

CONTENTS



	Pages
Corporate Information	2
Financial Highlights	3
Chairman's Statement	4
Management Discussion and Analysis	6
Directors' Biographies	10
Corporate Governance Report	12
Report of the Directors	20
Independent Auditor's Report	32
Consolidated Statement of Comprehensive Income	34
Consolidated Statement of Financial Position	35
Statement of Financial Position	36
Consolidated Statement of Changes in Equity	37
Consolidated Statement of Cash Flows	38
Notes to the Consolidated Financial Statements	40
Five-Year Financial Summary	92



CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Ko Wai Ming, Daniel (*Chairman*)
Ms. Cheng Hang Fan (*Chief Executive Officer*)
Mr. Kam Tze Ming, Alfred (*Chief Operating Officer*)
Mr. Chan Wan Fung (*Chief Financial Officer*)

Independent Non-executive Directors

Mr. Mak King Sau
Mr. Szeto Chi Man
Mr. Yung Ha Kuk, Victor

AUDIT COMMITTEE

Mr. Yung Ha Kuk, Victor (*Chairman*)
Mr. Mak King Sau
Mr. Szeto Chi Man

NOMINATION COMMITTEE

Mr. Szeto Chi Man (*Chairman*)
Mr. Ko Wai Ming, Daniel
Mr. Mak King Sau
Mr. Yung Ha Kuk, Victor

REMUNERATION COMMITTEE

Mr. Mak King Sau (*Chairman*)
Ms. Cheng Hang Fan
Mr. Szeto Chi Man
Mr. Yung Ha Kuk, Victor

COMPANY SECRETARY

Ms. Cheng Yin Wah

AUDITOR

BDO Limited

PRINCIPAL BANKER

Hang Seng Bank Limited

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

9th Floor
Kowloon Plaza
No. 485 Castle Peak Road
Lai Chi Kok
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

COMPANY WEBSITE

www.travelexpert.com.hk

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1235

FINANCIAL HIGHLIGHTS

	Notes	2014 HK\$'000	2013 HK\$'000	Year-on-Year change
Profitability				
Gross sales proceeds		1,873,270	1,604,767	+16.7%
Revenue				
— Travel and travel related business		313,897	263,823	+19.0%
— Rental income from investment property		1,930	440	+338.6%
		315,827	264,263	+19.5%
Profit attributable to owners of the Company		43,268	41,339	+4.7%
Profit attributable to owners of the Company (excluding the impact of increase in fair value of investment property)		43,268	32,790	+32.0%
Financial ratio				
Return on equity (%)	1	28.0%	31.0%	
Current ratio (time)	2	1.18	1.11	
Gearing ratio (%)	3	15.9%	20.5%	

Notes:

- 1 Return on equity is calculated based on the profit for the year divided by the total equity at the end of the year and multiplied by 100%.
- 2 Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year.
- 3 Gearing ratio is calculated based on the borrowing divided by the total equity at the end of the year and multiplied by 100%.



CHAIRMAN'S STATEMENT

Dear Honorable Shareholders,

I am pleased to report that the Group achieved a very encouraging business performance for the year ended 31 March 2014.

By building on the Group's established reputation and experienced management team, the Group managed to mitigate the impacts of adverse factors in the past year especially the political incident occurred in Thailand in the second half of the year. In addition to enhancing service quality and expanding product range, we responded to the changing market by flexible marketing strategy and cooperated with selected business partners to do joint promotions.

The Group strived to broaden its customer base and expand the diversity of products and business. Apart from the establishment of a new retail brand of Tailor Made Holidays (度新假期) in the last year, the Group launched another new business line, Premium Holidays (尊賞假期) with focus on high-end long haul tours, cruise travel tours and MICE (meeting, incentive, conference and exhibition) business. We recruited experienced senior executives from outside to lead this new business. This represented a major milestone for the Group to enter into a new market segment of tour business. In addition, a new online platform under the new brand name of "Bossfly (總要飛)" was launched for providing corporate travel service in a user-friendly and cost effective way.

Besides, the Group has committed extra resources to the establishment of a new IT joint venture company called AppoMax Technology Limited ("AppoMax"), which is owned as to 70% by the Group and 30% by an experienced executive in IT industry. AppoMax will focus on the improvement of IT applications and enhancement of website. The Group believes that the future technological advances will change operation models of different industries. The setup of AppoMax will help us not only to speed up the simplification of daily operation procedures, but also train up the Group's IT talents so that we can explore the possibilities in the business of intelligent systems development.

According to our statistics, there is a high hit rate of our company's website "TravelExpert.com.hk" with average monthly visitors of more than 380,000 during the period from January to May 2014. All our initiatives on information technology will position the Group to reap new business opportunities of vast online platform through cost-effective channels. In addition, this move enables the Group to broaden its customer base by reaching consumers of different groups of age, income, lifestyles, travel preferences and etc.

Looking ahead, apart from striving to strengthen and consolidate its existing business and profitability, the Group is working vigorously on product and business diversification in order to meet the needs and lifestyles of different types of customers. To achieve this goal, the Group will continue to allocate a considerable part of resources to the investments in IT applications, business expansion and diversification, marketing promotions and talent training programs. Last but not least, the Group is working on the business expansion plan in Mainland China. The Group has announced the possible acquisition of 55% equity interests in a PRC travel agency, which is still in progress. Through this transaction, the Group has an opportunity to familiarize ourselves with the legal systems; and cultural and social differences between the Mainland China and Hong Kong so as to prepare us to enter into the China market in the future.

Doubtless to say that all those investments will cause pressures on operating cost and may inevitably affect the profits in the coming year. We firmly believe that such long term investments will significantly enhance the Group's profitability and bring fruitful prospects to shareholders in the long run.



CHAIRMAN'S STATEMENT

On behalf of the Board, I wish to express my sincere gratitude to shareholders, business partners and customers for their continued support, and to employees for their dedication and hard work.

Ko Wai Ming, Daniel
Chairman and Executive Director

Hong Kong, 25 June 2014



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group continued to record a satisfactory business growth for the year ended 31 March 2014. It is the two consecutive years of business growth in terms of revenue and profit attributable to owners of the Company. Total revenue, including rental income from the investment property of HK\$1.9 million (2013: HK\$0.4 million) increased to HK\$315.8 million (2013: HK\$264.3 million), representing an increase of 19.5% from the previous year. The increase was primarily contributed by the revenue growth in the Group's retail business. The profit for the year is HK\$43.3 million, representing an increase of 4.8% from HK\$41.3 million in the previous year. Excluding the impact of increase in fair value of investment property in the previous year of about HK\$8.5 million, the profit for the year increased significantly by 32.0% from HK\$32.8 million in the previous year to HK\$43.3 million. It is a great achievement of the Group. Basic earnings per share attributable to owners of the Company for the year ended 31 March 2014 was HK8.5 cents, representing an increase of 2.4% from HK8.3 cents over the previous year.

BUSINESS REVIEW

The Group's retail business is operated mainly through Travel Expert Limited (the Chinese name is changed to 專業旅運有限公司 effective from 5 June 2014), which is the core focus of the Group. For the year ended 31 March 2014, sales performance from retail customers continued to show a considerable growth, which was attributable to the Group's efforts in maintaining an effective sales network, good marketing programs and high quality frontline staff. Furthermore, due to the devaluation of Japanese currency in the year, the number of customers travelling to Japan has increased significantly that benefited the Group's performance. However, the incident of unstable political environment in Thailand, one of the most popular destinations for Hong Kong people, has caused certain negative impacts to the Group's results in the second half of year. To tackle the impacts of this incident, the Group managed to promote other travel products and certain new destinations in order to bring new income streams, thereby mitigating such negative influences. Besides, the increase in incentive income due to better supplier management contributed to the income growth. During the year, to meet the market demand and needs, the Group has continuously broadened its service scope by developing new travel business initiatives such as setup of e-business sales team and offering tour products via a newly established tour company in order to provide a comprehensive and one-stop service to customers.

The performance of the e-business sales team during the year was encouraging so that we have recruited more staff members for the team. The Group believes that online platform enable us to extend our reach to a new and wider group of customers. Besides, online sales model is a cost-effective channel and is becoming a business trend for retail sector.

The Group's corporate business is operated mainly through Travel Expert Business Services Limited (專業旅運商務有限公司). The contribution of this segment remained modest and stable as compared to the previous year. During the year, the Group has spent its efforts to further improve this segment's performance by carrying out team restructuring, modifying business strategies and adding labor resources. In addition, with a view to grasp the business opportunities from corporate travel market, we have launched a new online platform under the new brand name of "Bossfly (總要飛)" for providing corporate business in a user-friendly and cost effective way. We will continue to closely monitor the development of this segment so as to take proper measures to tackle challenges that may arise.

As at the year ended 31 March 2014, the Group's new retail business brand, Tailor Made Holidays (度新假期), has opened three shops in Kowloon Bay Telford Plaza, MTR Kowloon Station and Tsuen Wan Luk Yeung Galleria. The business trend is quite stable and satisfactory although the contribution to the Group is minimal for the year. As the brand name is still very new to the market, the Group will allocate more marketing budget to enhance its brand popularity and product image in the coming year.



MANAGEMENT DISCUSSION AND ANALYSIS

During the year, the Group has successfully launched a new business line called Premium Holidays (尊賞假期) with the business focus on operating high-end long haul tours, cruise travel tours and MICE (meeting, incentive, conference and exhibition) business. This is an important step for the Group to implement its business diversification plan by entering into the tour business. We recruited experienced senior executives from outside to lead this new business. As it is in the preliminary stage, we anticipated that more resources will be invested in brand building and increasing market awareness.

Overall, the Group's gross sales proceeds amounted to HK\$1,873.3 million for the year ended 31 March 2014, representing an increase of 16.7% as compared with HK\$1,604.8 million for the previous year. After deducting the cost of travel related products, net of the incentive income from service providers, airlines and other travel products suppliers (which primarily consists of cost of air tickets, hotel accommodations and other travel related products, such as visa processing and travel insurance processing) of HK\$1,559.4 million for the year ended 31 March 2014 (2013: HK\$1,341.0 million), revenue excluding the rental income from investment property of HK\$1.9 million (2013: HK\$0.4 million) for the year was HK\$313.9 million, representing an increase of 19.0% from HK\$263.8 million for the previous year.

FINANCIAL REVIEW

Selling and Distribution Costs

For the year ended 31 March 2014, selling and distribution costs amounted to HK\$217.7 million, representing an increase of 16.9% from HK\$186.3 million for the year ended 31 March 2013. For the year under review, selling and distribution costs accounted for 68.9% of the Group's total revenue, having decreased from 70.5% in the last year.

Since staff costs and shop rental accounted for the majority of the Group's selling and distribution costs. The steady upward pressure on the average rental of retail premises and the increasing labor costs due to low unemployment rate in Hong Kong have primarily contributed to the increase of selling and distribution costs for the year. However, due to an effective control of the frontline expenses, there was a decrease of the selling and distribution cost percentage to the Group's total revenue as compared with the last year. In order to deliver convenient and quality services to its retail customers, the Group will continue to maintain a widespread and effective sales network as well as exploring new sale channels. As at 31 March 2014, the Group operated a total of 63 retail shops in Hong Kong.

Administrative Expenses

For the year ended 31 March 2014, administrative expenses amounted to HK\$52.2 million, representing an increase of 13.7% from HK\$45.9 million for the year ended 31 March 2013. Administrative expenses accounted for 16.5% of the Group's total revenue, which decreased from 17.4% in the last year.

Salaries for back office staff accounted for the majority of the Group's administrative expenses. Despite of a reduction of share-based payment expenses in this year as compared with the previous year, there was an overall increase of the administrative expenses mainly attributable to the increase of new headcounts in back office, annual salary increment; and the investment for establishing a new company to operate the tour business. Since the Group has adopted an effective control of administrative expenses by better allocation of its back office resources, there was a decrease of the administrative expense percentage to the Group's total revenue as compared with the last year.

Finance Cost

Finance cost of the Group for the year ended 31 March 2014 was HK\$557,000, which was mainly related to the interest-bearing bank borrowing of mortgage loans for the Group's properties (2013: HK\$223,000).



MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Capital Resources

The Group generally finances its liquidity requirements through internally generated resources and will only finance with available banking facilities whenever necessary. The Group's financial position as at 31 March 2014 remained healthy with net assets value of HK\$154.7 million (as at 31 March 2013: HK\$133.6 million). The Group continued to record a strong cash inflow generated from operating activities during the year. Including the time deposits over three months, the Group had total cash and cash equivalents of HK\$205.1 million as at 31 March 2014 (as at 31 March 2013: HK\$148.3 million). As at 31 March 2014, in addition to an investment property with fair value at HK\$62.0 million (as at 31 March 2013: HK\$62.0 million), the Group held a portfolio of financial assets and liabilities at fair value through profit or loss at around HK\$1.0 million and HK\$0.2 million respectively (as at 31 March 2013: Nil for both).

As at 31 March 2014, the Group's current ratio (current assets divided by current liabilities) was 1.18 times compared with 1.11 times as at 31 March 2013. The gearing ratio (interest-bearing borrowings divided by total equity attributable to owners of the Company) was 15.9% as compared with 20.5% as at 31 March 2013. In view of the Group's steady cash inflow from operations together with the surplus cash position, the Group has adequate financial resources to meet the future payment obligation and support its future business development plan.

Contingent Liabilities

The Group did not have any contingent liabilities as at 31 March 2014.

Capital Commitment

The Group did not have any significant capital commitment as at 31 March 2014.

Pledge of Assets

As at 31 March 2014, the Group had two outstanding mortgage loans amounting in total to HK\$24.6 million (as at 31 March 2013: HK\$27.4 million) which were repayable on demand and secured by the Group's land and building and investment property.

Foreign Exchange Risks and Treasury Policies

The Group has foreign currency exposures that mainly result from the balance of assets and liabilities in currencies other than in Hong Kong dollars, the Group's functional currency. The Group's policy requires the management to monitor the Group's foreign exchange exposure by closely monitoring the movement of foreign currency rates. The management may purchase foreign currency at spot rate, when and where appropriate for the purpose of meeting the Group's future payment obligation in foreign currency. With the setup of an investment unit together with the extension of investment scope, the Group may use more financial tools such as foreign exchange forward contracts, dual currency options etc. to manage the foreign exchange risks. For the year ended 31 March 2014, a net exchange gain of approximately HK\$0.2 million was recorded (2013: exchange gain of HK\$0.7 million).

