KIN YAT HOLDINGS LIMITED
建溢集團有限公司

website: http://www.kinyat.com.hk

(Incorporated in Bermuda with limited liability)

(Stock Code: 638)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

The Board of Directors (the "Board") of Kin Yat Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2014, together with the comparative figures for the previous corresponding year and the relevant explanatory notes, as set out below:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2014

	Notes	**2014** **HK$'000**	2013 *HK$'000*
REVENUE	3	**1,852,238**	1,763,427
Cost of sales		**(1,618,651)**	(1,537,608)
Gross profit		**233,587**	225,819
Other income and gains, net	3	**28,904**	41,094
Selling and distribution expenses		**(41,319)**	(42,210)
Administrative expenses		**(172,607)**	(165,647)
Finance costs		**(4,925)**	(5,472)
Share of profits and losses of associates		**–**	8,268
PROFIT BEFORE TAX	4	**43,640**	61,852
Income tax expense	5	**(28,519)**	(33,429)
PROFIT FOR THE YEAR		**15,121**	28,423
ATTRIBUTABLE TO:			
Owners of the Company		**19,818**	39,076
Non-controlling interests		**(4,697)**	(10,653)
		15,121	28,423
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK4.73 cents**	HK9.33 cents
Diluted		**HK4.73 cents**	HK9.33 cents

Details of the dividends paid and proposed for the year are disclosed in note 6.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2014

	2014	2013
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**15,121**	28,423
OTHER COMPREHENSIVE INCOME/(EXPENSE):		
Other comprehensive income/(expense) to be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of foreign operations	**35,407**	(1,807)
Release of exchange fluctuation reserve upon disposal of subsidiaries	**–**	(10,611)
Net other comprehensive income/(expense) to be reclassified to the income statement in subsequent periods	**35,407**	(12,418)
Other comprehensive income not to be reclassified to the income statement in subsequent periods:		
Revaluation surplus, net	**35,035**	46,942
Deferred tax debited to asset revaluation reserve	**(6,984)**	(8,368)
Deferred tax credited to asset revaluation reserve upon disposal of items of property, plant and equipment	**–**	320
Net other comprehensive income not to be reclassified to the income statement in subsequent periods	**28,051**	38,894
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**63,458**	26,476
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**78,579**	54,899
ATTRIBUTABLE TO:		
Owners of the Company	**83,614**	65,617
Non-controlling interests	**(5,035)**	(10,718)
	78,579	54,899

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**819,106**	734,030
Investment properties		**5,013**	–
Prepaid land lease payments		**29,070**	28,063
Goodwill		**4,650**	4,650
Intangible assets		**31,041**	29,204
Deferred tax assets		**11,184**	–
Deposits	*9*	**172,272**	61,911
Total non-current assets		**1,072,336**	857,858
CURRENT ASSETS			
Inventories		**356,773**	261,554
Accounts receivable	*8*	**170,794**	164,616
Prepayments, deposits and other receivables	*9*	**89,580**	137,609
Financial assets at fair value through profit or loss		**9,840**	9,706
Time deposits		**84,615**	89,197
Cash and bank balances		**173,797**	210,039
Total current assets		**885,399**	872,721
CURRENT LIABILITIES			
Accounts and bills payables, accrued liabilities and other payables	*10*	**420,482**	310,208
Interest-bearing bank borrowings		**188,380**	158,649
Due to non-controlling shareholders		**38,838**	37,808
Tax payable		**63,731**	43,118
Total current liabilities		**711,431**	549,783
NET CURRENT ASSETS		**173,968**	322,938
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,246,304**	1,180,796

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,246,304**	1,180,796
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**60,000**	109,519
Deferred tax liabilities		**27,337**	22,004
Other payables	*10*	**44,304**	–
Total non-current liabilities		**131,641**	131,523
NET ASSETS		**1,114,663**	1,049,273
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**41,875**	41,875
Reserves		**1,103,699**	1,033,274
		1,145,574	1,075,149
Non-controlling interests		**(30,911)**	(25,876)
TOTAL EQUITY		**1,114,663**	1,049,273

NOTES:

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for land and buildings, investment properties and financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (early adopted)*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 13, HKAS 1 Amendments, HKAS 36 Amendments and HK(IFRIC)-Int 20, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

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

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group. The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees.

(b) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

(c) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to the income statement at a future point in time (for example, exchange differences arising on translation of foreign operations) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

(e) HK(IFRIC)-Int 20 addresses the recognition of waste removal costs that are incurred in surface mining activity during the production phase of a mine as an asset, as well as the initial measurement and subsequent measurement of the stripping activity asset. To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the costs incurred are accounted for in accordance with HKAS 2 *Inventories*. To the extent that the benefit is improved access to one and when criteria set out in the interpretation are met, the waste removal costs are recognised as a stripping activity asset under non-current assets.

As the Group had not yet commenced the exploitation activities during the year, the adoption of this interpretation has had no effect on these financial statements.

2. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

(a) the electrical and electronic products segment consists of the manufacture and sale of electrical appliances, electronic toys and related products;

(b) the motors segment consists of the manufacture and sale of motors;

(c) the resources development segment consists of the manufacture and sale of mining products and materials primarily for use in panel display, mine exploration and ore processing;

(d) real estate development; and

(e) other manufacturing activities segment mainly consists of the manufacturing and sale of encoder film and miscellaneous products.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

Segment assets exclude unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated liabilities as these liabilities are managed on a group basis.

