central kitchen in Hong Kong, in order to strengthen the Group's bulk purchase and logistics management capabilities to achieve optimum economies of scale and create synergies among its various operations.

On the other hand, the Group has always been harnessing advanced information technology for driving business growth. During the year under review, the Group began to implement an enterprise resource planning ("ERP") system as an upgrade to the current information management system. The ERP system provides a standardised and centralised platform for managing the supply chain, restaurant operations, human resources, finance and cost controls across its entire operation. The Group is now conducting trials of the system to ensure its smooth operation when it eventually becomes fully implemented. The ERP system is expected not only to strengthen the Group's business management and ability to have a better control over its operating costs, but also facilitate a better and faster understanding of the customers, their cuisine preferences and thus offer the most suitable choices of foods to cater for consumers' demand more promptly, bolstering its competitive position.

Indeed, the Group places the utmost importance to customer satisfaction and thus, it has from time to time introduced new products to bring customers fresh dining experiences. Furthermore, the Group's healthy and quality foods offerings under the "Tsui Wah" brand have always maintained its competitiveness in terms of price. In April 2014, "Tsui Wah" has launched a new menu to deliver even more delights in taste to its customers.

In recognition of the Group's unwavering focus on service and food quality, it has garnered a number of significant awards during the year ended 31 March 2014.

OUTLOOK

Going forward, the Group aims to further elevate its operating standards and enhance profitability. For the year ended 31 March 2014, the Group has opened six and three new restaurants in the PRC and Hong Kong, respectively. The Group is further penetrating the PRC market and expanding its restaurant network across different regions of the country, and is continuing to execute its well-planned store-opening strategy in a flexible way by referring to the market condition from time to time and expects to operate more than 80 restaurants by 2017.

The Board is confident that the Group's ongoing efforts to optimise and enhance its food and service quality backed by its solid business strategies will fortify its leading position in the *Cha Chaan Teng* sector in Hong Kong and the PRC, and thus further bolster the Group's business performance with an aim to maximise the returns for the shareholders of the Company (the "**Shareholders**").

On behalf of the Board, I would like to take this opportunity to express my gratitude to all Shareholders, as well as members of the Board, staff and those who have supported the Group for their dedication and contributions.

Lee Yuen Hong

Chairman

Hong Kong, 26 June 2014

Management Discussion and Analysis

INDUSTRY OVERVIEW

During the year ended 31 March 2014, the significant slowdown of China's economy has led to a general decrease in consumer confidence. At the same time, the Group has to face the pressure of rising food and labor costs. Notwithstanding the market condition, with more than 45 years of operating history in the food and catering sector, the Group has the experience to pass through several economic cycles in the past and the current downturn. Fortunately, the demand for high quality and moderately priced cuisine offered by "Tsui Wah" has remained strong. Thanks to the experienced Board and management of the Group, "Tsui Wah" has managed to overcome a number of challenges, increased the public recognition of the brand, and maintained as the leading *Cha Chaan Teng* chain owner and operator in Hong Kong mainly through serving delicious quality cuisine prepared under stringent quality control by monitoring the safety and quality of the foods.

BUSINESS REVIEW

For the year ended 31 March 2014, the Group opened nine new restaurants in total across Hong Kong and the PRC, as compared to 10 in the year ended 31 March 2013. The three new restaurants in Hong Kong are located in Tung Chung, Tseung Kwan O and Tai Po. In the PRC, the Group has opened six new restaurants in Shanghai (Xuhui district and Pudong New Area), Hangzhou, Wuhan, Guangzhou and Shenzhen.

As disclosed in the annual report of the Company for the year ended 31 March 2013, the Group planned to open 12 restaurants in the year ended 31 March 2014, of which four would be located in Hong Kong and eight would be in the PRC. Due to the unexpected delay in completion of renovation of the Causeway Bay new restaurant, the Group was only able to open three new restaurants in Hong Kong during the year ended 31 March 2014. The new restaurant located in Causeway Bay was eventually opened in April 2014.

In the PRC, fewer stores were opened than expected due to a number of reasons including changing market conditions and delays in receiving premises from the property owners.

In spite of the slowdown in economic growth, the newly opened restaurants achieved satisfactory performance. This was mainly attributed to the Group's prudent restaurant development planning and site selection.

Important progress has been made in the further development of its delivery service "Tsui Wah Delivery" (快翠送), enabling customers to enjoy Hong Kong style and steaming hot "Tsui Wah" delights at their convenience. Whilst the "Tsui Wah Delivery" covered most areas in Kowloon, the Group has extended the delivery service to cover certain areas on the Hong Kong Island and in the New Territories during the year ended 31 March 2014.

Moreover, cost management was improved for the year ended 31 March 2014 as the Group effectively and efficiently controlled and strengthened the procurement and supply chain management. In addition, by reducing wastage during food preparation, the gross profit margin of the Group has remained stable without sacrificing the quality, taste and safety of its foods. However, the Group's net profit margin (profit for the year as a percentage of revenue) recorded a decrease from approximately 12.1% for the year ended 31 March 2013 to approximately 10.6% for the year ended 31 March 2014, which was mainly owing to the initial start up labour costs and property rental expenses for new restaurants.

Management Discussion and Analysis



FINANCIAL REVIEW

REVENUE

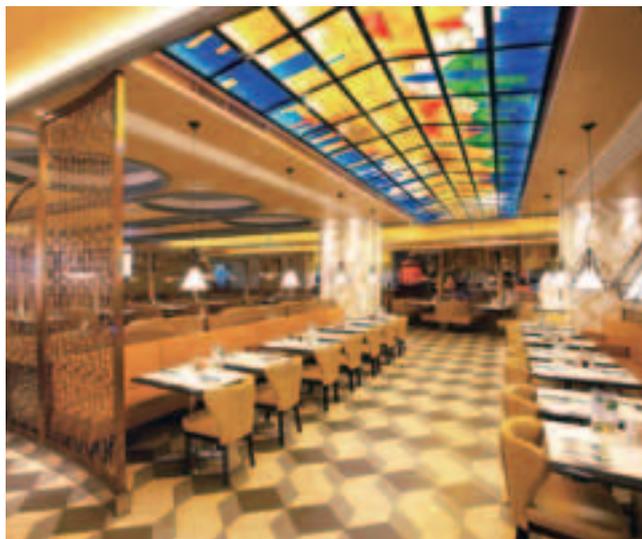
A strong operating and financial performance has been achieved for the year ended 31 March 2014. The revenue of the Group increased by approximately 35.9% from approximately HK\$1,084.4 million for the year ended 31 March 2013 to approximately HK\$1,473.7 million for the year ended 31 March 2014 and net profit rose by approximately 18.8%, to approximately HK\$156.0 million, in comparing to approximately HK\$131.3 million in the preceding financial year. This was mainly attributable to the strong growth in restaurant sales due to the quality food offered, the establishment of new restaurants and introduction of new items to the Group's menu from time to time. Profit attributable to owners of the Company increased by approximately 20.4% from approximately HK\$129.6 million for the year ended 31 March 2013 to approximately HK\$156.0 million for the year ended 31 March 2014.

The business environment for the food and catering sector has become increasingly harsh and challenging due to the rising food, rental and labour costs in recent years. However, the Group has strived to implement and maintain effective cost and expense controls and improved the overall operating efficiencies through a range of cost control measures.

COST OF INVENTORIES SOLD

Cost of inventories sold increased by approximately HK\$121.0 million, or approximately 36.4%, from approximately HK\$332.0 million for the year ended 31 March 2013 to approximately HK\$453.0 million for the year ended 31 March 2014. The cost of inventories sold amounted to approximately 30.6% and 30.7% of the Group's revenue for the year ended 31 March 2013 and 2014, respectively. The cost of inventories sold in proportion to the Group's revenue remained stable for the year ended 31 March 2014 as compared to the preceding year is primarily reflecting that: (i) the Group's policy in bulk procurement of ingredients, beverage and other operating items for the restaurant operation from suppliers has resulted in better purchase prices for these items; and (ii) the Group's management and controlling measures over the food preparation process has reduced food waste.

Management Discussion and Analysis



FINANCIAL REVIEW *(Continued)*

GROSS PROFIT

The Group's gross profit, which equals to the revenue minus cost of inventories sold, for the year ended 31 March 2014 was approximately HK\$1,020.7 million, representing a dramatic increase of approximately 35.7% from approximately HK\$752.4 million for the year ended 31 March 2013. The increase was mainly due to the promising sales growth in the existing restaurants, opening of new restaurants and the introduction of new items to the Group's menu from time to time which promise better profit margins.

STAFF COSTS

Staff costs of the Group increased by approximately HK\$108.5 million, or approximately 37.8%, from approximately HK\$286.7 million for the year ended 31 March 2013 to approximately HK\$395.2 million for the year ended 31 March 2014. Staff costs as a percentage of the Group's revenue modestly increased from 26.4% for the year ended 31 March 2013 to 26.8% for the year ended 31 March 2014. The salary levels of employees in the food and catering sector has been generally rising in recent years. The increase was attributable to higher salaries and new staff recruited for the newly opened restaurants. The Group is of the opinion that the retention of experienced staff is vital in improving its operation and maintaining its well-established high-quality service across all of its restaurants.

PROPERTY RENTALS AND RELATED EXPENSES

Property rentals and related expenses increased by approximately HK\$56.9 million, or approximately 37.2%, from approximately HK\$152.9 million for the year ended 31 March 2013 to approximately HK\$209.8 million for the year ended 31 March 2014, primarily because of (i) new restaurants premises leased during the year; and (ii) increase in rent when renewing leases. In order to realise a better control in the property rentals and related expenses, the Group has entered into long-term rental agreements with its landlord(s) so as to maintain the rentals at a reasonable level.

Management Discussion and Analysis



FINANCIAL REVIEW *(Continued)*

SHARE OF PROFITS OF JOINT VENTURES

Share of profits of joint ventures amounted to approximately HK\$37.1 million for the year ended 31 March 2014, representing an increase of approximately HK\$15.1 million, or approximately 68.6% from approximately HK\$22.0 million for the year ended 31 March 2013. Such increase was mainly due to increase in sales of the Group's joint ventures in Hong Kong and Macau.

INCOME TAX EXPENSE

Income tax expense increased by approximately HK\$7.0 million, or approximately 26.1%, from approximately HK\$26.8 million for the year ended 31 March 2013 to approximately HK\$33.8 million for the year ended 31 March 2014. Such increase was mainly due to the increase in the Group's taxable profit.

PROFIT BEFORE TAX

As a result of the higher revenue attributable to the strong growth in restaurant sales due to the quality food offered, the establishment of new restaurants and introduction of new items to the Group's menu from time to time, the profit before tax increased by approximately HK\$31.7 million, or approximately 20.1%, from approximately HK\$158.1 million for the year ended 31 March 2013 to approximately HK\$189.8 million for the year ended 31 March 2014.

Management Discussion and Analysis



FINANCIAL REVIEW *(Continued)*

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 March 2014, the Group had financed its business with internally generated cash flows and proceeds received from the listing of its shares on (the “**Listing**”) The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). As at 31 March 2014, the Group had cash and cash equivalents amounting to approximately HK\$634.6 million, representing a decrease of approximately HK\$282.3 million from approximately HK\$916.9 million as at 31 March 2013. This was mainly attributable to the use of cash for (i) the acquisition of land-use right and buildings for the establishment of a larger central kitchen in Shanghai; (ii) the initial payment of earnest money and part of the contract price in relation to the construction of the central kitchen in Shanghai; (iii) acquisition of office premises in Shanghai; and (iv) acquisition of properties for the establishment of a central kitchen in Hong Kong. Most bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 31 March 2014, the Group’s total current assets and current liabilities were approximately HK\$713.6 million (as at 31 March 2013: approximately HK\$969.6 million) and approximately HK\$299.3 million (as at 31 March 2013: approximately HK\$153.1 million) respectively, while the current ratio was about 2.4 times (as at 31 March 2013: about 6.3 times).

The Group has finance lease payables of approximately HK\$1.0 million as at 31 March 2014 (as at 31 March 2013: approximately HK\$1.3 million) and interest-bearing bank borrowings of approximately HK\$86.8 million as at 31 March 2014, all denominated in Hong Kong dollars (as at 31 March 2013: Nil). During the year ended 31 March 2014, no financial instruments were used for hedging purposes.

As at 31 March 2014, the Group’s gearing ratio, which was calculated based on the sum of interest-bearing bank borrowings and finance lease payables over equity attributable to owners of the Company, was approximately 7.6% (as at 31 March 2013: approximately 0.1%).

Management Discussion and Analysis



FINANCIAL REVIEW *(Continued)*

USE OF NET PROCEEDS FROM THE IPO

The ordinary shares of the Company (the “**Shares**”) were listed on the Main Board of the Stock Exchange on 26 November 2012 with net proceeds from the global offering of the Company of approximately HK\$794.4 million (after deducting underwriting fees and related expenses).

The use of the net proceeds from the global offering as at 31 March 2014 was approximately as follows:

Use for	Percentage of net proceeds	Amount of net proceeds (in HK\$ million)	Amount utilised (in HK\$ million)	Amount remaining (in HK\$ million)
Opening new restaurants and delivery centers and launch of catering service in Hong Kong	20%	158.9	(81.7)	77.2
Opening new restaurants in China	35%	278.0	(194.2)	83.8
Construction of new central kitchen in Hong Kong	10%	79.4	(79.4)	–
Construction of new central kitchens in Shanghai and Southern China	20%	158.9	(79.4)	79.5
Upgrading information technology systems	5%	39.8	(6.2)	33.6
Additional working capital and other general corporate purposes	10%	79.4	(79.4)	–
Total	100%	794.4	(520.3)	274.1

Management Discussion and Analysis



FINANCIAL REVIEW *(Continued)*

FOREIGN CURRENCY RISK

The Group's sales and purchases for the year ended 31 March 2014 were mostly denominated in Hong Kong dollars and Renminbi. As Renminbi is not a freely convertible currency, any fluctuation in the exchange rate of Hong Kong dollars against Renminbi may have an impact on the Group's results. Although foreign currency exposure did not pose a significant risk for the Group, the Group will continue to take proactive measures and monitor closely its exposure to such currency movement.

CONTINGENT LIABILITIES

As at 31 March 2014, the Group had contingent liabilities of approximately HK\$2.2 million (31 March 2013: approximately HK\$1.5 million) in respect of bank guarantee given in favour of landlords in lieu of rental deposits.

HUMAN RESOURCES

As at 31 March 2014, the Group (other than the joint ventures) employed approximately 3,670 employees. Remuneration packages are generally structured by reference to market terms, individual qualifications and experience. The Group reviews the remuneration of the employees from time to time.

During the year ended 31 March 2014, various training activities covering operational safety and management skills as well as a mentorship programme, have been arranged to improve the front-end quality of services as well as to ensure the smooth and effective implementation of the Group's business and operational policies.

The Group has continued to implement its Management Trainee Program to enhance the depth and breadth of the skill set of the management staff for their further career development.

Management Discussion and Analysis



PROSPECTS AND OUTLOOK CUSTOMER SATISFACTION

Moving forward, maintaining stringent food safety and a satisfactory dining experience will remain the Group's core focuses. The Group aims to provide its customers with hygienic and quality food and a good value-for-money dining experience. To achieve this objective, the Group's first central kitchen in Shanghai has commenced its operation in June 2013 and the Group subsequently acquired the land-use right and buildings in Shanghai to establish a larger central kitchen to support its expanding restaurant network. The opening of central kitchens will further strengthen the Group's quality and hygiene standards, boost its operational efficiency and standardise its quality control and management. The management of the Company will ensure that food safety and customer satisfaction remains as the Group's top priority.

RESTAURANT OPENINGS

In the year ahead, the Group is adhering to its objective as disclosed upon its Listing by implementing the stated store-opening strategy and expects to operate more than 80 restaurants by 2017, so as to increase the Group's market share in both Hong Kong and the PRC and enhance its brand awareness.

CORPORATE SOCIAL RESPONSIBILITY

Adhering to its core corporate values and beliefs, the Group is committed to bearing corporate social responsibilities. The Group actively encourages employees to participate in charitable activities and has provided in-kind support and sponsored various community charitable activities to raise funds to people in need. At the same time, the Group promotes environmental protection, including the implementation of green procurement and energy saving policies, and also encourages customers to choose a green diet and reduce food waste. The Group is always prepared to take a proactive role in giving back what it could afford to the society.

Management Discussion and Analysis

PROSPECTS AND OUTLOOK *(Continued)*

OUTLOOK

In respect to the market in Hong Kong, with the acquisition of properties in the New Territories, the Group will establish a second central kitchen in Hong Kong so as to further improve standardisation and efficiency in its food processing. The Group will also further expand the service coverage of "Tsui Wah Delivery". As regards the Group's information management system, the Group will strengthen its management efficiency and cost controls by implementing an ERP system. In addition, the Group has also strived to expand its "Supreme Catering" service to meet the increasing demand in Hong Kong for catering events. With the new central kitchen designated for "Supreme Catering" in Yau Tong, Kowloon, Hong Kong which will come into operation by mid-July 2014, the Group can provide a comprehensive range of catering services with tailor-made menus for its customers.

In the PRC market, the Group is expected to continue to benefit from (i) the ongoing urbanisation in the PRC; (ii) the rising disposable income of the country's burgeoning middle class; and (iii) an increase in awareness and market demand for quality dining at a reasonable cost. The Group will continue to evaluate expansion possibilities in different provinces in China.

In addition, while focusing on providing better food and service quality, the Group will also strengthen its operational systems by retaining experienced staff and encouraging creative product development. All these, along with enhanced marketing and brand recognition activities, will ensure the Group's ability in generating revenue and maximising the returns to its Shareholders.

