騰邦控股
TEMPUS.CN

騰邦控股有限公司
Tempus Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6880

Annual Report 2014 / 2015

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Huang Jingkai *(Chief Executive Officer)*
(appointed on 7 January 2015)
Mr. Yip Chee Lai, Charlie
Mr. Yip Chee Seng
(resigned on 28 January 2015)
Mr. Yip Chee Way, David
(resigned on 28 January 2015)
Mr. Yep Gee Kuarn
(resigned on 28 January 2015)

Non-executive Directors

Mr. Zhong Baisheng *(Chairman)*
(appointed on 7 January 2015)
Ms. Zhang Yan (appointed on 7 January 2015)

Independent non-executive Directors

Mr. Han Biao (appointed on 7 January 2015)
Mr. Liu Yaohui (appointed on 7 January 2015)
Mr. Li Qi (appointed on 28 January 2015)
Mr. Chan Yip Keung
(resigned on 28 January 2015)
Mr. Chung Kin Fai
(stepped down on 25 November 2014)
Ms. Lo Yee Hang (resigned on 28 January 2015)

COMPANY SECRETARY

Mr. Kwok Siu Man (resigned as joint company secretary on 7 January 2015)
Mr. Tam Ka Tung (remained as company secretary after 7 January 2015)

AUDIT COMMITTEE

Mr. Liu Yaohui *(Chairman)*
(appointed on 7 January 2015)
Mr. Han Biao (appointed on 7 January 2015)
Mr. Li Qi (appointed on 28 January 2015)
Mr. Chan Yip Keung
(resigned on 28 January 2015)
Mr. Chung Kin Fai
(stepped down on 25 November 2014)
Ms. Lo Yee Hang
(resigned as member of the Audit Committee on 7 January 2015)

REMUNERATION COMMITTEE

Mr. Han Biao *(Chairman)*
(appointed on 7 January 2015)
Mr. Liu Yaohui (appointed on 7 January 2015)
Mr. Li Qi (appointed on 28 January 2015)
Ms. Lo Yee Hang (resigned on 28 January 2015)
Mr. Chan Yip Keung
(resigned as member of the Remuneration Committee on 7 January 2015)
Mr. Chung Kin Fai
(stepped down on 25 November 2014)

NOMINATION COMMITTEE

Mr. Han Biao *(Chairman)*
(appointed on 7 January 2015)
Mr. Liu Yaohui (appointed on 7 January 2015)
Mr. Li Qi (appointed on 28 January 2015)
Mr. Chung Kin Fai
(stepped down on 25 November 2014)
Mr. Yep Gee Kuarn (resigned on 28 January 2015)
Ms. Lo Yee Hang (resigned as member of the Nomination Committee on 7 January 2015)

AUTHORISED REPRESENTATIVES

Mr. Huang Jingkai
Mr. Yip Chee Lai, Charlie

COMPANY WEBSITE

www.oto.cn

REGISTERED OFFICE

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Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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410 Des Voeux Road West
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
31/F., 148 Electric Road
North Point
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISER

Peter C. Wong, Chow & Chow
in association with Guantao Law Firm (Hong Kong)
Suites 1604-6, 16/F, ICBC Tower,
3 Garden Road, Central
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai
Banking Corporation Limited
DBS Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
Chinese Mercantile Bank

FINANCIAL HIGHLIGHTS

For the year ended 31 March	2015	2014	Changes
Profitability data *(HK$'000)*			
Revenue	**389,692**	339,700	14.7%
Gross profit	**251,172**	221,418	13.4%
Profit before tax	**15,999**	11,697	36.8%
Profit after tax for the year	**12,137**	8,722	39.2%
Earnings per share — basic and diluted *(HK$)*	**0.04**	0.03	33.3%
Gross profit margin	**64.5%**	65.2%	(0.7%)
Profit before tax margin	**4.1%**	3.4%	0.7%
Dividend per share *(HK cents)*			
– interim dividend	**0.622**	—	N/A
– interim special dividend	**0.415**	—	N/A
– final dividend	**0.472**	0.814	(42.0%)
– final special dividend	**0.314**	—	N/A
Effective tax rate	**24.1%**	25.4%	(1.3%)

As at 31 March	2015	2014	Changes
Assets and liabilities data *(HK$'000)*			
Bank balances and cash	**220,964**	211,636	4.4%
Bank borrowings	**25,811**	14,838	74.0%
Net current assets	**245,850**	239,139	2.8%
Total assets less current liabilities	**277,923**	270,737	2.7%
Assets and working capital ratios / data			
Current ratio *(times)*	**4.6**	4.8	(0.2)
Gearing ratio *(%)*	**7.6**	4.5	3.1
Inventory turnover days *(days)*	**50.4**	45.9	4.5
Trade receivables turnover days *(days)*	**33.9**	36.1	(2.2)
Trade payables turnover days *(days)*	**47.4**	48.0	(0.6)

Notes for key calculation:

Gross profit	Revenue - (Finished goods purchased - Changes in inventories of finished goods + direct expenses attributable to purchase)
Earnings per share	Profit attributable to shareholders / Weighted average number of ordinary shares
Current ratio	Current assets / Current liabilities
Gearing ratio	Total borrowings / Total assets x 100%
Inventory turnover days	Average of beginning and ending inventory balances / Cost of sales x 365 days
Trade receivables turnover days	Average of beginning and ending trade receivables balances / Revenue x 365 days
Trade payables turnover days	Average of beginning and ending trade payables balances / Cost of sales x 365 days

In December 2014, Shenzhen Tempus Logistics Holding Ltd. ("Tempus Logistics") became a shareholder of the Company. As a high-end services enterprise under the Tempus Group, Tempus Logistics has been committed to building the best distribution channels through pursuing its service vision of "enhancing people's quality of life", so as to forge a strategic positioning led by transaction platforms, driven by the industry value chain, and based on the smart synergies between Internet finance and the Internet of Things, and thereby establishing itself as the most renowned value chain management company in China.

In order to achieve a better integration of the Tempus Group's strategic positioning, the Company was renamed as Tempus Holdings Limited ("Tempus Holdings") in March of this year. Apart from continuing to pursue its "Healthcare" business strategy, the Company will proactively integrate the strengths of the Tempus Group in Internet finance, cross-border e-commerce, logistics networks, technology innovation, commercial services and strong IT systems, in order to enrich its own business systems and promote its transformation and upgrades.

In the current financial year, against the backdrop of a slowing economic growth in mainland China and slack commerce and retail in the target markets, the Company has proactively and assertively developed a number of best-selling products such as "OTO Back Snuggle" (頸膊鬆) targeted at urban dwellers and "OTO Absolute Massage Chair" (零距離按摩椅) targeted at the Hong Kong market. This, coupled with its innovative marketing model, diversified marketing means and broadened marketing channels, has led to encouraging progress in such aspects as the number of retail outlets, cost control, operating revenue and operating profit.