2. SEGMENT INFORMATION (continued)

(a) Operating segments

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 March 2014 and 2013.

Group	Electrical and electronic products		Motors		Resources development		Real estate development		Other manufacturing activities		Eliminations		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue														
Revenue from external customers	**1,289,886**	1,199,515	**524,248**	463,346	**18,750**	39,765	**–**	–	**19,354**	60,801	**–**	–	**1,852,238**	1,763,427
Intersegment sales	**1,926**	1,451	**9,398**	10,932	**–**	–	**–**	–	**3,381**	11,425	**(14,705)**	(23,808)	**–**	–
Other income and gains, net	**3,549**	4,397	**13,723**	10,326	**7,895**	900	**–**	–	**10**	1,326	**–**	–	**25,177**	16,949
Total	**1,295,361**	1,205,363	**547,369**	484,604	**26,645**	40,665	**–**	–	**22,745**	73,552	**(14,705)**	(23,808)	**1,877,415**	1,780,376
Segment results	**151,660**	164,527	**(50,156)**	(53,064)	**(37,926)**	(57,384)	**(6,923)**	–	**2,915**	2,266	**–**	–	**59,570**	56,345
Interest and unallocated gains													**3,727**	24,145
Unallocated expenses													**(14,732)**	(21,434)
Finance costs													**(4,925)**	(5,472)
Share of profits and losses of associates													**–**	8,268
Profit before tax													**43,640**	61,852
Income tax expense													**(28,519)**	(33,429)
Profit for the year													**15,121**	28,423
Segment assets	**1,704,566**	1,368,351	**455,854**	396,649	**268,229**	252,721	**115,049**	–	**46,979**	60,765	**(934,568)**	(728,858)	**1,656,109**	1,349,628
Unallocated assets													**301,626**	380,951
Total assets													**1,957,735**	1,730,579
Segment liabilities	**263,753**	214,997	**498,539**	383,953	**472,802**	436,965	**167,124**	–	**44,199**	35,785	**(934,568)**	(728,858)	**511,849**	342,842
Unallocated liabilities													**331,223**	338,464
Total liabilities													**843,072**	681,306
Other segment information:														
Capital expenditure	**91,685**	39,718	**51,932**	30,957	**4,006**	17,503	**1,651**	–	**126**	3,971	**–**	–	**149,400**	92,149
Depreciation and amortisation	**56,838**	51,209	**24,537**	24,474	**9,410**	7,343	**270**	–	**1,384**	2,623	**–**	–	**92,439**	85,649
Unallocated amounts													**1,135**	608
													93,574	86,257
Loss/(gain) on disposal of items of property, plant and equipment	**–**	(4)	**21**	247	**–**	61	**–**	–	**–**	(1,050)	**–**	–	**21**	(746)
Unallocated amounts													**–**	(2,640)
													21	(3,386)
Write-off of items of property, plant and equipment	**3,661**	–	**–**	409	**–**	–	**–**	–	**–**	–	**–**	–	**3,661**	409
Impairment of items of property, plant and equipment	**–**	–	**8,447**	6,604	**13,396**	–	**–**	–	**–**	–	**–**	–	**21,843**	6,604

2. SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

Group	Electrical and electronic products		Motors		Resources development		Real estate development		Other manufacturing activities		Eliminations		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information: (continued)														
Surplus on revaluation of land and buildings recognised directly in equity	**(22,264)**	(27,233)	**(4,278)**	(2,270)	**(5,670)**	(1,585)	**–**	–	**(2,587)**	(606)	**–**	–	**(34,799)**	(31,694)
Unallocated amounts													**(236)**	(15,248)
													(35,035)	(46,942)
Changes in fair value of investment properties	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Unallocated amounts													**(1,939)**	–
Write-back of impairment of accounts receivable	**–**	–	**–**	–	**–**	(22)	**–**	–	**–**	–	**–**	–	**–**	(22)
Gain on disposal of subsidiaries	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Unallocated amounts													**–**	(18,716)

(b) Geographical information

Group	United States of America		Europe		Asia		Others		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Revenue from external customers	**573,166**	490,531	**362,343**	399,877	**770,645**	701,440	**146,084**	171,579	**1,852,238**	1,763,427

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

Group	Hong Kong		The People's Republic of China ("PRC")		Malaysia		Lao PDR		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:										
Non-current assets	**57,971**	60,951	**969,746**	761,679	**33,435**	33,492	**–**	1,736	**1,061,152**	857,858

Non-current assets for the segment information consist of property, plant and equipment, investment properties, prepaid land lease payments, intangible assets, goodwill and deposits.

(c) Information about major customers

2014

Revenue of HK$863,743,000 was derived from sales of electrical and electronic products to a major customer which individually accounted for over 10% of the Group's total revenue.

2. SEGMENT INFORMATION (continued)

(c) Information about major customers (continued)

2013

Revenue of HK$963,309,000 was derived from sales to the following two major customers which individually accounted for over 10% of the Group's total revenue.

(i) Revenue of HK$298,441,000 was derived from sales of electrical and electronic products and other manufacturing activities to a major customer. The amount includes sales to a group of entities which are known to be under common control.