Human Resources and Employee's Remuneration

As at 31 March 2014, the Group had a total workforce of 633 (as at 31 March 2013: 585), of which about 74.1% were frontline staff. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. Other benefits include contributions to mandatory provident fund and medical insurance coverage. In addition, the Group has granted share options to certain eligible persons pursuant to a Pre-IPO share option scheme adopted by the Company on 31 March 2011, i.e. before the listing of the Company's shares in The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in September 2011. The Pre-IPO share option scheme will lapse on 29 September 2014. The remuneration policy will be reviewed by the Board from time to time. Emoluments of Directors are determined by the Remuneration Committee after considering the Group's operating results, individual performance and comparing with market conditions.



MANAGEMENT DISCUSSION AND ANALYSIS

Event after the Reporting Period

On 14 March 2013, 6 February 2014, 24 February 2014 and 31 March 2014, the Group has made announcements in relation to the possible acquisition of a company of which its principal business is the operation of travel-related business in the PRC. On 31 March 2014, the Group has entered into a share transfer agreement with SKAL Travel Services Limited (“SKAL”), an independent third party of the Group, to which the Group has conditionally agreed to purchase and SKAL has agreed to sell 55% equity interests in 深圳順風旅行社有限公司 (Shenzhen SKAL Travel Service Limited) (the “Target Company”) for a consideration not exceeding RMB2.4 million. Upon completion of the acquisition, one of the existing shareholders of the Target Company namely China International Travel Services Shenzhen Co., Limited (深圳中國國際旅行社有限公司) and the Group will have 45% and 55% equity interest in the Target Company respectively. As of the date of this annual report, the acquisition of the Target Company has not been completed.

OUTLOOK

The coming year will remain a challenging year given that all unfavorable factors such as high shop rental cost and shortage of labor affecting the performance of the year under review will continue to prevail. Furthermore, in view of the recent political incidents occurring in Thailand and Vietnam, the number of Hong Kong tourists travelling to such countries will inevitably decrease significantly that will create certain negative impacts to the Group’s performance, especially in the first half of the financial year 2014/15. Nevertheless, our management team has good confidence to tackle this kind of incidents based on the past experience in order to minimize the adverse influences.

Apart from committed to strengthening the existing business segments and improving service quality, the Group is actively working on exploring new business opportunities. Business and product diversification is one of our main goals in the coming year. The setup of Premium Holidays (尊賞假期) demonstrated our efforts and determination of business diversification by entering into the tour business. As this new business segment is in the initial setting up stage, we anticipate considerable resources will be put into marketing and brand building of this new company for further business development. Besides, Tailor Made Holidays (度新假期) is also at the development stage and more resources will be allocated.

To maintain a sustainable business growth, the Group sees the importance in advancement of IT applications. We believe that with the help of efficient IT systems and enhanced websites, we can capture the immense business opportunities through internet. This is because online platforms have been becoming popular sales channels. Therefore, the Group will invest substantial resources to enhance its IT business applications and advance the IT infrastructure in the coming year. Through this, the Group will better equip itself to capture the future business opportunities.

In addition, the Group will continue to work ceaselessly to enhance service and product quality in the coming year. Thus, we will provide strengthened training programs in different aspects of services and product knowledge to staff as well as launch internal campaign relating to service enhancement.

Facing the ever-changing operating environment and market trend, the Group is undergoing various vibrant initiatives to meet the challenges ahead. These initiatives include exploring opportunities in expansion of business into China, expansion of investment team with increase of investment cap, enhancement of the retail and corporate sales teams, adoption of flexible marketing strategies, reorganization of cruise team and long haul product management team etc. Doubtless to say that all these initiatives will cause pressures on operating cost and may inevitably affect the profit in the coming year. However, with such initiatives, the Group aims to position itself to seize new business opportunities which will in turn enhance the long term profitability of the Group. The Group is confident that all such resources and efforts we put will help to shape the Group’s future and bring a promising return to shareholders.



DIRECTORS' BIOGRAPHIES

EXECUTIVE DIRECTORS

Mr. Ko Wai Ming, Daniel, aged 54, became the Chairman and an Executive Director of the Company on 6 September 2011 and 30 September 2010 respectively. Mr. Ko has over 12 years of experience in the travel industry. He is primarily responsible for the overall management, strategic development and major decision making of our Group. Mr. Ko joined our Group in January 2001. Mr. Ko began his career in 1980 with Midland Holdings Limited group of companies where he worked for 10 years and held various senior management positions, with his last position being managing director. In 1991, Mr. Ko founded a real estate agency. Mr. Ko holds a degree of Master of Business Administration from University of Birmingham, U.K.. Mr. Ko is the spouse of Ms. Cheng Hang Fan, an Executive Director and the Chief Executive Officer of the Company.

Ms. Cheng Hang Fan, aged 55, is one of the co-founders of the Group and became the Chief Executive Officer and an Executive Director of the Company on 6 September 2011 and 30 September 2010 respectively. Ms. Cheng has over 28 years of experience in the travel industry. She is primarily responsible for the day-to-day management and operation, business development and strategic planning of our Group. Ms. Cheng is the spouse of Mr. Ko Wai Ming, Daniel, the Chairman and an Executive Director of the Company.

Mr. Kam Tze Ming, Alfred, aged 54, joined the Group as Chief Operating Officer in May 2010. He became an Executive Director of the Company on 30 September 2010. Mr. Kam is mainly responsible for overseeing sales operations of the Group. Mr. Kam holds a degree of Bachelor of Arts (Honours) in Computing Studies from Hong Kong Polytechnic University and a degree of Master of Business Administration from Heriot-Watt University, Edinburgh, U.K.. Mr. Kam worked for Duty Free Shoppers Hong Kong Limited (now known as DFS Hong Kong Limited) for 10 years in various capacities including Merchandising Planning and Control Manager, with his last position being Information Technology Director. Before joining the Group, Mr. Kam was Head of Information Technology of Maxim's Caterers Limited. He has more than 22 years of experience in the information technology and retail industries.

Mr. Chan Wan Fung, aged 45, joined the Group as Chief Financial Officer in May 2011. He became our Executive Director on 1 April 2012. Mr. Chan is responsible for overseeing our Group's financial operations and supporting departments. Mr. Chan is a qualified certified public accountant with more than 22 years of finance and accounting working experience. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan graduated from The Chinese University of Hong Kong with a degree of Bachelor of Business Administration and obtained a degree of Master of Business Administration from University of Birmingham, U.K.. Mr. Chan has served various senior management positions with multi-national companies. Immediately prior to joining our Group, he was the Finance Director, Asia Pacific Region of Accuray Asia Limited.



DIRECTORS' BIOGRAPHIES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Mak King Sau, aged 40, was appointed as an Independent Non-executive Director of the Company on 29 June 2011. Mr. Mak is a member of the American Institute of Certified Public Accountants. He graduated from Boston University with a Bachelor of Science in Business Administration and was awarded a Master of Science in Financial Management from University of London. Mr. Mak served various senior management positions in investment institutions. He has more than 12 years of experience in corporate finance and private equity fund investment. From 2010 to 2012, he worked for Sino-Life (Hong Kong) Limited (a wholly-owned subsidiary of Sino-Life Group Limited) (stock code: 8296) as general manager. Mr. Mak is also an independent non-executive director of Xinjiang Tianye Water Saving Irrigation System Company Limited, a company listed on The Stock Exchange of Hong Kong Limited (stock code: 840).

Mr. Szeto Chi Man, aged 57, was appointed as an Independent Non-executive Director of the Company on 20 April 2011. Mr. Szeto holds a Master of International and Public Affairs from The University of Hong Kong, a Doctor of Business Administration from University of South Australia, a Master of Philosophy in Information Systems from City University of Hong Kong and a Master of Applied Science from University of Technology, Sydney. Mr. Szeto has over 12 years of experience in the development and administration of academic course and corporate training. He joined the School of Professional and Continuing Education of the University of Hong Kong ("HKU SPACE") in 2001. He is presently an associate head of the College of Life Sciences and Technology of HKU SPACE. In 2004, Mr. Szeto was elected a chartered member of The British Computer Society. For about 20 years prior to joining HKU SPACE, Mr. Szeto had been engaged in the information technology field as consultant in information technology companies to provide business solutions for client enterprises on project basis and as in-house information technology professional responsible for development of business solutions.

Mr. Yung Ha Kuk, Victor, aged 60, was appointed as an Independent Non-executive Director of the Company on 20 April 2011. Mr. Yung holds a Master of Science in Corporate Governance and Directorship awarded by Hong Kong Baptist University. He is a fellow of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Yung is a professional accountant with over 30 years of working experience in the financial and accounting fields. He served in management positions in various multinational companies in Asia. Mr. Yung is also an independent non-executive director of Lippo Limited (stock code: 226), Lippo China Resources Limited (stock code: 156), Hongkong Chinese Limited (stock code: 655) and Magnum Entertainment Group Holdings Limited (2080), the securities of which are listed on The Stock Exchange of Hong Kong Limited.



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors (the "Directors") of the Company (the "Board") is committed to maintaining and ensuring high standards of corporate governance in order to achieve effective accountability and safeguard the interests of shareholders. During the year ended 31 March 2014, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (the "Code") in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiries to all Directors, all of them confirmed that they had complied with the required standards as set out in the Model Code during the year.

BOARD OF DIRECTORS

The Board is responsible for the leadership and monitoring of the Group's businesses, strategic decisions and overall performance. The day-to-day management responsibility is delegated to the Executive Directors who perform their daily duties under the leadership of the Chief Executive Officer. The Board currently consists of seven members, including four Executive Directors and three Independent Non-executive Directors ("INEDs"). Each Executive Director is suitably qualified for his/her position, and has sufficient experience to hold the position so as to carry out his/her duties effectively and efficiently. One of the INEDs has the professional qualifications or accounting or related financial management expertise required by the Listing Rules. Throughout the year, the Company has three INEDs representing not less than one-third of the Board pursuant to Rule 3.10A of the Listing Rules.

The composition of the Board during the year is as follows:

Executive Directors

Mr. Ko Wai Ming, Daniel (*Chairman*)
Ms. Cheng Hang Fan (*Chief Executive Officer*)
Mr. Kam Tze Ming, Alfred (*Chief Operating Officer*)
Mr. Chan Wan Fung (*Chief Financial Officer*)

Independent Non-executive Directors

Mr. Mak King Sau
Mr. Szeto Chi Man
Mr. Yung Ha Kuk, Victor

The Company has received annual confirmation of independence from each of INEDs and considers them to be independent. The Board members have no financial, business, family or other material/relevant relationship with each other except those disclosed in the director biographical details. Given the business nature and scope of the Company, the Board has appropriate skill and experience for the requirements of the business of the Company.



CORPORATE GOVERNANCE REPORT

The Board schedules at least four regular meetings a year on quarterly basis and also meets as and when required. During the year ended 31 March 2014, the Board held five meetings of which four were regular meetings in line with the meeting schedule. One of the five Board meetings was a non-regular meeting which was convened for the approval of board diversity policy pursuant to code provision A.5.6 which came into effect on 1 September 2013. At least 14 days' notice of a regular Board meeting is given to all Directors pursuant to code provision A.1.3 of the Code to ensure them to have an opportunity to attend the meeting and include discussion items in the agenda. The Company Secretary assists the Chairman in establishing the meeting agenda and consolidates the requests from each Director for discussion in the agenda. The agenda and the appropriate information related to the matters for discussion are circulated normally three days in advance of Board meetings to the Directors. All Directors have given sufficient time and attention to the affairs of the Group.

The Board and committee minutes are recorded in appropriate detail and draft minutes are circulated to all Directors and committee members for comments before being approved by the Board and committees and signed by the respective Chairman. All minutes are kept by the Company Secretary and are open for inspection by the Directors. In addition, the Company provides all Board members including INEDs with monthly update with effective from 1 April 2012 pursuant to code provision C.1.2 of the Code.

All the Directors including INEDs have been appointed for specific terms. According to the Article 84 of the Articles of Association of the Company (the "Articles"), one-third of the Directors for the time being (or, if their number is not multiple of three(3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall subject to retirement at an annual general meeting of the Company at least once every three years. All retiring Directors shall be eligible for re-election.

Article 83(3) of the Articles provides that (i) any director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the shareholders after his appointment and be subject to re-election at such meeting, and (ii) any director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the Code requires the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. The Chairman of the Company is Mr. Ko Wai Ming, Daniel and the functions of Chief Executive Officer are performed by his spouse, Ms. Cheng Hang Fan. The roles of the Chairman and the Chief Executive Officer are segregated and assumed by two separate individuals. The Chairman of the Board is responsible for the leadership and effective running of the Board, while the Chief Executive Officer is delegated with the authorities to manage the daily business of the Group in all aspects effectively.

CORPORATE GOVERNANCE REPORT

Despite of the close relationship between the Chairman and the Chief Executive Officer, the Board believes that this arrangement is able to deliver strong and consistent leadership, facilitating the Group to make decisions promptly and efficiently. The Board also considers that this arrangement will not impair the balance of power and authority because the balance of power and authority is ensured by the effective operation of the Board, which comprises experienced and high caliber individuals who will meet regularly to discuss issues affecting operation of the Group. The Board has full confidence that their appointment to the positions of the Chairman and the Chief Executive Officer is beneficial to the business prospects of the Group.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company continuously updates the Directors on the Group's business and the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

During the year, the Directors have participated the following trainings:

Name of Directors	Type of trainings		
	A	B	C
Executive Directors:			
Mr. Ko Wai Ming, Daniel (<i>Chairman</i>)	–	✓	✓
Ms. Cheng Hang Fan (<i>Chief Executive Officer</i>)	–	✓	✓
Mr. Kam Tze Ming, Alfred (<i>Chief Operating Officer</i>)	✓	✓	✓
Mr. Chan Wan Fung (<i>Chief Financial Officer</i>)	✓	✓	✓
Independent Non-executive Directors:			
Mr. Mak King Sau	✓	✓	✓
Mr. Szeto Chi Man	✓	✓	✓
Mr. Yung Ha Kuk, Victor	✓	✓	✓

A: Seminars/conferences relevant to directors' duties and responsibilities

B: Reading materials given by the Company relating to the Company's business and regular updates on Listing Rules and other applicable regulatory requirements relevant to directors' duties and responsibilities

C: Reading newspapers, journals, books and updates relating to the economy, environment and social issues or the directors' duties and responsibilities

BOARD COMMITTEES

The Company has established three committees, i.e. Nomination Committee, Remuneration Committee and Audit Committee, to support the Board's functions. Each of the committees has its specific written terms of reference and currently all the committees are headed by INEDs. The committees are required to make recommendations and report to the Board about their decisions on specific areas. The procedures and arrangements for a Board meeting, as mentioned in the section headed "Board of Directors" of this report, have been adopted for the committee meetings so far as practicable. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members for information.