In the current financial year, the Company has continued to dedicate its efforts to the expansion of its existing businesses. Following the completion of its acquisition of the Malaysian business of its affiliated company in the previous financial year, it has completed the acquisition of the Singaporean business of such affiliated company in the current financial year. As of now, the Company's retail business covers altogether five regions, namely mainland China, Hong Kong, Macau, Malaysia and Singapore, each of which boasting huge room for development. Through the Company's further penetration into the Singapore and Malaysia markets, it has integrated the convenience and strengths associated with the Southeast Asian market, which serves to lay a solid foundation for its future coverage in the Asian market.

In June of this year, the Company successfully introduced strategic investors and completed the issue of 28 million new shares. As present, the Company has sufficient capital reserves and is in the process of proactively identifying premium projects which are in line with its development strategies, in the hope of achieving a rapid integration of its businesses across the regions for synergetic development.

In the next financial year, by leveraging on its market experience gathered from operating "Healthcare" products over the past three decades, the Company will continue to step up its research and development capabilities and be committed to innovation, launching even more readily marketable and high value-added products in a timely manner in order to reinforce its leading market position. Meanwhile, centred on the vision of "enhancing people's quality of life", the Company has been engaging in vertical expansion and horizontal integration, given full play to the strengths of both Hong Kong and mainland China, and accelerated the construction of an Internet cross-border e-commerce platform, thereby promoting the synergetic development of its online and offline operations, broadening its marketing channels and enlarging its market share. The Company has developed "OTO" as one of the leading Asian brands for healthcare services, achieving better business results to reward its shareholders.

Looking forward, I have full confidence in the Company's development. Focused on enriching its "Healthcare" business, centred on the vision of "enhancing people's quality of life", and supported by the Tempus Group's strong industry resources, the Company will continue to innovate and enhance its services to step up its profitability and promote cross-industry development for realising maximisation of its shareholders' interests.

Lastly, I would like to express my heartfelt thanks to all the past and current directors, management members and staff for the efforts they have made towards the Company's development. Let us all work together and advance towards an even more promising future.

Zhong Baisheng
Chairman and Non-executive Director

Hong Kong, 30 June 2015

BUSINESS REVIEW

During the year ended 31 March 2015, the Group's revenue reached approximately HK$389.7 million, an increase of 14.7% as compared to last financial year. The net profit for the year was approximately HK$12.1 million, an increase of 39.1% as compared to last financial year. The growth in both revenue and net profit was primarily driven by the contribution from the expansion of the PRC market and increase in corporate sales in Hong Kong.

Products

The Group keeps maintaining its core competitive strength in the design and development of new products, so as to remain as one of the leading brands in the health and wellness products market.

It is the Group's strategy to tailor design and develop unique health and wellness products in different geographic markets to meet the local consumption habits. During the year, the Group had launched a total of 24 new products comprising 15 relaxation products, 6 fitness products and 3 other products. The new products had contributed approximately HK$103.4 million or 26.5% of the Group's total revenue. These new products were strategically selected and priced at a readily affordable level to maintain the Group's competitive advantage in the market with its appropriate gross profit margins. The launching of these new products was carefully planned to target at the desired market segment via appropriate sales channels. For the Group's new key products, the launch is usually accompanied by proper advertising and promotion activities.

Sales Channels

The Group keeps developing its diversified sales channels and expanding its geographical market coverage. The diversified sales channels of the Group include (i) traditional sales channels including retail stores and consignment counters; and (ii) proactive sales channels including corporate sales, international sales and roadshow counters.

(i) Traditional sales channels — retail stores and consignment counters (together as "retail outlets")

During the year, the Group's traditional sales channel generated approximately 60.7% of the Group's overall revenue (2014: 68.2%). As at 31 March 2015, the Group operated the following retail stores and consignment counters:

	No. of outlets as at		
	31 March 2015	31 March 2014	31 March 2013
Hong Kong			
– Retail stores	**11**	12	11
– Consignment counters	**17**	19	17
Macau			
– Retail stores	**—**	1	1
– Consignment counters	**1**	1	2
PRC			
– Retail stores	**26**	10	3
– Consignment counters	**78**	75	61
Malaysia			
– Retail stores	**7**	7	—
– Consignment counters	**10**	7	—
Total	**150**	132	95

Hong Kong retail outlets

As at 31 March 2015, the Group operated 28 retail outlets in Hong Kong. The Group's retail revenue in Hong Kong decreased by approximately HK$18.7 million, or approximately 16.0% as compared to last financial year. The decrease of retail revenue in Hong Kong was primarily due to re-location of major retail outlets leading to a shorter operating period and less sales generated. The Group will monitor and review its retail outlets portfolio in Hong Kong from time to time so as to maintain its retail network at an optimised combination.

Macau retail outlets

As at 31 March 2015, the Group operated one consignment counter in Macau. The revenue generated from the retail outlets in Macau had decreased by approximately HK$4.5 million as a result of one retail store was closed due to maturity of tenancy agreement.

PRC retail outlets

As at 31 March 2015, the number of retail outlets in the PRC had increased to 104, comprising 26 retail stores and 78 consignment counters. The Group believes that its health and wellness products have gradually gained the consumers' attention and acceptance in the PRC market. The Group's retail revenue in the PRC has grown by approximately HK$20.9 million or approximately 26.9% as compared to last financial year. The growth was mainly due to increase in number of retail outlets and same-store sales growth.

Malaysia retail outlets

As at 31 March 2015, the Group operated 7 retail stores and 10 consignment counters in Malaysia. The retail revenue in Malaysia was approximately HK$16.8 million, representing approximately 4.3% of the Group's total revenue for the year.

(ii) Proactive sales channels — corporate sales, international sales and roadshow counters

During the year, the Group's proactive sales channels generated approximately 39.3% of the Group's revenue (2014: 31.8%).

The Group's corporate sales represent the sales of selected products to corporate companies, financial institutions including banks and credit card companies, retail chain stores and professional firms. During the year, the Group gained considerable orders from a leading retail chain in Hong Kong, which contribute approximately HK$44.3 million to the Group's revenue.

International sales represent exports of the Group's health and wellness products to international distributors or wholesalers for their distribution in overseas markets including the United Kingdom, Saudi Arabia, Mauritius, Russia, Hungary etc. During the year, international sales declined by 40% to HK$22.9 million from HK$38.1 million for last financial year. The decrease was mainly due to fewer orders from certain distributors in Eastern Europe and the Middle East which suffered from geopolitical unrest during the year.

Roadshow counters are promotional and non-permanent counters which the Group operated in different department stores and shopping malls from time to time for marketing as well as revenue generation.

The following discussion is based on, and should be read in conjunction with, the financial information and the notes thereto included in this annual report.