(ii) Revenue of HK$664,868,000 was derived from sales of electrical and electronic products to a major customer.

3. REVENUE, OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts but excluding intra-group transactions. An analysis of revenue, other income and gains, net is as follows:

	2014 ***HK$'000***	2013 *HK$'000*
Revenue		
Manufacture and sale of:		
Electrical and electronic products	**1,289,886**	1,199,515
Motors	**524,248**	463,346
Materials and products from resources development	**18,750**	39,765
Products from other manufacturing activities	**19,354**	60,801
	1,852,238	1,763,427
Other income and gains, net		
Bank interest income	**2,417**	1,903
Dividend income from listed investments	**298**	480
Gross rental income	**665**	705
Sale of scrap materials	**14,298**	12,585
Gain/(loss) on disposal of items of property, plant and equipment, net	**(21)**	3,386
Fair value gain on financial assets at fair value through profit or loss, net	**134**	231
Gain on disposal of subsidiaries	**–**	18,716
Subsidy income*	**6,329**	241
Others	**4,784**	2,847
	28,904	41,094

* *There are no unfulfilled conditions or contingencies relating to this income.*

4. PROFIT BEFORE TAX

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

	2014	2013
	HK$'000	*HK$'000*
Cost of inventories sold	**1,618,651**	1,537,608
Depreciation	**84,986**	78,100
Amortisation of prepaid land lease payments	**858**	587
Amortisation of deferred development costs	**7,730**	7,570
Loss/(gain) on disposal of items of property, plant and equipment, net	**21**	(3,386)
Write-off of items of property, plant and equipment	**3,661**	409
Impairment of items of property, plant and equipment	**21,843**	6,604
Write-back of impairment of accounts receivable	**–**	(22)
Changes in fair value of investment properties	**(1,939)**	–
Gain on disposal of subsidiaries	**–**	(18,716)

5. INCOME TAX

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

Pursuant to the Enterprise Income Tax Law (the "New PRC Tax Law") of the PRC being effective on 1 January 2008, the PRC income tax rate is unified at 25% for all enterprises. Under an implementation guidance note of the New PRC Tax Law, enterprises established before the publication of the New PRC Tax Law were entitled to preferential treatments of a reduced corporate income tax rate (the "CIT rate") granted by the relevant tax authorities. The new CIT rate had been increased from the preferential rate to 25% within five years after the effective date of the New PRC Tax Law on 1 January 2008.

	2014	2013
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the year	**15,936**	13,911
Underprovision in prior years	**1,190**	315
Current – Elsewhere		
Charge for the year	**24,466**	19,151
Deferred tax	**(13,073)**	52
Total tax charge for the year	**28,519**	33,429

6. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Dividend paid during the year		
Final dividend in respect of the financial year ended 31 March 2013 – HK3.0 cents per ordinary share (2013: final dividend in respect of the financial year ended 31 March 2012 – HK2.0 cents per ordinary share)	**12,562**	8,375
Proposed final dividend		
Final – HK3.0 cents (2013: HK3.0 cents) per ordinary share	**12,562**	12,562

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the dividend payable.

7. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted earnings per share are based on the following data:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**19,818**	39,076
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**418,748**	418,748
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all options outstanding during the year	**75**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**418,823**	418,748

The Group had no potential dilutive ordinary shares in issue during the year ended 31 March 2013.

8. ACCOUNTS RECEIVABLE

The Group's trading terms with its customers are mainly on credit, except for new customers, where cash on sale or payment in advance is normally required. The credit period is generally for a period of one to two months, extending up to three months for certain well-established customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has imposed tightened control to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable mainly relate to recognised and creditworthy customers, there is no significant credit risk. Accounts receivable are non-interest-bearing.

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**125,087**	116,872
31 – 60 days	**30,527**	27,344
61 – 90 days	**10,476**	12,016
Over 90 days	**5,546**	9,226
	171,636	165,458
Less: Impairment allowance	**(842)**	(842)
	170,794	164,616

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Deposits for mining projects	**26,582**	25,301
Deposits for land use rights	**94,936**	17,268
Deposits for property, plant and equipment	**50,754**	19,342
Prepayments	**85,141**	90,453
Other deposits	**3,562**	3,591
Other receivables	**–**	42,956
Prepaid land lease payments	**877**	609
	261,852	199,520
Less: Current portion	**(89,580)**	(137,609)
Non-current portion	**172,272**	61,911

10. ACCOUNTS AND BILLS PAYABLES, ACCRUED LIABILITIES AND OTHER PAYABLES

An aged analysis of the Group's accounts and bills payables as at the end of the reporting period, based on the invoice date, and the balances of accrued liabilities and other payables are as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**102,788**	80,201
31 – 60 days	**51,524**	25,738
61 – 90 days	**35,413**	32,940
Over 90 days	**20,368**	12,162
Accounts and bills payables	**210,093**	151,041
Accrued liabilities	**182,853**	139,759
Other payables#	**71,840**	19,408
	464,786	310,208
Less: Current portion	**(420,482)**	(310,208)
Non-current portion*	**44,304**	–

The accounts and bills payables and other payables are non-interest-bearing and are normally settled within credit terms of two months, extending up to three months.