In view of the conditions outlined above, the Board believes that "Tsui Wah" has the resources, vision and reputation to capitalise on future opportunities for continued expansion in the enormous PRC market as well as in Hong Kong.

OTHER INFORMATION

MATERIAL ACQUISITION AND DISPOSAL

On 24 September 2013, Tsui Wah Catering Management Limited ("**TW Catering Management**"), an indirect wholly-owned subsidiary of the Company, entered into a preliminary agreement as a purchaser regarding the proposed acquisition of the land-use right of a parcel of land and buildings located at No. 518, Shuhai Road, Songjiang District, Shanghai, the PRC (the "**Land**"). On 13 December 2013, Shanghai He Fa Catering Company Limited* (上海合發餐飲有限公司) ("**Shanghai He Fa**"), a wholly-owned subsidiary of TW Catering Management, subsequently entered into formal sale and purchase agreements regarding the proposed acquisition of the Land at a total consideration of RMB30,000,000 (equivalent to approximately HK\$38,100,000). The proposed acquisition would allow the Group to establish a larger central kitchen in Shanghai, the PRC. The completion of the said acquisition took place on 3 January 2014.

On 9 January 2014, Shanghai He Fa entered into a preliminary agreement with Shanghai Shanyan Construction Company Limited* (上海杉欣建築工程有限公司) (the "**Contractor**") regarding the construction and expansion ("**Construction Works**") of a central kitchen on the Land. On 14 March 2014, Shanghai He Fa subsequently entered into a formal construction agreement with the Contractor regarding the Construction Works at a contract price of RMB39,800,000 (equivalent to approximately HK\$50,546,000).

* is for identification purpose only

Management Discussion and Analysis

OTHER INFORMATION *(Continued)*

MATERIAL ACQUISITION AND DISPOSAL *(Continued)*

On 13 December 2013, Corporate Winner Limited and Enrich Sources Limited, each an indirect wholly-owned subsidiary of the Company, entered into provisional agreements with Silicon Creation Limited, Glossy Enterprises Limited and Oceanic Rich Limited, each an independent third party as vendors regarding the acquisition of properties located on units 1601–1608, units 1701 and 1704, units 1702 and 1703 of Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong at an aggregate consideration of HK\$217,023,000. The acquisition of properties would allow the Group to establish a second central kitchen in Hong Kong. The completion of the said acquisition took place on 3 March 2014.

On 25 October 2013, Shanghai Cai Hua Restaurants Management Company Limited* (上海采華餐飲管理有限公司) ("**Shanghai Cai Hua**"), an indirect wholly-owned subsidiary of the Company, entered into a deposit payment agreement as a purchaser with a third party vendor regarding the proposed acquisition of office premises located at Unit 2801–2803 and Unit 2805–2807 on the 28th floor of SRE Finance Center, No. 15, Da Pu Road, Huangpu District, Shanghai, the PRC ("**Office Premises**"). On 30 December 2013, Shanghai Cai Hua subsequently entered into formal sale and purchase agreements as a purchaser to acquire the Office Premises at an aggregate consideration of RMB62,686,540 (equivalent to approximately HK\$79,612,000). The completion of the said acquisition took place on 8 April 2014.

* is for identification purpose only

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Lee Yuen Hong (李遠康), aged 59, is the chairman of the Board and an executive Director. Mr. Lee has been an executive Director and the chairman of the Board since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in almost all subsidiaries of the Group. Mr. Lee is also the director of Cui Fa Limited, a controlling Shareholder. He is one of the founders of the Group. Mr. Lee is primarily responsible for the Group's overall corporate strategies, management and business development. Mr. Lee is also a member of the Remuneration Committee (the "**Remuneration Committee**") and Nomination Committee (the "**Nomination Committee**") of the Company. Mr. Lee founded the Group in 1989 by acquiring the San Po Kong Tsui Wah restaurant (新蒲崗翠華餐廳) together with Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung. Mr. Lee joined the restaurant industry in Hong Kong in 1966 and has since served in various positions within the industry. He has served as cook, chief cook and chef in a number of restaurants from 1973 to 1989. Mr. Lee has spent over two decades in the Group since 1989 which, together with his previous positions in other restaurants, allowed him to accumulate over 40 years of extensive work experience in the restaurant industry, in particular in the Cha Chaan Teng (茶餐廳) segment. He is currently the honorary chairman of the Association of Coffee and Tea (香港咖啡紅茶協會) and the vice chairman of the board of directors of Hong Kong Federation of Restaurants and Related Trades (香港餐飲聯業協會). He also serves as the vice president of Guangzhou Restaurant & Catering Association (廣州市飲食行業商會) and was appointed as a Council member at the Shanghai Cuisine Association (上海市烹飪協會). Mr. Lee has completed the Hygiene Supervisor Training Course (衛生督導員訓練課程) organized by the Food and Environmental Hygiene Department in December 2004. Mr. Lee obtained his Master's degree in Business Administration from Sun Yat-Sen University (中山大學) in November 2010.

Mr. Ho Ting Chi (何庭枝), aged 51, is an executive Director and one of the founders of the Group. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in almost all subsidiaries of the Group. Mr. Ho is also the director of Cui Fa Limited, a controlling Shareholder. Together with Mr. Lee Yuen Hong and Mr. Cheung Yu To, Mr. Ho is responsible for the strategic development and management of the Group's business and operations. Mr. Ho has over 30 years of experience in the restaurant and catering industry in Hong Kong. Prior to the founding of the Group, Mr. Ho worked as a chef and supervisor in a number of restaurants from 1981 to 1989. Mr. Ho completed the Hygiene Supervisor Training Course (衛生督導員訓練課程) organized by the Food and Environmental Hygiene Department in July 2004. He is a member of the Association for Hong Kong Catering Services Management Limited. Mr. Ho obtained his Master's degree in Business Administration from Sun Yat-Sen University (中山大學) in November 2010.

Mr. Cheung Yu To (張汝桃), aged 56, is an executive Director and one of the founding members of the Group. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in various subsidiaries of the Group. Mr. Cheung is also the director of Cui Fa Limited, a controlling Shareholder. Together with Mr. Lee Yuen Hong and Mr. Ho Ting Chi, he is responsible for the overall management of the business operations. Mr. Cheung has extensive experience in the restaurant industry and has been working in the industry for over 30 years. Prior to founding the Group, Mr. Cheung worked as a manager in a number of restaurants from 1980 to 1989. In December 2004, Mr. Cheung completed the Basic Food Hygiene Certificate for Hygiene Managers (基礎食物衛生經理課程) organized by the Li Ka Shing Institute of Professional and Continuing Education of the Open University of Hong Kong. Mr. Cheung is the brother of Mr. Cheung Yue Pui.

Biographies of Directors and Senior Management

Mr. Cheung Wai Keung (張偉強), aged 62, is an executive Director and one of the founders of the Group. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in various subsidiaries of the Group. Mr. Cheung is also the director of Ample Favour Limited, a controlling Shareholder. He is in charge of the financial control and procurement of the Group. Mr. Cheung has extensive experience and has worked in the restaurant industry for over 43 years. Prior to founding the Group, Mr. Cheung worked as a manager in a number of restaurants during the period between 1977 to 1989. Mr. Cheung completed the Hygiene Supervisor Training Course (衛生督導員訓練課程) organized by the Food and Environmental Hygiene Department in July 2004 and the Basic Food Hygiene Certificate for Hygiene Managers (基礎食物衛生經理課程) in December 2004 organized by the Li Ka Shing Institute of Professional and Continuing Education of the Open University of Hong Kong.

Mr. Cheung Yue Pui (張汝彪), aged 52, is an executive Director. He has been an executive Director since 29 May 2012, the date of incorporation of the Company. Apart from his current directorate in the Company, he also holds directorship in various subsidiaries of the Group. Mr. Cheung is also the director of Victor Leap Limited, a controlling Shareholder. Mr. Cheung is one of the founders of the Group and he oversees the operations of the central kitchen. Mr. Cheung has over 30 years of experience in the restaurant industry. Prior to founding the Group, Mr. YP Cheung served as a chef in various restaurants in Hong Kong and the PRC during the period between 1979 to 1989. Mr. Cheung completed the Basic Food Hygiene Certificate for Hygiene Managers (基礎食物衛生經理課程) organized by the Li Ka Shing Institute of Professional and Continuing Education of the Open University of Hong Kong in December 2004. Mr. YP Cheung is the brother of Mr. Cheung Yu To.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Goh Choo Hwee (吳慈飛), aged 42, is an independent non-executive Director. Mr. Goh has been an independent non-executive Director since 5 November 2012. Mr. Goh is the chairman of the Remuneration Committee and a member of the Audit Committee (the "**Audit Committee**") of the Company and Nomination Committee. Mr. Goh is a member of The Law Society of Hong Kong and has been a practicing solicitor in Hong Kong since 1997 and is currently a partner of Ma Tang & Co., a law firm in Hong Kong. Mr. Goh has over 15 years of experience in PRC-related, corporate and securities practices. Mr. Goh has served as company secretary and authorised representative at Xinhua News Media Holdings Limited since 11 December 2013. Mr. Goh has been appointed as an independent non-executive director of (i) PME Group Limited (stock code: 0379), a company listed on the Main Board of the Stock Exchange, since 18 January 2012; and (ii) Theme International Holdings Limited (stock code: 0990), a company listed on the Main Board of the Stock Exchange, since 27 September 2013. From December 2007 to November 2011, Mr. Goh was also an independent non-executive director of China Mining Resources Group Limited (stock code: 340), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. Goh graduated from The Chinese University of Hong Kong in December 1993 with a Bachelor's degree in Arts. He subsequently obtained a Postgraduate Certificate in Laws from The University of Hong Kong in June 1995.

Biographies of Directors and Senior Management

Mr. Wong Chi Kin (黃志堅), aged 40, is an independent non-executive Director. Mr. Wong has been an independent non-executive Director since 5 November 2012. Mr. Wong is the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee. Mr. Wong has over 18 years of extensive experience in the areas of banking and corporate finance and also has accounting experience with various international banks and a company listed in the United Kingdom. He is a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a Certified Practising Accountant of CPA Australia. Mr. Wong worked as the deputy chief financial officer from April 2011 to September 2011 of China Qinfa Group Limited, the shares of which are listed on the Stock Exchange (stock code: 866). He has served as its company secretary and authorized representative since July 2011 and its chief financial officer since September 2011.

Mr. Wong obtained a Bachelor of Science (Honours) degree in Finance from The City University of Hong Kong in December 1996, a Master's Degree in Practising Accounting from Monash University, Australia, in November 2001 and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010.

Mr. Yim Kwok Man (嚴國文), aged 45, is an independent non-executive Director. Mr. Yim has been an independent non-executive Director since 5 November 2012. Mr. Yim is the chairman of the Audit Committee. Mr. Yim has over 19 years of extensive experience in the areas of corporate finance, debt and equity capital markets, asset management and merger and acquisition advisory in Asia, in particular in Hong Kong and the PRC. He is a fellow member of The Association of Chartered Certified Accountants (FCCA) and a member of The Hong Kong Institute of Certified Public Accountants (HKICPA). Mr. Yim is a registered responsible officer of type 6 activities (advising on corporate finance), and was a registered representative of type 4 activities (advising on securities) and type 9 activities (asset management) with the SFC until August 2011. Mr. Yim served as a director of Galaxy Asset Management (H.K.) Limited and worked with various international financial institutions and investments banks from 1994 to 2011, including Rabobank International Hong Kong Branch, DBS Asia Capital Limited and CITIC Capital Markets Holdings Limited. Mr. Yim served as a non-executive Director of Eternite International Company Limited (currently known as Larry Jewelry International Company Limited), the shares of which are listed on the Stock Exchange (stock code: 8351), from December 2010 to August 2011. He currently serves as a director of Odysseus Capital Asia Limited. Mr. Yim graduated with a Bachelor of Engineering degree in Civil Engineering from the Hong Kong Polytechnic in November 1991. He completed a Master of Business Administration exchange program at the John E. Anderson Graduate School of Management, University of California, Los Angeles (UCLA), USA in 1993 and obtained a Master's degree in Business Administration (MBA) from The Chinese University of Hong Kong in December 1994.

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Lock Kwok On Anthony (駱國安), aged 53, joined the Group in May 2010, is the chief executive officer of the Company and assists the Directors in the overall management and daily operations of the Group. In January 2012, Mr. Lock was appointed as a non-official member of the Business Facilitation Advisory Committee and the convener of the Food Business and Related Services Task Force of Economic Analysis and Business Facilitation Unit. He has been appointed as a member of the Expert Committee on Food Safety since 2012, and was appointed by the Environmental Protection Department as a member of the Advisory Council on the Environment since January 2013. He is now a member of the Food Wise Hong Kong Steering Committee, a member of the Chinese Catering Qualifications Framework Advisory Committee, a member of the Industry Consultative Networks of Employees Retraining Board, and a member of the Chinese Cuisine Training Institute Training Board of the Vocational Training Council. Mr. Lock was the chairman of the Hong Kong Federation of Restaurants and Related Trades from September 2008 to December 2011 and became its present president in December 2011 and is widely recognized in the restaurant industry.

Prior to joining the Group in 2010, Mr. Lock was the founder of California Red Limited and served as its chief executive officer. Mr. Lock was also the co-chairman of the Smoke-free Restaurants Working Group and Convener of the Catering Entertainment Premises Smoking Ban Regulations Concern Group in 2006. Mr. Lock received a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in September 2010. With his previous and current positions within the Group and other institutions, Mr. Lock has accumulated around 20 years of extensive experience in the restaurant and entertainment industry in Hong Kong.

Ms. Li Tsau Ha (李楸夏), aged 51, joined the Group in September 2009, is the Company's general manager. She is responsible for the execution of the daily business operations of the Group. Ms. Li has ten years of experience in general management and is a member of the Hong Kong Federation of Restaurants and Related Trades, The Association for Hong Kong Catering Services Management Limited, the Hong Kong Institute of Human Resource Management and the Lift and Escalator Safety Advisory Committee, and a governing council member of Quality Tourism Services Association. Ms. Li oversees the administration and human resources functions of the Group.

Prior to joining the Group, she was the manager at New Gem Property Management & Agency Limited between June 2002 to March 2003 and was the senior manager between April 2003 to February 2005. Ms. Li subsequently served as an administration and human resources director of California Red Limited from March 2005 to September 2009. Ms. Li completed the Basic Food Hygiene Certificate for Food Hygiene Managers organized by Hong Kong Christian Service, Kwun Tong Vocational Training Centre in July 2012. Ms. Li completed the courses for management of Table Services Section (Level 3), Warehouses Management and Procurement (Level 3), Management of Catering Services and Banquet (Level 4) and operations management (Level 4) organized by Vocational Training Council in June 2013.

Ms. Li obtained certificate in Senior Human Resources Management Professional* ("高級人力資源法務(規劃)師") from China Employment Training Technical Institution Center in October 2013. Ms. Li was an adjudicator at the Immigration Tribunal and the Appeal panel on Housing of HKSAR. Ms. Li received a Master of Business Administration degree from University of South Australia in October 2009.

* is for identification purpose only

Biographies of Directors and Senior Management

Mr. Yang Dong John (楊東), aged 39, is the chief financial officer, chief executive officer of China Region and company secretary of the Company. He has been the chief financial officer of the Company since 4 June 2012. He concurrently serves as the company secretary and is primarily responsible for overseeing the Group's finance functions as well as specific finance projects. Mr. Yang was appointed by the Board as the chief executive officer of China Region in March 2014. Mr. Yang has been a member of The Hong Kong Institute of Certified Public Accountants since 2003 and a non-practicing member of The Chinese Institute of Certified Public Accountants since 2011. Over the course of his career, Mr. Yang has accumulated over ten years of extensive experience in auditing, consolidated accounting and financial management.

Prior to joining the Group, Mr. Yang was the chief financial officer and company secretary at Wedding Banquet Specialist (煌府婚宴專門店). He spent over ten years at KPMG's Hong Kong and Beijing offices. During his service at KPMG, Mr. Yang was involved in numerous auditing projects involving listed companies on the Stock Exchange. Mr. Yang graduated from The City University of Hong Kong in November 1999 with a Bachelor's degree in Business Administration (Accountancy).

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance consistent with the needs and requirements of its business and the Shareholders. The Company has adopted the code provisions (the “**Code Provisions**”) in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The corporate governance principles of the Company emphasise a quality board, sound internal controls, and transparency and accountability to all the Shareholders.

Throughout the year ended 31 March 2014 and up to the date of this annual report, the Company has complied with the Code Provisions.

The Board will review and continue to enhance the Company’s corporate governance policies and compliance with the Code Provisions from time to time.

DIRECTORS

THE BOARD

The Board, led by the chairman of the Company, is responsible for leadership and control of the Company and overseeing the Group’s businesses, strategic decisions and performance. The Board has delegated to the senior management of the Company the authority and responsibility for the day-to-day management and operation of the Group. Such authorities and responsibilities include implementing decisions of the Board, directing and co-ordinating day-to-day operation and management of the Group in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operation and production plans and budgets, and supervising and monitoring the control systems. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

The Board reserved its decision for all major matters of the Company, including approving and monitoring all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

Corporate Governance Report

BOARD MEETINGS AND GENERAL MEETING

The Company held the annual general meeting for the year ended 31 March 2013 on 19 August 2013.