RESULTS OF OPERATION

Revenue

The Group's revenue increased by approximately HK$50.0 million or 14.7% to approximately HK$389.7 million for the year ended 31 March 2015 from approximately HK$339.7 million for last financial year, primarily as a result of the following:

Sales by types of products

	For the year ended 31 March					
	2015		2014		Increase/(Decrease)	
	HK$'000	**% of revenue**	HK$'000	% of revenue	HK$'000	%
Relaxation products	**251,157**	**64.5**	269,723	79.4	(18,566)	(6.9)
Fitness products	**83,093**	**21.3**	59,999	17.7	23,094	38.5
Other products	**55,442**	**14.2**	9,978	2.9	45,464	455.6
Total	**389,692**	**100.0**	339,700	100.0	49,992	14.7

During the year, the sales of relaxation products decreased by approximately HK$18.6 million or approximately 6.9%, as compared to last financial year. The decrease in the sales of relaxation products was primarily due to late launch of the key product, "ABSOLUTE", a flagship massage chair, leading to lower portion of revenue contribution for the year. The sales of fitness products increased by approximately HK$23.1 million or 38.5% which was primarily due to launch of the new key fitness product "V-TONE" in July 2014. Other products represent therapeutic and diagnostic products and certain branded cookware products. The sales of other products soared by approximately HK$45.5 million or 455.6%, as compared to last financial year. The increase was primarily due to the bulk sales of certain branded cookware products to a retail chain in Hong Kong.

Sales by channels

	For the year ended 31 March					
	2015		2014		Increase/(Decrease)	
	HK$'000	**% of revenue**	HK$'000	% of revenue	HK$'000	%
Retail stores	**85,401**	**21.9**	81,045	23.9	4,356	5.4
Consignment counters	**151,393**	**38.8**	150,326	44.3	1,067	0.7
Roadshow counters	**51,931**	**13.3**	33,159	9.8	18,772	56.6
Corporate sales	**78,117**	**20.1**	37,066	10.8	41,051	110.8
International sales	**22,850**	**5.9**	38,104	11.2	(15,254)	(40.0)
Total	**389,692**	**100.0**	339,700	100.0	49,992	14.7

During the year, the revenue from the Group's retail stores increased by approximately HK$4.4 million or 5.4% to approximately HK$85.4 million as compared to HK$81.0 million for last financial year. The increase was mainly due to more retail stores opened in the PRC. Revenue from consignment counters was stable, slightly increasing by approximately HK$1.1 million or 0.7% to approximately HK$151.4 million as compared to approximately HK$150.3 million for last financial year. Revenue from Roadshow counters increased by approximately HK$18.8 million or 56.6% to approximately HK$51.9 million as compared to HK$33.2 million for last financial year. The increase was mainly due to more roadshow events organised in the PRC and Hong Kong during the year. The Group's corporate sales significantly increased by approximately HK$41.1 million or 110.8% as compared to last financial year. The increase in the corporate sales was primarily due to the bulk sales of certain branded cookware products to a retail chain in Hong Kong. International sales decreased by approximately HK$15.3 million or 40.0% as compared to last financial year. The increase in international sales was mainly due to fewer orders from existing customers in Middle East and Eastern Europe.

Other income

Other income for the year was approximately HK$10.1 million, which was stable as compared with last financial year. The other income mainly comprised of bank interest income of approximately HK$4.6 million and delivery income of approximately HK$2.4 million.

Other gains and losses

Other gains and losses for the year was approximately a loss of HK$0.8 million, which mainly comprised of loss on write-off of property, plant and equipment of approximately HK$0.3 million and net foreign exchange loss of approximately HK$0.8 million, which were partially offset by the gain from change in fair value of an investment property of approximately HK$0.3 million. The other gains and losses of a gain of approximately HK$0.5 million for last financial year mainly comprised of gain from change in fair value of an investment property of approximately HK$1.6 million, which was partially offset by the net exchange loss of approximately HK$1.1 million.

Changes in inventories of finished goods

Changes in inventories of finished goods for the year were approximately HK$1.2 million as compared to approximately HK$7.3 million for last financial year.

Finished goods purchased

Finished goods purchased for the year was approximately HK$134.6 million, representing an increase of approximately HK$14.3 million, or 11.9% from approximately HK$120.3 million for last financial year. The increase was in line with the increase in sales.

Gross profit

The gross profit increased by approximately HK$29.8 million or 13.5% to approximately HK$251.2 million for the year from approximately HK$221.4 million for last financial year. The gross profit margin was approximately 64.5% for the year, slight decrease from approximately 65.2% for last financial year. The decrease was mainly attributed to larger proportion of revenue generated from the corporate sales segment, which has lower gross profit margin.

Staff costs

Staff costs for the year were approximately HK$79.8 million, representing an increase of approximately HK$8.8 million, or approximately 12.4%, from HK$71.0 million for last financial year. The increase in staff costs was mainly due to the increase in the overall staff strength from 439 to 538 employees during the year.

Depreciation expense

Depreciation expense for the year was approximately HK$7.8 million, representing an increase of approximately HK$1.0 million or 14.7% as compared to HK$6.8 million for last financial year. The increase was mainly due to additions of property, plant and equipment for the expansion of the Group's retail network in the PRC and refurbishment of outlets in Hong Kong.

Finance costs

Finance costs for the year was approximately HK$0.4 million, which remained relatively stable as compared to approximately HK$0.3 million for last financial year.

Other expenses

Other expenses for the year was approximately HK$161.5 million, representing an increase of approximately HK$14.1 million or 9.6% from approximately HK$147.4 million for last financial year. The increase was mainly attributable to various items, including (1) an increase of approximately HK$8.8 million, or 22.4% in rent expenses for office, warehouse, staff quarters and retail store due to the expansion of business; (2) an increase of approximately HK$4.4 million, or 148.0% in sundry expenses including roadshow counter set up cost as a result of more roadshows organised; and (3) an increase of approximately HK$1.3 million, or 24.5% in freight cost as a result of increased sales during the year.

Profit before tax

As a result of the factors described above, the Group's profit before tax for the year was approximately HK$16.0 million, representing an increase of approximately HK$4.3 million or 36.8% from approximately HK$11.7 million for the last financial year.

Income tax expense

Income tax expenses for the year and last financial year were approximately HK$3.9 million and HK$3.0 million, respectively, representing an effective tax rate of approximately 24.1% and 25.4%, respectively. The decrease in effective tax rate for the year was primarily due to higher proportion of profit generated from Hong Kong which is subject to a lower tax rate.

Profit for the year

As a result of the factors described above, the Group's profit for the year was approximately HK$12.1 million, representing an increase of approximately HK$3.4 million or approximately 39.1% from approximately HK$8.7 million for last financial year.

FINANCIAL POSITION

As at 31 March 2015, total equity of the Group amounted to approximately HK$277.9 million (as at 31 March 2014: HK$270.7 million). The increase was mainly due to the net profits generated for the year.