CORPORATE GOVERNANCE REPORT

The attendance records of Directors at the Board meetings and the attendance records of Committee Members at the meetings of Nomination Committee, Remuneration Committee and Audit Committee during the year are set out below:

Name of Directors	Number of meetings attended/held			
	Board	Nomination Committee	Remuneration Committee	Audit Committee
Executive Directors:				
Mr. Ko Wai Ming, Daniel (<i>Chairman</i>)	5/5	3/3	–	–
Ms. Cheng Hang Fan (<i>Chief Executive Officer</i>)	5/5	–	1/1	–
Mr. Kam Tze Ming, Alfred (<i>Chief Operating Officer</i>)	5/5	–	–	–
Mr. Chan Wan Fung (<i>Chief Financial Officer</i>)	5/5	–	–	–
Independent Non-executive Directors:				
Mr. Mak King Sau	5/5	3/3	1/1	2/2
Mr. Szeto Chi Man	5/5	3/3	1/1	2/2
Mr. Yung Ha Kuk, Victor	5/5	3/3	1/1	2/2

NOMINATION COMMITTEE

The Nomination Committee was established on 20 April 2011 with written terms of reference in line with the provisions of the Code. This Committee currently consists of four members, including Mr. Szeto Chi Man (Chairman of the Committee), Mr. Mak King Sau, Mr. Yung Ha Kuk, Victor, all being INEDs, and Mr. Ko Wai Ming, Daniel, being an Executive Director and the Chairman of the Board.

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of Independent Non-executive Directors; and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the Chief Executive.

The Company has adopted the board diversity policy in August 2013. The policy sets out the approach to achieve diversity in the Board. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. All Board appointments will be made on merit basis and candidates will be considered against selection criteria, having due regard for the benefits of diversity on the Board. In selecting candidates, the Nomination Committee will consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional, experience, skills, knowledge and length of service. The Company will also take into account factors based on its own business model and specific needs from time to time.

At present, the Nomination Committee has not set any measurable objectives to implement the policy. However, it will consider and review the board diversity and set any measurable objectives from time to time.

The Nomination Committee will monitor the implementation of the policy and review the policy, as appropriate, to ensure its effectiveness.



CORPORATE GOVERNANCE REPORT

During the year, the Nomination Committee reviewed and recommended the retirement and re-election of Directors for the 2013 annual general meeting; considered and approved the board diversity policy in accordance with code provision A.5.6; and reviewed the structure, size and composition of the Board and considered that the current composition of the Board was appropriate to the Company and no change to the Board was proposed.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 April 2011 with written terms of reference in line with the provisions of the Code. This Committee currently consists of four members, including Mr. Mak King Sau (Chairman of the Committee), Mr. Szeto Chi Man, Mr. Yung Ha Kuk, Victor, all being INEDs, and Ms. Cheng Hang Fan, being an Executive Director and the Chief Executive Officer of the Company.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; to make recommendations to the Board on the remuneration packages of individual Executive Directors, Non-executive Directors and senior management; to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries; to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; to ensure that no Director or any of his associates is involved in deciding his own remuneration; and to form a view in respect of service contracts that require shareholders' approval and advise shareholders (other than shareholders who are Directors with a material interest in the service contracts and their associates) as to whether the terms are fair and reasonable, and to advise whether such contracts are in the interests of the Company and its shareholders as a whole, and advise shareholders on how to vote.

During the year, the Remuneration Committee reviewed and recommended the remuneration proposal for Directors for the financial year of 2014–2015 for the Board's approval.

AUDIT COMMITTEE

The Audit Committee was established on 20 April 2011 with written terms of reference in line with the provisions of the Code. This Committee currently consists of three members, including Mr. Yung Ha Kuk, Victor (Chairman of the Committee), Mr. Mak King Sau and Mr. Szeto Chi Man, all being INEDs. The Chairman of the Audit Committee, Mr. Yung Ha Kuk, Victor possesses appropriate professional qualifications in finance and accounting and meets the requirements of Rule 3.21 of the Listing Rules.

The Audit Committee acts as the key representative body for overseeing the Company's relations with the external auditors. The primary duties are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; to develop and implement policy on engaging an external auditor to supply non-audit services; to monitor integrity of the Company's financial statements and annual report and accounts, half-year report, and to review significant financial reporting judgments contained in them; to review the Company's financial controls, internal control and risk management systems; to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings; to review the Group's financial and accounting policies and practices; to review the external auditor's management letter, any material queries raised by the auditor to



CORPORATE GOVERNANCE REPORT

management about accounting records, financial accounts or systems of control and management's response; to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter; and to review arrangements by which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

During the year, the Audit Committee reviewed and recommended the unaudited interim results and the audited consolidated annual results of the Group for the Board's approval; reviewed the Report on Internal Control Review as prepared by an independent internal control consultant.

DIRECTORS' REMUNERATION

The Directors' remuneration and all other emoluments paid or payable to the Directors during the year are set out on an individual and named basis in note 11(a) to the Consolidated Financial Statements of this annual report on page 63.

AUDITOR'S REMUNERATION

The fee charged by the Company's external auditor in respect of the audit and non-audit services to the Group during the year is summarized as below:

Services Type	HK\$'000
Audit services — Annual audit	565
Non-audit services	135
Total	700

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out below:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

To indemnify Directors and officers of the Company against all costs, charges, losses, expenses and liabilities incurred by them in the execution of and discharge of their duties or in relation thereto, the Company has arranged insurance cover for this purpose.



CORPORATE GOVERNANCE REPORT

INTERNAL CONTROLS

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group to safeguard shareholders' investment and the Company's assets. During the year, the Company appointed an independent internal control consultant to perform a review of the internal control system and procedures of the Group which mainly covering the sales cycle, receipts cycle, inventory cycle and day-end procedures in frontline sales operation. The report on internal control review 2014 listed out the findings in regard to the relevant cycles and procedures with recommendations proposed for the Company to further improve its internal control system.

During the year, the Board approved and adopted an Inside Information Policy which sets out the guidelines to the employees to ensure inside information of the Group would be handled and disseminated properly in accordance with applicable laws and regulations.

The Company has a formal whistle-blowing policy to encourage staff to raise serious concerns, in confidence, to the Audit Committee about possible improprieties in any matter about the Group. During the year under review, the Audit Committee did not receive any complaints or concerns raised by the staff.

ACCOUNTABILITY AND AUDIT

The Board is responsible for the preparation of the financial statements of the Group according to the statutory requirements and the applicable accounting standards which give true and fair view of the state of affairs, the results of operations and cashflows of the Group. The Board confirms that, to the best of their knowledge, the financial statements for the reporting year have been prepared on a going concern basis and they have no doubt about the Company's ability to continue as a going concern.

The responsibilities of the external auditors of the Company on the financial statements are set out in the "Independent Auditor's Report" on pages 32 to 33.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company. During the year under review, the Company Secretary has taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Company's shareholders communication policy is to ensure proper communication with the Company's shareholders, both individual and institutional in order to enable them to have timely access to the relevant information about the Company including its financial performance, major business developments, governance and risk profile.

Annual general meeting ("AGM") of the Company is a valuable avenue for the Board to have dialogue directly with shareholders. All the Directors of the Company attended the 2013 AGM and the Chairman of the Board as well as Chairman of each of the Board Committees made themselves available to answer questions at the 2013 AGM. External auditor was invited and attended the AGM to address shareholders' enquiries.

Under the Listing Rules, all votes of the shareholders at general meetings will be taken by poll.

Shareholders can send in their enquiries in writing to Company Secretary at the Company's principal place of business in Hong Kong. The Board will seriously consider shareholders' enquiries and address them accordingly. During the Reporting Period, no shareholders' enquiry was received.



CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting by shareholders

Pursuant to Article 58 of the Company's Articles, any 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 carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (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.

Procedures for directing shareholders' enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Other shareholders' enquiries can be directed in writing with contact details (including name, address, telephone number and/or email address) to the Company's principal place of business in Hong Kong at 9th Floor, Kowloon Plaza, No. 485 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong (the "Principal Place of Business") for the attention of the Company Secretary.

Procedures for putting proposals at shareholders' meetings

Shareholders' are welcome to suggest proposals to be discussed at general meetings. Proposals should be directed in writing with contact details (including name, address, telephone number and/or email address) to the Company's Principal Place of Business for the attention of the Company Secretary.

The procedures for shareholders to propose a person for election as a Director are available on the website of the Company.

The Board may, in its sole discretion, consider if such proposals are appropriate and shall be put forward to the shareholders for approval at the next general meeting to be convened by the Board.

INVESTOR RELATIONS

During the year, there is no change in the Company's constitutional documents. The Company's Memorandum and Articles of Association are available on both the Company's and the Stock Exchange's websites.



REPORT OF THE DIRECTORS

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 14 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2014 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 34 to 91.

An interim dividend of HK1.5 cents (six months ended 30 September 2012: nil) per share, amounting to approximately HK\$7.7 million (six months ended 30 September 2012: nil) was paid to shareholders during the year.

The Board has proposed a final dividend of HK3.0 cents (2013: HK4.0 cents) per share for the year ended 31 March 2014, representing a total payout of approximately HK\$15.4 million, or a distribution of 35.6% of the current year's profit attributable to owners of the Company. Subject to shareholders' approval at the forthcoming annual general meeting (the "AGM") to be held on 20 August 2014, the proposed final dividend will be paid on or around 12 September 2014.

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 92.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from 15 August 2014 to 20 August 2014, both days inclusive, for the purpose of determining the entitlement to attend and vote at the AGM scheduled to be held on 20 August 2014. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (the "Branch Share Registrar") not later than 4:30 p.m. on 14 August 2014.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The register of members of the Company will be closed from 28 August 2014 to 1 September 2014, both days inclusive, for the purpose of determining the entitlement to the proposed final dividend for the year ended 31 March 2014. In order to qualify for the proposed final dividend for the year ended 31 March 2014, all transfer forms accompanied by relevant share certificates must be lodged with the Branch Share Registrar not later than 4:30 p.m. on 27 August 2014.



REPORT OF THE DIRECTORS

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds from the placing and initial public offer amounted to HK\$49.5 million. Up to 31 March 2014, the net proceeds were used for the following purposes:

- approximately HK\$3.2 million was used to increase the Group's headcounts and resources for developing corporate and MICE (meeting, incentive, conference and exhibition) business;
- approximately HK\$3.9 million was used as the set up and general operating expenses for the Group's China business;
- approximately HK\$5.0 million was used to set up the Group's new headquarters and upgrade of operational infrastructure; and
- approximately HK\$4.9 million was used for general working capital of the Group.

The unutilized balance has been placed at commercial banks in Hong Kong as time deposits.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

INVESTMENT PROPERTY

Details of movements in and particulars of the investment property of the Group during the year are set out in note 13 to the consolidated financial statements.

BANK BORROWINGS

Details of the bank borrowings of the Group at 31 March 2014 are set out in note 23 to the consolidated financial statements.

CHARITABLE DONATION

The Group made charitable donation during the year totaling HK\$40,000 (2013: HK\$18,000).

SHARE CAPITAL AND PRE-IPO SHARE OPTIONS

Details of movements in the Company's share capital and Pre-IPO share options during the year are set out in notes 25 and 27 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company unless otherwise required by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

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



REPORT OF THE DIRECTORS

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 26 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2014, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (as amended) of the Cayman Islands, amounted to HK\$76.1 million, of which HK\$15.4 million has been proposed as a final dividend for the year after the reporting period. The amount of HK\$76.1 million includes the Company's share premium account of HK\$57.8 million in aggregate at 31 March 2014, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentage of turnover or sales attributable to the Group's five largest customers combined was less than 30%. The percentage of purchases attributable to the Group's five largest suppliers combined and the largest supplier were 46.77% and 26.18% respectively.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Ko Wai Ming, Daniel (*Chairman*)
Ms. Cheng Hang Fan (*Chief Executive Officer*)
Mr. Kam Tze Ming, Alfred (*Chief Operating Officer*)
Mr. Chan Wan Fung (*Chief Financial Officer*)

Independent Non-executive Directors

Mr. Mak King Sau
Mr. Szeto Chi Man
Mr. Yung Ha Kuk, Victor

Pursuant to Articles 84(1) and 84(2), Mr. Ko Wai Ming, Daniel, Mr. Chan Wan Fung and Mr. Yung Ha Kuk, Victor will retire by rotation at the AGM and, being eligible, will offer themselves for re-election.



REPORT OF THE DIRECTORS

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its Independent Non-executive Directors an annual confirmation of their independence from the Group. Based on such confirmations, the Company considers that each of such Directors to be independent from the Group.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Company are set out on pages 10 to 11 of this annual report.

DIRECTORS' SERVICE CONTRACTS

All the Executive Directors have entered into service contracts with the Company for a term of three years, which may be terminated by not less than 3 months' notice in writing served by either party on the other.

Each of the Independent Non-executive Directors has signed a letter of appointment and is appointed for an initial term of 2 years commencing on the date of listing of the Company's shares on the Stock Exchange.

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

Directors are subject to retirement by rotation at least once every three years as required by the Articles of Association.