For the year ended 31 March 2014, the Board held five formal meetings. Attendance of individual Directors at the Board meetings for the year ended 31 March 2014 and the annual general meeting for the year ended 31 March 2013 is as follows:

Name of Director	Attendance/ Number of Board Meetings held	Annual General Meeting
<i>Executive Directors:</i>		
Mr. Lee Yuen Hong (<i>Chairman</i>)	5/5	1/1
Mr. Ho Ting Chi	5/5	1/1
Mr. Cheung Yu To	5/5	1/1
Mr. Cheung Wai Keung	5/5	1/1
Mr. Cheung Yue Pui	5/5	1/1
<i>Independent Non-executive Directors:</i>		
Mr. Goh Choo Hwee	5/5	1/1
Mr. Wong Chi Kin	5/5	1/1
Mr. Yim Kwok Man	5/5	1/1

For the year ended 31 March 2014, apart from the meeting of the Board, consent/approval from the Board had also been obtained by written resolutions on a number of matters.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman of the Board is Mr. Lee Yuen Hong while the chief executive officer of the Company is Mr. Lock Kwok On Anthony. The Company has complied with Code Provision A.2.1 of the CG Code which stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual.

Corporate Governance Report

BOARD COMPOSITION

Currently, the Board comprises eight Directors, including five executive Directors and three independent non-executive Directors. The current composition of the Board is as follows:

	Membership of Board Committee(s)
<i>Executive Directors:</i>	
Mr. Lee Yuen Hong (<i>Chairman</i>)	Member of Remuneration Committee Member of Nomination Committee
Mr. Ho Ting Chi	N/A
Mr. Cheung Yu To	N/A
Mr. Cheung Wai Keung	N/A
Mr. Cheung Yue Pui	N/A
<i>Independent Non-executive Directors:</i>	
Mr. Goh Choo Hwee	Chairman of Remuneration Committee Member of Audit Committee Member of Nomination Committee
Mr. Wong Chi Kin	Chairman of Nomination Committee Member of Audit Committee
Mr. Yim Kwok Man	Member of Remuneration Committee Chairman of Audit Committee

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors. In addition, pursuant to Rules 3.10A and 3.10(2) of the Listing Rules, every listed issuer is required to have such number of independent non-executive directors representing at least one-third of the board, and at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Mr. Yim Kwok Man is a member of The Association of Chartered Certified Accountants (FCCA) and a member of The Hong Kong Institute of Certified Public Accountants (HKICPA). Other than Mr. Yim Kwok Man, Mr. Wong Chi Kin also possesses appropriate accounting and financial management expertise. He is a fellow member of The Hong Kong Institute of Certified Public Accountants (HKICPA) and a Certified Practising Accountant of CPA Australia.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed the independence of all the independent non-executive Directors and considered that all the independent non-executive Directors are independent.

The biographies of the Directors are set out on pages 18 to 20 of this annual report. Save as disclosed in the biographies of the Directors, the Board members do not have any family, financial or business relationship with each other.

The list of Directors has been published on the website of the Company and the website of the Stock Exchange, and is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

Corporate Governance Report

DIRECTORS' LIABILITIES INSURANCE

During the year ended 31 March 2014, the Company has arranged appropriate insurance cover in respect of legal action against the Directors arising from the performance of his duties as a Director. Such insurance coverage is reviewed and renewed on an annual basis.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company, and each of the independent non-executive Directors has signed a letter of appointment with the Company. Such term is for an initial term of three years commencing from the date on which the Shares were listed on the Main Board of the Stock Exchange ("**Listing Date**") and is subject to the re-appointment of each of the Directors by the Company at an annual general meeting upon retirement.

The articles of association of the Company (the "**Articles of Association**") provide that any Director appointed by the Board (i) to fill a casual vacancy in the Board shall hold office only until the next following general meeting of the Company and shall be subject to re-election at such meeting; and (ii) as an addition to the Board shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election.

In addition, every Director should be subject to retirement by rotation at least once every three years. At every annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not greater than one-third, shall retire from office by rotation according to Article 84(1) of the Articles of Association.

CONTINUOUS PROFESSIONAL DEVELOPMENT

In compliance with Code Provision A.6.5, the Company will arrange for, and provide fund for, all the Directors to participate in continuous professional development organised in the form of in-house training, seminars or other appropriate courses to keep them refresh of their knowledge, skill and understanding of the Group and its business or to update their skills and knowledge on the latest development or changes in the relevant statutes, the Listing Rules and corporate governance practices. The Company will also update the Directors of any material changes in the Listing Rules and corporate governance practices from time to time. During the year ended 31 March 2014, the Company has applied and paid for several external seminars and organised in-house training sessions for the Directors. The Company will continuously update the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

Corporate Governance Report

According to the records provided by the Directors to the Company, each of the Directors has complied with the Code Provision in relation to continuous professional development to update and refresh their knowledge and skills. A summary of trainings received by the Directors for the year ended 31 March 2014 is as follows:

Name of Director	Attending in-house training	Attending seminars and/or conferences	Reading materials
<i>Executive Directors:</i>			
Mr. Lee Yuen Hong (<i>Chairman</i>)	✓	✓	✓
Mr. Ho Ting Chi	✓	✓	✓
Mr. Cheung Yu To	✓	✓	✓
Mr. Cheung Wai Keung	✓	✓	✓
Mr. Cheung Yue Pui	✓	✓	✓
<i>Independent Non-executive Directors:</i>			
Mr. Goh Choo Hwee	✓	✓	✓
Mr. Wong Chi Kin	✓	✓	✓
Mr. Yim Kwok Man	✓	✓	✓

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standard set out in Appendix 10 (Model Code for Securities Transactions by Directors of Listed Issuers) (the "**Model Code**") to the Listing Rules, in relation to the dealings in securities of the Company by the Directors.

Having made specific enquiry of all Directors, each Director has confirmed that he has complied with the standard set out in the Model Code since the Listing Date and up to the date of this annual report.

BOARD COMMITTEES NOMINATION COMMITTEE

The Nomination Committee was established on 5 November 2012 with specific written terms of reference in compliance with Code Provision A.5 of the CG Code. The primary duties of the Nomination Committee are (a) reviewing the structure, size and diversity of the Board; (b) assessing the independence of independent non-executive Directors; (c) identifying suitably qualified candidates to become members of the Board and will give adequate consideration to the board diversity policy; and (d) making recommendations to the Board on any proposed changes to the Board or selection of individual nominated for directorships, or on appointment or re-appointment of Directors. The existing members of the Nomination Committee include Mr. Wong Chi Kin and Mr. Goh Choo Hwee, both are independent non-executive Directors, and Mr. Lee Yuen Hong, an executive Director. Mr. Wong Chi Kin is the chairman of the Nomination Committee.

Corporate Governance Report

The Company continuously seeks to enhance the effectiveness of the Board and to maintain a high standards of corporate governance and recognises and embraces the benefits of diversity in the composition of the Board. The Company believes that a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to skills, knowledge, gender, age, cultural and educational background or professional experience. In forming its perspective on diversity, the Company will also take into account of factors based on its own business model and specific needs from time to time.

After considering the nature of the food and catering industry and the characteristics of the Group's business model, the Nomination Committee considered that the current composition of the Board reflects the balance of skills, educational background, experience and diversity of perspectives desirable for effective management of the Company. The Nomination Committee will continue to identify qualified candidates on a merit basis and candidates will be considered against objective criteria, with due regard to the benefits of diversity on the Board.

The Nomination Committee will continue to review the diversity policy of the Board from time to time to ensure its continued effectiveness.

For the year ended 31 March 2014, the Nomination Committee held one meeting. Attendance of individual members of the Nomination Committee for the year ended 31 March 2014 is as follows:

Name of Director	Attendance/ Number of meetings held
Mr. Wong Chi Kin (<i>Chairman</i>)	1/1
Mr. Goh Choo Hwee	1/1
Mr. Lee Yuen Hong	1/1

The terms of reference of the Nomination Committee are available on the website of the Company and the website of the Stock Exchange.

The work performed by the Nomination Committee during the year ended 31 March 2014 is summarised as follows:

1. reviewed structure, size and diversity of the Board;
2. reviewed the independence of the independent non-executive Directors; and
3. made recommendations to the Board on the nomination of Directors for re-election at the annual general meeting (the "AGM").

Corporate Governance Report

REMUNERATION COMMITTEE

The Remuneration Committee was established on 5 November 2012 with specific written terms of reference in compliance with Rule 3.26 of the Listing Rules and Code Provision B.1 of the CG Code. The primary duties of the Remuneration Committee include (a) formulating and making recommendations to the Board on the Company's policies and structures for the remuneration of all of the Directors and senior management of the Company; (b) establishing a formal and transparent procedure for developing policy on remuneration; (c) determining specific remuneration packages of all executive Directors and senior management in the manner specified in the terms of reference; (d) making recommendations to the Board of the remuneration of non-executive Directors; (e) reviewing the appropriateness and relevance of remuneration policy; and (f) reviewing and making recommendations to the Board as to the fairness and reasonableness of the terms of any Director's service agreement which is subject to the approval of the Shareholders in any general meeting pursuant to the Listing Rules. The existing members of the Remuneration Committee include Mr. Goh Choo Hwee and Mr. Wong Chi Kin, both are independent non-executive Directors, and Mr. Lee Yuen Hong, an executive Director. Mr. Goh Choo Hwee is the chairman of the Remuneration Committee.

For the year ended 31 March 2014, the Remuneration Committee held one meeting. Attendance of individual members of the Remuneration Committee is as follows:

Name of Director	Attendance/ Number of meetings held
Mr. Goh Choo Hwee (<i>Chairman</i>)	1/1
Mr. Wong Chi Kin	1/1
Mr. Lee Yuen Hong	1/1

The terms of reference of the Remuneration Committee are available on the website of the Company and the website of the Stock Exchange.

The work performed by the Remuneration Committee during the year ended 31 March 2014 is summarised as follows:

1. made recommendations to the Board on the remuneration packages of Directors, senior management and employees;
2. reviewed the appropriateness and relevance of the remuneration policy; and
3. evaluated the performance of all Directors and senior management.

Corporate Governance Report

AUDIT COMMITTEE

The Audit Committee was established on 5 November 2012 with specific written terms of reference in compliance with Rule 3.22 of the Listing Rules and Code Provision C.3 of the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of the Company. The existing members of the Audit Committee comprise Mr. Yim Kwok Man, Mr. Goh Choo Hwee and Mr. Wong Chi Kin, all of whom are independent non-executive Directors. Mr. Yim Kwok Man is the chairman of the Audit Committee.

This annual report has been reviewed by the Audit Committee.

For the year ended 31 March 2014, the Audit Committee held three meetings. Attendance of individual members of the Audit Committee is as follows:

Name of Director	Attendance/ Number of meetings held
Mr. Yim Kwok Man (<i>Chairman</i>)	3/3
Mr. Wong Chi Kin	3/3
Mr. Goh Choo Hwee	3/3

The terms of reference of the Audit Committee are available on the website of the Company and the website of the Stock Exchange.

The work performed by the Audit Committee during the year ended 31 March 2014 is summarised below:

1. reviewed the Group's annual and interim results statements and the related result announcements, documents and other matters or issues raised by external auditors;
2. reviewed the findings from external auditors;
3. reviewed the independence of the external auditors and engagement of external auditors for annual audit;
4. reviewed the audit plans, internal control plan, the development in accounting standards and its effects on the Group, financial reporting matters and risk management;
5. reviewed the adequacy of resources, qualifications, experience of staff of the Group's accounting and financial reporting function as well as their training programmes and budget;
6. reviewed and approved the Group's connected transactions and continuing connected transactions;
7. approved the current year external audit plan, reviewed and monitored internal control performance as well as the effectiveness of the internal control system; and
8. reviewed the corporate governance compliance.

Full minutes of the Audit Committee are kept by the company secretary of the Company.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for ensuring that the Company shall establish comprehensive corporate governance practices and procedures. For the year ended 31 March 2014, the Board has:

- (1) established and reviewed the corporate governance policies and practices of the Company as well as made relevant recommendations;
- (2) reviewed and monitored the training and continuous development of the Directors and senior management;
- (3) reviewed and monitored the policies and practices of the Company regarding the compliance of relevant legal and regulatory requirements;
- (4) established, reviewed and monitored code of conduct for Directors and employees; and
- (5) reviewed as to whether the Company has complied with the CG Code and made necessary disclosures in the annual report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

REMUNERATION OF SENIOR MANAGEMENT

For the year ended 31 March 2014, the remuneration of the members of the senior management is set out by band as follows:

Band of remuneration (HK\$)	Number of person
HK\$1,000,001 to HK\$1,500,000	1
HK\$1,500,001 to HK\$2,000,000	1
Over HK\$2,000,000	1

Corporate Governance Report

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

Financial results of the Group are announced in a timely manner in accordance with all statutory requirements, particularly the timeframe stipulated in Rule 13.49(1) and (6) of the Listing Rules.

All Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 March 2014. Currently, the Company's external auditors are Ernst & Young (the "**Auditors**").

For the year ended 31 March 2014, the fees paid or payable to the Auditors are set out as follows:

	Fees paid/payable HK\$'000
Audit service	2,080
Non-audit services:	
Interim review	300
Tax services	250
	<hr/>
Total	2,630

INTERNAL CONTROLS

A sound and effective internal control system is important to safeguard the Shareholders' investment and the Company's assets. The Board, through the Audit Committee, had reviewed the effectiveness and adequacy of the control system of the Group's internal control. The Company had engaged an external professional party to review certain key control points and the field work was carried out during the year ended 31 March 2014.

DELEGATION BY THE BOARD

In general, the Board oversees the Company's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group's strategic objectives. The Board delegates the implementation of strategies and day-to-day operation of the Group to the management.

COMPANY SECRETARY

Mr. Yang Dong John, the company secretary appointed by the Board and an employee of the Company, in the opinion of the Board, possesses the necessary qualification and experience, and is capable of performance of the functions of the company secretary. For the year ended 31 March 2014, Mr. Yang has taken 15 hours of professional training. The Company will provide fund for Mr. Yang to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

EFFECTIVE COMMUNICATION

The Board recognises the importance of maintaining a clear, timely and effective communication with the Shareholders and investors of the Company. The Board also recognises that effective communication with the Company's investors is critical in establishing investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the Shareholders and the investors of the Company will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the website of the Company.

In respect of each matter to be considered at the annual general meetings and extraordinary general meetings, including the re-election of Directors, a separate resolution will be proposed by the chairman of the Board. Voting at general meetings of the Company is conducted by way of poll in accordance with the Listing Rules. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

Members of the Board and chairmen of various board committees will attend the forthcoming AGM of the Company to be held on 15 August 2014 to answer questions raised by the Shareholders.

Pursuant to Code Provision E.1.2, the Company will invite representatives of the Auditors to attend the forthcoming AGM to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

SHAREHOLDERS' RIGHTS

1. Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to Article 58 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Corporate Governance Report

2. Procedures for Raising Enquiries

Shareholders may direct their queries about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited:

Address : Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
Email : is-enquiries@hk.tricorglobal.com
Tel : (852) 2980 1333
Fax : (852) 2810 8185

Shareholders may raise enquiries in respect of the Company at the following designated contact, correspondence address, email address and enquiry hotlines of the Company:

Attention : Mr. Yang Dong John (Company Secretary)
Address : 3/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong
Email : john.yang@tsuiwah.com
Tel : (852) 2541 2255
Fax : (852) 2541 2908

3. Procedures for Putting Forward Proposals at Shareholders' Meetings

(i) **Proposal for election of a person other than a Director as a Director:**

Pursuant to Article 85 of the Articles of Association, a Shareholder who wishes to propose a person other than a retiring Director for election to the office of Director at any general meeting should lodge (i) notice in writing by a Shareholder (other than the person to be proposed) of his intention to propose that person for election as a Director; and (ii) notice in writing by that person of his willingness to be elected, at either (a) the head office of the Company in Hong Kong at 3/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong, or (b) the registration office of the Company in Hong Kong at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. The period for lodgment of the notices mentioned above will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Corporate Governance Report

(ii) **Other proposals:**

If a Shareholder wishes to make other proposals (the "**Proposal(s)**") at a general meeting, he/she may lodge a written request, duly signed, at the head office of the Company in Hong Kong at 3/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong marked for the attention of the company secretary of the Company.

The identity of the Shareholder and his/her request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the share registrar that the request is proper and in order, and is made by a Shareholder, the Board will in its sole discretion decide whether the Proposal may be included in the agenda for the general meeting to be set out in the notice of meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (1) Notice of not less than 21 clear days and not less than 20 clear business days in writing if the Proposal requires approval in an annual general meeting of the Company.
- (2) Notice of not less than 21 clear days and not less than 10 clear business days in writing if the Proposal requires approval by way of a special resolution in an extraordinary general meeting of the Company.
- (3) Notice of not less than 14 clear days and not less than 10 clear business days in writing if the Proposal requires approval by way of an ordinary resolution in an extraordinary general meeting of the Company.

CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution of the Shareholders passed on 5 November 2012, the amended and restated memorandum of the Company and Articles of Association were adopted with effect from the Listing Date. During the year ended 31 March 2014, there was no significant change in the memorandum and articles of association of the Company.

The amended and restated memorandum of the Company and Articles of Association are available on the website of the Stock Exchange and the website of the Company.

Report of Directors

The Directors present this report together with the audited financial statements of the Group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the operation of a chain of *Cha Chaan Teng* under  翠華餐廳 “Tsui Wah (翠華)” brand, with 27 restaurants in Hong Kong, 13 restaurants in China and one restaurant in Macau as at 31 March 2014.

The listing of and the permission to deal in the Shares on the Main Board of The Stock Exchange commenced on 26 November 2012.

FINANCIAL RESULTS

The results of the Group for the year ended 31 March 2014 are set out in the consolidated statement of profit or loss on page 54 of this annual report.

CASH FLOW POSITION

The cash flow position of the Group for the year ended 31 March 2014 is set out and analysed in the consolidated statement of cash flows on pages 59 to 60 of this annual report.