As at 31 March 2015, the Group's net current assets amounted to approximately HK$245.9 million (as at 31 March 2014: HK$239.1 million). The current ratio was 4.6 (as at 31 March 2014: 4.8). The decrease in the Group's current ratio was mainly due to the increase in bank borrowings.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group had approximately HK$221.0 million (as at 31 March 2014: HK$211.6 million) bank balances and cash, which primarily consist of HKD, RMB, USD and SGD denominated bank deposits in Hong Kong. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always maintain sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Operating activities

Net cash from operating activities was approximately HK$2.2 million for the year ended 31 March 2015 (year ended 31 March 2014: HK$19.9 million), primarily reflecting the operating cash flows before movements in working capital of approximately HK$19.6 million, as adjusted by an increase of approximate HK$4.0 million in rental deposit, an increase of approximately HK$1.5 million in inventory, an increase of approximately HK$3.8 million in trade and other receivables and prepayments, a decrease of approximately HK$5.4 million in trade and other payables and tax payment amounted to approximately HK$3.4 million during the year.

Investing activities

Net cash generated from investing activities was approximately HK$39.3 million for the year ended 31 March 2015 (year ended 31 March 2014: HK$49.5 million used in investing activities), primarily due to a decrease of placement of bank deposits with original maturity over 3 months of approximately HK$37.7 million, a decrease of approximately HK$6.2 million in pledged bank deposit and approximately HK$4.6 million interest received, which was partically offset by cash used in acquisition of property, plant and equipment of approximately HK$9.3 million.

Financing activities

Net cash from financing activities was approximately HK$5.8 million for the year ended 31 March 2015, as compared with approximately HK$2.3 million for the year ended 31 March 2014, which was primarily due to the increase in trust receipt loans of approximately HK$11.0 million and partially offset by the dividend paid of approximately HK$5.9 million for the year.

BORROWINGS AND GEARING RATIO

The borrowings of the Group as at 31 March 2015 comprised trust receipt loans with variable interest rates and finance leases with fixed interest rates, amounting to approximately HK$25.8 million and HK$0.5 million, respectively. The effective interest rates of the trust receipt loans and finance leases were ranging from 1.97% to 4.02% per annum and 2.5% to 3.75% per annum, respectively. The Group's gearing ratio (i.e. Total borrowings / Total assets x 100%) increased from approximately 4.5% as at 31 March 2014 to approximately 7.6% as at 31 March 2015, which was primarily due to an increase in bank borrowings by approximately HK$11.0 million as at 31 March 2015.

WORKING CAPITAL

As at 31 March 2015, the net working capital of the Group was approximately HK$245.9 million, representing an increase of approximately HK$6.8 million or 2.8% as compared with approximately HK$239.1 million as at 31 March 2014.

As at 31 March 2015, the Group's inventories increased by HK$1.2 million to HK$19.7 million from approximately HK$18.5 million as at 31 March 2014. The increase was primarily due to the Group's expansion of retail network in the PRC which requires certain level of inventories for the opening of new retail outlets. The inventory turnover days were 50.4 days for the year as compared to 45.9 days for the last financial year. The increase is in line with the increase in inventories.

As at 31 March 2015, the Group's trade receivables increased by approximately HK$2.9 million, to approximately HK$37.6 million from approximately HK$34.7 million as at 31 March 2014. The average trade receivables turnover days were 33.9 days for the year, representing a decrease of approximately 2.2 days from 36.1 days for the last financial year. The decrease was mainly attributable to the tighter credit control of the Group.

As at 31 March 2015, the Group's trade payables decreased by approximately HK$1.0 million to approximately HK$17.5 million from approximately HK$18.5 million as at 31 March 2014. The trade payables turnover days for the year were approximately 47.4 days which was stable as compared to last financial year.

CAPITAL EXPENDITURE

During the year, the Group's total capital expenditure amounted to approximately HK$9.7 million, which was used in the acquisition of property, plant and equipment.

CHARGE ON ASSETS

As at 31 March 2015, the Group had pledged certain assets, including leasehold land and buildings, investment properties and bank deposits which in aggregate amounted to approximately HK$24.1 million for the purpose of securing certain banking and other facilities.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

During the year, there were no significant investment, material acquisition and disposals of subsidiaries by the Company.

On 15 May 2015, the Group acquired the business in Singapore from OTO Bodycare Pte. Ltd., a connected person of the Company, at a consideration of approximately S$0.8 million (equivalent to approximately HK$4.9 million). Details of the acquisition are set out in the Company's announcement dated 15 May 2015.

In May 2015, the Group started an ERP implementation project to upgrade and integrate its IT infrastructure across different regions and departments. The total capital expenditure on this project was expected to be approximately HK$7.5 million and will be reflected in next financial year.

The Group is also seeking appropriate merger and acquisition opportunities to expand its original business in the health and wellness industry and diversify into other industries in which synergy can be generated with the businesses of the controlling shareholder of the Company.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2015 and 31 March 2014.

FOREIGN EXCHANGE RISK MANAGEMENT

As at 31 March 2015, the Group exposed to foreign exchange risk as a result of holding bank deposits denominated in Renminbi of approximately HK$158.1 million, representing approximately 67.9% of total of bank balances, cash and pledged bank deposits. Certain transactions denominated in foreign currencies would also incur the foreign exchange risk. The Group currently does not use any derivative financial instrument to hedge the foreign exchange risk. The Group manages the foreign exchange risk by closely monitoring the movement of the foreign currency rates.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2015, the Group had a total number of 538 (31 March 2014: 439) full-time employees. The Group determined the remuneration packages of all employees based on factors including individual qualifications, contributions to the Group, performance and years of experience of the respective staff. The Remuneration Committee will review and determine the remuneration and compensation packages of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

STRATEGIES AND PROSPECTS

In the opinion of the Directors, the Group's performance for the year 2015/2016, subject to market condition, shall be further improved as the businesses are rapidly expanding by way of merger and acquisition and diversification. The Group will continue to focus on (i) the design and development of new health and wellness products with new features, design and functions; (ii) strategically expanding retail network, corporate sales channel and e-commerce channel in the PRC; (iii) improving the operational efficiency through the reform of management structure and integration of internal resources; and (iv) seeking appropriate investment opportunities in both the original and new industries.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The proceeds from the global offering, after deduction related issuance expenses, amounted to approximately HK$92.6 million. As at 31 March 2015, there was no change to the proposed use of net proceeds from the global offering. The unused proceeds were deposited in licensed banks in Hong Kong. Details of use of the net proceeds are set out in to table below.

	Net proceeds HK$ mil	Utilised up to 31 March 2015 HK$ mil	Unutilised as of 31 March 2015 HK$ mil
Use of proceeds:			
Expansion of the Group's PRC operations	45.9	21.3	24.6
Advertising and promotional activities in the PRC	20.0	6.1	13.9
Renovation and redecoration the existing retail outlets in Hong Kong and Macau	10.7	10.6	0.1
Enhancement of the research and development capability	8.0	8.0	—
Upgrade of the Group's information systems	8.0	1.1	6.9
	92.6	47.1	45.5

The board (the "Board") of directors (the "Directors") of Tempus Holdings Limited (the "Company") is pleased to present the annual report with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2015 (the "Reporting Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS & DIVIDENDS

Results of the Group for the Reporting Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 50 of this annual report. Other movements in reserves are set out in the consolidated statement of changes in equity on page 53 and 54 of this annual report.