* At 31 March 2014, included in other payables, an amount of RMB35,000,000 (2013: Nil), approximately HK$44,304,000 (2013: Nil), was received during the year ended 31 March 2014 in respect of the subsidies from the authorised government departments in Dushan County, the PRC for the Group's real estate development project.

\# At 31 March 2013, included in other payables, an amount of RMB5,000,000, approximately HK$6,024,000, was received since 2009 in respect of subsidies from the Department of Information Industry of Guangdong Province, the PRC, for the research and development costs incurred by the Group for its resource development project. During the year ended 31 March 2014, the subsidies of RMB5,000,000, approximately HK$6,329,000 was recognised in the income statement upon the fulfillment of conditions by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's operations are organised into five business segments. Under the manufacturing business category, there are three research-and-development-based production disciplines of electrical and electronic products, motors, and other manufacturing activities. The non-manufacturing category comprises the new real estate development business and the resources development operations. This multi-pillar business platform supports the Group's steady and progressive development.

Amidst a sluggish global economic environment and competitive market, the Group achieved growth in turnover in our manufacturing businesses in the year ended 31 March 2014 ("FY2014") with profit margins impacted by various operational challenges.

The dual challenge of slowing growth in major consumer markets and cost inflation in our production base has imposed continued pressure on the profit margin of our manufacturing businesses. In view of this, the Group has made consistent efforts in furthering its research and development, level of automation and production capabilities, resulting in a relatively satisfactory performance for our manufacturing businesses amidst the challenges, especially the loss in our motors business has shown signs of narrowing.

The loss from the resources development business segment also narrowed during the year as a whole. In an effort to achieve growth momentum, the Group has continued to proceed prudently with the development and operation of its new real estate development business.

CONSOLIDATED RESULTS

The Group reported a consolidated turnover of HK$1,852,238,000, a 5.0% increase over the HK$1,763,427,000 recorded for the year ended 31 March 2013 ("FY2013") on the back of record sales achieved by the electrical and electronic products segment. The respective segmental external turnover contributions of the various business streams to the Group's total turnover, together with a percentage breakdown, are set out below:

- HK$1,289,886,000 from the electrical and electronic products business, representing 69.6% of the consolidated turnover of the Group for the year (FY2013: HK$1,199,515,000, 68.0%);

- HK$524,248,000 from the motors business, contributing 28.3% of the total (FY2013: HK$463,346,000, 26.3%);

- HK$19,354,000 from other manufacturing activities, or 1.1% of the total (FY2013: HK$60,801,000, 3.4%);

- HK$18,750,000 from the resources development business, accounting for 1.0% of the total (FY2013: HK$39,765,000, 2.3%); and

- the new real estate development business has not yet commenced properties sale and hence no turnover was generated during the year (FY2013: nil, 0%).

During FY2014, the Group reported a profit attributable to owners of the Company of HK$19,818,000 (FY2013: HK$39,076,000), representing a decline of 49.3% year on year, which included one-off provisions/expenses of HK$25,504,000 (FY2013: HK$7,013,000). Apart from an increase in the one-off provisions/expenses made, the decline in profit was also attributable to the absence of one-off gain on disposal of subsidiaries of HK$18,716,000 as recorded in FY2013.

Basic earnings per share for the year were HK$4.73 cents (FY2013: HK9.33 cents).

Before inclusion of one-off provisions/expenses of HK$25,504,000, profit attributable to owners of the Company was HK$45,322,000 (FY2013: HK$27,373,000 (before inclusion of one-off provisions/expenses of HK$7,013,000 and one-off gain on disposal of subsidiaries of HK$18,716,000)).

While the electrical and electronic products segment reported a drop in segment profit, losses incurred by the motors and resources development segments narrowed during the year. The real estate development business recorded a loss on operating expenses incurred during the start-up phase.

The table below sets out the results of the Group by business segment for FY2014, together with the comparative figures of the previous year:

Results by business segment	**FY2014**	**FY2013**	Year-on-year change
	HK$'000	*HK$'000*	%
Electrical and electronic products *(Note 1)*	151,660	164,527	-7.8
Motors *(Note 2)*	(50,156)	(53,064)	NA
Other manufacturing activities	2,915	2,266	+28.6
Resources development *(Note3)*	(37,926)	(57,384)	NA
Real estate development	(6,923)	–	NA
Total segment results	59,570	56,345	+5.7

Note 1: including one-off provisions/expenses of HK$3,661,000 for FY2014 (FY2013: nil)

Note 2: including one-off provisions/expenses of HK$8,447,000 for FY2014 (FY2013: HK$7,013,000)

Note 3: including one-off provisions/expenses of HK$13,396,000 for FY2014 (FY2013: nil)

OPERATIONAL REVIEW

Manufacturing Businesses

The Group's manufacturing businesses continue to be the core contributor of income and earnings. Despite a difficult operating environment, we focus on the basics of production, maintaining our strength in high-value-adding manufacturing.

Electrical and Electronic Products Business Segment

This segment undertakes the development, design and manufacture of (i) electronic and electrical toys; (ii) electrical appliances, with a niche in artificial intelligence (AI) products; and (iii) small electrical home appliances.

The fundamentals of this core manufacturing business remained strong. Segment external turnover in FY2014 increased by 7.5% to a record high of HK$1,289,886,000 (FY2013: HK$1,199,515,000), driven mainly by sales of our AI robotic cleaners. Segment profit declined by 7.8% to HK$151,660,000 (FY2013: HK$164,527,000), including one-off provisions/expenses of HK$3,661,000 (FY2013: nil).