DIVIDEND

An interim dividend of HK2.0 cents per Share for the six-month period ended 30 September 2013, amounting to approximately HK\$27.9 million (30 September 2012: Nil) was paid to the Shareholders.

The Directors recommended the payment of a final dividend of HK5.0 cents per Share (31 March 2013: HK5.0 cents) amounting to a total sum of approximately HK\$70.2 million (31 March 2013: HK\$69.2 million), subject to the approval of the Shareholders at the forthcoming AGM. Details of the dividend for the year ended 31 March 2014 are set out in note 12 to the financial statements, the final dividend will be payable on or around 5 September 2014 to the Shareholders whose names appear on the register of the members of the Company on 22 August 2014.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM will be held at 2/F., Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong on Friday, 15 August 2014.

The register of members of the Company will be closed from Monday, 11 August 2014 to Friday, 15 August 2014, both dates inclusive, during which period no transfer of Shares will be registered, for ascertaining Shareholder's entitlement to attend the forthcoming AGM to be held on 15 August 2014. In order to qualify for attending the forthcoming AGM, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22 Level, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 8 August 2014.

The register of members of the Company will be closed from Friday, 22 August 2014 to Tuesday, 26 August 2014, both dates inclusive, during which period no transfer of Shares will be registered, for ascertaining Shareholder's entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22 Level, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 August 2014.

Report of Directors

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 120 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 March 2014, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to HK\$2,037,325,000. The amount of HK\$2,037,325,000 includes the Company's share premium, contributed surplus and retained profits, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, if any, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 58 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment of the Group for the year ended 31 March 2014 are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital as at 31 March 2014 are set out in note 28 to the financial statements.

Report of Directors

SHARE OPTION SCHEMES PRE-IPO SHARE OPTION SCHEME

The Company adopted a pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) on 5 November 2012 for the purpose of recognising the contribution of certain executives, employees and Directors (who are in full-time employment of the Group) to the growth of the Group and/or to the Listing by granting options to them as incentive or reward.

Other than the options under the Pre-IPO Share Option Scheme granted to grantees (the “**Grantees**”) on or before 7 November 2012, no further options has been or will be granted under the Pre-IPO Share Option Scheme since then. The exercise price per Share is HK\$2.27, which is equivalent to the global offering price per Share. All options granted under the Pre-IPO Share Option scheme on or before 7 November 2012 may be exercised in the following manner:

Grantee(s)	Exercise Period	Maximum percentage of options exercisable
Mr. Lee Yuen Hong (“ Mr. Lee ”)	Commencing on the first anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	33% of the total number of options granted to Mr. Lee
	Commencing on the second anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	33% of the total number of options granted to Mr. Lee
	Commencing on the third anniversary date of the Listing Date upon fulfillment of certain conditions and ending on 25 November 2017	34% of the total number of options granted to Mr. Lee
Mr. Lock Kwok On Anthony (“ Mr. Lock ”) and Mr. Chan Hoi Tung (“ Mr. Chan ”)	Commencing on the first anniversary date of the Listing Date and ending on 25 November 2016	33% of the total number of options granted to Mr. Lock and Mr. Chan
	Commencing on the second anniversary date of the Listing Date and ending on 25 November 2016	34% of the total number of options granted to Mr. Lock and Mr. Chan
	Commencing on the third anniversary date of the Listing Date and ending on 25 November 2016	33% of the total number of options granted to Mr. Lock and Mr. Chan
Other grantees other than Mr. Lee, Mr. Lock and Mr. Chan	Commencing on the first anniversary date of the Listing Date and ending on 25 November 2015	50% of the total number of options granted to the grantees other than Mr. Lee, Mr. Lock and Mr. Chan
	Commencing on the second anniversary date of the Listing Date and ending on 25 November 2015	50% of the total number of options granted to the grantees other than Mr. Lee, Mr. Lock and Mr. Chan

Report of Directors

SHARE OPTION SCHEMES (Continued)

PRE-IPO SHARE OPTION SCHEME (Continued)

Each of the Grantees is required to pay HK\$1.00 on acceptance of the options granted under the Pre-IPO Share Option Scheme.

As at the date of this annual report, the Company had 63,793,674 share options outstanding under the Pre-IPO Share Option Scheme, representing approximately 4.54% of the issued share capital of the Company as at that date.

Details of the share options granted, exercised, forfeited and cancelled under the Pre-IPO Share Option Scheme during the year ended 31 March 2014 are as follows:

Grantee(s)	Date of grant	Exercisable period ⁽¹⁾	Exercise price	Balance as at 1 April 2013	Number of share options			Balance as at 31 March 2014
					Granted during the year	Exercised during the year	Cancelled or forfeited during the year	
Mr. Lee	7 November 2012	26 November 2013 to 25 November 2017	HK\$2.27 per Share	40,000,080	–	–	(13,200,026) ⁽²⁾	26,800,054
Mr. Lock	7 November 2012	26 November 2013 to 25 November 2016	HK\$2.27 per Share	26,666,720	–	(8,800,000)	–	17,866,720
Ms. Li Tsau Ha	7 November 2012	26 November 2013 to 25 November 2015	HK\$2.27 per Share	274,616	–	(137,308)	–	137,308
Mr. Yang Dong John	7 November 2012	26 November 2013 to 25 November 2015	HK\$2.27 per Share	137,308	–	–	–	137,308
Mr. Chan	7 November 2012	26 November 2013 to 25 November 2016	HK\$2.27 per Share	13,333,360	–	(4,400,000)	–	8,933,360
Employees in aggregate	7 November 2012	26 November 2013 to 25 November 2015	HK\$2.27 per Share	18,960,844 ⁽³⁾	–	(7,763,760)	(620,013) ⁽⁴⁾	10,577,071 ⁽⁵⁾
				99,372,928	–	(21,101,068)	(13,820,039)	64,451,821

Notes:

- (1) Respective details of the share options exercisable by the respective Grantees are set out on page 38 of this annual report.
- (2) Certain conditions set out in the Pre-IPO Share Option Scheme were not fulfilled, therefore, 13,200,026 share options granted to Mr. Lee were forfeited.
- (3) As at 1 April 2013, 183 employees were Grantees under the Pre-IPO Share Option Scheme.
- (4) During the year ended 31 March 2014, five Grantees ceased to be employed by the Group and accordingly the share options granted to these employees, which amounted to a total of 620,013 share options, were forfeited.
- (5) As at 31 March 2014, there were 178 employees who were Grantees under the Pre-IPO Share Option Scheme.

Report of Directors

SHARE OPTION SCHEMES *(Continued)*

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 5 November 2012 for the purpose of giving certain Eligible Persons (as defined below) an opportunity to have a personal stake in the Company and motivating them to optimise their future performance and efficiency to the Group and/or rewarding them for their past contributions, and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. “**Eligible Persons**” refer to (i) any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“**Affiliate**”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 133,333,400 Shares, representing approximately 9.49% of the Company’s issued share capital as at the date of this annual report. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to any one person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised in general. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion. Participants of the Share Option Scheme are required to pay HK\$1 and submit to the Company a duly signed offer letter as the consideration for the grant. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of the Share on the date of grant of the relevant option;
- (b) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the relevant option; and
- (c) the average closing price of a Share as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date grant of the relevant option.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to the termination of the Share Option Scheme and not then exercised shall continue to valid and exercisable subject to and in accordance with the Share Option Scheme.

Report of Directors

SHARE OPTION SCHEMES *(Continued)*

SHARE OPTION SCHEME *(Continued)*

During the year ended 31 March 2014, no options were granted by the Board under the Share Option Scheme.

Further details of the Pre-IPO Share Option Scheme and the Share Option Scheme are set out in note 29 to the financial statements.

DIRECTORS

The Directors who held office during the year ended 31 March 2014 and up to the date of this annual report are:

Executive Directors (all appointed with effect from 29 May 2012):

Mr. Lee Yuen Hong (*Chairman*)
Mr. Ho Ting Chi
Mr. Cheung Yu To
Mr. Cheung Wai Keung
Mr. Cheung Yue Pui

Independent non-executive Directors (all appointed with effect from 5 November 2012):

Mr. Goh Choo Hwee
Mr. Wong Chi Kin
Mr. Yim Kwok Man

Pursuant to Article 84(1) of the Articles of Association, one-third of the Directors will retire by rotation at each annual general meeting of the Company. In addition, Code Provision A.4.2 of the CG Code also stipulates that each Director shall retire from office by rotation at least once every three years.

Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Wong Chi Kin will retire by rotation and be eligible to offer themselves for re-election at the forthcoming AGM to be held on 15 August 2014.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 18 to 22 of this annual report.

Report of Directors

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2014, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

INTEREST IN THE SHARES OF THE COMPANY

Name of Director	Nature of interest	Number of Shares	Number of Shares subject to options granted under Pre-IPO Share Option Scheme	Total	Approximate percentage of shareholding ⁽³⁾
Mr. Lee Yuen Hong ⁽¹⁾	Beneficial interest, interests held jointly with another person; interest in a controlled corporation	871,956,000 (L)	26,800,054 ⁽²⁾	898,756,054	63.99%
Mr. Ho Ting Chi ⁽¹⁾	Interests held jointly with another person; interest in a controlled corporation	871,956,000 (L)	–	898,756,054 ⁽²⁾	63.99%
Mr. Cheung Yue Pui ⁽¹⁾	Interests held jointly with another person; interest in a controlled corporation	871,956,000 (L)	–	898,756,054 ⁽²⁾	63.99%
Mr. Cheung Yu To ⁽¹⁾	Interests held jointly with another person; interest in a controlled corporation	871,956,000 (L)	–	898,756,054 ⁽²⁾	63.99%
Mr. Cheung Wai Keung ⁽¹⁾	Interests held jointly with another person; interest in a controlled corporation	871,956,000 (L)	–	898,756,054 ⁽²⁾	63.99%

Report of Directors

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

INTEREST IN THE SHARES OF THE COMPANY (Continued)

Name of chief executives	Nature of interest	Number of Shares	Number of Shares subject to options granted under Pre-IPO Share Option Scheme	Total	Approximate percentage of shareholding ⁽³⁾
Mr. Lock Kwok On Anthony	Beneficial interests and interest in controlled corporation	18,800,000 (L)	17,866,720	36,666,720	2.61%

(L) denotes long position

Notes:

- Pursuant to a deed of confirmation dated 5 November 2012 (the "**Deed of Confirmation**"), Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Each of Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung shall exercise their respective voting rights in the Company in the same way. Hence, each of Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- 898,756,054 Shares consist of 871,956,000 Shares and 26,800,054 share options. The 26,800,054 share options were granted under the Pre-IPO Share Option Scheme to Mr. Lee Yuen Hong personally, but pursuant to the Deed of Confirmation, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung are deemed to be interested in such share options by virtue of the SFO.
- These percentages are calculated on the basis of 1,404,435,068 Shares in issue as at 31 March 2014.

On 20 January 2014, our controlling Shareholders (as defined in the Listing Rules), namely i) Cui Fa Limited, a company that is jointly owned by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To; ii) Ample Favour Limited, which is wholly owned by Mr. Cheung Wai Keung; and iii) Victor Leap Limited, which is wholly owned by Mr. Cheung Yue Pui, had sold an aggregate of 66,000,000 Shares to independent third parties.

On 20 January 2014, Macca Investment Limited, which in turn is controlled by Mr. Lock Kwok On Anthony, had sold an aggregate of 50,000,000 Shares to independent third parties.

During the year ended 31 March 2014, Mr. Lock Kwok On Anthony, had exercised 8,800,000 options granted under the Pre-IPO Share Option Scheme on 23 January 2014.

Save as disclosed above, there was no other movement in Directors' and Chief Executive's interests in Shares and underlying shares.

Report of Directors

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

INTEREST IN THE SHARES OF THE COMPANY *(Continued)*

Save as disclosed above, as at 31 March 2014, none of the Directors and chief executives of the Company or their respective associates had any interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 March 2014 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2014, so far as is known to the Directors or chief executives of the Company, the following persons other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying Shares which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of shareholding ⁽⁷⁾
Ms. Chan Choi Fung ⁽¹⁾	Interest of a spouse	898,756,054 (L)	63.99%
Ms. Tai Ngan Har Talia ⁽²⁾	Interest of a spouse	898,756,054 (L)	63.99%
Ms. Lam Hiu Man ⁽³⁾	Interest of a spouse	898,756,054 (L)	63.99%
Ms. Woo Chun Li ⁽⁴⁾	Interest of a spouse	898,756,054 (L)	63.99%
Ms. Lui Ning ⁽⁵⁾	Interest of a spouse	898,756,054 (L)	63.99%
Cui Fa Limited ⁽⁶⁾	Beneficial owner	763,092,000 (L)	54.33%
Yong Rong Global Excellence Fund	Beneficial owner	84,770,000 (L)	6.03%

(L) denotes long position

Report of Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

Notes:

- (1) Ms. Chan Choi Fung is the spouse of Mr. Lee Yuen Hong. Under the SFO, Ms. Chan Choi Fung is taken to be interested in the same number of Shares in which Mr. Lee Yuen Hong is interested.
- (2) Ms. Tai Ngan Har Talia is the spouse of Mr. Ho Ting Chi. Under the SFO, Ms. Tai Ngan Har Talia is taken to be interested in the same number of Shares in which Mr. Ho Ting Chi is interested.
- (3) Ms. Lam Hiu Man is the spouse of Mr. Cheung Yue Pui. Under the SFO, Ms. Lam Hiu Man is taken to be interested in the same number of Shares in which Mr. Cheung Yue Pui is interested.
- (4) Ms. Woo Chun Li is the spouse of Mr. Cheung Wai Keung. Under the SFO, Ms. Woo Chun Li is taken to be interested in the same number of Shares in which Mr. Cheung Wai Keung is interested.
- (5) Ms. Lui Ning is the spouse of Mr. Cheung Yu To. Under the SFO, Ms. Lui Ning is taken to be interested in the same number of Shares in which Mr. Cheung Yu To is interested.
- (6) As at 31 March 2014, Cui Fa Limited was held as to approximately 48.19%, 37.35% and 14.46% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively.
- (7) These percentages are calculated on the basis of 1,404,435,000 Shares in issue as at 31 March 2014.

Save as disclosed herein, as at 31 March 2014, there was no other person so far known to the Directors or chief executives of the Company, other than a Director or chief executive of the Company as having an interest or a short position in the Shares and underlying Shares which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed on pages 47 to 50 of this annual report and note 36 to the financial statements, there were no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or associates was a party and in which any Director or controlling Shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company on 5 November 2012 for a term of three years commencing from 5 November 2012, and such service agreements may be terminated in accordance with the terms of the service agreements.

Each of independent non-executive Directors was appointed to the Board pursuant to their respective letters of appointment dated 5 November 2012, for an initial term of three years commencing from the Listing Date, and such appointment may be terminated in accordance with the terms of the letters of appointment.

No Director proposed for re-election at the forthcoming AGM of the Company has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Report of Directors

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person engaged in the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' REMUNERATION

The Remuneration Committee makes recommendations to the Board on the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. Details of the Directors' remuneration are set out in note 8 to the financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of Cayman Islands which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2014, the aggregate sales attributable to the Group's five largest customers were under 30%. The aggregate purchases attributable to the Group's five largest suppliers during the year were also under 30%.

None of the Directors, their associates or any Shareholders of the Company, which to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital, has any interests in the share capital of any of the above five largest customers or suppliers of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained sufficient prescribed public float of the issued Shares as required under the Listing Rules.

DEED OF NON-COMPETITION

Each of the controlling Shareholders has confirmed to the Company of his/its compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 7 November 2012. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the controlling Shareholders and duly enforced since the Listing Date and up to the date of this annual report.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in note 3.1 to the financial statements.

EVENT AFTER THE REPORTING PERIOD

Details of event occurring after the reporting period of the Group are set out in note 40 to the financial statements.

Report of Directors

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

(A) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS

Property lease agreements

Des Voeux Road Central Tsui Wah Restaurant

Pursuant to a lease entered into between Joy Express Limited and Tsui Wah Catering Limited, an indirect wholly-owned subsidiary of the Company, on 5 November 2012 (the "**Des Voeux Road Lease Agreement**"), Tsui Wah Catering Limited agreed to lease from Joy Express Limited the premises of a total saleable floor area of approximately 502.7 sq.m. located at G/F. and the basement, Cheong K Building, 84-86 Des Voeux Road Central, Central, Hong Kong (the "**Des Voeux Road Premises**") at an annual rent of HK\$9,600,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$11.6 million for the year ended 31 March 2015. The term of the lease granted under the Des Voeux Road Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Des Voeux Road Premises has been used by Tsui Wah Catering Limited as a restaurant.

Joy Express Limited is principally engaged in the business of property investment. It is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Chueng Yue Pui and Mr. Cheung Wai Keung, respectively, all of whom are the Directors, and Joy Express Limited is therefore an associate of a connected person of the Company under the Listing Rules.

The annual cap for the rent payable by Tsui Wah Catering Limited to Joy Express Limited for the Des Voeux Road Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$9,600,000, HK\$9,600,000 and HK\$11,600,000, respectively.

During the year ended 31 March 2014, the aggregate rent paid by Tsui Wah Catering Limited to Joy Express Limited was HK\$9,600,000.

Aberdeen Tsui Wah Restaurant

Pursuant to a lease entered into between Champion Stage Limited and Royal Gold International Limited, an indirect wholly-owned subsidiary of the Company, on 5 November 2012 (the "**Aberdeen Lease Agreement**"), Royal Gold International Limited agreed to lease from Champion Stage Limited the premises of a total saleable floor area of approximately 344.76 sq.m. located at Shops 1, 2, 3 and 10 on Lower Ground Floor, Comfort Centre, No. 108 Old Main Street Aberdeen, No. 18, Yue Fai Road, Hong Kong (the "**Aberdeen Premises**") at an annual rent of HK\$1,572,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$1,900,000 for the year ended 31 March 2015. The term of the lease granted under the Aberdeen Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Aberdeen Premises has been used by Royal Gold International Limited as a restaurant.