The Board has declared an interim dividend of HK cents 0.622 per share amounting to approximately HK$2.0 million and an interim special dividend of HK cents 0.415 per share amounting to approximately HK$1.3 million for the six months ended 30 September 2014. The Board has also recommended the payment a final dividend of HK cents 0.472 per share amounting to approximately HK$1.7 million for the Reporting Year and a final special dividend of HK cents 0.314 per share amounting to approximately HK$1.1 million (2014: final dividend of HK cents 0.814 amounting approximately HK$2.6 million). The financial statements do not reflect the dividends payable. The proposed final and special dividends are subject to approval by the Company's shareholders at the forthcoming annual general meeting ("AGM") to be held on Friday, 14 August 2015. If the resolution for the proposed final and special dividends is passed at the AGM, the proposed final and special dividends are expected to be paid on Tuesday, 22 September 2015.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 110 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the Reporting Year are set out in note 27 to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 March 2015, the Group's aggregate amounts of reserves available for distribution were approximately HK$252,508,000, of which approximately HK$2,750,000 has been proposed as final dividend for the Reporting Year and special dividend.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company (the "Articles") or applicable laws of the Cayman Islands where the Company was incorporated.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are set out in note 17 to the consolidation financial statements.

BANK BORROWINGS AND INTEREST

Details of the Group's bank borrowings are set out in note 26 to the consolidated financial statements of this annual report. Bank borrowings repayable within one year or on demand are classified as current liabilities in the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Year, the Group's sales to its five largest customers accounted for approximately 18.0% of the Group's total sales and the Group's sales to its largest customer for the year accounted for approximately 12.5% of the Group's total sales. The Group's five largest suppliers accounted for approximately 95.3% of the Group's total purchases, while the largest supplier for the year accounted for approximately 47.1% of the Group's total purchases.

None of the Directors or their respective associates or, to the knowledge of the Directors, any of the shareholders of the Company who owns more than 5% of the Company's issued share capital has any interest in any of the Group's five largest customers or suppliers during the Reporting Year.

CHARITABLE DONATION

No charitable donation was made by the Group during the Reporting Year. (2014: Nil).

DIRECTORS

The Directors as at the date of this annual report are:

Executive Directors

Mr. Huang Jingkai *(Chief Executive Officer)*
Mr. Yip Chee Lai, Charlie

Non-executive Directors

Mr. Zhong Baisheng *(Chairman)*
Ms. Zhang Yan

Independent non-executive Directors

Mr. Han Biao
Mr. Liu Yaohui
Mr. Li Qi

According to the Articles, the newly appointed Directors are subject to re-election at the following general meeting. Furthermore, one-third of the Directors for the time being, if the number of Directors is not three or a multiple of three, then the number of Directors nearest to but not less than one-third, shall retire from office but eligible for re-election, and every Director shall be subject to retirement by rotation at least once every three years at annual general meeting. Accordingly, the newly appointed directors during the Reporting Year, namely Mr. Zhong Baisheng, Mr. Huang Jingkai, Ms. Zhang Yan, Mr. Han Bao, Mr. Liu Yaohui and Mr. Li Qi had retired and re-elected at the extraordinary general meeting on 27 February 2015. Mr. Huang Jingkai, Ms. Zhang Yan and Mr. Han Biao will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election as Directors.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Profiles of all the Directors and the senior management are set out on pages 44 to 47 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") from each of the independent non-executive Directors and the Company considers such Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

The executive Director Mr. Huang Jingkai had entered into a service contract with the Company for a term of three years with effect from 28 January 2015 which is subject to termination provisions therein and provisions on retirement by rotation of the Directors as set out in the Articles.

The executive Director Mr. Yip Chee Lai, Charlie had entered into a service contract with the Company for a term of one year with effect from 25 November 2014 which is subject to termination provisions therein and provisions on retirement by rotation of the Directors as set out in the Articles.

The non-executive Directors Mr. Zhong Baisheng and Ms. Zhang Yan had been appointed for an initial term of three years with effect from 7 January 2015 and is subject to termination provisions as set out in the appointment letter and provisions on retirement by rotation of the Directors as set out in the Articles.

The independent non-executive Directors Mr. Han Biao and Mr. Liu Yaohui had been appointed for an initial term of three years with effect from 7 January 2015 and is subject to termination provisions as set out in the appointment letters and provisions on retirement by rotation of the Directors as set out in the Articles.

The independent non-executive Directors Mr. Li Qi had been appointed for an initial term of three years with effect from 28 January 2015 and is subject to termination provisions as set out in the appointment letter and provisions on retirement by rotation of the Directors as set out in the Articles.

None of the Directors proposed for re-election at the forthcoming AGM of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF THE DIRECTORS

The Remuneration Committee considers and recommends to the Board on the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

Details of the emoluments of every Director for the Reporting Year is set out in note 13 to the consolidated financial statements.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares of equity derivatives and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be 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 to the Listing Rules as adopted by the Company, were as follows:

(i) Long position in shares of the Company

Name of Director	Capacity/ Nature of Interest	Number of Shares	Approximate percentage of shareholding in the Company
Mr. Zhong Baisheng	Interest of controlled corporation *(Note 1)*	238,242,800	74.02%
Mr. Yip Chee Lai, Charlie	Beneficial owner	6,046,000	1.88%
	Interests of parties to an agreement to acquire interests of the Company *(Note 2)*	17,984,000	5.59%
	Total	24,030,000	7.47%

Note:

(1) These shares of the Company are held directly by Tempus Holdings (Hong Kong) Limited, which is wholly owned by Tempus Value Chain Limited. Tempus Value Chain Limited is wholly owned by 深圳市騰邦物流股份有限公司 (Shenzhen Tempus Logistics Holding Ltd.*), which is in turn owned as to 65% by 騰邦投資控股有限公司 (Tempus Investment Holdings Ltd.*) ("Tempus Investment Holdings") and 35% by 深圳市平豐珠寶有限公司 (Shenzhen Pingfeng Jewellery Ltd.*) ("Pingfeng Jewellery"). Pingfeng Jewellery is owned as to 60% by Tempus Investment Holdings, 30% by Mr. Zhong Baisheng and 10% by Ms. Duan Naiqi. Tempus Investment Holdings is owned as to 67% by Mr. Zhong Baisheng and 33% by Ms. Duan Naiqi.

(2) Mr. Yip Chee Seng, Mr. Yip Chee Lai, Charlie, Mr. Yip Chee Way, David, Mr. Yep Gee Kuarn, Mr. Tan Beng Gim and Ms. Chua Siew Hun (Minority Shareholders) have been the persons acting in concert since 1 April 2008 as confirmed in a confirmatory agreement dated 1 February 2011. Accordingly, each of the Minority Shareholders is taken to be interested in the shares in which the Minority Shareholders are interested pursuant to the SFO.

(3) As at the date of this report, Tempus Holdings (Hong Kong) Limited held 234,994,800 shares of the Company, representing approximately 67.16% of the issued share capital of the Company.