DIRECTORS' REMUNERATION

Directors' remunerations are determined subject to the recommendations of the Remuneration Committee and the Board's approval with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the transactions disclosed in note 33 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries was a party subsisted at the end of the year or during the year ended 31 March 2014.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 31 March 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange, were as follows:

(a) Long positions in ordinary shares of the Company

Name of Director	Number of shares of HK\$0.01 each (the "Shares") in the Company				Approximate percentage of the issued share capital
	Personal Interests	Family Interests	Corporate Interests	Total Interests	
Mr. Ko Wai Ming, Daniel ("Mr. Ko")	–	10,585,000 (Note a)	356,615,000 (Note b)	367,200,000	71.50%
Ms. Cheng Hang Fan ("Mrs. Ko")	10,585,000	–	356,615,000 (Note b)	367,200,000	71.50%
Mr. Kam Tze Ming, Alfred ("Mr. Kam")	4,050,000	–	–	4,050,000	0.79%
Mr. Chan Wan Fung ("Mr. Chan")	800,000	–	–	800,000	0.16%

Notes:

- (a) Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the shares of the Company owned by Mrs. Ko.
- (b) These shares of the Company are owned by Colvin & Horne Holdings Limited ("CHHL"), which is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.

REPORT OF THE DIRECTORS

(b) Long position in Pre-IPO share options of the Company

Name of Director	Capacity	Total number of Pre-IPO share options held	Approximate percentage of the issued share capital
Mr. Chan	Beneficial owner	1,250,000	0.24%

Note: The Pre-IPO share options were granted under the Pre-IPO share option scheme adopted by the Company on 31 March 2011 (the "Pre-IPO Share Option Scheme").

(c) Long position in shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Beneficial Owner	Family interest (Note)	Total number of shares held	Approximate percentage of the issued share capital
Mr. Ko	CHHL	3	2	5	100%
Mrs. Ko	CHHL	2	3	5	100%

Note: Mr. Ko and Mrs. Ko are spouses. Pursuant to Part XV of the SFO, Mr. Ko is deemed to be interested in the shares of CHHL owned by Mrs. Ko and Mrs. Ko is deemed to be interested in the shares of CHHL owned by Mr. Ko.

Save as disclosed above, as at 31 March 2014, none of the Directors and chief executive of the Company 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 are required, pursuant to Section 352 of the SFO, to be entered in the registers referred to therein or are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEMES

Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme for the purpose of recognizing the contribution of selected eligible persons to the growth of the Group and the listing of the shares of the Company. Options to subscribe for an aggregate of 23,704,000 shares of the Company (the "Pre-IPO Share Options") were granted on 6 September 2011 and no further options would be granted under the Pre-IPO Share Option Scheme. The options vest within one or two years from the dates of grant and then are exercisable within a period of one year.

A summary of terms of the Pre-IPO Share Option Scheme and details of the options granted by the Company have been disclosed in the prospectus dated 16 September 2011 issued by the Company (the "Prospectus").

Details of the movements of the Pre-IPO Share Options during the year are as follows:

Grantee	Exercisable period	Number of options				Balance at 31 March 2014	Exercise price per share (HK\$)
		Balance at 1 April 2013	Exercised during the year	Forfeited during the year	Lapsed during the year		
Executive Directors							
Mr. Ko	30 September 2012 to 29 September 2013	500,000	(500,000)	-	-	-	0.5040
Mrs. Ko	30 September 2012 to 29 September 2013	500,000	(500,000)	-	-	-	0.5040
Mr. Kam	30 September 2012 to 29 September 2013	4,500,000	(4,500,000)	-	-	-	0.5040
Mr. Chan	30 September 2012 to 29 September 2013	1,250,000	(300,000)	-	(950,000)	-	0.630
	30 September 2013 to 29 September 2014	1,250,000	-	-	-	1,250,000	1.260
Employees of the Group							
	30 September 2012 to 29 September 2013	11,372,000	(4,843,000)	(186,000)	(6,343,000)	-	0.5355
	30 September 2012 to 29 September 2013	1,000,000	(1,000,000)	-	-	-	0.5040
		20,372,000	(11,643,000)	(186,000)	(7,293,000)	1,250,000	

During the year ended 31 March 2014, 11,643,000 options were exercised, 7,293,000 options were lapsed upon expiration of exercisable period and 186,000 options were forfeited as certain option holders ceased to be eligible persons under the Pre-IPO Share Option Scheme.



REPORT OF THE DIRECTORS

Share Option Scheme

The Company adopted a Share Option Scheme (the "Share Option Scheme") on 6 September 2011. The purpose of the Share Option Scheme is to enable the Board to grant options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group and/or to recruit and retain high caliber eligible persons and to attract human resources that are valuable to the Group. No option has been granted pursuant to the Share Option Scheme during the year.

The maximum number of shares of the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the Shares in issue on the date of listing of the Company's shares on the Stock Exchange, i.e., 50,000,000 shares. The Company may seek approval from shareholders to refresh such limit. Moreover, the maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other option schemes of the Company must not exceed 30% of the Shares in issue from time to time. The maximum entitlement of each eligible person in any 12-month period shall not exceed 1% of the Shares in issue from time to time. Any further grant of options in excess of such limit must be separately approved by shareholders with such eligible person and his associates abstaining from voting.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine but in any event shall not exceed 10 years from the date of grant. Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no minimum holding period before an option is exercisable. The amount payable on acceptance of a share option is HK\$1.0.

The exercise price of the share option under the Share Option Scheme shall be determined by the Board provided always that it shall be at least the higher of (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer for the grant of options (which is deemed to be the date of grant if the offer for the grant of the option is accepted by the Eligible Person), which must be a trading day; and (b) the average closing prices of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the date of grant, provided that the exercise price shall in no event be less than the nominal amount of a Share.

A summary of terms of the Share Option Scheme has been disclosed in the Prospectus.

Save as disclosed above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

REPORT OF THE DIRECTORS

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

As at 31 March 2014, shareholders (not being Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or otherwise notified to the Company are set out below:

Name of Shareholders	Nature of interests		Total number of shares held	Approximate percentage of the issued share capital
	Beneficial owner	Family interest		
CHHL (Note a)	356,615,000	–	356,615,000	69.44%
Mr. Chu Hung Kwan ("Mr. Chu") (Note b)	17,400,000	11,500,000	28,900,000	5.63%
Ms. Tai Kan Yuet ("Mrs. Chu") (Note b)	11,500,000	17,400,000	28,900,000	5.63%

Notes:

- (a) CHHL is owned as to 60% and 40% by Mr. Ko and Mrs. Ko respectively.
- (b) Mr. Chu and Mrs. Chu are spouses. Pursuant to Part XV of the SFO, Mr. Chu is deemed to be interested in the shares of the Company owned by Mrs. Chu and Mrs. Chu is deemed to be interested in the shares of the Company owned by Mr. Chu.

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any person (not being a Director or chief executive of the Company) who, as at 31 March 2014, had an interest or a short position in the Shares or underlying Shares of the Company which are recorded in the registers required to be kept under Section 336 of the SFO or notified to the Company pursuant to the SFO.

REPORT OF THE DIRECTORS

CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

Transactions	Year ended 31 March 2014 HK\$'000
Lease between Central City International Limited ("CCIL") and Travel Expert Limited ("TEL") — First Floor of Grand Building	960
Lease between CCIL and TEL — Ground Floor of Far East Consortium Building	1,470
Lease between Hombest Investment Limited and TEL — Yim Po Fong Street	216
Aggregated annual consideration paid by the Group	2,646

Details of the continuing connected transactions have been disclosed in the Prospectus and the announcements of the Company relating to continuing connected transactions involving tenancy agreements entered into between the Group and the connected persons of Mr. Ko.

The Directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

The Independent Non-executive Directors have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

BDO Limited ("BDO"), the Company's auditor, 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. BDO 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.

The Directors confirm that the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with by the Company.

REPORT OF THE DIRECTORS

INVESTMENT ACTIVITIES

For the year ended 31 March 2014, the Group engaged in certain investment activities. All the funds used in such investment activities were the Group's surplus funds allocated under the investment cap.

During the year, the Board approved the increase of the investment cap amount from HK\$20 million to HK\$40 million effective on 1 April 2014.

The utilization status of the investment fund for holding financial assets or liabilities as at 31 March 2014 was as follows:

Investment by Categories	31 March 2014 HK\$'000	31 March 2013 HK\$'000
Equity securities listed in Hong Kong	934	–
Forward exchange contracts*	984	–
Gold futures contracts*	62	–
Currency futures contracts*	145	–
Total Value	2,125	–

* Fund utilized in form of pledged deposits

The details of financial assets or liabilities stated at fair value as at 31 March 2014 were as follows:

Investment by Categories	31 March 2014 HK\$'000	31 March 2013 HK\$'000
Equity securities listed in Hong Kong	868	–
Forward exchange contracts*	(86)	–
Gold futures contracts*	65	–
Currency futures contracts*	(101)	–
Total Value	746	–

* Secured by the total pledge deposits of approximately HK\$1,191,000



REPORT OF THE DIRECTORS

CHANGE IN INFORMATION OF DIRECTOR

The change in the information of the Directors of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, since the publication of the interim report of the Company for the six months ended 30 September 2013 is set out below:

On 14 November 2013, Mr. Yung Ha Kuk, Victor, an Independent Non-executive Director of the Company, was appointed as an independent non-executive director and the chairman of the audit committee of Magnum Entertainment Group Holdings Limited (2080), the shares of which were listed on 23 January 2014.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the preceding section headed "Directors' Biographies".

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 the Deed of Non-competition (as defined in the Prospectus). 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.

SUFFICIENCY OF 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, at least 25% of the Company's total issued share capital was held by public as required under the Listing Rules.

AUDITOR

The financial statements of the Company for the years ended 31 March 2013 and 2014 were audited by BDO. A resolution will be proposed at the AGM to re-appoint BDO as the auditor of the Company.

On behalf of the Board
Ko Wai Ming, Daniel
Chairman

Hong Kong, 25 June 2014

INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港
干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF TRAVEL EXPERT (ASIA) ENTERPRISES LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Travel Expert (Asia) Enterprises Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 34 to 91, which comprise the consolidated and company statements of financial position as at 31 March 2014, and 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, 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 auditor's judgment, 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 auditor considers 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 AUDITOR'S REPORT

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.

BDO Limited
Certified Public Accountants

Lo Ngai Hang
Practising Certificate Number P04743

Hong Kong, 25 June 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Revenue	5	315,827	264,263
Other income	5	7,948	6,903
Increase in fair value of investment property	13	–	8,549
Selling and distribution costs		(217,664)	(186,273)
Administrative expenses		(52,237)	(45,885)
Loss on disposal of financial assets at fair value through profit or loss		(218)	–
Fair value loss on financial assets/liabilities at fair value through profit or loss		(187)	–
Profit from operations	6	53,469	47,557
Finance cost	7	(557)	(223)
Profit before income tax		52,912	47,334
Income tax expense	8	(9,644)	(5,995)
Profit for the year attributable to owners of the Company		43,268	41,339
Other comprehensive income, that may be reclassified subsequently to profit or loss			
Exchange difference on translation of financial statements of overseas subsidiary		(1)	9
Other comprehensive income for the year, net of tax		(1)	9
Total comprehensive income for the year attributable to owners of the Company		43,267	41,348
Earnings per share attributable to owners of the Company	10		
— Basic		HK 8.5 cents	HK 8.3 cents
— Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Notes	2014 HK\$'000	2013 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	52,971	52,311
Investment property	13	62,000	62,000
		114,971	114,311
Current assets			
Inventories	15	1,969	2,390
Trade receivables	16	10,779	8,224
Prepayments, deposits and other receivables	17	34,603	40,387
Financial assets at fair value through profit or loss	18	951	–
Prepaid tax		257	855
Pledged deposits	20	1,191	–
Time deposits over three months	19	83,214	70,000
Cash and cash equivalents	19	121,923	78,279
		254,887	200,135
Current liabilities			
Trade payables	21	149,542	119,603
Accrued charges, deposits received and other payables	22	37,520	33,426
Bank borrowings	23	24,588	27,415
Financial liabilities at fair value through profit or loss	18	205	–
Provision for tax		3,257	443
		215,112	180,887
Net current assets		39,775	19,248
Net assets		154,746	133,559
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	5,136	5,019
Reserves	26	149,610	128,540
Total equity		154,746	133,559

Cheng Hang Fan
Director

Chan Wan Fung
Director

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Notes	2014 HK\$'000	2013 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries	14	36,900	36,900
		36,900	36,900
Current assets			
Prepayments and other receivables	17	397	484
Amounts due from subsidiaries	24	62,144	56,579
Time deposits over three months	19	10,027	35,000
Cash and cash equivalents	19	10,200	3,825
		82,768	95,888
Current liabilities			
Accrued charges and other payables	22	1,478	1,147
Provision for tax		18	18
		1,496	1,165
Net current assets		81,272	94,723
Net assets		118,172	131,623
EQUITY			
Share capital	25	5,136	5,019
Reserves	26	113,036	126,604
Total equity		118,172	131,623

Cheng Hang Fan
Director

Chan Wan Fung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

	Share capital HK\$'000	Share premium HK\$'000 <i>(note 26(a))</i>	Share option reserve HK\$'000 <i>(note 26(a))</i>	Merger reserve HK\$'000 <i>(note 26(a))</i>	Foreign exchange reserve HK \$'000	Proposed final dividend HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2012	5,000	48,110	2,466	(9,000)	–	18,000	42,820	107,396
Profit for the year	–	–	–	–	–	–	41,339	41,339
Other comprehensive income for the year:								
Exchange alignment	–	–	–	–	9	–	–	9
Total comprehensive income for the year	–	–	–	–	9	–	41,339	41,348
Share issued under share option scheme	19	1,370	(400)	–	–	–	–	989
Forfeiture of share-based payment expenses	–	–	(58)	–	–	–	58	–
Recognition of share-based payment expenses	–	–	1,826	–	–	–	–	1,826
Final dividend declared	–	–	–	–	–	(18,000)	–	(18,000)
Final dividend proposed	–	–	–	–	–	20,077	(20,077)	–
At 31 March 2013 and 1 April 2013	5,019	49,480	3,834	(9,000)	9	20,077	64,140	133,559
Profit for the year	–	–	–	–	–	–	43,268	43,268
Other comprehensive income for the year:								
Exchange alignment	–	–	–	–	(1)	–	–	(1)
Total comprehensive income for the year	–	–	–	–	(1)	–	43,268	43,267
Share issued under share option scheme	117	8,299	(2,357)	–	–	–	–	6,059
Lapse of share-based payment expenses	–	–	(1,441)	–	–	–	1,441	–
Forfeiture of share-based payment expenses	–	–	(36)	–	–	–	36	–
Recognition of share-based payment expenses	–	–	30	–	–	–	–	30
Final dividend declared	–	–	–	–	–	(20,077)	(388)	(20,465)
Interim dividend proposed and declared	–	–	–	–	–	–	(7,704)	(7,704)
Final dividend proposed	–	–	–	–	–	15,407	(15,407)	–
At 31 March 2014	5,136	57,779	30	(9,000)	8	15,407	85,386	154,746