The segment's margin was pressured by rising labour costs in the PRC, albeit partly eased by relatively stable material prices and the levelling off of the appreciation trend of the Renminbi during the year. In an effort to mitigate the profit margin squeeze, the segment has engaged in active negotiations with its major customers to seek to factor in part of the cost increases in product pricing.

Order growth for the robotic vacuum cleaner business line was sustained well into the second half of the year, contributing a record level of sales for FY2014. To accommodate the increase in orders for AI products and the subsequent shift in product mix within the segment, the new factory building in our Shenzhen plant went into operation during the year. The new production facilities have helped ease the capacity shortfall, but higher operating costs were incurred at their initial stage of operation.

A new generation of robotic vacuum cleaners is currently under development and will be put into production towards the end of 2014. This new product series will help the segment extend its product line further into the high end, and will command the highest price point within the current portfolio. We are confident that the launch of this new product series will have the potential to move the market in the next couple of years.

In anticipation of further sales order growth in the coming year, the segment is planning to boost the production capacity in the new factory building in our Shenzhen plant by installing highly automated production lines.

During the year, the segment obtained admission as a manufacturer under Apple's MFi program, enabling it to develop electronic accessories for iDevices using licensed technology. The licensing validates the capability of our staff team and the technical competence of our production facilities. The management believes that this program can advance our production technology into more high-end devices and will signify and mark our progress in achieving new levels of capability.

Despite a slackened market, the toys unit remained a core business line and revenue generator for the Group. Building on our high-value-adding manufacturing and research-and-development strengths, the segment has successfully engaged into new product development work with one of the giant players in the United States. It is expected that this new product line will deliver steady order growth in the coming year.

We are furthering the deployment of the LEAN production process and increasing the level of automation in order to improve on the segment's margin.

Motors Business Segment

The motors segment is engaged in the development, design, manufacture and sale of a wide range of micro-electric motors and related products, ranging from direct-current (DC), alternative-current (AC) to brushless motors.

Benefitting from increased market demand, segment external turnover rose by 13.1% year on year to HK$524,248,000 (FY2013: HK$463,346,000) during FY2014. As the negative factors including rising wage rates and other operating costs were partly offset by a relatively stabilised Renminbi and commodity prices, the segment loss reduced to HK$50,156,000 (FY2013: HK$53,064,000) including one-off provisions/expenses of HK8,447,000 (FY2013: HK$7,013,000).

The results of the segment reflected efforts put into automation to bring labour content down and organisational streamlining to achieve higher efficiency and hence lower operating costs. The efforts are expected to continue to result in efficiency enhancement and reduction in operating costs in the coming years.

As we see a gradual strengthening of market demand, the segment will expand its capacity. Following the integration of production lines within the facility bases in Shaoguan and Shixing, Guangdong Province, the PRC, our cost reduction plan includes the establishment of a new plant in Guizhou Province, the PRC. The construction work of the new plant was substantially completed during the year with pilot production commenced at the first half of FY2014. It is expected that the additional capacity will become operational from the new plant during the second half of 2014.

The segment currently primarily serves the Japanese market, which is demonstrating signs of recovery. It is also exploring the opportunity of launching new house-owned products in South Korea. The Eurozone and the PRC domestic markets are the two other areas with good business potential where the segment has been strengthening its presence therein. To broaden its product portfolio, the segment is exploring new business opportunities in the automobile and printer sectors.

We remain committed to turning around the segment's performance and are disciplined in our approach to cost management. Faced with challenges on operations and cost control, the segment has yet to return to profitability.

Other Manufacturing Activities

This segment mainly comprises the encoder film products and other miscellaneous products manufacturing. Following the classification of certain products in this segment to the electrical and electronic products business segment as reported last year, the segment's turnover decreased by 68.2% year on year to HK$19,354,000 (FY2013: HK$60,801,000). Segment profit rose to HK$2,915,000 (FY2013: HK$2,266,000).

Non-manufacturing Businesses

With the newly added property development activities in FY2014, this business category currently comprises a real estate development business segment and resources development business segment.

Real Estate Development Business Segment

Following the award of the land use rights of three land parcels (with a total site area of 136,502 square metres) located in Dushan County, Guizhou Province, the PRC in June 2013, the Group has completed preliminary preparatory work (primarily the overall conceptual design and planning) of the site and the setting up of the relevant foreign capital corporations to undertake the development project therein (the "**Project**").

After taking into account the advice received from professional consultancy firms and market research on the area covering major cities around Dushan County, the Company decided to position the residential development part of the Project as a low-density residential project. The first stage development of the Project, a top-end low-density residential property development ("***The Royale Cambridge Residence***"), will be rolled out in five phases with an expected aggregate saleable floor area of approximately 63,900 square metres, together with auxiliary commercial property of approximately 15,377 square metres. Depending on, amongst other things, the market conditions for the sale of property, progress of the Project is planned in a manner that the Company expects to control the allocation of its own capital at around HK$100 million (excluding land premium) initially to kick-start the Project with a view to achieving self-funding thereafter. In order to meet the requirements, project cash flow and progress will be carefully managed whereby proceeds generated from the sale of property will be ploughed back into the next phase or stage of development and payment of the outstanding consideration of the acquisition of the relevant land has been delayed with an expected date of full payment before August 2014.