* *The English transliteration of the Chinese names of the PRC entities above, where indicated, is included for identification purpose only and is not the official English names for such PRC entities.*

(ii) Long position in shares of the Company's associated corporations

Name of Director	Name of associated corporation	Number of Shares	Approximate percentage of shareholding
Mr. Zhong Baisheng	Pingfeng Jewellery	9,000,000	90%
Mr. Zhong Baisheng	Tempus Investment Holdings	67,000,000	67%

Saved as disclosed above, as at 31 March 2015, none of the Directors and chief executive of the Company had any interest or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Saved as disclosed in the note 31 to the consolidated financial statements and in the section "Related Party Disclosures", no contracts of significance to which the Company, its holding company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 March 2015.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed below, during the Reporting Year and up to the date of this report, none of the Directors nor their respective associates had interests in a business that competes or is likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors have been appointed or were appointed as directors to represents the interests of the Company and/or the Group.

Mr. Yip Chee Seng, Mr. Yep Gee Kuarn and Mr. Yip Chee Way, David, the former Directors of the Company who resigned on 27 January 2015, and their respective associates, are interested in OTO Bodycare Pte. Ltd. ("OTO Singapore"). OTO Singapore is principally engaged in the retail sales of health and wellness products in Singapore. During the Reporting Year, the Group and OTO Singapore did not have any overlapping customers. OTO Singapore sourced its products from the same manufacturers as those of the Group.

On 15 May 2015, the Group and OTO Singapore entered into a business transfer agreement pursuant to which the Group agreed to acquire and OTO Singapore agreed to sell the business in Singapore operated by OTO Singapore. OTO Singapore gradually ceased its business in Singapore after the acquisition.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, no time during the Reporting Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

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

As at 31 March 2015, to the best knowledge of the Directors, the following persons, other than the Directors and chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Long position in shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding in the Company
Ms. Duan Naiqi (note 1)	Interests of controlled corporation	238,242,800	74.02%
Mr. Yip Chee Seng (note 2)	Beneficial owner	5,774,000	1.79%
	Interests of parties to an agreement to acquire interests of the Company	18,256,000	5.68%
	Total	24,030,000	7.47%
Mr. Yep Gee Kuarn (note 2)	Beneficial owner	6,114,000	1.90%
	Interests of parties to an agreement to acquire interests of the Company	17,916,000	5.57%
	Total	24,030,000	7.47%
Mr. Yip Chee Way, David (note 2)	Beneficial owner	6,096,000	1.89%
	Interests of parties to an agreement to acquire interests of the Company	17,934,000	5.58%
	Total	24,030,000	7.47%
Mr. Tan Geng Gim (note 2)	Beneficial owner	—	—
	Interests of parties to an agreement to acquire interests of the Company	24,030,000	7.47%
	Total	24,030,000	7.47%
Ms. Chua Siew Hun (note 2)	Beneficial owner	—	—
	Interests of parties to an agreement to acquire interests of the Company	24,030,000	7.47%
	Total	24,030,000	7.47%

Notes:

1. Pursuant to Part XV of the SFO, each of Ms. Duan Naiqi, Mr. Zhong Baisheng, Tempus Investment Holdings, Pingfeng Jewellery, 深圳市騰邦物流股份有限公司 and 騰邦價值鏈有限公司 is deemed to be interested in the shares held by Tempus Holdings (Hong Kong) Limited.
2. The Minority Shareholders have been the persons acting in concert since 1 April 2008 as confirmed in a confirmatory agreement dated 1 February 2011. Accordingly, each of the Minority Shareholders is taken to be interested in the shares in which the Minority Shareholders are interested pursuant to the SFO.
3. As at the date of this report, Tempus Holdings (Hong Kong) Limited held 234,994,800 shares of the Company, representing approximately 67.16% of the issued share capital of the Company.

Save as disclosed above, as at 31 March 2015, the Directors were not aware of any persons, other than a Director or a chief executive of the Company, who had or were deemed or taken to have interests or short positions in shares or underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the registered kept by the Company under the SFO.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "Share Option Scheme") on 25 November 2011 for the purpose of recognising and acknowledging the contributions the eligible participants had or may have made to the Group. The Directors may, at its absolute discretion, invite any person belonging to any of the following classes or participants, to take up options to subscribe for shares:

(a) any employee ("Eligible Employee") (whether full-time or part-time including any executive Director but excluding any non-executive Director) of the Company, any of the subsidiaries or any entity (the "Invested Entity") in which the Group holds an equity interest;

(b) any non-executive directors (including independent non-executive directors) of the Company, any of the subsidiaries or any Invested Entity;

(c) any supplier of goods or services to any member of the Group or any Invested Entity;

(d) any customer of the Group or any Invested Entity;

(e) any person or entity that provides research, development or other technological support to the Group or any member of any Invested Entity;

(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and

(h) any other group of classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group,

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants.

The Directors were authorised to grant options to subscribe for shares of the Company and to allot, issue and deal with the shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme. The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue on the day on which trading of the shares commenced on the main board of the Stock Exchange, being 32,000,000 shares.

Unless otherwise approved by the Company's shareholders in general meeting, the number of shares that may be granted to an eligible participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) shall not exceed 1% of the shares in issue of the Company within any 12-month period. Any grant of options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors. Unless otherwise approved by the shareholders in general meeting and/or such other requirements prescribed under the Listing Rules, any grant of options to a substantial shareholder or independent non-executive Director or their respective associates under the Share Option Scheme and any other share option schemes of the company (including both exercised and outstanding options) shall not represent in aggregate over 0.1% of the shares in issue and has an aggregate value in excess of HK$5 million, within any 12-month period.

There is no minimum period for which an option must be held before it can be exercised, and the period during which an option may be exercised will be determined by the Board in its absolute discretion, however, no options shall be exercised 10 years after they have been granted. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the shares on the daily quotation sheet of the Stock Exchange on the date of the offer of the grant, which must be a business day; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of the offer of the grant; and (c) the nominal value of the share. Each grantee shall pay HK$1.00 to the Company at the time the option is granted. The Share Option Scheme shall take effect from the date it is adopted (i.e. 25 November 2011) and shall remain effective within a period of 10 years from that date (i.e. the Share Option Scheme shall expire on 25 November 2021).