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Cash flows from operating activities			
Profit before income tax		52,912	47,334
Adjustments for:			
Interest income	5	(2,399)	(1,593)
Increase in fair value of investment property	13	–	(8,549)
Depreciation of property, plant and equipment	6	6,499	6,171
Loss on disposal of property, plant and equipment	6	–	14
Interest expenses	7	557	223
Share-based payment expenses	26	30	1,826
Loss on disposal of financial assets at fair value through profit or loss		218	–
Fair value loss on financial assets/liabilities at fair value through profit or loss		187	–
Bad debt written off	6	182	–
Provision for impairment of trade receivables	6	98	–
Operating profit before working capital changes		58,284	45,426
Decrease/(Increase) in inventories		421	(689)
Increase in trade receivables		(2,835)	(239)
Decrease/(Increase) in prepayments, deposits and other receivables		5,784	(8,590)
Increase in trade payables		29,939	9,157
Increase in accrued charges, deposits received and other payables		4,094	5,321
Payment of the disposal of financial assets/liabilities at fair value through profit or loss		(218)	–
Purchase of financial assets at fair value through profit or loss		(933)	–
Cash generated from operations		94,536	50,386
Income tax paid		(6,280)	(5,677)
Income tax refund		48	–
<i>Net cash generated from operating activities</i>		88,304	44,709
Cash flows from investing activities			
Purchase of property, plant and equipment		(7,479)	(5,361)
Proceed of disposal of property, plant and equipment		320	–
Increase in pledged deposits		(1,191)	–
(Increase)/Decrease in cash deposit with an original maturity of more than three months		(13,214)	30,000
Purchase of investment property		–	(53,451)
Interest received		2,399	1,593
<i>Net cash used in investing activities</i>		(19,165)	(27,219)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Cash flows from financing activities			
Dividends paid		(28,169)	(17,997)
Proceeds from issue of shares		6,059	989
Proceeds from bank borrowings		–	25,000
Repayments of bank borrowings		(2,827)	(4,118)
Interest paid		(557)	(223)
<i>Net cash (used in)/generated from financing activities</i>		(25,494)	3,651
Net increase in cash and cash equivalents		43,645	21,141
Cash and cash equivalents at beginning of year		78,279	57,136
Effect of foreign exchange rate changes		(1)	2
Cash and cash equivalents at end of year	19	121,923	78,279
Analysis of balances of cash and cash equivalents			
Cash and cash equivalents with an original maturity of three months or less:			
Cash deposits in banks and financial institutions		33,967	50,579
Short-term deposits in banks and a financial institution		87,956	27,700
	19	121,923	78,279



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. GENERAL INFORMATION

Travel Expert (Asia) Enterprises Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company and its subsidiaries (the "Group") is located at 9/F, Kowloon Plaza, No. 485 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 14 to the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 34 to 91 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collectively includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the financial statements, if any, are disclosed in note 3.

The financial statements have been prepared under the historical cost basis except for financial assets and financial liabilities at fair value through profit or loss and investment property which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest that represent present ownership interests in the subsidiaries either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.4 Foreign currency translation

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from retranslation of monetary assets and liabilities at the end of reporting period are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.5 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and any impairment losses.

Depreciation on property, plant and equipment is provided to write off the cost over their estimated useful lives, using the straight-line basis, at the following rates per annum:

Leasehold improvements	The shorter of the lease terms and 20%–50%
Office equipment	33.33%–50%
Furniture and fixtures	20%–50%
Motor vehicles	33.33%
Land and buildings	Over the lease terms

The assets' useful lives, depreciation methods and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising on retirement or disposal is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

2.7 Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are subject to an impairment test and are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment loss recognised for cash-generating unit is charged on a pro rata basis to the assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.8 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

- (i) Service income is recognised upon services in respect of the sales of air tickets, hotel accommodation and other travel related products are provided;
- (ii) Rental income from investment property is recognised on a straight-line basis over the periods of the respective tenancy;
- (iii) Incentive income is recognised when the conditions specified in the relevant contracts are fulfilled;
- (iv) Interest income is recognised on a time-proportion basis using the effective interest method; and
- (v) Dividend is recognised when the right to receive payment is established.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

2.10 Financial assets

The Group's accounting policies for financial assets are set out below.

Classification of financial assets

Financial assets other than hedging instruments are classified into the following categories: (i) loans and receivables, (ii) financial assets at fair value through profit or loss; and (iii) cash and cash equivalents.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at the end of each reporting period.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on the trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At the end of each reporting period, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(ii) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which is managed and its performance evaluated on a fair value basis according to a documented management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

Classification of financial assets *(Continued)*

(ii) *Financial assets at fair value through profit or loss (Continued)*

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's accounting policies in note 2.8 to these financial statements.

Impairment of financial assets

At the end of each reporting period, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- (i) significant financial difficulty of the debtor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- (iv) significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- (v) a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) *Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss 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 been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

(ii) *Financial assets carried at cost*

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial assets other than trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

(i) **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

(ii) **Financial liabilities at amortised cost**

Financial liabilities at amortised cost including trade and other payables, bank borrowings, amount due to a subsidiary are subsequently measured at amortised cost, using the effective interest method.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at bank and cash in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.13 Accounting for income taxes

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary difference, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS40 "Investment Property". Unless the presumption is rebutted, the deferred tax amount on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amount at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property overtime, rather than through sale.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in the profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Accounting for income taxes *(Continued)*

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.14 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of the total shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from the proceeds (net of any related income tax benefits) to the extent they are incremental costs directly attributable to the equity transaction.

2.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is improbable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of the economic benefits are remote.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Coupon liabilities

Coupon liabilities are recognised based on the fair value of coupons granted to customers and are recorded in other payables.

2.17 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

The Group as lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

2.18 Retirement benefit costs and short term employee benefits

Defined contribution plan

The Group operates a defined contribution retirement benefit plan (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to 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, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Retirement benefit costs and short term employee benefits *(Continued)*

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.19 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Share-based payment

The Group operates equity-settled share-based compensation plans and the options are awarded to employee providing services to the Group.

All services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as an asset, with a corresponding increase in the share option reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. After vesting date, when the vested share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

2.21 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Segment reporting *(Continued)*

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- (a) expenses related to share-based payments;
- (b) finance costs;
- (c) income tax;
- (d) corporate income and expenses which are not directly attributable to the business activities of any operating segment; and
- (e) fair value gain on investment property;

are not included in arriving at the operating results of the operating segment.

Corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include deferred tax liabilities attributable to investment properties.

3. ADOPTION OF NEW AND AMENDED STANDARDS

(a) Adoption of new/revised HKFRSs — effective 1 April 2013

In the current year, the Group has for the first time applied the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2013.

HKFRSs (Amendments)	Annual improvements to HKFRSs 2009–2011 cycle
Amendments to HKAS 1 (Revised)	Presentation of financial statements — Presentation of items of other comprehensive income
Amendments to HKFRS 7	Financial instruments: Disclosures — Offsetting financial assets and financial liabilities
HKFRS 10	Consolidated financial statements
HKFRS 13	Fair value measurements
HKAS 27 (2011)	Separate financial statements

Except as explained below, the adoption of the new HKFRSs has no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Amendments to HKAS 1 (Revised) — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis. The Group has adopted the amendments retrospectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3. ADOPTION OF NEW AND AMENDED STANDARDS *(Continued)*

(a) Adoption of new/revised HKFRSs — effective 1 April 2013 *(Continued)*

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 “Financial Instruments: Disclosures”. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
HKFRS 9	Financial Instruments
HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle ³
HKFRSs (Amendments)	Annual Improvements 2011–2013 Cycle 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, or transactions occurring, on or after 1 July 2014

The directors anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncements. Information on new and amended HKFRSs that are expected to have impact on the Group’s accounting policies is provided below. The directors are currently assessing the impact of other new and amended HKFRSs upon initial application but are not yet in a position to state whether they would have any material financial impact on the Group’s results and financial position.

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3. ADOPTION OF NEW AND AMENDED STANDARDS *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

Amendments to HKAS 32 — Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions 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.

(i) Depreciation

The Group depreciates the property, plant and equipment in accordance with the accounting policies stated in note 2.5 above. The estimated useful lives reflect the directors’ estimate of the periods that the Group intends to derive future economic benefits from the use of these assets.

(ii) Impairment of receivables

The policy for the impairment of receivables is based on the evaluation of collectability and on the management’s judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor.

(iii) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences, of course, will impact upon the income tax and deferred tax provision in the period in which such determination is made.

(iv) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the reporting period. They are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows.

(v) Revenue recognition

The Group assesses its business relationships with customers and determines that it is acting as an agent in the majority of transactions relating to the sales of air-tickets, hotel accommodation and other travel related products, and accordingly to report those revenue on a net basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(vi) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:

Investment property (note 13); and

Financial assets/liabilities at fair value through profit or loss (note 18).

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

5. REVENUE AND OTHER INCOME AND SEGMENT INFORMATION

The Group's principal activities are the provision of services relating to the sale of air-tickets, hotel accommodation and other travel related products, property investment and the investment in treasury activities. An analysis of the Group's revenue from principal activities which is the Group's turnover and other income is as follows:

	2014 HK\$'000	2013 HK\$'000
Turnover/Revenue		
Travel and travel related business (<i>note i</i>)	313,897	263,823
Rental income from investment property	1,930	440
	315,827	264,263
Other income		
Interest income on deposits in banks and financial institutions stated at amortised cost	2,399	1,593
Dividend income from listed securities	2	–
Sundry income	5,547	5,310
	7,948	6,903
Total revenue and other income	323,775	271,166

Note i:

Gross sales proceeds

Gross sales proceeds from the sales of air-tickets, hotel accommodation and other travel related products, which does not represent revenue, representing the price at which products have been sold inclusive of any service fees are as follows:

	2014 HK\$'000	2013 HK\$'000
Gross sales proceeds	1,873,270	1,604,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

5. REVENUE AND OTHER INCOME AND SEGMENT INFORMATION *(Continued)*

Segment information

The executive directors have identified the Group's operating segments as follows. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Travel and travel related business		Rental income from investment property		Treasury activities		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
From external customers	313,897	263,823	1,930	440	–	–	315,827	264,263
Reportable segment revenue	313,897	263,823	1,930	440	–	–	315,827	264,263
Reportable segment profit	52,989	39,012	1,784	8,977	(113)	–	54,660	47,989
Interest income	2,382	1,593	–	–	17	–	2,399	1,593
Dividend income	–	–	–	–	2	–	2	–
Depreciation	(6,496)	(6,171)	(3)	–	–	–	(6,499)	(6,171)
Interest expenses	(54)	(91)	(503)	(132)	–	–	(557)	(223)
Increase in fair value of investment property	–	–	–	8,549	–	–	–	8,549
Income tax expense	(9,644)	(5,995)	–	–	–	–	(9,644)	(5,995)
Bad debt written off	(182)	–	–	–	–	–	(182)	–
Provision for impairment of trade receivables	(98)	–	–	–	–	–	(98)	–
Loss on disposal of financial assets at fair value through profit or loss	–	–	–	–	(218)	–	(218)	–
Fair value loss on financial assets/liabilities through profit or loss	–	–	–	–	(187)	–	(187)	–
Reportable segment assets	266,897	213,303	62,047	62,163	20,000	–	348,944	275,466
Additions to non-current segment assets during the year	7,146	5,361	13	53,451	–	–	7,159	58,812
Reportable segment liabilities	190,593	155,008	22,662	24,827	317	–	213,572	179,835

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

5. REVENUE AND OTHER INCOME AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidation financial statements as follows:

	2014 HK\$'000	2013 HK\$'000
Reportable segment revenue	315,827	264,263
Group revenue	315,827	264,263
Reportable segment profit	54,660	47,989
Finance cost	(557)	(223)
Other corporate expenses	(1,191)	(432)
Profit before income tax expense	52,912	47,334
Reportable segment assets	348,944	275,466
Other corporate assets	20,914	38,980
Group assets	369,858	314,446
Reportable segment liabilities	213,572	179,835
Other corporate liabilities	1,540	1,052
Group liabilities	215,112	180,887

The Group's revenues from external customers and its non-current assets are all divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Hong Kong (domicile)	315,820	264,263	114,871	114,193
The People's Republic of China (the "PRC") excluding Hong Kong	7	–	100	118
	315,827	264,263	114,971	114,311

The country of domicile is determined by referring to the country which the Group regards as its home country, has the majority of operations and centre of management.

The geographical location of customers is based on the location at which the services were provided. The geographical location of the non-current assets is based on the physical location of the asset.

The Group has a large number of customers, and no significant revenue was derived from specific external customers for the years ended 31 March 2013 and 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

6. PROFIT FROM OPERATIONS

	2014 HK\$'000	2013 HK\$'000
Profit from operations is arrived at after charging/(crediting):		
Auditor's remuneration	565	525
Depreciation*	6,499	6,171
Loss on disposal of property, plant and equipment	–	14
Net foreign exchange gain	(219)	(720)
Bad debt written off	182	–
Provision for impairment of trade receivables	98	–
Operating lease charges in respect of leasehold premises:		
— Minimum leases payments	45,821	37,203
— Contingent rents**	115	13
	45,936	37,216
Operating leases in respect of office equipment	1,691	1,072
Staff costs (excluding directors' remuneration (note 11)):		
— Salaries	153,672	130,474
— Retirement scheme contribution	6,150	5,179
— Share-based payment expenses	–	1,124
	159,822	136,777

* Depreciation expenses have been included in:

- selling and distribution costs of approximately HK\$3,142,000 for the year ended 31 March 2014 (2013: HK\$3,211,000); and
- administrative expenses of approximately HK\$3,357,000 for the year ended 31 March 2014 (2013: HK\$2,960,000).