Champion Stage Limited is owned as to 50%, 37.5% and 12.5% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively, all of whom are the Directors, and it is therefore an associate of a connected person of the Company under the Listing Rules.

The annual cap for the rent payable by Royal Gold International Limited to Champion Stage Limited for the Aberdeen Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$1,572,000, HK\$1,572,000 and HK\$1,900,000, respectively.

During the year ended 31 March 2014, the aggregate rent paid by Royal Gold International Limited to Champion Stage Limited was HK\$1,572,000.

Report of Directors

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

(Continued)

(A) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS (Continued)

Property lease agreements (Continued)

Central Kitchen

Pursuant to a lease entered into between Fame City International Limited and Dragonsea Limited, an indirect wholly-owned subsidiary of the Company, on 5 November 2012 (the "**Central Kitchen Lease Agreement**"), Dragonsea Limited agreed to lease from Fame City International Limited the premises of a total saleable floor area of approximately 1,133.87 sq.m. located at Units A-C, 4/F, Southeast Industrial Building, No. 611-619 Castle Peak Road, Tsuen Wan, Hong Kong (the "**Central Kitchen Premises**") at an annual rent of HK\$658,800 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$800,000 for the year ended 31 March 2015. The term of the lease granted under the Central Kitchen Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Central Kitchen Premises has been used by Dragonsea Limited as the central kitchen.

Fame City International Limited is owned as to 20%, 20%, 20%, 20% and 20% by Mr. Lee Yuen Hong, Mr. Cheung Yu To, Mr. Cheung Wai Keung, Mr. Cheung Yue Pui and Mr. Ho Ting Chi, respectively, all of whom are the Directors, and it is therefore an associate of a connected person of the Company under the Listing Rules.

The annual cap for the rent payable by Dragonsea Limited to Fame City International Limited for the Central Kitchen Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$658,800, HK\$658,800 and HK\$800,000, respectively.

During the year ended 31 March 2014, the aggregate rent paid by Dragonsea Limited to Fame City International Limited was HK\$658,800.

Hung To Road Tsui Wah Restaurant and Catering Services Centre

Pursuant to a lease entered into between Success Path Limited and Richberg Development Limited, an indirect wholly-owned subsidiary of the Company, on 5 November 2012 (the "**Hung To Road Restaurant and Catering Services Centre Lease Agreement**"), Richberg Development Limited agreed to lease from Success Path Limited the premises of a total saleable floor area of approximately 834.73 sq.m. located at G/F, 1/F and 2/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong (the "**Hung To Road Premises**") at an annual rent of HK\$2,580,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$3,100,000 for the year ended 31 March 2015. The term of the lease granted under the Hung To Road Restaurant and Catering Services Centre Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Hung To Road Premises has been used by Richberg Development Limited as a restaurant and catering service centre.

Success Path Limited is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively, all of whom are the Directors, and it is therefore an associate of a connected person of the Company under the Listing Rules.

The annual cap for the rent payable by Richberg Development Limited to Success Path Limited for the Hung To Road Premises for the three years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$2,580,000, HK\$2,580,000 and HK\$3,100,000, respectively.

Report of Directors

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

(Continued)

(A) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS (Continued)

Property lease agreements (Continued)

Hung To Road Tsui Wah Restaurant and Catering Services Centre (Continued)

During the year ended 31 March 2014, the aggregate rent paid by Richberg Development Limited to Success Path Limited was HK\$2,580,000.

Office

Pursuant to a lease entered into between Success Path Limited and Tsui Wah Efford Management Limited, an indirect wholly-owned subsidiary of the Company, on 5 November 2012 (the "**Office Lease Agreement**"), Tsui Wah Efford Management Limited agreed to lease from Success Path Limited the premises of a total saleable floor area of approximately 875.98 sq.m. located at 3/F, 5/F and 6/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong (the "**Office Premises**") at an annual rent of HK\$1,140,000 for each of the years ending 31 March 2013 and 31 March 2014 and HK\$1,500,000 for the year ended 31 March 2015. The term of the lease granted under the Office Lease Agreement is valid from 5 November 2012 to 31 March 2015. The Office Premises has been used by Tsui Wah Efford Management Limited as an office.

The annual cap for the rent payable by Tsui Wah Efford Management Limited to Success Path Limited for the Office Premises for the years ending 31 March 2013, 31 March 2014 and 31 March 2015 were HK\$1,140,000, HK\$1,140,000 and HK\$1,500,000, respectively.

During the year ended 31 March 2014, the aggregate rent paid by Tsui Wah Efford Management Limited to Success Path Limited was HK\$1,140,000.

Confirmations from the independent non-executive Directors and auditors of the Company

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions for the year ended 31 March 2014 and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The Auditors have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the Auditors' letter has been provided by the Company to the Stock Exchange.

Report of Directors

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

(Continued)

(A) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS (Continued)

Confirmations from the Company

The Company has conducted a review of its continuing connected transactions and confirmed that all such transactions has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

(B) RELATED PARTY TRANSACTIONS

Details of significant related party transactions undertaken in the normal course of business of the Group are provided under note 36 to the financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those described above in the paragraphs headed “(A) Non-exempt Continuing Connected Transactions subject to Reporting and Announcement Requirements”, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on 26 November 2012 on the Main Board of the Stock Exchange. The total net proceeds from the Listing which involved the issue of 383,334,000 ordinary Shares of HK\$0.01 each of the Company amounted to approximately HK\$794.4 million. During the year ended 31 March 2014, the net proceeds from the Listing were utilised in accordance with the proposed applications set out in the section headed “**Future Plans and Use of Proceeds**” in the prospectus of the Company dated 14 November 2012. The balance of fund would be utilised according to the use as disclosed in the prospectus. Details of the use of net proceeds are set out on page 13 of this annual report. The Group held the unutilised net proceeds in short-term deposits with licensed institutions in Hong Kong.

DONATIONS

During the year ended 31 March 2014, charitable donations of HK\$72,880 were made by the Group (31 March 2013: HK\$1,182,134).

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. It is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors, and any issues regarding the resignation or dismissal of that auditors; monitoring the integrity of financial statements, annual reports and accounts, interim reports and quarterly reports (if prepared for publication), and reviewing material financial reporting judgments therein; and reviewing the systems of financing control, internal control and risk management.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters, including review of the audited financial statements of the Group for the year ended 31 March 2014. The financial statements for the year ended 31 March 2014 have been audited by the Company’s external auditors, Ernst & Young.

Report of Directors

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 23 to 35 of this annual report.

AUDITORS

Ernst & Young, the auditors of the Company, will retire at the conclusion of the forthcoming annual general meeting of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to be held on 15 August 2014 to seek Shareholders' approval on the appointment of Ernst & Young as the Company's auditors until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

By order of the Board

Lee Yuen Hong

Chairman

Hong Kong, 26 June 2014

Independent Auditors' Report



To the shareholders of Tsui Wah Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Tsui Wah Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 54 to 119, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report (continued)

To the shareholders of Tsui Wah Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

22/F, CITIC Tower

1 Tim Mei Avenue

Central, Hong Kong

26 June 2014

Consolidated Statement of Profit or Loss

Year ended 31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
REVENUE	5	1,473,691	1,084,415
Other income and gains		12,778	5,804
Cost of inventories sold		(452,982)	(331,973)
Staff costs		(395,241)	(286,732)
Depreciation and amortisation		(66,548)	(40,851)
Property rentals and related expenses		(209,777)	(152,944)
Fuel and utility expenses		(66,423)	(49,749)
Advertising and marketing expenses		(6,341)	(5,842)
Other operating expenses		(123,313)	(80,430)
Finance costs	6	(206)	(111)
Equity-settled share option expense	29	(12,961)	(5,422)
Share of profits of joint ventures	17	37,127	21,964
PROFIT BEFORE TAX	7	189,804	158,129
Income tax expense	10	(33,761)	(26,832)
PROFIT FOR THE YEAR		156,043	131,297
Attributable to:			
Owners of the Company	11	156,031	129,598
Non-controlling interests		12	1,699
		156,043	131,297
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	13		
Basic		HK11.23 cents	HK11.48 cents
Diluted		HK10.85 cents	HK11.35 cents

Details of the dividends payable and proposed for the year are disclosed in note 12 to the financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 March 2014

	2014 HK\$'000	2013 HK\$'000
PROFIT FOR THE YEAR	156,043	131,297
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent period:		
Exchange differences on translation of foreign operations	(8,041)	1,689
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	148,002	132,986
Attributable to:		
Owners of the Company	147,990	131,287
Non-controlling interests	12	1,699
	148,002	132,986

Consolidated Statement of Financial Position

31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	515,024	147,941
Prepaid land lease payments	15	16,118	–
Investments in joint ventures	17	41,898	31,837
Prepayments for purchase of property, plant and equipment		106,802	3,196
Non-current rental deposits	20	43,828	31,413
Deferred tax assets	27	11,995	7,578
Total non-current assets		735,665	221,965
CURRENT ASSETS			
Inventories	18	19,967	13,043
Trade receivables	19	7,125	5,223
Prepayments, deposits and other receivables	20	49,707	32,978
Pledged time deposit	22	1,802	1,025
Pledged time deposit with original maturity of more than three months	22	441	438
Cash and cash equivalents	22	634,551	916,908
Total current assets		713,593	969,615
CURRENT LIABILITIES			
Trade payables	23	69,811	55,222
Other payables and accruals	24	128,070	87,738
Interest-bearing bank borrowings	25	86,809	–
Finance lease payables	26	411	411
Tax payable		14,192	9,681
Total current liabilities		299,293	153,052
NET CURRENT ASSETS		414,300	816,563
TOTAL ASSETS LESS CURRENT LIABILITIES		1,149,965	1,038,528
NON-CURRENT LIABILITIES			
Finance lease payables	26	552	913
Deferred tax liabilities	27	399	398
Total non-current liabilities		951	1,311
Net assets		1,149,014	1,037,217

Consolidated Statement of Financial Position (continued)

31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
EQUITY			
Equity attributable to owners of the Company			
Issued capital	28	14,044	13,833
Reserves	30(a)	1,134,873	1,023,299
		1,148,917	1,037,132
Non-controlling interests			
		97	85
Total equity		1,149,014	1,037,217

Lee Yuen Hong
Director

Ho Ting Chi
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2014

Notes	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000	
	Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Statutory reserve HK\$'000 (Note 30(a)(ii))	Merger reserve HK\$'000 (Note 30(a)(i))	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000			
At 1 April 2012	-	-	-	2,893	(25,204)	335	280,608	258,632	22,156	280,788	
Profit for the year	-	-	-	-	-	-	129,598	129,598	1,699	131,297	
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations	-	-	-	-	-	1,689	-	1,689	-	1,689	
Total comprehensive income for the year	-	-	-	-	-	1,689	129,598	131,287	1,699	132,986	
Acquisition of non-controlling interests	-	-	-	-	(161)	-	-	(161)	(4,839)	(5,000)	
Acquisition of non-controlling interests upon the completion of Reorganisation	-	-	-	-	17,532	-	-	17,532	(17,532)	-	
Acquisition of non-controlling interests by deemed capital contribution from the Controlling Shareholders	30(a)(iv)	-	-	-	1,399	-	-	1,399	(1,399)	-	
Interim dividends	12	-	-	-	-	-	(117,856)	(117,856)	-	(117,856)	
Special dividend	12	-	-	-	-	-	(53,474)	(53,474)	-	(53,474)	
Issue of shares to the then equity holders	28	2,000	-	-	-	-	-	2,000	-	2,000	
Capitalisation issue of shares	28	8,000	(8,000)	-	-	-	-	-	-	-	
Issuance of new shares	28	3,833	866,335	-	-	-	-	870,168	-	870,168	
Share issue expenses	-	-	(75,817)	-	-	-	-	(75,817)	-	(75,817)	
Considerations paid by the Company in respect of acquisition of Kang Wang and Cui Xin	-	-	-	-	(2,000)	-	-	(2,000)	-	(2,000)	
Equity-settled share option arrangements	29	-	-	5,422	-	-	-	5,422	-	5,422	
Transfer to statutory reserve	-	-	-	2,865	-	-	(2,865)	-	-	-	
At 31 March 2013		13,833	782,518*	5,422*	5,758*	(8,434)*	2,024*	236,011*	1,037,132	85	1,037,217

Notes	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000	
	Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Statutory reserve HK\$'000 (Note 30(a)(ii))	Merger reserve HK\$'000 (Note 30(a)(i))	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000			
At 1 April 2013	13,833	782,518*	5,422*	5,758*	(8,434)*	2,024*	236,011*	1,037,132	85	1,037,217	
Profit for the year	-	-	-	-	-	-	156,031	156,031	12	156,043	
Other comprehensive loss for the year:											
Exchange differences on translation of foreign operations	-	-	-	-	-	(8,041)	-	(8,041)	-	(8,041)	
Total comprehensive income for the year	-	-	-	-	-	(8,041)	156,031	147,990	12	148,002	
2013 final dividend	12	-	-	-	-	-	(69,167)	(69,167)	-	(69,167)	
2014 interim dividend	12	-	-	-	-	-	(27,898)	(27,898)	-	(27,898)	
Issuance of new shares	28	211	53,198	(5,510)	-	-	-	47,899	-	47,899	
Equity-settled share option arrangements	29	-	-	12,961	-	-	-	12,961	-	12,961	
Transfer to statutory reserve	-	-	-	2,531	-	-	(2,531)	-	-	-	
At 31 March 2014		14,044	835,716*	12,873*	8,289*	(8,434)*	(6,017)*	292,446*	1,148,917	97	1,149,014

* These reserve accounts comprise the consolidated reserves of HK\$1,134,873,000 (2013: HK\$1,023,299,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		189,804	158,129
Adjustments for:			
Interest income	7	(7,618)	(1,428)
Share of profits of joint ventures		(37,127)	(21,964)
Depreciation	7	66,433	40,851
Amortisation of land lease payment	7	115	–
Write-off of items of property, plant and equipment	7	26	374
Finance costs	6	206	111
Equity-settled share option expense	29	12,961	5,422
		224,800	181,495
Increase in inventories		(6,924)	(3,659)
Increase in trade receivables		(1,902)	(2,259)
Increase in prepayments, deposits and other receivables		(21,968)	(11,594)
Decrease in amounts due to related companies		–	(3,275)
Increase in trade payables		14,589	16,299
Increase in other payables and accruals		40,332	37,888
Cash generated from operations		248,927	214,895
Interest received		7,618	1,428
Interest paid		(206)	(111)
Hong Kong profits tax paid		(23,874)	(25,550)
PRC tax paid		(9,792)	(7,451)
Net cash flows from operating activities		222,673	183,211
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(432,774)	(100,464)
Prepaid land lease payment		(16,619)	–
Increase in prepayments for purchase of items of property, plant and equipment		(106,802)	(3,196)
Decrease in amounts due from related companies		–	10,612
Repayment of loans from joint ventures		152	7,594
Dividend received from joint ventures		20,125	–
Increase in amounts due from directors		–	(1,482)
Increase in pledged time deposit		(777)	(1,025)
Increase in pledged time deposit with original maturity of more than three months		(3)	(438)
Net cash flows used in investing activities		(536,698)	(88,399)

Consolidated Statement of Cash Flows (continued)

Year ended 31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in amounts due to related companies		-	(6,773)
Increase in amounts due to directors		-	68
New bank loan		86,809	38,000
Repayment of bank loans		-	(38,000)
Capital element of finance lease rental payments		(361)	(350)
Acquisition of non-controlling interests		-	(5,000)
Dividends paid to the Controlling Shareholders		-	(53,474)
Dividends paid		(97,065)	-
Proceeds from issue of shares	28	47,899	870,168
Share issue expenses		-	(75,817)
Net cash flows from financing activities		37,282	728,822
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(276,743)	823,634
Cash and cash equivalents at beginning of year		916,908	92,082
Effect of foreign exchange rate changes, net		(5,614)	1,192
CASH AND CASH EQUIVALENTS AT END OF YEAR		634,551	916,908
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	435,239	406,830
Non-pledged time deposits with original maturity of less than three months when acquired	22	199,312	510,078
Cash and cash equivalents as stated in the consolidated statement of financial position		634,551	916,908

Statement of Financial Position

31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	16	1,202,754	1,202,754
CURRENT ASSETS			
Prepayments, deposits and other receivables	20	728	439
Due from subsidiaries	16	578,420	30,700
Dividend receivable from a subsidiary		–	43,430
Cash and cash equivalents	22	321,788	758,150
Total current assets		900,936	832,719
CURRENT LIABILITIES			
Accruals	24	2,306	2,150
Due to subsidiaries	16	37,142	36,804
Total current liabilities		39,448	38,954
NET CURRENT ASSETS		861,488	793,765
NET ASSETS		2,064,242	1,996,519
EQUITY			
Issued capital	28	14,044	13,833
Reserves	30(b)	2,050,198	1,982,686
Total equity		2,064,242	1,996,519

Lee Yuen Hong
Director

Ho Ting Chi
Director

Notes to Financial Statements

31 March 2014

1.1 CORPORATE INFORMATION AND GROUP REORGANISATION

The Company was incorporated in the Cayman Islands on 29 May 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 November 2012 (the "Listing Date").