SHARE OPTIONS

Details of the movements in share options to subscribe for shares in the Company under the Share Option Scheme during the Reporting Year are set out below:

				Number of Share Options				
Grantees	Date of grant	Exercisable period	Exercise price per share HK$	Outstanding as at 1 April 2014	Granted during the year	Exercised during the year#	Cancelled during the year#	Outstanding as at 31 March 2015
Directors								
Mr. Yip Chee Seng (resigned on 28 Jan 2015)	29.1.2014	29.1.2014 – 28.1.2017	0.62	95,400	—	95,400	—	—
		29.1.2015 – 28.1.2017	0.62	127,200	—	127,200	—	—
		29.1.2016 – 28.1.2017	0.62	95,400	—	95,400	—	—
Mr. Yep Gee Kuarn (resigned on 28 Jan 2015)	29.1.2014	29.1.2014 – 28.1.2017	0.62	95,400	—	95,400	—	—
		29.1.2015 – 28.1.2017	0.62	127,200	—	127,200	—	—
		29.1.2016 – 28.1.2017	0.62	95,400	—	95,400	—	—
Mr. Yip Chee Lai, Charlie	29.1.2014	29.1.2014 – 28.1.2017	0.62	90,000	—	90,000	—	—
		29.1.2015 – 28.1.2017	0.62	120,000	—	120,000	—	—
		29.1.2016 – 28.1.2017	0.62	90,000	—	90,000	—	—
Mr. Yip Chee Way, David (resigned on 28 Jan 2015)	29.1.2014	29.1.2014 – 28.1.2017	0.62	90,000	—	90,000	—	—
		29.1.2015 – 28.1.2017	0.62	120,000	—	120,000	—	—
		29.1.2016 – 28.1.2017	0.62	90,000	—	90,000	—	—
Mr. Chan Yip Keung (resigned on 28 Jan 2015)	29.1.2014	29.1.2014 – 28.1.2017	0.62	44,400	—	—	44,400	—
		29.1.2015 – 28.1.2017	0.62	59,200	—	—	59,200	—
		29.1.2016 – 28.1.2017	0.62	44,400	—	—	44,400	—

Grantees	Date of grant	Exercisable period	Exercise price per share HK$	Number of Share Options: Outstanding as at 1 April 2014	Granted during the year	Exercised during the year#	Cancelled during the year#	Outstanding as at 31 March 2015
Mr. Chung Kin Fai (stepped down on 25 November 2014)	29.1.2014	29.1.2014 – 28.1.2017	0.62	44,400	—	44,400	—	—
		29.1.2015 – 28.1.2017	0.62	59,200	—	—	59,200	—
		29.1.2016 – 28.1.2017	0.62	44,400	—	—	44,400	—
Ms. Lo Yee Hang (resigned on 28 Jan 2015)	29.1.2014	29.1.2014 – 28.1.2017	0.62	44,400	—	—	44,400	—
		29.1.2015 – 28.1.2017	0.62	59,200	—	—	59,200	—
		29.1.2016 – 28.1.2017	0.62	44,400	—	—	44,400	—
Other employees	29.1.2014	29.1.2014 – 28.1.2017	0.62	450,000	—	378,000	72,000	—
		29.1.2015 – 28.1.2017	0.62	600,000	—	356,800	243,200	—
		29.1.2016 – 28.1.2017	0.62	450,000	—	267,600	182,400	—
				3,180,000	—	2,282,800	897,200	—

Tempus Holdings (Hong Kong) Limited ("Tempus HK") became the controlling shareholder of the Company on 5 December 2014 and subsequently was required under the Code on Takeovers and Mergers in Hong Kong to make a mandatory unconditional cash offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties acting in concert with it at a price of HK$2.09 per Share and to make an offer for cancellation of all the outstanding share options of the Company at a price of HK$1.47 per share option. Furthermore, pursuant to Clause 6.4(c) of the Share Option Scheme, if an unconditional offer is made to the grantee of the options of the Company, the grantee shall, notwithstanding any other terms on which his options were granted, be entitled to exercise the option to its full extent. As such, all the option holders were entitled to accept the cash offer for cancellation of their outstanding share options of the Company or exercise their outstanding share options of the Company in full during the offer period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries had purchased or sold any of the listed securities of the Company and the Company has not redeemed any of its shares of the Company during the Reporting Year.

CHANGE OF CONTROLLING SHAREHOLDER AND THE CASH OFFERS

On 28 November 2014, the Minority Shareholders and Tempus HK entered into the share purchase agreements ("Share Purchase Agreements"), pursuant to which the Minority Shareholders agreed to sell and Tempus HK agreed to purchase a total of 179,140,000 Shares, representing approximately 56.00% of the entire issued share capital of the Company at that time, for a total consideration of HK$374,402,600 (equivalent to HK$2.09 per Sale Share). The completion of the Share Purchase Agreements took place on 5 December 2014. Since then Tempus HK had become the controlling shareholder of the Company. Tempus HK was required under the Code on Takeovers and Mergers in Hong Kong to make a mandatory unconditional cash offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties acting in concert with it at a price of HK$2.09 per Share and to make an offer for cancellation of all the outstanding share options of the Company at a price of HK$1.47 per share option ("Offers"). The Offers were closed on 27 January 2015. Having made all reasonable enquiries and to the best knowledge and belief of the Company, Tempus HK held 238,242,800 Shares immediately after the close of Offers on 27 January 2015. Details of the change of controlling shareholder and the Offers are set out in the announcements of the Company dated 16 December 2014 and 27 January 2015 and the circular of the Company dated 6 January 2015.

PUBLIC FLOAT

Immediately after the close of the Offers on 27 January 2015, 59,604,000 Shares, representing approximately 18.52% of the entire issued share capital of the Company, were held by the public (within the meanings under the Listing Rules). Accordingly, the Company could not fulfil the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules and made an application to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. On 13 April 2015, the public float of the Company was restored to 25% of the total issued share capital of the Company after completion of certain measures taken by the Company and its controlling shareholder. Details of restoration of public float are set out in the announcements of the Company dated 27 January 2015, 31 March 2015 and 13 April 2015. Based on the information that is publicly available to the Company and within the knowledge of the Directors, save as the aforesaid period, the Company has maintained a sufficient public float as required under the Listing Rules during the Reporting Year and up to the date of this report.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Subsequent to the end of the reporting period, on 27 May 2015, the Company entered into a conditional subscription agreement with the SCGC Capital Holding Company Limited, a company incorporated in the BVI with limited liability and an independent third party (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 28,000,000, representing 8.00% of the Company's issued share capital of 349,876,800 Shares as enlarged by the allotment and issue of the new Shares, at a price of HK$4.88 per Share (the "Subscription"). The completion of subscription took place on 8 June 2015. The net proceeds from the Subscription, after the deduction of professional fees and other related expenses, were approximately HK$136.5 million. The net proceeds from the Subscription were expected to be used for the Group's fund reserve for potential investments. Details of the Subscription are set out in the announcements of the Company dated 27 May 2015 and 8 June 2015.

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Year, the following transactions fell within the de minimis exemption under the Rule 14A.76(1)(c) of the Listing Rules and are therefore exempt from the reporting, announcement and independent shareholders' approval requirements:

Agreement for sharing of research and development fees

On 25 November 2011, the Group entered into an Agreement ("Master Agreement") for sharing of research and development expenses ("R&D expenses") with OTO Singapore, a connected person of the Company, pursuant to which the parties have agreed to share the R&D expenses of new product development incurred by the Group on the terms and conditions stated therein, and OTO Singapore was allowed to source the Group products directly from the Group's designated suppliers. The Master Agreement had a term of three years. It was renewed on 25 November 2014 and subsequently terminated on 9 December 2014. Since then, there was no sharing of R&D expenses between the Group and OTO Singapore. OTO Singapore's business in Singapore was transferred to the Group on 15 May 2015.