** The contingent rents are determined based on certain percentages of the gross sales of the relevant shops when the sales meet certain specified levels.

7. FINANCE COST

	2014 HK\$'000	2013 HK\$'000
Interest on bank borrowings		
— not wholly repayable within five years	557	223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

8. INCOME TAX EXPENSE

	2014 HK\$'000	2013 HK\$'000
Current tax — Hong Kong		
Tax for the year	9,449	6,053
Under/(Over) provision in respect of prior year	195	(58)
	9,644	5,995

Reconciliation between income tax expense and accounting profit at the applicable tax rate is as follows:

	2014 HK\$'000	2013 HK\$'000
Profit before income tax	52,912	47,334
Tax calculated at the rates applicable to profits in the tax jurisdiction concerned	8,712	7,774
Tax effect of non-deductible items	440	173
Tax effect of non-taxable items	(420)	(1,969)
Tax loss utilised for the year	(47)	(196)
Tax effect of tax losses not recognised	861	402
Under/(Over) provision in prior year	195	(58)
Tax effect of deductible temporary differences not recognised	(97)	(131)
Income tax expense	9,644	5,995

Hong Kong profits tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for the year.

A subsidiary of the Company established in the PRC is subjected to PRC enterprise income tax at the rate of 25%. No PRC enterprise income tax has been provided as there is no assessable profit arising in the PRC for the year.

No deferred tax liabilities have been recognised in the financial statements as there are no material temporary differences.

The Group has unrecognised tax losses of approximately HK\$7,575,000 subject to the agreement by the Hong Kong Inland Revenue Department, for the year ended 31 March 2014 to offset against future taxable income (2013: HK\$2,704,000). These tax losses do not expire under current legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

9. DIVIDEND

	2014 HK\$'000	2013 HK\$'000
Proposed final dividend	15,407	20,077
	15,407	20,077

The dividends approved and declared during the year are summarised as follows:

	2014 HK\$'000	2013 HK\$'000
Final dividend proposed in the previous year	20,077	18,000
Interim dividend proposed and declared during the year	7,704	–
	27,781	18,000

The directors recommend a final dividend of HK3.0 cents (2013: HK4.0 cents) per ordinary share for the year ended 31 March 2014, amounting to approximately HK\$15,407,000 (2013: HK\$20,077,000), which is subject to approval by the shareholders in the forthcoming annual general meeting. The proposed dividend is not reflected as a dividend payable in these financial statements, but reflected as an appropriation of retained earnings for the year.

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately HK\$43,268,000 (2013: HK\$41,339,000) and 509,595,000 (2013: 500,055,000) weighted average number of ordinary shares in issue during the year.

No diluted earnings per share is presented for the years ended 31 March 2013 and 2014 as the exercise price of the Company's outstanding options was higher than the average market price for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

11. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments paid or payable to the directors, the chief executive and the senior management were as follows:

	Fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contribution HK\$'000	Share-based payment expenses HK\$'000	Total HK\$'000
2014						
<i>Executive directors</i>						
Mr. Ko Wai Ming, Daniel	-	636	180	15	-	831
Ms. Cheng Hang Fan	-	624	526	15	-	1,165
Mr. Kam Tze Ming, Alfred	-	1,692	457	15	-	2,164
Mr. Chan Wan Fung	-	1,210	378	15	30	1,633
	-	4,162	1,541	60	30	5,793
<i>Independent non-executive directors</i>						
Mr. Yung Ha Kuk, Victor	158	-	-	-	-	158
Mr. Szeto Chi Man	126	-	-	-	-	126
Mr. Mak King Sau	126	-	-	-	-	126
	410	-	-	-	-	410
	410	4,162	1,541	60	30	6,203
2013						
<i>Executive directors</i>						
Mr. Ko Wai Ming, Daniel	-	618	-	15	46	679
Ms. Cheng Hang Fan	-	624	390	15	46	1,075
Mr. Kam Tze Ming, Alfred	-	1,632	290	15	455	2,392
Mr. Chan Wan Fung	-	1,152	232	15	155	1,554
	-	4,026	912	60	702	5,700
<i>Independent non-executive directors</i>						
Mr. Yung Ha Kuk, Victor	150	-	-	-	-	150
Mr. Szeto Chi Man	120	-	-	-	-	120
Mr. Mak King Sau	120	-	-	-	-	120
	390	-	-	-	-	390
	390	4,026	912	60	702	6,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

11. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(Continued)*

(b) Five highest paid individuals

The five highest paid individuals of the Group during the year are analysed as follows:

	2014 Number of individuals	2013 Number of Individuals
Directors	3	3
Non-director, highest paid individuals	2	2
	5	5

Details of the remuneration of the above non-director, highest paid individuals during the year are as follows:

	2014 HK\$'000	2013 HK\$'000
Salaries, allowances and other benefits	2,039	2,070
Discretionary bonuses	293	140
Retirement scheme contribution	30	29
Share-based payment expenses	–	24
	2,362	2,263

Their emoluments fell within the following emolument bands:

	2014 Number of individuals	2013 Number of Individuals
Nil–HK\$1,000,000	–	–
HK\$1,000,001–HK\$1,500,000	2	2

During the year, no emoluments were paid by the Group to any directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. There were no arrangements under which a director waived or agreed to waive any emolument during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements HK\$'000	Office equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Land and buildings HK\$'000	Total HK\$'000
At 1 April 2012						
Cost	13,439	8,049	3,607	–	45,108	70,203
Accumulated depreciation	(8,540)	(5,657)	(2,452)	–	(419)	(17,068)
Net book amount	4,899	2,392	1,155	–	44,689	53,135
Year ended 31 March 2013						
Opening net book amount	4,899	2,392	1,155	–	44,689	53,135
Additions	2,970	1,568	823	–	–	5,361
Disposals	(11)	–	(3)	–	–	(14)
Depreciation	(2,957)	(1,393)	(565)	–	(1,256)	(6,171)
Closing net book amount	4,901	2,567	1,410	–	43,433	52,311
At 31 March 2013						
Cost	14,033	8,987	3,541	–	45,108	71,669
Accumulated depreciation	(9,132)	(6,420)	(2,131)	–	(1,675)	(19,358)
Net book amount	4,901	2,567	1,410	–	43,433	52,311
Year ended 31 March 2014						
Opening net book amount	4,901	2,567	1,410	–	43,433	52,311
Additions	3,289	2,737	1,133	320	–	7,479
Disposals	–	–	–	(320)	–	(320)
Depreciation	(3,154)	(1,572)	(517)	–	(1,256)	(6,499)
Closing net book amount	5,036	3,732	2,026	–	42,177	52,971
At 31 March 2014						
Cost	15,385	11,724	4,674	–	45,108	76,891
Accumulated depreciation	(10,349)	(7,992)	(2,648)	–	(2,931)	(23,920)
Net book amount	5,036	3,732	2,026	–	42,177	52,971

At 31 March 2014, land and buildings of approximately HK\$42,177,000 (2013: HK\$43,433,000) were pledged to secure a bank borrowing granted to the Group (note 23). The land and buildings is situated in Hong Kong with lease terms expiring in 2047.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

13. INVESTMENT PROPERTY

Group

	2014 HK\$'000	2013 HK\$'000
At beginning of the year	62,000	–
Additions	–	53,451
Increase in fair value of investment property	–	8,549
At end of the year	62,000	62,000

The investment property represents property interests held under operating leases to earn rentals or for capital appreciation purposes and the medium term leasehold land in Hong Kong will expire in 2047. The investment property is situated at Yuen Long Town Lot No. 42 and known as Shop D1 on Ground Floor, Fung Hing Building, Nos. 33–35 Yuen Long Hong Lok Road, 36, 40 & 42 Kau Yuk Road, Yuen Long, New Territories, Hong Kong.

The fair value of the Group's investment property as at 31 March 2014 and 31 March 2013 was arrived at on the basis of the valuation carried out as at that date by B.I. Appraisals Limited, an independent qualified professional valuer not connected to the Group. B.I. Appraisals Limited is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experience in the valuation of properties in the relevant location. The revaluation gain is recognised in profit or loss.

The fair value of investment properties is a level 3 recurring fair value measurement.

The valuation was arrived at using the investment approach by taking into account the current net rents passing of the property being held under existing tenancy and the reversionary potential of the property and by making reference to comparable leasing evidence in the relevant market. The fair value measurement is positively correlated to the market monthly rental rate and negatively correlated to reversionary yield.

	Valuation technique	Significant unobservable inputs	Range
As at 31 March 2014			
Investment property	Investment method	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (HK\$/square feet)	HK\$220 to HK\$460
		Reversionary yield	2.5% to 3.5%

There were no changes to the valuation techniques during the years.

The fair value measurement is based on the above property' highest and best use, which does not differ from their actual use.

The Group's investment property is pledged to a bank to secure a bank borrowing granted to the Group as at 31 March 2014 (note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

14. INVESTMENTS IN SUBSIDIARIES

Company

	2014 HK\$'000	2013 HK\$'000
Non-current asset		
— Unlisted shares, at cost	36,900	36,900

Details of the subsidiaries at 31 March 2014 are as follows:

Name	Place and date of incorporation	Particular of issued capital/ registered capital	Effective interest held by the Company	Principal activities
<i>Interests held directly</i>				
Travel Expert Enterprises (BVI) Limited	British Virgin Islands 2 March 2010	US\$0.01 at US\$0.01 per share	100%	Investment holding
<i>Interests held indirectly</i>				
Travel Expert Enterprises Limited (專業旅運企業有限公司)	Hong Kong 6 January 2006	HK\$1 ordinary share	100%	Investment holding
Travel Expert Limited (專業國際旅運有限公司)	Hong Kong 20 June 1986	HK\$18,000,000 ordinary shares	100%	Travel and travel related business
Travel Expert Business Services Limited (專業旅運商務有限公司)	Hong Kong 24 March 1994	HK\$750,000 ordinary shares	100%	Travel and travel related business
MICExpert Limited (專業旅程策劃有限公司)	Hong Kong 4 July 1989	HK\$500,000 ordinary shares	100%	Investment holding
Travel Expert Cruise Limited (專業旅運郵輪有限公司)	Hong Kong 13 October 1999	HK\$1,000,000 ordinary shares	100%	Travel and travel related business
Power Empire Investments Limited (專業旅運(香港)有限公司)	Hong Kong 5 August 2010	HK\$1 ordinary share	100%	Holding of the Group's trademark
Tailor Made Holidays Limited (度假假期有限公司)	Hong Kong 21 September 2010	HK\$1,250,000 ordinary shares	100%	Travel and travel related business
Champion Gate Limited (昌基有限公司)	Hong Kong 27 January 2011	HK\$1 ordinary share	100%	Investment holding and property holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

14. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place and date of incorporation	Particular of issued capital/ registered capital	Effective interest held by the Company	Principal activities
<i>Interests held indirectly (Continued)</i>				
Travel Expert (Shenzhen) Limited (尊業旅行社(深圳)有限公司)	The PRC 21 December 2011	RMB500,000	100%	Travel and travel related business
Smart Elite Investments Limited (傑駿投資有限公司)	Hong Kong 23 August 2012	HK\$1 ordinary share	100%	Investment holding and property holding
Premium Holidays Limited (尊賞假期有限公司)	Hong Kong 13 July 2012	HK\$1,000,000 ordinary shares	100%	Travel and travel related business
SHARExpert Travel Limited (專享旅遊策劃有限公司) (formerly known as 專享旅運有限公司)	Hong Kong 6 September 2012	HK\$500,000 ordinary shares	100%	Inactive
Travel Expert Asset Management Limited (專業旅運資產管理有限公司)	Hong Kong 25 October 2012	HK\$1 ordinary share	100%	Investment in treasury activities
Bossfly Limited (老總飛有限公司)	Hong Kong 9 August 2013	HK\$1 ordinary share	100%	Inactive

The financial statements of the subsidiaries have been examined by BDO Limited for the purpose of the Group's consolidated financial statements.

15. INVENTORIES

The inventories are carried at lower of cost and net realisable value and represent principally tickets and general stores which are to be utilised in the ordinary course of operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

16. TRADE RECEIVABLES

Group

The directors of the Group consider that the fair values of trade receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The ageing analysis of trade receivables, based on the invoice dates, as at the end of each of the year, net of impairment provision, is as follows:

	2014 HK\$'000	2013 HK\$'000
0–30 days	9,641	6,865
31–90 days	1,087	1,280
Over 90 days	149	79
	10,877	8,224
Less: Provision of impairment loss	(98)	–
	10,779	8,224

The Group has a policy of allowing customers credit periods normally within 30 days. Overdue balances are reviewed regularly by the Group's management.

The ageing analysis of the Group's trade receivables that are not impaired, based on due date is as follows:

	2014 HK\$'000	2013 HK\$'000
Neither past due nor impaired	6,938	6,903
Not more than 3 months past due	3,827	1,321
More than 3 months but less than 12 months past due	14	–
	10,779	8,224

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a large number of diversified customers that had a good track record of credit with the Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

16. TRADE RECEIVABLES *(Continued)*

Group *(Continued)*

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery amount is remote, in which case the impairment loss is written off against trade receivables directly. Based on this assessment, the bad debts written off against trade receivables directly during the year are approximately HK\$182,000 (2013: Nil). The movement in the provision for impairment of trade receivables is as follows:

	2014 HK\$'000	2013 HK\$'000
At 1 April	–	–
Impairment loss recognised	98	–
At 31 March	98	–

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

	2014 HK\$'000	2013 HK\$'000
Prepayments	4,940	2,182
Deposits	19,288	22,450
Other receivables	10,375	15,755
	34,603	40,387

Company

	2014 HK\$'000	2013 HK\$'000
Prepayments	331	382
Other receivables	66	102
	397	484

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

18. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

Financial assets at fair value through profit or loss:

	2014 HK\$'000	2013 HK\$'000
Equity securities held for trading, at fair value, listed in Hong Kong (note a)	868	–
Derivative financial instruments		
— Forward exchange contracts (note b)	18	–
— Commodity future contract, listed outside Hong Kong (note c)	65	–
	951	–

Financial liabilities at fair value through profit or loss:

	2014 HK\$'000	2013 HK\$'000
Derivative financial instruments		
— Forward exchange contracts (note b)	104	–
— Currency future contracts, listed in Hong Kong (note c)	101	–
	205	–

Changes in fair values of financial assets/liabilities at fair value through profit or loss are recorded as net gain/loss in the consolidated statement of comprehensive income.