On 29 May 2012, the Company was incorporated with authorised share capital of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each and 1 share of HK\$0.01 was issued and allotted to Codan Trust Company (Cayman) Limited and further transferred to Cui Fa Limited. To rationalise the corporate structure in preparation for the listing of its shares on the Stock Exchange (the "Listing"), the Company underwent a group reorganisation (the "Reorganisation"), further details of which are set out in the Company's prospectus dated 14 November 2012.

Upon the completion of the Reorganisation on 30 June 2012, the Company became the holding company of the companies then comprising the Group.

During the year ended 31 March 2014, Tsui Wah Holdings Limited and its subsidiaries (together, the "Group") is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants in Hong Kong and the People's Republic of China (the "PRC" or "Mainland China").

1.2 BASIS OF PRESENTATION

Pursuant to the Reorganisation, the Company became the holding company of the companies then comprising the Group on 30 June 2012. Since the Company and the companies then comprising the Group were under common control of the controlling shareholders of the Company (the "Controlling Shareholders") both before and after the completion of the Reorganisation, the Reorganisation was accounted for using merger method of accounting.

The consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 31 March 2013 include the results and cash flows of all companies then comprising the Group from the earliest date presented or since the date when the subsidiaries first came under the common control of the Controlling Shareholders, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 March 2013 and 2012 have been prepared to present the assets and liabilities of the Group using the existing carrying values from the Controlling Shareholders' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation. Equity interests in subsidiaries held by parties other than the Controlling Shareholders prior to the Reorganisation are presented as non-controlling interests in equity in applying the merger method of accounting.

In the opinion of the directors of the Company, the consolidated financial statements in respect of the year ended 31 March 2013 prepared on the above basis present more fairly the results and the state of affairs of the Group as a whole.

Notes to Financial Statements

31 March 2014

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. As explained in note 1.2 above, the acquisition of subsidiaries under common control has been accounted for using the merger method of accounting.

The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party. The net assets of the combining entities or businesses are combined using the existing book value. No amount is recognised in respect of goodwill or the excess of the acquirers’ interest in the net fair value of acquirees’ identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to Financial Statements

31 March 2014

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities Consolidated Financial Statements</i>
HKFRS 10	<i>Joint Arrangements</i>
HKFRS 11	<i>Disclosure of Interests in Other Entities</i>
HKFRS 12	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — <i>Transition Guidance</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	<i>Fair Value Measurement</i>
HKFRS 13	Amendments to HKAS 1 <i>Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income</i>
HKAS 1 Amendments	<i>Employee Benefits</i>
HKAS 19 (2011)	<i>Separate Financial Statements</i>
HKAS 27 (2011)	<i>Investments in Associates and Joint Ventures</i>
HKAS 28 (2011)	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
HK(IFRIC)-Int 20	Amendments to a number of HKFRSs issued in June 2012
<i>Annual Improvements 2009–2011 Cycle</i>	

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, amendments to HKFRS 10, HKFRS 11 and HKFRS 12 and HKAS 1, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

- (a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 April 2013.

Notes to Financial Statements

31 March 2014

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

- (b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11, and concluded that the Group's investments in Pak Tat Catering Management Company Limited and Famous Star Investment Limited, which were previously classified as jointly-controlled entities under HKAS 31 should be classified as joint ventures under HKFRS 11 and be accounted for using the equity method.

- (c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities. Details of the disclosures for joint ventures are included in note 17 to the financial statements.
- (d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.
- (e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. Additional disclosures required by HKFRS 13 for the fair value measurements of financial instruments are included in note 38 to the financial statements.

Notes to Financial Statements

31 March 2014

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

- (f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income (“OCI”). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title “statement of profit or loss” as introduced by the amendments in these financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	<i>Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39</i> ⁴
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i> ¹
HKFRS 11 Amendments	Amendments to HKFRS 11 — <i>Accounting for Acquisitions of Interests in Joint Operations</i> ³
HKFRS 14	<i>Regulatory Deferral Accounts</i> ³
HKAS 16 and HKAS 38 Amendments	Amendments to HKAS 16 and HKAS 38 — <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ³
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits</i> — <i>Defined Benefit Plans: Employee Contributions</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> — <i>Offsetting Financial Assets and Financial Liabilities</i> ¹
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets</i> — <i>Recoverable Amount Disclosures for Non-Financial Assets</i> ¹
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> — <i>Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
HK(IFRIC)-Int 21	<i>Levies</i> ¹
<i>Annual Improvements 2010–2012 Cycle</i>	Amendments to a number of HKFRSs issued in January 2014 ²
<i>Annual Improvements 2011–2013 Cycle</i>	Amendments to a number of HKFRSs issued in January 2014 ²

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 January 2016

⁴ No mandatory effective date yet determined but is available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group’s results of operations and financial position.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SUBSIDIARIES

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

INVESTMENTS IN JOINT VENTURES

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's investments in the joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of joint ventures is included as part of the Group's investments in joint ventures.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

INVESTMENTS IN JOINT VENTURES *(Continued)*

If an investment in a joint venture becomes an investment in an associate or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land under finance leases	Over the lease terms
Buildings	2% to 3.3%
Leasehold improvements	Over the shorter of the lease terms and 20% to 30%
Furniture and fixtures	20% to 30%
Catering and other equipment	10% to 30%
Motor vehicles	25% to 30%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the year in which it arises.

LEASES

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and bank balances, trade receivables, other receivables and deposits, and amounts due from directors and related companies.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other operating expenses for receivables.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

DERECOGNITION OF FINANCIAL ASSETS *(Continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals, finance lease payables and amounts due to directors and related companies.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

INCOME TAX *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from restaurant operations, when catering services have been provided to the customers;
- (b) from the sale of food, when the products are sold to customers and the significant risks and rewards of ownership have been transferred to the buyer provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the food sold; and
- (c) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

SHARE-BASED PAYMENTS

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model, further details of which are given in note 29 to the financial statements.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

SHARE-BASED PAYMENTS *(Continued)*

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

OTHER EMPLOYEE BENEFITS

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its Hong Kong employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

DIVIDENDS

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

FOREIGN CURRENCIES

The financial statements are presented in HK\$, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. All differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and a joint venture are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Notes to Financial Statements

31 March 2014

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

FOREIGN CURRENCIES *(Continued)*

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.

3.2 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each reporting period based on changes in circumstances.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 March 2014 was HK\$31,800,000 (2013: HK\$12,638,000). Further details are contained in note 27 to the financial statements.

Notes to Financial Statements

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4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

GEOGRAPHICAL INFORMATION

The following tables present revenue from external customers for the year and certain non-current asset information as at 31 March 2014, by geographic area.

(a) Revenue from external customers

	2014 HK\$'000	2013 HK\$'000
Hong Kong	1,105,011	870,223
Mainland China	355,412	203,965
Macau*	13,268	10,227
	1,473,691	1,084,415

The revenue information above is based on the location of the customers.

As no revenue derived from sales to a single customer of the Group has individually accounted for over 10% of the Group's total revenue during the year, no information about major customers is presented.

* Revenue from external customers located in Macau represents revenue derived from the sale of food to a joint venture of the Group.

(b) Non-current assets

	2014 HK\$'000	2013 HK\$'000
Hong Kong	338,610	98,557
Mainland China	305,236	55,079
Macau	35,996	25,990
	679,842	179,626

The non-current asset information above is based on the location of the assets and excludes financial instruments and deferred tax assets.

Notes to Financial Statements

31 March 2014

5. REVENUE

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation of restaurants and the sale of food, net of sales related taxes. An analysis of revenue is as follows:

	2014 HK\$'000	2013 HK\$'000
Revenue		
Restaurant operations	1,448,292	1,063,503
Sale of food	25,399	20,912
	1,473,691	1,084,415

6. FINANCE COSTS

	Group 2014 HK\$'000	2013 HK\$'000
Interest on bank loans wholly repayable within five years	145	41
Interest on finance leases	61	70
	206	111

Notes to Financial Statements

31 March 2014

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2014 HK\$'000	2013 HK\$'000
Cost of inventories sold		452,982	331,973
Depreciation	14	66,433	40,851
Amortisation of land lease payments	15	115	–
Lease payments under operating leases in respect of land and buildings:			
Minimum lease payments		162,500	123,122
Contingent rents		28,049	20,238
		190,549	143,360
Employee benefit expenses (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		371,645	267,493
Equity-settled share option expense		4,877	1,792
Retirement benefit scheme contributions		13,643	10,474
		390,165	279,759
Auditors' remuneration		3,503	3,027
Write-off of items of property, plant and equipment	14	26	374
Foreign exchange differences, net		975	(737)
Bank interest income		(7,618)	(1,428)

Notes to Financial Statements

31 March 2014

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2014	2013
	HK\$'000	HK\$'000
Fees	540	225
Other emoluments:		
Salaries, allowances and benefits in kind	9,323	8,450
Equity-settled share option expenses	8,084	3,630
Retirement benefit scheme contributions	90	90
	18,037	12,395

During the prior year, a director and the chief executive were granted share options, in respect of their services to the Group, under the Pre-IPO share option scheme of the Company, further details of which are set out in note 29 to the financial statements. The fair value of these options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(A) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

	2014	2013
	HK\$'000	HK\$'000
Mr. Yim Kwok Man	180	75
Mr. Wong Chi Kin	180	75
Mr. Goh Choo Hwee	180	75
	540	225

There were no other emoluments payable to the independent non-executive directors during the year (2013: Nil).

Notes to Financial Statements

31 March 2014

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(B) EXECUTIVE DIRECTORS AND THE CHIEF EXECUTIVE

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Equity- settled share option expense HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Year ended 31 March 2014						
Executive directors:						
Mr. Lee Yuen Hong	-	1,440	120	4,049	15	5,624
Mr. Ho Ting Chi	-	1,440	120	-	15	1,575
Mr. Cheung Yu To	-	1,440	120	-	15	1,575
Mr. Cheung Wai Keung	-	1,440	120	-	15	1,575
Mr. Cheung Yue Pui	-	1,440	120	-	15	1,575
	-	7,200	600	4,049	75	11,924
Chief executive:						
Mr. Lock Kwok On Anthony	-	1,403	120	4,035	15	5,573
	-	8,603	720	8,084	90	17,497
Year ended 31 March 2013						
Executive directors:						
Mr. Lee Yuen Hong	-	1,590	-	2,280	15	3,885
Mr. Ho Ting Chi	-	1,590	-	-	15	1,605
Mr. Cheung Yu To	-	1,390	-	-	15	1,405
Mr. Cheung Wai Keung	-	1,590	-	-	15	1,605
Mr. Cheung Yue Pui	-	1,290	-	-	15	1,305
	-	7,450	-	2,280	75	9,805
Chief executive:						
Mr. Lock Kwok On Anthony	-	1,000	-	1,350	15	2,365
	-	8,450	-	3,630	90	12,170

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Notes to Financial Statements

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors and the chief executive (2013: three directors and the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two (2013: one) highest paid employees for the year who were neither a director nor chief executive of the Company, are as follow:

	2014 HK\$'000	2013 HK\$'000
Salaries, allowances and benefits in kind	2,942	1,115
Equity-settled share option expense	2,053	675
Retirement benefit scheme contributions	30	15
	5,025	1,805

The number of the non-director and non-chief executive, highest paid employees whose remuneration fell within the following band is as follows:

	2014	2013
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$3,000,001 to HK\$3,500,000	1	–
	2	1

During the prior year, share options were granted to the non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 29 to the financial statements. The fair value of these options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX EXPENSE

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% (2013: 16.5%) during the year. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the locations in which the Group operates.

Notes to Financial Statements

31 March 2014

10. INCOME TAX EXPENSE (Continued)

Pursuant to the Corporate Income Tax Law (the "New PRC Tax Law") of the PRC effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operating in Mainland China during the year was 25% (2013: 25%) on their taxable profits.

	2014 HK\$'000	2013 HK\$'000
Group:		
Current — Hong Kong		
Charge for the year	28,014	20,398
Overprovision in prior years	–	(736)
Current — Elsewhere		
Charge for the year	8,359	8,961
Underprovision in prior years	1,804	–
Deferred tax (note 27)	(4,416)	(1,791)
Total tax charge for the year	33,761	26,832

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the locations in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 March 2014					
	Hong Kong		The PRC		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Profit before tax	178,656		11,148		189,804	
Tax at the statutory tax rates	29,478	16.5	2,787	25.0	32,265	17.0
Adjustment in respect of current tax of previous periods	–	–	1,804	16.2	1,804	0.9
Income not subject to tax	(1,206)	(0.7)	–	–	(1,206)	(0.6)
Expenses not deductible for tax	2,439	1.3	589	5.3	3,028	1.6
Tax losses not recognised	1,541	0.9	2,455	22.0	3,996	2.1
Profits attributable to joint ventures	(6,126)	(3.4)	–	–	(6,126)	(3.2)
Tax charge at the Group's effective rates	26,126	14.6	7,635	68.5	33,761	17.8

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31 March 2014

10. INCOME TAX EXPENSE (Continued)

	Hong Kong		Year ended 31 March 2013 The PRC		Total	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Profit before tax	131,538		26,591		158,129	
Tax at the statutory tax rates	21,704	16.5	6,648	25.0	28,352	17.9
Adjustment in respect of current tax of previous periods	(736)	(0.6)	–	–	(736)	(0.5)
Income not subject to tax	(237)	(0.2)	(48)	(0.2)	(285)	(0.1)
Expenses not deductible for tax	2,012	1.5	–	–	2,012	1.3
Tax losses not recognised	1,113	0.8	–	–	1,113	0.7
Profits attributable to joint ventures	(3,624)	(2.7)	–	–	(3,624)	(2.3)
Tax charge at the Group's effective rates	20,232	15.3	6,600	24.8	26,832	17.0

The share of tax attributable to joint ventures amounting to HK\$5,221,000 (2013: HK\$3,724,000) for the year ended 31 March 2014, is included in "Share of profits of joint ventures" in the consolidated statement of profit or loss.

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 March 2014 includes a loss of HK\$9,473,000 (2013: HK\$6,008,000) which has been dealt with in the financial statements of the Company (note 30(b)).

12. DIVIDENDS

	2014 HK\$'000	2013 HK\$'000
Interim — HK2.0 cents (2013: Nil) per ordinary share	27,898	–
Final dividend proposed after the end of the reporting period — HK5.0 cents (2013: HK5.0 cents) per ordinary share	70,222	69,167
	98,120	69,167

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Notes to Financial Statements

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12. DIVIDENDS *(Continued)*

During the prior year, the Company's subsidiaries paid interim dividends of HK\$117,856,000 to the then shareholders. In October 2012, the Company declared a special dividend of HK\$53,474,000 to its then shareholders. Investors becoming shareholders of the Company after the listing of the Company on the Stock Exchange were not entitled to this special dividend.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount for the year ended 31 March 2014 is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$156,031,000 and the weighted average number of ordinary shares in issue of 1,388,815,299.

The calculation of the basic earnings per share amount for the year ended 31 March 2013 is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$129,598,000 and the weighted average number of ordinary shares in issue of 1,129,178,312, on the assumption that the Reorganisation and the capitalisation issue (note 28(d)) had been completed on 1 April 2012.

The calculation of diluted earnings per share amount for the year ended 31 March 2014 is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$156,031,000 (2013: HK\$129,598,000). The weighted average number of ordinary shares used in the calculation is the 1,388,815,299 (2013: 1,129,178,312) ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of 49,071,109 (2013: 12,311,073) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

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14. PROPERTY, PLANT AND EQUIPMENT GROUP

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Catering and other equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 March 2014							
At 31 March 2013 and 1 April 2013:							
Cost	1,427	147,632	29,204	89,591	4,234	5,370	277,458
Accumulated depreciation	(316)	(78,325)	(12,104)	(36,745)	(2,027)	-	(129,517)
Net carrying amount	1,111	69,307	17,100	52,846	2,207	5,370	147,941
At 1 April 2013, net of accumulated depreciation	1,111	69,307	17,100	52,846	2,207	5,370	147,941
Additions	258,367	60,814	11,240	42,058	1,069	62,422	435,970
Write-off	-	-	(1)	(25)	-	-	(26)
Depreciation provided during the year	(772)	(34,971)	(5,698)	(23,915)	(1,077)	-	(66,433)
Exchange realignment	(361)	(672)	(98)	(355)	(9)	(933)	(2,428)
Transfers	-	5,370	-	-	-	(5,370)	-
At 31 March 2014, net of accumulated depreciation	258,345	99,848	22,543	70,609	2,190	61,489	515,024
At 31 March 2014:							
Cost	259,430	213,035	40,282	131,067	5,291	61,489	710,594
Accumulated depreciation	(1,085)	(113,187)	(17,739)	(60,458)	(3,101)	-	(195,570)
Net carrying amount	258,345	99,848	22,543	70,609	2,190	61,489	515,024

Notes to Financial Statements

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14. PROPERTY, PLANT AND EQUIPMENT (Continued) GROUP (Continued)

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Catering and other equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 March 2013							
At 1 April 2012:							
Cost	1,427	95,379	13,726	50,050	2,207	13,577	176,366
Accumulated depreciation	(297)	(56,338)	(7,748)	(23,432)	(1,330)	–	(89,145)
Net carrying amount	1,130	39,041	5,978	26,618	877	13,577	87,221
At 1 April 2012, net of accumulated depreciation	1,130	39,041	5,978	26,618	877	13,577	87,221
Additions	–	44,169	12,977	37,142	2,060	5,363	101,711
Write-off	–	–	–	(337)	(37)	–	(374)
Depreciation provided during the year	(19)	(21,992)	(4,329)	(13,812)	(699)	–	(40,851)
Exchange realignment	–	9	33	10	6	176	234
Transfers	–	8,080	2,441	3,225	–	(13,746)	–
At 31 March 2013, net of accumulated depreciation	1,111	69,307	17,100	52,846	2,207	5,370	147,941
At 31 March 2013:							
Cost	1,427	147,632	29,204	89,591	4,234	5,370	277,458
Accumulated depreciation	(316)	(78,325)	(12,104)	(36,745)	(2,027)	–	(129,517)
Net carrying amount	1,111	69,307	17,100	52,846	2,207	5,370	147,941

The net carrying amount of the Group's property, plant and equipment held under finance leases included in the total amount of motor vehicles as at 31 March 2014 was HK\$637,000 (2013: HK\$1,211,000).