The positioning of *The Royale Cambridge Residence* will differentiate it from other residential property projects in Dushan County and surrounding areas, which are mostly low to medium-end mass market properties. The Company believes that this could help establish a scarcity value and make our first stage development less vulnerable to the reportedly pressure currently experienced by the mass market in general.

During FY2014, progress was on schedule for the first phase of *The Royale Cambridge Residence*, comprising 36 units with a saleable floor area of approximately 10,500 square metres in total. Detailed architectural and construction design for the first phase of work has been approved and construction of the foundation and certain superstructure has been completed.

According to the relevant rules and regulations, one of the pre-requisites for pre-sale is the completion of the foundation of the residential units. With the foundation construction of the first phase of the project completed during the year, we are confident that the pre-sale of the first-phase units can be launched around the latter part of 2014 with a targeted average unit selling price of around RMB4,700 per square metre.

Despite the segment loss of HK$6,923,000 (FY2013: not applicable) which primarily reflected the administrative expenses of the operations during the year, the Project marks a pilot step for the Company's initiatives to form a foundation and to build a brand for its real estate development business segment. These would support our long-term plan of redeveloping certain land for industrial use owned by the Group in the PRC into property development projects at some appropriate time.

Resources Development Business Segment

During the year, the segment was engaged in (i) natural resources development and related processing business with respect to mainly copper, zinc, gold, silver, antimony and iron metals; and (ii) materials development business with respect to the development, manufacture and sale of indium tin oxide (ITO) targets.

Owing to various kinds of difficulties in the natural resources development business, the time span for developing a project in this business is expected to be longer for it to reap the potential value and yield investment return. To this end, we continuously assess the potential of the projects and devise optimal strategies in terms of the costs and benefits. For particularly our exploration projects in Xian and Shaoguan, the Company strategises to control its investments in exploration activities and the operating expenses while endeavouring to obtain the relevant exploitation licences.

Despite an improved turnover from the ITO business with operating loss narrowed on a year-on-year basis in FY2014, the price pressure and slow business pace resulted in a provision for an impairment loss on property, plant and equipment of HK$11,869,000.

Segment turnover decreased 52.8% to HK$18,750,000 (FY2013: HK$39,765,000) with segment loss also reduced to HK$37,926,000 (FY2013: HK$57,384,000). The decrease in turnover was mainly attributable to the reduction in the operating scale of the antimony trading activities in the natural resources development business which more than offset the increase in turnover of our ITO business. Segment loss narrowed before the inclusion of the non-cash expenses of HK$13,396,000 (FY2013: nil) for the impairment of property, plant and equipment in relation to the materials development business.

Natural Resources Development Business

Defined terms shall have the same meanings as defined in the annual report of the Company for FY2013.

Exploration and Exploitation

(i) Xian Polymetallic Mine

Renewal of the relevant exploration licence is at the documentation stage, and the licence will be extended to April 2016, with the exploration area expected to be reduced to 18 square kilometres from 24 square kilometres as required by the relevant rules and regulations.

The Bureau of Land and Resources of Xian City has informed us of a newly set policy that all existing exploration projects in Xian City have to complete exploration work by the end of 2017, and qualified exploration projects (such as having, inter alia, the minimum level of proven reserves and the environmental protection requirements fulfilled) will be granted exploitation licences accordingly.

After consulting the relevant government authorities and discussion with our local partner, we are of the view that the new policy imposes time pressure on us to develop the Jinshi Exploration Area on the one hand, but on the other hand also reveals a clearer picture for the designated Jinshi Exploitation Area to obtain the exploitation licence.

With the allocation of a suitable amount of investment and through the retaining of an engineering team on a cost-and-risk sharing basis, we are aiming at carrying out appropriate exploration work in the area with smaller own capital investment outlay.

Following the new development pursuant to the policy mentioned above, the Company is proactively liaising with the relevant government authorities with a view to obtaining the required approval from the relevant Environmental Protection Bureau, which is the major factor affecting the progress of obtaining the relevant exploitation licence for the designated Jinshi Exploitation Area. The Company will update the shareholders with any major developments in this matter as and when appropriate.

(ii) Wengyuan Polymetallic Mine

The only remaining information required for the application of the exploitation licence, being the environmental protection assessment report, was submitted for expert review in early 2014. After receiving suggested amendments, we have revised the submission a number of times and expect to fulfil the requirements for submission before the end of 2014.

Renewal of the relevant exploration licence is at the documentation stage, and the licence is expected to be extended for two years to June 2016, with area to be reduced to 14 square kilometres from 18 square kilometres as required by the relevant rules and regulations.

An independent geological engineering team has been retained since November 2013 to carry out the exploration work on a cost-and-risk sharing basis so as to reduce our own capital outlay in this project. The associated processing plant was also leased out for a short period of time during the year under review with an effort to generate resources to help finance the operations of this project as a whole.

Going forward, we will continuously assess the difficulties in obtaining the relevant exploitation licence for the designated Wengyuan Exploitation Area and devise the appropriate strategies in developing the project.

(iii) The Saiyabouly Exploration Area

The licence for the reconnaissance survey work on the area expired in November 2013 and we could apply for an extension or advance into the exploration stage. This licence is a division of the overall prospecting and exploration licence which is valid for six years from November 2011.