Notes:

- (a) Fair values of these investments have been determined by reference to their quoted bid prices at the reporting date.
- (b) The fair value of forward exchange contracts are determined based on the forward exchange rate at the reporting date. The forward exchange contracts entered into by the Group are not traded on active markets. The valuation is based on the underlying conditions in the contracts and the market information at the valuation date, with the assumptions that there will be no material change in the political, legal, fiscal, technological, market and economic conditions that will materially affect the price of the underlying currencies of the forward exchange contracts and the interest rates and exchange rates will not differ materially from those of present or expected.

As at 31 March 2014, the notional amount of the outstanding forward exchange contracts was US\$1,268,000 (2013: Nil).

- (c) The Group invests in a commodity future contract listed outside Hong Kong and currency future contracts listed in Hong Kong. Fair values of these investments have been determined by reference to their quoted bid prices at the reporting date.

As at 31 March 2014, the notional amount of the outstanding commodity future contract listed outside Hong Kong was US\$137,000 (2013: Nil).

As at 31 March 2014, the notional amount of the outstanding currency future contracts listed in Hong Kong was RMB6,170,000 (2013: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

19. TIME DEPOSITS, AND CASH AND CASH EQUIVALENTS

Group

	2014 HK\$'000	2013 HK\$'000
Cash deposits in banks and financial institutions	33,967	50,579
Short-term deposits in banks and a financial institution	171,170	97,700
	205,137	148,279
Time deposits with an original maturity of more than three months	(83,214)	(70,000)
Cash and cash equivalents	121,923	78,279

Cash at banks and financial institutions earn interest at floating rates based on daily deposit rates. Short-term deposits in banks and a financial institution are made for varying periods between two weeks and six months (2013: one month and one year) depending on the immediate cash requirement of the Group, and earn interest at respective short-term deposit rates, ranging from 0.5% to 3.23% (2013: from 0.6% to 1.6%) per annum.

The Group had cash and bank balances denominated in RMB of approximately RMB49,000 (2013: RMB75,000) and the remittance of these funds out of the PRC was subject to the exchange control restrictions imposed by the PRC government.

Company

	2014 HK\$'000	2013 HK\$'000
Cash deposits in banks	144	1,125
Short-term deposits in banks	20,083	37,700
	20,227	38,825
Time deposit with an original maturity of more than three months	(10,027)	(35,000)
Cash and cash equivalents	10,200	3,825

Cash at banks earn interest at floating rates based on daily deposit rates. Short-term deposits in banks are made for varying periods between three months and six months (2013: three months and six months) depending on the immediate cash requirement of the Company, and earn interest at respective short-term deposit rates, ranging from 1.12% to 1.34% (2013: from 0.61% to 1.30%) per annum.

The Company did not have cash and bank balances denominated in RMB as at 31 March 2014 (2013: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

20. PLEDGED BANK DEPOSITS

Group

At 31 March 2014, pledged bank deposits represented deposits pledged to certain banks as securities for derivative financial instruments of the Group (note 18 (b) and (c)) (2013: Nil).

At 31 March 2014, pledged bank deposits did not carry interest. The carrying amount of the Group's pledged bank deposits are denominated in USD and RMB. The Group had pledged bank deposits denominated in RMB of approximately RMB116,000 (2013: nil).

21. TRADE PAYABLES

Group

The Group was granted by its suppliers for credit periods normally within 30 days. The ageing analysis of the trade payables, based on the invoice dates, were as follows:

	2014 HK\$'000	2013 HK\$'000
0-30 days	115,966	85,125
31-90 days	27,615	27,149
Over 90 days	5,961	7,329
	149,542	119,603

The trade payables are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of fair value.

22. ACCRUED CHARGES, DEPOSITS RECEIVED AND OTHER PAYABLES

Group

	2014 HK\$'000	2013 HK\$'000
Accrued charges	22,893	22,143
Deposits received	6,326	5,534
Other payables	8,301	5,749
	37,520	33,426

Company

	2014 HK\$'000	2013 HK\$'000
Accrued charges	1,471	1,145
Other payables	7	2
	1,478	1,147

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

23. BANK BORROWINGS

Group

	2014 HK\$'000	2013 HK\$'000
Secured bank borrowings		
Portion due for repayment within one year	2,876	2,924
Portion due for repayment after one year which contain a repayable on demand clause	21,712	24,491
	24,588	27,415

The Group's interest-bearing bank borrowing of approximately HK\$2,429,000 (2013: HK\$2,979,000) bears interest at a floating rate of 1.75% per annum over 1 month HIBOR and is secured by the Group's land and buildings of approximately HK\$42,177,000 (2013: HK\$43,433,000) as at 31 March 2014 (note 12).

The Group's interest-bearing bank borrowing of approximately HK\$22,159,000 (2013: HK\$24,436,000) bears interest at a fixed rate of 2.15% per annum and is secured by the Group's investment property of approximately HK\$62,000,000 (2013: HK\$62,000,000) as at 31 March 2014 (Note 13).

The current liabilities include bank borrowings of approximately HK\$21,712,000 (2013: HK\$24,491,000) that are not scheduled for repayment within one year. They are classified as current liabilities as the related loan agreement contains a clause that provides the lender with an unconditional right to demand repayment at any time at its own discretion.

24. AMOUNTS DUE FROM SUBSIDIARIES

Company

The amounts due from subsidiaries were interest-free, unsecured and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

25. SHARE CAPITAL

Company

	Number of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 March 2013 and 31 March 2014	2,000,000	20,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2012	500,000	5,000
Shares issued under share option scheme	1,936	19
At 31 March 2013 and 1 April 2013	501,936	5,019
Shares issued under share option scheme	11,643	117
At 31 March 2014	513,579	5,136

During the year ended 31 March 2014, the Company allotted and issued approximately 11,643,000 ordinary shares of HK\$0.01 each under the share option scheme (note 27) (2013: 1,936,000 ordinary shares).

26. RESERVES

(a) Group

Details of the movements on the Group's reserves are as set out in the consolidated statement of changes in equity of the financial statements.

Share premium

The share premium account of the Group represents the excess of the proceeds received over the nominal value of the Company's shares issued.

Merger reserve

The merger reserve of the Group represents the difference between the investment cost in subsidiaries of Travel Expert Enterprises (BVI) Limited and the nominal value of the issued share capital of the Group's subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

26. RESERVES (Continued)

(b) Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Proposed final dividend HK\$'000	Retained Earnings HK\$'000	Total HK\$'000
At 1 April 2012	48,110	36,900	2,466	18,000	4,371	109,847
Share issued under share option scheme	1,370	–	(400)	–	–	970
Forfeiture of share-based payment expenses	–	–	(58)	–	58	–
Recognition of share-based payment expenses	–	–	1,826	–	–	1,826
Final dividend declared	–	–	–	(18,000)	–	(18,000)
Final dividend proposed	–	–	–	20,077	(20,077)	–
Profit for the year	–	–	–	–	31,961	31,961
At 31 March 2013 and 1 April 2013	49,480	36,900	3,834	20,077	16,313	126,604
Share issued under share option scheme	8,299	–	(2,357)	–	–	5,942
Forfeiture of share-based payment expenses	–	–	(36)	–	36	–
Lapse of share-based payment expenses	–	–	(1,441)	–	1,441	–
Recognition of share-based payment expenses	–	–	30	–	–	30
Final dividend declared	–	–	–	(20,077)	(388)	(20,465)
Interim dividend	–	–	–	–	(7,704)	(7,704)
Final dividend proposed	–	–	–	15,407	(15,407)	–
Profit for the year	–	–	–	–	8,629	8,629
At 31 March 2014	57,779	36,900	30	15,407	2,920	113,036

Note: The contributed surplus of the Company represented the difference between the net asset value of the subsidiaries acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the reorganisation in 2011.

Of the consolidated profit attributable to the owners of the Company of approximately HK\$43,268,000 (2013: HK\$41,339,000), a loss of approximately HK\$7,040,000 (2013: a loss of HK\$8,359,000), excluding the transactions with the Company's subsidiaries, has been dealt with in the financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

27. SHARE OPTION SCHEME

The Company operates an equity-settled share-based remuneration schemes for the employees.

On 6 September 2011, the Company granted to certain eligible persons a total of 23,704,000 share options to subscribe for ordinary shares of HK\$0.01 each in the share capital of the Company under the pre-IPO share option scheme adopted by the Company on 31 March 2011. The options vest within one to two years from the dates of grant and then are exercisable within a period of one year.

The following table discloses the movements of the share options during the year ended 31 March 2014.

Grantee	Exercisable period	Number of options				Balance at 31 March 2014	Exercise price per shares (HK\$)
		Balance at 1 April 2013	Exercised during the year	Forfeited during the year	Lapsed during the year		
Executive Directors							
Mr. Ko Wai Ming, Daniel	30 September 2012 to 29 September 2013	500,000	(500,000)	–	–	–	0.5040
Ms. Cheng Hang Fan	30 September 2012 to 29 September 2013	500,000	(500,000)	–	–	–	0.5040
Mr. Kam Tze Ming, Alfred	30 September 2012 to 29 September 2013	4,500,000	(4,500,000)	–	–	–	0.5040
Mr. Chan Wan Fung	30 September 2012 to 29 September 2013	1,250,000	(300,000)	–	(950,000)	–	0.630
	30 September 2013 to 29 September 2014	1,250,000	–	–	–	1,250,000	1.260
Employees of the Group							
	30 September 2012 to 29 September 2013	11,372,000	(4,843,000)	(186,000)	(6,343,000)	–	0.5355
	30 September 2012 to 29 September 2013	1,000,000	(1,000,000)	–	–	–	0.5040
		20,372,000	(11,643,000)	(186,000)	(7,293,000)	1,250,000	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

27. SHARE OPTION SCHEME (Continued)

The following table discloses the movements of the share options during the year ended 31 March 2013.

Grantee	Exercisable period	Number of options				Exercise price per shares (HK\$)
		Balance at 1 April 2012	Exercised during the year	Forfeited during the year	Balance at 31 March 2013	
Executive Directors						
Mr. Ko Wai Ming, Daniel	30 September 2012 to 29 September 2013	500,000	–	–	500,000	0.5040
Ms. Cheng Hang Fan	30 September 2012 to 29 September 2013	500,000	–	–	500,000	0.5040
Mr. Kam Tze Ming, Alfred	30 September 2012 to 29 September 2013	5,000,000	(500,000)	–	4,500,000	0.5040
Mr. Chan Wan Fung	30 September 2012 to 29 September 2013	1,250,000	–	–	1,250,000	0.630
	30 September 2013 to 29 September 2014	1,250,000	–	–	1,250,000	1.260
Employees of the Group						
	30 September 2012 to 29 September 2013	12,372,000	(436,000)	(564,000)	11,372,000	0.5355
	30 September 2012 to 29 September 2013	2,000,000	(1,000,000)	–	1,000,000	0.5040
		22,872,000	(1,936,000)	(564,000)	20,372,000	

The fair value of options granted during the year ended 31 March 2012 was approximately HK\$4,594,000 and were determined at the grant date using the Binomial Model.

Significant inputs into the calculation included the expected dividend yield of 2.86% and a volatility rate of ranged from 49.98% to 59.09%, based on expected share price. Risk-free annual interest rate was determined at ranged from 0.188% to 0.277%.

The share-based payment expenses of approximately HK\$30,000 (2013: HK\$1,826,000) is charged to the profit or loss for the year ended 31 March 2014.

The options outstanding as at 31 March 2014 have a weighted average remaining contractual life of 0.5 year (2013: 0.12 year) and weighted average exercise price of HK\$1.26 (2013: HK\$0.5757).

The options exercised during the year have a weighted average share price of HK\$0.62 (2013: HK\$0.61) at the date of options exercised during the year ended 31 March 2014.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

28. FINANCIAL GUARANTEE CONTRACTS

Company

As at 31 March 2014, the Company provided corporate cross-guarantees of approximately HK\$57,000,000 (2013: HK\$77,000,000) to various banks in connection with the bank facilities granted to its subsidiaries. Under the guarantee contracts, the Company and its subsidiaries would be jointly and severally liable to pay the holders of these guarantees in the event of any default.

As at 31 March 2014, the Company provided corporate guarantees of approximately HK\$76,000,000 (2013: HK\$23,000,000) to various banks in connection with the bank facilities granted to its subsidiaries. Under the guarantee contracts, the Company would be liable to pay the holders of these guarantees in the event of any default.

As at 31 March 2013 and 2014, no provision for the Company's obligation under the guarantee contracts have been made as the directors considered that it was not probable that the repayment of the loan would be in default.

29. BANKING FACILITIES

Group

As at 31 March 2014, the Group's banking facilities are approximately HK\$196,591,000 (2013: HK\$134,626,000) with approximately HK\$69,145,000 (2013: HK\$71,277,000) being utilised. The Group's banking facilities were secured by:

- (i) the land and buildings with carrying amount of approximately HK\$42,177,000 as at 31 March 2014 (2013: HK\$43,433,000);
- (ii) the investment property with carrying amount of approximately HK\$62,000,000 as at 31 March 2014 (2013: HK\$62,000,000); and
- (iii) the corporate guarantee or cross-guarantees provided by the Company and/or certain subsidiaries to the extent of approximately HK\$240,000,000 as at 31 March 2014 (2013: HK\$178,700,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

30. COMMITMENTS

Operating lease commitments

Group as lessee

The Group leases certain premises and office equipment under operating lease commitments for terms ranging from one to four years. Certain leases contain an option to renew the lease and renegotiated the terms at the expiry dates or at dates mutually agreed between the Group and the landlords. In addition to the fixed rentals, pursuant to the terms of certain rental agreements, the Group has to pay a rental based on certain percentage of the gross sales proceeds of the relevant shop when the sales meet certain specified level.