The Group's land and buildings included in property, plant and equipment with a net carrying amount of HK\$236,385,000 (2013: HK\$1,111,000) as at 31 March 2014 are situated in Hong Kong and are held under a medium term lease.

The Group's buildings included in property, plant and equipment with a net carrying amount of HK\$21,960,000 (2013: Nil) as at 31 March 2014 are situated in the PRC and are held under a medium term lease.

At 31 March 2014, certain of the Group's land and buildings with a net carrying amount of approximately HK\$235,294,000 (2013: Nil) were pledged to secure a mortgage granted to the Group (note 25).

Notes to Financial Statements

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15. PREPAID LAND LEASE PAYMENTS

	Group	
	2014	2013
	HK\$'000	HK\$'000
Carrying amount at beginning of year	–	–
Addition	16,619	–
Recognised during the year	(115)	–
Exchange realignment	1	–
Carrying amount at end of year	16,505	–
Current portion included in prepayments, deposits and other receivables	(387)	–
Non-current portion	16,118	–

The leasehold land is situated in Mainland China and is held under a medium term lease.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	2013
	HK\$'000	HK\$'000
Unlisted shares, at cost	1,202,754	1,202,754

The amounts due from and to subsidiaries included in the Company's current assets and current liabilities of HK\$578,420,000 (2013: HK\$30,700,000) and HK\$37,142,000 (2013: HK\$36,804,000), respectively, as at 31 March 2014 are unsecured, interest-free and repayable on demand.

Notes to Financial Statements

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16. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Nominal value of issued ordinary share capital/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Kang Wang Holdings Limited ("Kang Wang") [®] 康旺控股有限公司	British Virgin Islands ("BVI")/ Hong Kong	HK\$1,000,000	100	–	Investment holding
Cui Xin Holdings Limited ("Cui Xin") [®] 翠新控股有限公司	BVI/Hong Kong	HK\$1,000,000	100	–	Investment holding
Kenglory Limited [®] 維勤有限公司	Hong Kong	HK\$9,000	–	100	Restaurant operation
Happy Oasis Limited [®] 愉園有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Green Wave Limited [®] 綠波有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Tsui Wah Restaurant (Holding) Limited [®] 翠華餐廳(集團)有限公司	Hong Kong	HK\$9,400	–	100	Restaurant operation
Win Idea Investments Limited [®] 同合投資有限公司	Hong Kong	HK\$1,400,000	–	99.23	Restaurant operation
Senfield Limited [®] 誠發有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Billioncom (Hong Kong) Limited [®] 富澤(香港)有限公司	Hong Kong	HK\$100	–	100	Restaurant operation
Sky Oasis (HK) Limited [®] 天澤(香港)有限公司	Hong Kong	HK\$8	–	100	Restaurant operation
Royal Gold International Limited [®] 皇金國際有限公司	Hong Kong	HK\$8	–	100	Restaurant operation

Notes to Financial Statements

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16. INVESTMENTS IN SUBSIDIARIES (Continued)

Company name	Place of incorporation/ registration and business	Nominal value of issued ordinary share capital/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Tsui Wah Efford Management Limited® 翠華怡富管理有限公司	Hong Kong	HK\$10	–	100	Management service
Dragonsea Limited® 游龍有限公司	Hong Kong	HK\$10	–	100	Food factory
Tsui Wah Catering Limited® 翠華飲食有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Shanghai Cai Hua Restaurants Management Company Limited*#® 上海采華餐飲管理有限公司	the PRC	HK\$70,000,000	–	100	Restaurant operation
Shanghai Cui Sheng Restaurants Company Limited*#® 上海翠盛餐飲有限公司	the PRC	HK\$23,000,000	–	100	Restaurant operation
Golden York World Limited® 金旭滙有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
China Sure Limited® 確華有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Pioneer Ray Limited® 領熙有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Special Wise Limited® 特維有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Common Way Limited® 錦日有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Richberg Development Limited® 智庫發展有限公司	Hong Kong	HK\$10	–	100	Restaurant operation

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16. INVESTMENTS IN SUBSIDIARIES (Continued)

Company name	Place of incorporation/ registration/ and business	Nominal value of issued ordinary share capital/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Ever Million Rich Limited® 永萬富有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Famous China Enterprise Limited® 采華企業有限公司	Hong Kong	HK\$10	–	100	Owner of trademarks
Flying Gold Limited® 翔金有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Happy Billions Limited® 逸億有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Summer Rich Limited® 夏富有限公司	Hong Kong	HK\$10	–	100	Restaurant operation
Wuhan Cai Hua Restaurants Management Company Limited**#@ 武漢采華餐飲管理有限公司	the PRC	RMB2,000,000	–	100	Restaurant operation
Green Luck Limited® 祥翠有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
New Power Zone Limited® 新力天有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
New Top Star Limited® 新富星有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Green Treasure Limited® 樂翠有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation
Harmony Garden Limited® 和園有限公司	Hong Kong	HK\$10,000	–	100	Restaurant operation

Notes to Financial Statements

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16. INVESTMENTS IN SUBSIDIARIES (Continued)

Company name	Place of incorporation/ registration and business	Nominal value of issued ordinary share capital/paid-up registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Cai Sheng Restaurants Management Company Limited ^{**#@} 上海采盛餐飲管理有限公司	the PRC	RMB2,000,000	–	100	Restaurant operation
Shanghai Putong Cui Sheng Restaurants Company Limited ^{**#@} 上海浦東翠盛餐飲有限公司	the PRC	RMB2,000,000	–	100	Restaurant operation
Hangzhou Cui Sheng Restaurants Management Company Limited ^{**#@} 杭州翠盛餐飲管理有限公司	the PRC	RMB2,000,000	–	100	Restaurant operation
Guangzhou Cai Hua Restaurants Company Limited ^{*#@} 廣州采華餐飲有限公司	the PRC	RMB30,000,000	–	100	Restaurant operation
Shanghai He Fa Restaurants Company Limited ^{**#@} 上海合發餐飲有限公司	the PRC	RMB52,000,000	–	100	Food factory
Enrich Sources Limited [@] 彩沃有限公司	Hong Kong	HK\$10,000	–	100	Property holding
Corporate Winner Limited [@] 洲永有限公司	Hong Kong	HK\$10,000	–	100	Property holding

* Registered as wholly-foreign-owned enterprises under the laws of the PRC.

** Registered as limited liability company under the laws of the PRC.

The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as they do not register any official English names.

@ Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to Financial Statements

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17. INVESTMENTS IN JOINT VENTURES

	Group	
	2014	2013
	HK\$'000	HK\$'000
Share of net assets	41,898	31,685
Loans to joint ventures	–	152
	41,898	31,837

The loans to the joint ventures are unsecured, interest-free and have no fixed terms of repayment.

Amounts due from the joint ventures included in the Group's other receivables as at 31 March 2014 totalling HK\$435,000 (2013: HK\$256,000) are unsecured, interest-free and have no fixed terms of repayment.

Dividend receivable from the joint ventures included in the Group's other receivables as at 31 March 2014 totalling HK\$6,789,000 (2013: Nil) are unsecured, interest-free and have no fixed terms of repayment.

Amounts due to the joint ventures included in the Group's other payables as at 31 March 2014 totalling HK\$2,242,000 (2013: HK\$1,899,000) are unsecured, interest-free and have no fixed terms of repayment.

The Group's trade receivable balances with the joint ventures are disclosed in note 19 to the financial statements.

Particulars of the joint ventures are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Percentage of ownership interest	Principal activities
Famous Star Investment Limited ("Famous Star")* 星譽投資有限公司	Ordinary shares of HK\$1 each	Hong Kong	80	Restaurant operation
Pak Tat Catering Management Company Limited 百達餐飲管理有限公司	One "quota" of MOP17,500	Macau	70	Restaurant operation

The above investments in the joint ventures are indirectly held by the Company.

* As at 31 March 2014 and 2013, the Group has over 50% voting power in Famous Star's board of directors. Notwithstanding that the Group holds more than 50% of the voting power in the board of directors of Famous Star, in the opinion of the directors, the Group is only in a position to have joint control over Famous Star having considered that the Group has contractually agreed the sharing of control over certain key financial and operating activities of Famous Star with the other shareholder.

Notes to Financial Statements

31 March 2014

17. INVESTMENTS IN JOINT VENTURES *(Continued)*

Pak Tat Catering Management Company Limited, which is considered a material joint venture of the Group, operates restaurant business in Macau and is accounted for using the equity method.

The following table illustrates the summarised financial information of Pak Tat Catering Management Company Limited adjusted for any differences in accounting policies, and reconciled to the carrying amount in the financial statements:

	2014 HK\$'000	2013 HK\$'000
Cash and cash equivalents	64,533	40,212
Other current assets	8,830	3,984
Total current assets	73,363	44,196
Non-current assets	2,656	6,610
Current liabilities	(24,595)	(13,678)
Net assets	51,424	37,128
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	70%	70%
Group's share of net assets of the joint venture	35,997	25,990
Carrying amount of the investment	35,997	25,990
Revenue	120,030	85,501
Depreciation and amortisation	(4,527)	(4,388)
Tax	(6,737)	(4,530)
Profit for the year	49,316	27,230
Dividend received	17,726	–

The following table illustrates the financial information of the Group's joint venture that is not individually material:

	2014 HK\$'000	2013 HK\$'000
Share of the joint venture's profit for the year	2,606	2,903
Carrying amount of the Group's investment in the joint venture	5,901	5,695

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31 March 2014

18. INVENTORIES

	Group 2014 HK\$'000	2013 HK\$'000
Food and beverage, and other operating items for restaurant operations	19,967	13,043

19. TRADE RECEIVABLES

	Group 2014 HK\$'000	2013 HK\$'000
Trade receivables	7,125	5,223

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well established, corporate customers for which the credit term is generally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group has a certain concentration of credit risk as certain of the Group's trade receivables were due from the Group's largest customer and the five largest customers as detailed below.

	Group 2014 %	2013 %
Largest customer	30	32
Five largest customers	76	80

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	Group 2014 HK\$'000	2013 HK\$'000
Within one month	4,486	3,487
One to two months	2,639	1,736
	7,125	5,223

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19. TRADE RECEIVABLES (Continued)

An aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	2014	2013
	HK\$'000	HK\$'000
Neither past due nor impaired	5,069	4,033
Less than one month past due	2,056	1,190
	7,125	5,223

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Included in the Group's trade receivables are amounts due from the Group's joint ventures of HK\$2,727,000 (2013: HK\$2,366,000) as at 31 March 2014, which are repayable on similar credit terms to those offered to the major customers of the Group.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Prepayments	13,451	5,409	149	–
Deposits	65,673	50,595	–	–
Other receivables	14,411	8,387	579	439
	93,535	64,391	728	439
Current portion included in prepayments, deposits and other receivables	(49,707)	(32,978)	(728)	(439)
Non-current portion included in rental deposits	43,828	31,413	–	–

None of the above assets is either past due or impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

Notes to Financial Statements

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21. BALANCES WITH DIRECTORS AND RELATED COMPANIES

Particulars of the amounts due from directors and related companies, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

31 March 2013

Group

	31 March 2013 HK\$'000	Maximum amount outstanding during the year HK\$'000	1 April 2012 HK\$'000
Due from directors			
Mr. Lee Yuen Hong	–	32,300	30,909
Mr. Ho Ting Chi	–	31,033	31,033
Mr. Cheung Yu To	–	11,795	11,683
Mr. Cheung Wai Keung	–	20,023	19,835
Mr. Cheung Yue Pui	–	5,995	5,935
	–		99,395
Due from related companies			
Ample Favour Limited	–	919	910
Best Giant Limited	–	1,968	1,966
Champion Stage Limited	–	12,036	12,032
Cui Fa Limited	–	10,473	8,956
Fame City International Limited	–	6,082	5,975
Goodman Bond International Limited	–	16,320	16,320
Great List Limited	–	10,096	10,096
Joint Resources Limited	–	10	10
Joy Express Limited	–	4,901	4,601
Macca Investment Limited	–	518	518
Profit More Corporation Limited	–	4	4
Quick Time Networking Limited	–	46	–
Victor Leap Limited	–	685	676
Victory Bit Limited	–	1,058	1,058
World Bond Limited	–	26	26
Success Path Limited	–	32,313	32,313
Tsui Wah Estates (Hong Kong) Limited	–	4,123	4,123
Tsui Wah Food Limited	–	1,773	1,773
Tsui Wah Management Limited	–	39,769	39,769
	–		141,126

Notes to Financial Statements

31 March 2014

21. BALANCES WITH DIRECTORS AND RELATED COMPANIES *(Continued)*

All the above related companies are controlled by the Controlling Shareholders, except for Profit More Corporation Limited which is a company controlled by Ms. Chan Choi Fung and Ms. Tai Ngan Har Talia, who are the spouse of Mr. Lee Yuen Hong and Mr. Ho Ting Chi, respectively.

Balances with directors and related companies were unsecured, interest-free and had no fixed terms of repayment.

None of the amounts due from directors and related companies was either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash and bank balances	435,443	406,830	122,476	248,072
Time deposits	201,351	511,541	199,312	510,078
	636,794	918,371	321,788	758,150
Less: Pledged time deposit	(1,802)	(1,025)	–	–
Pledged time deposit with original maturity of more than three months when acquired	(441)	(438)	–	–
Cash and cash equivalents	634,551	916,908	321,788	758,150
Cash and cash equivalents denominated in:				
HK\$	282,166	786,609	149,268	667,349
Renminbi ("RMB")	352,385	130,299	172,520	90,801
	634,551	916,908	321,788	758,150

RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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31 March 2014

23. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

Group

	2014 HK\$'000	2013 HK\$'000
Within one month	39,658	32,214
Over one month but less than two months	30,153	23,008
	69,811	55,222

The trade payables are non-interest-bearing and generally have payment terms of 45 days.

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Other payables	66,494	40,642	–	–
Accruals	61,576	47,096	2,306	2,150
	128,070	87,738	2,306	2,150

Other payables are non-interest-bearing and have average payment terms of one to three months.

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25. INTEREST-BEARING BANK BORROWINGS

Group

	2014			2013		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Bank loans — secured	1 Month HIBOR+1.75%	On demand	86,809	–	–	–

	Group		Company	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Analysed into:				
Bank loans and overdrafts repayable:				
Within one year or on demand	86,809	–	–	–

The Group's bank loans are secured by mortgages over the Group's land and buildings, which had an aggregate carrying value at the end of the reporting period of approximately HK\$235,294,000 (2013: Nil). In addition, the Company has guaranteed the Group's bank loans up to HK\$86,809,000 (2013: Nil) as at the end of the reporting period.

The Group's bank loans in the amount of HK\$86,809,000 as at 31 March 2014 (2013: Nil) containing an on-demand clause has been classified as a current liability. For the purpose of the above analysis, the loan is included within current interest-bearing bank borrowings and analysed into bank loans repayable on demand.

Based on the maturity terms of the loan, the amounts repayable in respect of the loan are: HK\$5,024,000 within one year; HK\$5,119,000 in the second year; HK\$15,990,000 in the third to fifth years, inclusive; and HK\$60,676,000 beyond five years.

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26. FINANCE LEASE PAYABLES

The Group leases certain of its motor vehicles for business use. These leases are classified as finance leases and have a remaining lease term of three years.

At 31 March 2014, the Group's total future minimum lease payments under finance leases and their present values were as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts payable:				
Within one year	422	422	411	411
In the second year	299	422	276	390
In the third to fifth years, inclusive	314	589	276	523
Total minimum finance lease payments	1,035	1,433	963	1,324
Future finance charges	(72)	(109)		
Total net finance lease payables	963	1,324		
Portion classified as current liabilities	(411)	(411)		
Non-current portion	552	913		

All the Group's finance lease payables as at the end of the reporting period are denominated in Hong Kong dollars.