The initial prospecting work within an area of 194 square kilometres for copper and 130 square kilometres for iron in the Saiyabouly Exploration Area was concluded, suggesting a potential small-scale gold mine in the copper tenement area. As the results of such findings are less than satisfactory based on cost-benefit analysis, the Company decided to close down the project in an orderly fashion should there be no positive results from potential investors to join the project or to take up the project around the beginning of the second half of the year ending 31 March 2015 ("FY2015").

Ore Processing

We have been working towards strategic alliances with certain parties who have control over antimony mineral resources in Dushan County to secure relatively low-cost feedstock for our processing plant. However, the supply of appropriately priced antimony mineral ores from the general market has not been stable during the year. Given that the availability of antimony ores is limited, part of the associated ore processing plant was leased out to an independent third party for a term of one year commencing November 2013.

Refining and Downstream Processing

The legal process for the Group to acquire a 60% interest in the smelting plant is expected to be completed in the second half of FY2015.

Moving ahead, we will continue to control additional investments in the natural resources development business. For projects with potential to achieve value, we will be exploring various avenues to sustain their operations during the course of achieving their potential value in order to reduce the Group's financial exposure to this business.

Materials Development Business

During FY2014, the business was principally engaged in the development, manufacture and sale of ITO Targets.

Since the inauguration of the operations in August 2012, we have focused on obtaining qualification for our product samples with targeted customers in order to build up our credentials in various dedicated end customer industries. Efforts have also been placed into promoting awareness of our "Sigma" brand. During the year, the business started to gain new customers and sales of large-size targets were achieved, albeit slowly, hence the operating loss during the year was reduced year-on-year.

However, the market landscape has not been favourable during the year, with the price of indium ingots (the major raw material) having increased by over 40%. Such an increase could not be passed through to customers, as overseas price leaders in this sector set the market price at a very competitive level.

As a result of the slow recovery of its investment in this business, the Company has made an impairment of property, plant and equipment of HK$11,869,000.

Going forward, at the start of FY2015, we see more new customers placing orders for large-size targets and we will widen the product range to include ITO powder and rotary ITO targets to broaden the revenue base. Efforts have also been made to recycle used ITO targets for products so as to reduce the reliance on Indium ingots. We are cautiously confident of further improving the performance of this business in the coming year.

PROPOSED DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK3.0 cents (FY2013: HK3.0 cents) per share for the FY2014, representing HK$12,562,000 (FY2013: HK$12,562,000). The final dividend is expected to be paid on Monday, 15 September 2014 to those shareholders whose names appear on the Company's register of members on 2 September 2014, subject to the approval in the annual general meeting of the Company to be held on Monday, 25 August 2014. Based on the aforesaid recommended final dividend, the yearly dividend distributed by the Company during the FY2014 was HK3.0 cents (FY2013: HK3.0 cents).

FINANCIAL CONDITIONS, LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily used its internally generated cash flow and banking facilities to finance its operations and business development. The Group has always been executing a prudent and conservative strategy in its financial management. As at 31 March 2014, the Group had time deposits of HK$84,615,000 (FY2013 HK$89,197,000), cash and bank balances of HK$173,797,000 (FY2013 HK$210,039,000), and net current assets of HK$173,968,000 (FY2013: HK$322,938,000). As at 31 March 2014, shareholders' equity was HK$1,114,663,000 (FY2013: HK$1,049,273,000). Total consolidated banking facilities of the Group from all banks as at 31 March 2014 amounted to approximately HK$440,350,000 (FY2013: HK$371,349,000), of which HK$248,380,000 (FY2013: HK$268,168,000) was utilised.

As at 31 March 2014, the interest-bearing bank borrowings of the Group were in the sum of HK$248,380,000 (FY2013: HK$268,168,000) of which HK$188,380,000 (FY2013: HK$158,649,000) was repayable within one year and the remaining balance was repayable within second to fifth years.

As at 31 March 2014, current ratio of the Group (current assets divided by current liabilities) was 1.2 times (FY2013: 1.6 times) and maintained at a healthy position, and gearing ratio (interest-bearing bank borrowings divided by total equity) was 22.3% (FY2013: 25.6%). Based on the above, the Group continued to enjoy a healthy financial position with sufficient financial resources to support its future development.

MATERIAL ACQUISITION

Acquisition of land use rights

On 7 June 2013, the Company, through its indirect wholly-owned subsidiaries, succeeded in bidding for the land use rights of the land offered for sale by Dushan County Land and Resources Bureau ("Dushan Land Bureau"), a governmental authority of the PRC and the seller of the land, at the bid price of RMB122,020,000 (equivalent to approximately HK$154,111,260) and executed the auction confirmation with the Dushan Land Bureau (the "Acquisition").

Pursuant to the price arrangement entered into between the Company and the People's Government of the Dushan County, Guizhou Province, the PRC ("Dushan County Government") on 7 June 2013, the Dushan County Government agreed to grant the Company a monetary reward equivalent to the consideration for the Acquisition in excess of RMB75,000,000 (equivalent to approximately HK$94,725,000) and the Company entrusted the Dushan County Government to transfer such monetary reward to satisfy the consideration for the Acquisition on the Company's behalf. In this connection, the Company is not required to pay the portion of RMB47,020,000 (equivalent to approximately HK$59,386,000) of the consideration for the Acquisition. As such, the remaining balance of the consideration for the Acquisition to be satisfied by the Group shall amount to RMB75,000,000 (equivalent to approximately HK$94,725,000) which will be funded by internal resources of the Group.