At the end of the year, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2014 HK\$'000	2013 HK\$'000
Buildings:		
— Within one year	35,798	36,824
— In the second to fifth years, inclusive	22,280	23,210
	<hr/> 58,078	<hr/> 60,034
Other assets:		
— Within one year	635	684
— In the second to fifth years, inclusive	1,700	919
	<hr/> 2,335	<hr/> 1,603

Group as lessor

The Group's investment property is leased to tenant under operating lease. At the end of the year, the Group had total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	2014 HK\$'000	2013 HK\$'000
— Within one year	2,004	1,930
— In the second to fifth years, inclusive	334	2,338
	<hr/> 2,338	<hr/> 4,268

Company

As at 31 March 2013 and 2014, the Company did not have any operating lease commitment.

Capital commitments

Group and Company

As at 31 March 2013 and 2014, the Group and the Company did not have any significant capital commitments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The main risks arising from the Group's financial instruments are market risk (including principally changes in interest rates and currency exchange rates), credit risk and liquidity risk. The board of directors reviews and agrees policies each of these risks and they are summarised below. Generally, the Group employs conservative strategy regarding its risk management.

(i) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Company has entered into financial guarantee contracts in which it has guaranteed the banks for the repayment of loan by its subsidiaries. The Company has the obligation to compensate the banks for the loss it would suffer if the subsidiaries fail to repay. The Company's maximum exposure under the financial guarantee contracts was stated in note 28.

In the opinion of the directors, the Group and the Company do not have significant credit risk exposure because:

- The cash balances of the Group and the Company are mainly deposited with the banks and reputable financial institutions; and
- The Group has no significant concentration of credit risk arising from its ordinary course of business due to its large customer base and the counterparties are creditworthy which have low risk of default in repayment.

In general, there is no requirement for collateral by the Group or the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk mainly arises on deposits in banks and financial institution (note 19) and bank borrowings (note 23) which are at floating rates. The Group's policy is to manage its interest cost using a mix of fixed and floating rate borrowings. Derivative contracts may be used to hedge the Group's exposure to interest rate risk, when and where appropriate.

Interest rate sensitivity

The following table illustrates the sensitivity of the Group's profit for the year and equity to a possible change in the following interest rates with effect from the beginning of the year. The assumed changes have no impact on the Group's other components of equity.

Group

	Effect on profit for the year and retained earnings			
	Possible change in interest rates	Increase in profit and retained profits HK\$'000	Possible change in interest rates	Decrease in profit and retained profits HK\$'000
31 March 2013	+1%	232	-1%	(232)
31 March 2014	+1%	94	-1%	(94)

Company

	Effect on profit for the year and retained earnings			
	Possible change in interest rates	Increase in profit and retained profits HK\$'000	Possible change in interest rates	Decrease in profit and retained profits HK\$'000
31 March 2013	+1%	11	-1%	(11)
31 March 2014	+1%	1	-1%	(1)

The assumed changes in interest rates represent management's assessment of a reasonably possible change in interest rates over the periods until the next annual reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(iii) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency exposures. Such exposures arise from the balance of assets and liabilities in currencies other than the functional currency of the Group's entities. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date that are considered significant by the directors of the Company are stated as follows:

Group

	2014 HK\$'000	2013 HK\$'000
Assets:		
JPY	2,067	7,712
USD	1,399	4,235
AUD	734	517
SGD	1,627	4,511
RMB	18,462	5,855
EUR	67	66
	24,356	22,896
Liabilities:		
JPY	(9,211)	(7,591)
USD	(1,405)	(1,458)
EUR	(62)	(11)
AUD	(414)	(471)
SGD	(6,030)	(4,491)
MYR	(1,703)	(1,118)
PHP	(71)	(114)
THB	(1,456)	(478)
RMB	(131)	(211)
MOP	(3,039)	(555)
	(23,522)	(16,498)
Net exposure to foreign currency risk	834	6,398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(iii) Foreign currency risk *(Continued)*

The Group's policy requires the management monitors foreign exchange exposure by closely monitoring the movement of foreign currency rate and may enter into foreign currency options or forward contract, when and where appropriate.

As US\$ is pegged to HK\$, at a range of US\$1:HK\$7.75–7.85, the Group does not expect any significant movements in the US\$/HK\$ exchange rates. No sensitivity analysis in respect of the Group's financial assets denominated in US\$ is disclosed as in the opinion of directors, such sensitivity analysis does not give additional value in view of insignificant movement in the US\$/HK\$ exchange rates as at the end of reporting period.

The following table illustrates the sensitivity of the Group's profit after tax for the year and equity during the year in regard to a 5% appreciation in the functional currencies of the Group's entities against the foreign currencies. These rates are the rates used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the year has been determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the year and held constant throughout the year.

	Effect on profit for the year and equity	
	2014 HK\$'000	2013 HK\$'000
JPY	298	(5)
SGD	184	(1)
AUD	(13)	(2)
RMB	(765)	(236)
MYR	71	47
PHP	3	5
THB	61	20
EUR	–	(2)
MOP	127	23
	(34)	(151)

The same percentage depreciation in the functional currencies of the Group's entities against the respective foreign currencies would have the same magnitude on the Group's profit for the year and equity but of opposite effect.

Company

The Company's exposure to foreign currency risk is minimal as the Company holds most of its financial assets/liabilities in its own functional currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(iv) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its current financial liabilities. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations, mitigate the effects of fluctuations in cash flows and compliance with its covenants of the credit and banking facilities. The Group relies on internally generated funding and available banking facilities to the Group as significant sources of liquidity.

The maturity profile of the Group's financial liabilities at the end of the year, based on the contracted undiscounted payments, were as follows:

Group

	On demand HK\$'000	Less than three months HK\$'000	Total HK\$'000
At 31 March 2014			
Trade payables	33,578	115,964	149,542
Bank borrowings	24,588	–	24,588
Other payables	8,301	–	8,301
Financial liabilities at fair value through profit or loss	205	–	205
	66,672	115,964	182,636
At 31 March 2013			
Trade payables	34,482	85,121	119,603
Bank borrowing	27,415	–	27,415
Other payables	5,749	–	5,749
	67,646	85,121	152,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(iv) Liquidity risk *(Continued)*

The table that stated follows summarises the maturity analysis of bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreement. The amount includes interest payments computed using contractual rates. As a result, the amount was greater than the amount disclosed in the above "on demand" time band in the maturity analysis. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreement.

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000
At 31 March 2014						
Bank borrowings	24,588	29,039	3,827	3,766	10,600	10,846
At 31 March 2013						
Bank borrowing	27,415	32,406	4,039	3,975	11,414	12,978

Company

	On demand HK\$'000
At 31 March 2014	
Other payables	7
Financial guarantees issued	
Maximum amount guaranteed	133,000
At 31 March 2013	
Other payables	2
Financial guarantees issued	
Maximum amount guaranteed	100,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(v) Price risk

Equity price risk relates to the risk that the fair values of equity securities will fluctuate because of changes in the levels of equity indices and the values of individual securities. The Group is mainly exposed to equity price risk arising from the investments in listed equity securities classified as financial assets at fair value through profit or loss as at 31 March 2014 as mentioned in note 18 which are valued at quoted market prices at the reporting date. The Group's investments in listed equity securities are publicly traded in the Stock Exchange.

For the equity securities listed on the Stock Exchange, an average volatility of 2.51% has been observed in the Heng Seng Index during the year ended 31 March 2014.

The table below summaries the impact of increase/decrease of the Heng Seng Index on the Group's profit for the year and retained profits. The analysis is based on the assumption that the Heng Seng Index had increased/decreased by 10% with all other variables held constant and all the Group's listed equity securities moved according to the historical correlation with the Hang Seng Index.

Group

	Effect on profit for the year and retained earnings			
	Possible change in market price	Increase in profit and retained profits HK\$'000	Possible change in market price	Decrease in profit and retained profits HK\$'000
31 March 2014	+10%	87	-10%	(87)

(vi) Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the year are analysed into the following categories. See notes 2.10 and 2.11 for explanations about how the category of financial instruments affects their subsequent measurement.

Group

	2014 HK\$'000	2013 HK\$'000
Financial assets		
Measured at fair value through profit or loss		
— Financial assets at fair value through profit or loss	951	—
Loans and receivables		
— Trade receivables	10,779	8,224
— Other receivables	10,375	15,755
	21,154	23,979
Cash and cash equivalents	121,923	78,279
Time deposits over three months	83,214	70,000
	227,242	172,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(vi) Summary of financial assets and liabilities by category *(Continued)*

Group *(Continued)*

	2014 HK\$'000	2013 HK\$'000
Financial liabilities		
Measured at fair value through profit or loss		
— Financial liabilities at fair value through profit or loss	205	—
Measured at amortised cost		
— Trade payables	149,542	119,603
— Bank borrowings	24,588	27,415
— Other payables	8,301	5,749
	182,431	152,767
	182,636	152,767

Company

	2014 HK\$'000	2013 HK\$'000
Financial assets		
Loans and receivables		
— Amounts due from subsidiaries	62,144	56,579
— Other receivables	66	102
	62,210	56,681
Cash and cash equivalents	10,200	3,825
Time deposits over three months	10,027	35,000
	82,437	95,506
Financial liabilities		
Measured at amortised cost		
— Other payables	7	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

31. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(vii) Fair value measurements recognised in the statement of financial position

HKFRS 13 Improving Disclosures about Financial Instruments introduced a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial asset and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	2014			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets at fair value through profit or loss				
— Listed equity investments	868	—	—	868
— Derivatives	65	18	—	83
	933	18	—	951
Financial liabilities at fair value through profit or loss				
— Derivatives	101	104	—	205

There have been no transfers between different levels during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital include:

- (i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- (ii) To support the Group's stability and growth; and
- (iii) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or raise new debts. No changes were made in the objectives, policies or processes for managing capital during the year.

The capital-to-overall financing ratio at the end of the year was as follows:

	2014 HK\$'000	2013 HK\$'000
Capital:		
Total equity	154,746	133,559
Overall financing:		
Bank borrowings	24,588	27,415
Capital-to-overall financing ratio	6.29 times	4.87 times

33. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in these financial statements, the following transactions were carried out by the Group with related parties during the years.

(i) Significant related party transactions during the years

	2014 HK\$'000	2013 HK\$'000
Rental expenses paid to related companies (note 1)	3,474	5,951
Disposal of property, plant and equipment to a related company	320	–
Rental deposit paid to related companies included in prepayments, deposits and other receivables (note 2)	518	1,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

33. RELATED PARTY TRANSACTIONS *(Continued)*

(i) Significant related party transactions during the years *(Continued)*

Notes:

1. Except for the rental expenses paid to related companies of approximately HK\$828,000 during the year ended 31 March 2014 (2013: HK\$816,000), the remaining rental expenses paid to related companies constitute continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
2. For the deposits paid to related companies, the maximum balance outstanding during the years ended 31 March 2013 and 2014 were approximately HK\$1,643,000 and HK\$1,427,000 respectively.
3. Mr. Ko Wai Ming, Daniel and/or Ms. Cheng Hang Fan, the directors of the Company, are directors and/or ultimate beneficial owners of the related companies.
4. The terms of the above transactions are mutually agreed by the Group and the related companies. The directors are of the opinion that the terms were made in the ordinary course of business on normal commercial basis.

(ii) Compensation of key management personnel

Total remuneration of the Group's directors and other members of key management personnel during the years:

	2014 HK\$'000	2013 HK\$'000
— Short term employee benefits	6,113	5,328
— Retirement scheme contribution	60	60
— Share-based payment expenses	30	702
	6,203	6,090

34. POSSIBLE ACQUISITION OF A COMPANY

On 14 March 2013, 24 February 2014 and 31 March 2014, the Group has made announcements in relation to the possible acquisition of a company of which its principal business is the operation of travel-related business in the PRC. On 31 March 2014, the Group has entered into share transfer agreement with SKAL Travel Services Limited ("SKAL"), an independent third party of the Group, to which the Group has conditionally agreed to purchase and SKAL has agreed to sell 55% equity interests in Shenzhen SKAL Travel Service Limited (the "Target Company") for a consideration not exceeding RMB2.4 million. Upon completion of the acquisition, one of the existing shareholders of the Target Company namely China International Travel Services Shenzhen Co., Limited and the Group will have 45% and 55% equity interest in the Target Company respectively. As of the approval date of these financial statements, the acquisition of the Target Company has not been completed.

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 June 2014.

FIVE-YEAR FINANCIAL SUMMARY

	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Gross sales proceeds	1,873,270	1,604,767	1,433,879	1,285,036	1,025,637
Revenue	315,827	264,263	229,188	204,842	168,538
Other income	7,948	6,903	5,870	2,250	2,128
Increase in fair value of investment property	–	8,549	–	–	–
Selling and distribution costs	(217,664)	(186,273)	(152,498)	(138,418)	(113,568)
Administrative expenses	(52,237)	(45,885)	(45,666)	(30,345)	(20,839)
Loss on disposal of financial assets at fair value through profit or loss	(218)	–	–	–	–
Fair value loss on financial assets/liabilities at fair value through profit or loss	(187)	–	–	–	–
Profit from operations	53,469	47,557	36,894	38,329	36,259
Finance cost	(557)	(223)	(90)	–	–
Profit before income tax	52,912	47,334	36,804	38,329	36,259
Income tax expense	(9,644)	(5,995)	(6,465)	(7,220)	(6,099)
Profit for the year attributable to owners of the Company	43,268	41,339	30,339	31,109	30,160
Other comprehensive income for the year, net of tax	(1)	9	33	(33)	–
Total comprehensive income for the year attributable to owners of the Company	43,267	41,348	30,372	31,076	30,160
ASSETS AND LIABILITIES					
Non-current assets	114,971	114,311	53,135	14,407	2,708
Current assets	254,887	200,135	199,428	135,285	112,558
TOTAL ASSETS	369,858	314,446	252,563	149,692	115,266
TOTAL LIABILITIES	(215,112)	(180,887)	(145,167)	(128,244)	(95,873)
	154,746	133,559	107,396	21,448	19,393

Note:

The consolidated results of the Group for each of 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 those set out on page 34 to 91 of this annual report. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years.