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27. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

DEFERRED TAX ASSETS

	Others HK\$'000	Depreciation in excess of related depreciation allowance HK\$'000	Losses available for offsetting against future taxable profits HK\$'000	Total HK\$'000
At 1 April 2012	–	3,693	2,131	5,824
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)	2,361	1,524	(2,131)	1,754
At 31 March 2013 and 1 April 2013	2,361	5,217	–	7,578
Deferred tax credited to the consolidated statement of profit or loss during the year (note 10)	2,528	1,889	–	4,417
At 31 March 2014	4,889	7,106	–	11,995

DEFERRED TAX LIABILITIES

	Depreciation allowance in excess of related depreciation HK\$'000
At 1 April 2012	435
Deferred tax credited to the consolidated statement of profit or loss during the year (note 10)	(37)
At 31 March 2013 and 1 April 2013	398
Deferred tax charged to the consolidated statement of profit or loss during the year (note 10)	1
At 31 March 2014	399

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27. DEFERRED TAX (Continued)

DEFERRED TAX LIABILITIES (Continued)

Certain subsidiaries of the Group have tax losses arising in Hong Kong in total of HK\$21,979,000 (2013: HK\$12,638,000) as at 31 March 2014, that are available indefinitely for offsetting against their future taxable profits of those companies in which the losses arose. The Group also has tax losses arising in the PRC of HK\$9,821,000 (2013: Nil) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the New PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 March 2014, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$63,053,000 (2013: HK\$38,302,000) at 31 March 2014.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

28. ISSUED CAPITAL

Company

	Notes	Number of ordinary shares of HK\$0.01	Nominal value of ordinary shares HK\$'000
Authorised:			
On incorporation and as at 31 March 2013 and 31 March 2014	(a)	10,000,000,000	100,000
Issued and fully paid:			
On incorporation	(b)	1	–
Increase in issued share capital on 29 June 2012	(c)	199,999,999	2,000
Capitalisation issue of shares	(d)	800,000,000	8,000
Issuance of new shares on 26 November 2012	(e)	333,334,000	3,333
Issuance of new shares on 19 December 2012	(f)	50,000,000	500
As at 31 March 2013 and 1 April 2013		1,383,334,000	13,833
Share options exercised	(g)	21,101,068	211
As at 31 March 2014		1,404,435,068	14,044

Notes to Financial Statements

31 March 2014

28. ISSUED CAPITAL *(Continued)*

During the years ended 31 March 2014 and 2013, the movements in the share capital were as follows:

- (a) On incorporation of the Company on 29 May 2012, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each.
- (b) Pursuant to an ordinary resolution passed on 29 May 2012, 1 ordinary share of HK\$0.01 was allotted, issued and credited as fully paid to the Company's initial subscriber, and was subsequently transferred to Cui Fa Limited.
- (c) Pursuant to an ordinary resolution passed on 29 June 2012, a total of 199,999,999 ordinary shares of HK\$0.01 each were issued at par for cash to Cui Fa Limited, Ample Favour Limited, Victor Leap Limited, Macca Investment Limited and Mr. Chau Tit Wa.
- (d) Pursuant to a resolution passed on 5 November 2012, 800,000,000 shares of HK\$0.01 each were allotted and issued, credited as fully paid at par, by way of capitalisation from the share premium account to the holders of shares whose names appear on the register of members of the Company at the close of business on 2 November 2012 in proportion to their respective shareholdings. This allotment and capitalisation issue were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in note (e) below.
- (e) In connection with the Company's initial public offering, 333,334,000 shares of HK\$0.01 each were issued at a price of HK\$2.27 per share for a total cash consideration, before expenses, of approximately HK\$756,668,000. Dealings in the shares of the Company on the Stock Exchange commenced on 26 November 2012.
- (f) In connection with the exercise of the over-allotment option in full by the sole global coordinator of the Company's initial public offering, 50,000,000 shares of HK\$0.01 each were issued at a price of HK\$2.27 per share for a total cash consideration, before expenses, of HK\$113,500,000.
- (g) The subscription rights attaching to 21,101,068 share options were exercised at the subscription price of HK\$2.27 per share (note 29), resulting in the issue of 21,101,068 shares of HK\$0.01 each for a total consideration, before expenses, of HK\$47,899,000. An amount of HK\$5,510,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

Notes to Financial Statements

31 March 2014

29. SHARE OPTION SCHEMES

(a) SHARE OPTION SCHEME

The Company operates a share option scheme ("Share Option Scheme") for the purpose of motivating eligible persons to optimise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing relationships with such eligible persons whose contributions are/will or expected to be beneficial to the Group. The Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other schemes involving the issue or grant of options or similar rights over shares or other securities by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date (without taking into account the shares which may be issued and allotted pursuant to the exercise of the Over-allotment Option and the options which may be or have been granted under the Pre-IPO share option scheme and the Share Option Scheme) unless shareholders' approval has been obtained.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. No options may be granted under any schemes of the Company (including the share option scheme) if this will result in the said 30% limit being exceeded.

The total number of shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible participant under the Share Option Scheme and any other schemes of the Group (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company in issue. Any grant of further share options above this limit shall be subject to certain requirements provided under the Listing Rules.

Any grant of options to a connected person under the Listing Rules must be approved by all of the Company's independent non-executive directors (excluding any independent non-executive director who is a proposed grantee).

The offer of a grant of share options may be accepted within upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price for any share under the Share Option Scheme shall be a price determined by the board of directors and notified to each grantee and shall be not less than the highest of (i) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a share on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options were outstanding under the Share Option Scheme as at 31 March 2014 and 2013.

Notes to Financial Statements

31 March 2014

29. SHARE OPTION SCHEMES (Continued)

(b) PRE-IPO SHARE OPTION SCHEME

The Company operates a share option scheme (the "Pre-IPO Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Pre-IPO Share Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Pre-IPO Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Pre-IPO Share Option Scheme during the year:

	2014		2013	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At beginning of year	2.27	99,373	–	–
Exercised during the year	2.27	(21,101)	–	–
Granted during the year	–	–	2.27	100,000
Forfeited during the year	2.27	(13,820)	2.27	(627)
At end of year	2.27	64,452	2.27	99,373

The weighted average share price at the date of exercise for share options exercised during the year was HK\$5.16 (2013: No share options were exercised).

The fair value of the share options granted during the prior year was HK\$30,573,000 (HK\$0.3 each), of which the Group recognised a share option expense of HK\$12,961,000 (2013: HK\$5,422,000) during the year ended 31 March 2014.

Notes to Financial Statements

31 March 2014

29. SHARE OPTION SCHEMES (Continued)

(b) PRE-IPO SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2014

Number of options '000	Exercise price* HK\$ per share	Exercise period
1,476	2.27	26-11-13 to 25-11-15
9,376	2.27	26-11-14 to 25-11-15
13,600	2.27	26-11-14 to 25-11-16
13,200	2.27	26-11-15 to 25-11-16
13,200	2.27	26-11-13 to 25-11-17
13,600	2.27	26-11-15 to 25-11-17
64,452		

2013

Number of options '000	Exercise price* HK\$ per share	Exercise period
9,686	2.27	26-11-13 to 25-11-15
9,687	2.27	26-11-14 to 25-11-15
13,200	2.27	26-11-13 to 25-11-16
13,600	2.27	26-11-14 to 25-11-16
13,200	2.27	26-11-15 to 25-11-16
13,200	2.27	26-11-13 to 25-11-17
13,200	2.27	26-11-14 to 25-11-17
13,600	2.27	26-11-15 to 25-11-17
99,373		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

Notes to Financial Statements

31 March 2014

29. SHARE OPTION SCHEMES *(Continued)*

(b) PRE-IPO SHARE OPTION SCHEME *(Continued)*

The fair value of equity-settled share options granted during the prior year was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2013
Dividend yield (%)	2.37
Expected volatility (%)	23.58
Historical volatility (%)	23.58
Risk-free interest rate (%)	0.218
Expected life of options (year)	2
Weighted average share price (HK\$ per share)	2.27

The expected life of the options is based on the estimation by the directors and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the date of approval of these financial statements, the Company had 63,793,674 (2013: 99,304,274) share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 4.5% (2013: 7.2%) of the Company's shares in issue as at that date.

30. RESERVES

(a) GROUP

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity on page 58 of the financial statements.

(i) Merger reserve

The merger reserve represents the reserve arising pursuant to the Reorganisation.

(ii) Statutory reserve

Transfers from retained profits to the statutory reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and were approved by the respective boards of directors.

(iii) Considerations paid in the Kang Wang/Cui Xin Restructuring

The considerations paid in the Kang Wang/Cui Xin Restructuring represent the considerations paid to the Controlling Shareholders in respect of the Kang Wang/Cui Xin Restructuring (as defined in the prospectus of the Company dated 14 November 2012).

(iv) Acquisition of non-controlling interests by deemed capital contribution from the Controlling Shareholders

The movement in merger reserve represents deemed capital contribution from the Controlling Shareholders in respect of the acquisition of non-controlling interests pursuant to the Reorganisation (note 31(i)).

Notes to Financial Statements

31 March 2014

30. RESERVES (Continued) (b) COMPANY

	Notes	Share premium account HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
At 1 April 2012		–	–	–	–	–
Arising from Kang Wang/ Cui Xin Restructuring		–	1,200,754	–	–	1,200,754
Profit and total comprehensive income for the year	11	–	–	–	47,466	47,466
Capitalisation issue of shares	28	(8,000)	–	–	–	(8,000)
Issuance of new shares	28	866,335	–	–	–	866,335
Share issue expenses		(75,817)	–	–	–	(75,817)
Equity-settled share option arrangements	29	–	–	5,422	–	5,422
Special dividend	12	–	–	–	(53,474)	(53,474)
At 31 March 2013 and 1 April 2013		782,518	1,200,754	5,422	(6,008)	1,982,686
Profit and total comprehensive income for the year	11	–	–	–	103,928	103,928
Issuance of new shares	28	53,198	–	(5,510)	–	47,688
Equity-settled share option arrangements	29	–	–	12,961	–	12,961
2013 final dividend	12	–	–	–	(69,167)	(69,167)
2014 interim dividend	12	–	–	–	(27,898)	(27,898)
At 31 March 2014		835,716	1,200,754	12,873	855	2,050,198

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Reorganisation, over the nominal value of the Company's shares issued in exchange therefor. Pursuant to the Cayman Islands company law, a company may make distributions to its members out of the contributed surplus in certain circumstances.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 3.1 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

Notes to Financial Statements

31 March 2014

31. MAJOR NON-CASH TRANSACTIONS

- (i) During the year ended 31 March 2013, pursuant to the Reorganisation, the Group acquired non-controlling interests in consideration of 4,088 shares in Kang Wang transferred from the Controlling Shareholders to the non-controlling shareholder.
- (ii) During the year ended 31 March 2013, pursuant to the Reorganisation, the Company acquired the shares in Kang Wang and Cui Xin at a total cash consideration of HK\$2,000,000 settled by offsetting against the consideration receivable from issue of shares of the Company to the then equity holders pursuant to the Reorganisation.
- (iii) During the year ended 31 March 2013, Kang Wang declared a special dividend of HK\$117,856,000 to its then shareholders to offset the Group's outstanding balances with directors and related companies pursuant to the deed of assignments. Before the settlement of the balances, the amounts due from the directors and the related companies were HK\$100,877,000 and HK\$130,514,000, respectively, and the amounts due to the directors and the related companies were HK\$44,677,000 and HK\$68,858,000, respectively.
- (iv) During the year ended 31 March 2013, the Group entered into finance lease arrangements in respect of motor vehicles with a total capital value at the inception of the leases of HK\$1,247,000.

32. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

		Group		Company	
	Notes	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Guarantee in respect of a banking facilities granted to subsidiaries	(a)	–	–	146,809	60,000
Bank guarantees in lieu of rental deposits	(b)	2,240	1,463	–	–
		2,240	1,463	146,809	60,000

Notes:

- (a) As at 31 March 2014, the banking facilities granted to subsidiaries subject to the guarantee given to the bank by the Company were utilised to the extent of approximately HK\$86,809,000 (2013: Nil).
- (b) The bank guarantees were given in favour of landlords in lieu of rental deposits.

33. PLEDGE OF ASSETS

Details of the Group's bank loans, which are secured by the assets of the Group, are included in note 25 to the financial statements.

Notes to Financial Statements

31 March 2014

34. OPERATING LEASE COMMITMENTS

The Group leases certain of its restaurants, office premises and warehouses under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to ten years.

At 31 March 2014, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2014 HK\$'000	2013 HK\$'000
Within one year	175,620	95,889
In the second to fifth years, inclusive	342,191	112,228
After five years	200,859	19,017
	718,670	227,134

In addition, the operating lease rentals for certain restaurants are based on the higher of a fixed rental and a contingent rent depending on the sales of these restaurants pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

35. COMMITMENTS

In addition to the operating lease commitments detailed in note 34 above, the Group had the following capital commitments at the end of the reporting period.

	2014 HK\$'000	2013 HK\$'000
Contracted, but not provided for leasehold improvements	27,265	–
Authorised, but not contracted for leasehold improvements	83,586	5,283
	110,851	5,283

At the end of the reporting period, the Company had no significant commitments.

Notes to Financial Statements

31 March 2014

36. RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	2014 HK\$'000	2013 HK\$'000
Sale of food to joint ventures	22,588	18,772
Purchase of food from a joint venture	1,222	1,899
Rental fee paid and payable to:		
Fame City International Limited	659	659
Success Path Limited	3,720	3,290
Champion Stage Limited	1,572	1,572
Joy Express Limited	9,600	9,600

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The directors are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

Unless otherwise stated, all of the above related parties are controlled by the Controlling Shareholders.

The related party transactions in respect of rental fee above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

- (ii) Compensation of key management personnel of the Group, including directors' and the chief executive's remuneration as disclosed in note 8 to the financial statements, is as follows:

	2014 HK\$'000	2013 HK\$'000
Short term employee benefits	12,336	11,097
Equity-settled share option expenses	8,137	3,653
Post-employment benefits	120	97
	20,593	14,847

Notes to Financial Statements

31 March 2014

37. FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 March 2014 and 2013, all the financial assets and liabilities of the Group and the Company were loans and receivables and financial liabilities at amortised cost, respectively.

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's and the Company's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged time deposits, pledged time deposits with original maturity of more than three months, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals and amounts due from/to subsidiaries approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the directors and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 March 2014 was assessed to be insignificant.

Notes to Financial Statements

31 March 2014

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

FAIR VALUE HIERARCHY

Assets for which fair values are disclosed:

Group

HK\$'000	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
As at 31 March 2014				
Non-current rental deposits	–	41,683	–	41,683
As at 31 March 2013				
Non-current rental deposits	–	29,460	–	29,460

Liabilities for which fair values are disclosed:

Group

HK\$'000	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
As at 31 March 2014				
Finance lease payables	–	963	–	963
As at 31 March 2013				
Finance lease payables	–	1,324	–	1,324

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and finance lease payables. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, trade payables, other payables and accruals and balances with joint ventures.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Notes to Financial Statements

31 March 2014

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

INTEREST RATE RISK

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group operates at a low gearing ratio and as the market interest rates are stable and are maintained at a relatively low level, the Group's interest rate risk is not significant.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Group	
	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK\$'000
2014		
HK\$	100	(868)
HK\$	(100)	868

	Group	
	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK\$'000
2013		
HK\$	100	–
HK\$	(100)	–

FOREIGN CURRENCY RISK

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars or Renminbi. Given that fluctuations between Renminbi and Hong Kong dollars are under the control of the PRC government, the foreign currency risk is considered not material and the Group therefore does not have a foreign currency hedging policy. However, the management monitors the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

LIQUIDITY RISK

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

Notes to Financial Statements

31 March 2014

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

LIQUIDITY RISK (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Group

	Less than one year or on demand HK\$'000	In the second year HK\$'000	In the third to fifth years HK\$'000	Total HK\$'000
31 March 2014				
Trade payables	69,811	–	–	69,811
Financial liabilities included in other payables and accruals	128,070	–	–	128,070
Finance lease payables	422	299	314	1,035
Interest-bearing bank borrowings	88,519	–	–	88,519
Bank guarantee in lieu of rental deposits	2,240	–	–	2,240
	289,062	299	314	289,675
31 March 2013				
Trade payables	55,222	–	–	55,222
Financial liabilities included in other payables and accruals	87,738	–	–	87,738
Finance lease payables	422	422	589	1,433
Bank guarantee in lieu of rental deposits	1,463	–	–	1,463
	144,845	422	589	145,856

Company

	2014 HK\$'000	2013 HK\$'000
Less than one year or on demand		
Other payables and accruals	2,306	2,150
Due to subsidiaries	37,142	36,804
Guarantee given to a bank in connection with facilities granted to a subsidiary	146,809	60,000
	186,257	98,954

Notes to Financial Statements

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, return capital to the shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a gearing ratio, which is expressed as a percentage of interest-bearing bank and other borrowings over capital. Capital represents equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	Group 2014 HK\$'000	2013 HK\$'000
Interest-bearing bank borrowings	86,809	–
Finance lease payables	963	1,324
	87,772	1,324
Equity attributable to owners of the Company	1,148,917	1,037,132
Gearing ratio	7.64%	0.13%

40. EVENT AFTER THE REPORTING PERIOD

On 30 December 2013, an indirect wholly-owned subsidiary of the Company entered into formal sale and purchase agreements with a third party vendor for the acquisition of office premises in Shanghai for a total purchase price of approximately HK\$79,612,000. The acquisition has been completed on 8 April 2014.

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 June 2014.

Five-Year Financial Summary

The summary of the consolidated results of the Group for each of the three years ended 31 March 2010, 2011 and 2012 and of the assets and liabilities as at 31 March 2010, 2011 and 2012 have been extracted from the Company's prospectus dated 14 November 2012. The consolidated results of the Group for the years ended 31 March 2013 and 2014 and the consolidated assets and liabilities of the Group as at 31 March 2013 and 2014 are set out in the audited financial statements.

RESULTS

	Year ended 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
REVENUE	1,473,691	1,084,415	762,791	598,047	440,010
PROFIT BEFORE TAX	189,804	158,129	134,206	83,526	67,568
Income tax expense	(33,761)	(26,832)	(23,777)	(15,502)	(10,249)
PROFIT FOR THE YEAR	156,043	131,297	110,429	68,024	57,319
Profit attributable to:					
Owners of the Company	156,031	129,598	103,910	64,909	53,812
Non-controlling interests	12	1,699	6,519	3,115	3,507
	156,043	131,297	110,429	68,024	57,319

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
TOTAL ASSETS	1,449,258	1,191,580	507,997	398,914	302,036
TOTAL LIABILITIES	(300,244)	(154,363)	(227,209)	(203,323)	(162,053)
	1,149,014	1,037,217	280,788	195,591	139,983
EQUITY:					
Equity attributable to owners of the Company	1,148,917	1,037,132	258,632	180,962	127,686
Non-controlling interests	97	85	22,156	14,629	12,297
	1,149,014	1,037,217	280,788	195,591	139,983



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