In addition, as a reward to the Group's support in the form of continuing investment, the Dushan County Government agreed under an agreement to unconditionally pay RMB58,620,000 (equivalent to approximately HK$77,037,000) to the Group within 7 working days upon the Group's payment of the remaining balance of RMB75,000,000 (equivalent to approximately HK$94,725,000) of the consideration to the Dushan Land Bureau.

On 23 July 2013, the Group entered into the relevant land use rights grant contracts (dated 8 July 2013) and as at 31 March 2014, the Company has paid a sum of RMB64,800,000 (equivalent to approximately HK$82,025,000) to Dushan Land Bureau as deposits.

The detailed information of the Acquisition is set out in the announcement and the circular of the Company dated 7 June 2013 and 21 August 2013 respectively.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

DISCLOSURES PURSUANT TO RULE 13.21 OF THE RULES ("LISTING RULES") GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED ("STOCK EXCHANGE")

During 2011, the Company, as a borrower, has entered into two different term loan facility agreements of HK$100 million each with two different banks (the "Lenders") for a term of 60 months and a term of 42 months respectively.

Each of the term loan facility agreements imposes, inter alia, a condition that Mr. Cheng Chor Kit, the Director and the controlling shareholder of the Company, and the discretionary trust set up by him for the benefit of his family, collectively shall beneficially or directly maintain a shareholding of not less than 50% of the issued share capital of the Company. A breach of the above mentioned condition will constitute an event of default under the relevant facility letter. Upon the occurrence of such event, each of the loans shall become immediately due and repayable on demand.

CORPORATE GOVERNANCE PRACTICES

The Board regularly reviews the guidelines and latest development in corporate governance. In the opinion of the Board, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2014 except for the deviation from provision A.2.1 of the CG Code as described in the following section headed "Chairman and Chief Executive Officer". The Board has also reviewed the Corporate Governance Report (the "CG Report") and is satisfied that it has been in full compliance with all the requirements stipulated in the CG Report in Appendix 14 of the Listing Rules.

Chairman and Chief Executive Officer

Pursuant to provision A.2.1 of the CG Code, the role of chairman and chief executive officer shall be separated and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Cheng Chor Kit, the founder of the Company. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals, with a high independent element in the Board, where the Board members meet regularly to discuss issue affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code on terms no less exacting than the required standard set out in the Model Code regarding securities transactions by directors. Having made specific enquiry of the Company's directors, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the year. The relevant employees who, because of their office in the Group, are likely to be in possession of unpublished inside information have been requested to comply with the provisions of the Model Code.

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULES 13.51(B)(1) OF THE LISTING RULES

Pursuant to Rule 13.51(B) of the Listing Rules, the changes in information of Directors and supervisor of the Company subsequent to the date of the 2013 annual report of the Company are set out below:

As disclosed in the 2013 interim report of the Company, Mr. Fung Wah Cheong, Vincent, formerly the deputy chairman and executive director of the Company has been re-designated to an executive Director of the Company at his request so as to enable him to concentrate his efforts in managing our core business.

On 16 September 2013, Mr. Wong Chi Wai, the independent non-executive director of the Company, was appointed as an independent non-executive director and the chairman of audit and remuneration committee of China Ludao Technology Company Limited (stock code: 2023), whose shares have been listed on the Main Board of the Stock Exchange since 11 October 2013.

Prof. Chung Chi Ping, Roy *BBS JP*, the independent non-executive director of the Company, was appointed as an independent non-executive director and the chairman of the remuneration committee of TK Group (Holdings) Limited (stock code: 2283) and Fujikon Industrial Holdings Limited (stock code: 0927) with effect from 27 November 2013 and 1 April 2014 respectively, where shares of these two companies are listed on the Main Board of the Stock Exchange.

Other than those disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW OF ACCOUNTS

The audit committee of the Board has discussed with the external auditors of the Company on the accounting principles and practices adopted by the Group and the consolidated results of the Group for the year ended 31 March 2014, and is of the opinion that the consolidated results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 22 August 2014 to Monday, 25 August 2014, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday 21 August 2014.

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the ensuing annual general meeting. The record date for entitlement to the proposed final dividend is 2 September 2014. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 29 August 2014 to Tuesday, 2 September 2014, both days inclusive, during which period no transfer of share will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Thursday, 28 August 2014. The payment of final dividend will be made on Monday, 15 September 2014.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and is available on the Company's website at www.kinyat.com.hk. An annual report for the year ended 31 March 2014 will be dispatched to the Company's shareholders and available on the said websites in due course.

On behalf of the Board
Cheng Chor Kit
Chairman and Chief Executive Officer

Hong Kong, 27 June 2014

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent, Mr. Liu Tat Luen and Mr. Cheng Tsz To and four independent non-executive Directors, namely Prof. Chung Chi Ping, Roy BBS JP, Mr. Wong Chi Wai, Ms. Sun Kwai Yu, Vivian and Mr. Cheng Kwok Kin, Paul.