During the Reporting Year, the total amount of R&D Expenses of the Group shared by OTO Singapore was approximately HK$0.2 million.

The Directors (including the independent non-executive Directors) of the Company had reviewed the above connected transaction and confirmed that the connected transaction had been entered into on in the ordinary and usual course of business, on normal commercial terms and in accordance with the terms of agreement governing such transaction that are fair and reasonable and in the interests of the shareholders of the Company and the Company as a whole.

The auditor of the Company was engaged to report on the above continuing connected transaction 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 Transaction under Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter to the Board containing his findings and unqualified conclusions in respect of the continuing connected transaction of the Group set out in the above in accordance with the Listing Rules 14A.56. The auditor concluded that nothing has come to their attention that causes them to believe that the above continuing connected transaction:

(a) have not been approved by the Directors;

(b) were not entered into, in all material respects, in accordance with the relevant agreements governing such transaction; and

(c) have exceeded the annual cap.

Trade purchases from OTO Singapore

During the Reporting Year, the Group purchased certain finished goods from OTO Singapore amounting approximately HK$1,013,000 at cost plus a mark-up of 15% for freight and handling charges. In the opinion of the Directors, the above transactions were conducted in the normal course of business and based on the terms mutually determined and agreed by the respective parties.

The details of the above transactions during the Reporting Year are set out in note 31 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are provided under note 31 to the consolidated financial statements, and saved as disclosed in "Continuing Connected Transactions" above, none of which constitutes a connected transaction as defined under the Listing Rules. The Board confirmed that during the Reporting Year and up to the date of this report, the Company had complied with the disclosure requirement under Chapter 14A of the Listing Rules.

CHANGE OF COMPANY NAME, STOCK SHORT NAME AND COMPANY LOGO

In order to better reflect the relationship between the Company and its new controlling shareholder and spread out a fresh corporate identity, the Company proceeded to change its company name, stock short name and company logo after the completion of the Offers. On 2 March 2015, the English name of the Company was changed from "OTO Holdings Limited" to "Tempus Holdings Limited" and"騰邦控股有限公司" was adopted as the new dual foreign name of the Company to replace "豪特保健控股有限公司". On 25 March 2015, the logo of the Company was changed to . With effect from 30 March 2015, the stock short name of the Company for trading in the Shares on the Stock Exchange was changed from "OTO HOLDINGS" to "TEMPUS HOLD" in English and from "豪特保健" to "騰邦控股"in Chinese. Details of the change of company name, stock short name and company logo are set out in the announcement of the Company dated 25 March 2015.

DEED OF NON-COMPETE UNDERTAKINGS

The Company has entered into a deed of non-compete undertakings (the "Deed of Non-Competition Undertakings") with Brilliant Summit Enterprise Limited, Mr. Yip Chee Seng, Mr. Yip Chee Lai, Charlie, Mr. Yip Chee Way, Mr. Yep Gee Kuarn, Mr. Tan Beng Gim and Ms. Chua Siew Hun (the "Former Controlling Shareholders") on 25 November 2011 so as to better safeguard the Group from any potential competition and to formalize the principles for the management of potential conflicts between them and to enhance the Group's Corporate Governance in connection with the listing of the Shares on the Stock Exchange.

The independent non-executive Directors have reviewed compliance by the Former Controlling Shareholders and confirmed that based on confirmations and information provided by each of the Former Controlling Shareholders, they were in compliance with the Deed of Non-Competition Undertakings from 1 April 2014 to 5 December 2014 when they ceased to be the controlling shareholders as set out in the "Change of controlling shareholder and the cash offers" section above.

CORPORATE GOVERNANCE

In the opinion of the Directors, the company has complied with the Corporate Governance Code (the "CG code") (effective from 1 April 2012) as set out in Appendix 14 to the Listing Rules throughout the Reporting Year ended 31 March 2015. The Corporate Governance Report is set out on pages 32 to 43 of this annual report.

AUDIT COMMITTEE

The Audit Committee had reviewed together with the management of the Company and external auditors the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 March 2015.

AUDITOR

Deloitte Touche Tohmatsu will retire and, being eligible, offer themselves for re-appointment. A resolution for re-appointment of Deloitte Touche Tohmatsu as auditor of the Company is to be proposed at the forthcoming AGM.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Tuesday, 11 August 2015 to Friday, 14 August 2015, both days inclusive. During this period, no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Monday, 10 August 2015.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL AND SPECIAL DIVIDEND

Following the approval of the proposed final and special dividend at the AGM, the register of members of the Company will be closed from Thursday, 20 August 2015 to Tuesday, 25 August 2015, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividends, all transfer forms of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Wednesday, 19 August 2015.

By order of the Board
Tempus Holdings Limited
Zhong Baisheng
Chairman

Hong Kong, 30 June 2015

CORPORATE GOVERNANCE PRACTICE

The Board of the Company is committed to maintaining a good standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with the increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

The Company has adopted the code provisions set out in the CG Code in the Appendix 14 of the Listing Rules as its own code of corporate governance practice.

The Board confirmed that, save as the deviation from code provision A.5.1 as detailed in this corporate governance report, during the Reporting Year and up to the date of this report, the Company had complied with all applicable code provisions under the CG Code. The reason for the deviation was that the Company was unable to timely appoint a suitable person as independent non-executive Director upon Mr. Chung Kin Fai's stepping down on 25 November 2014 until the appointment of Mr. Han Biao and Mr. Liu Yaohui as independent non-executive Directors on 7 January 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules (including amendments as effected from time to time) as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry to all Directors, each of the Directors confirmed that he/she has complied with the Model Code during the Reporting Year.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company. The Board oversees the Group's businesses, strategic decisions, internal control, risk management systems and monitors the performance of the senior management. The Directors have the responsibility to act objectively in the interests of the Company.

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code.

The Board has delegated various responsibilities to the Board committees as set out in their respective terms of reference including the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"). Further details of these committees are set out in the paragraphs below.

As at the date of this report, the Board comprises two executive Directors namely, Mr. Huang Jingkai (Chief Executive Officer) and Mr. Yip Chee Lai, Charlie, two non-executive Directors namely, Mr. Zhong Baisheng (Chairman) and Ms. Zhang Yan and three independent non-executive Directors namely, Mr. Liu Yaohui, Mr. Han Biao and Mr. Li Qi. The profiles of each Director are set out in the "Biographies of Board of Directors and Senior Management" section in this annual report.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

During the Reporting Year, right after Mr. Chung Kin Fai stepped down as independent non-executive Director on 25 November 2014, the Board noted that (i) there remained two independent non-executive directors on the Board, the number of which falls below the minimum number required under Rule 3.10(1) and Rule 3.10A of Listing Rules; (ii) the numbers of member of the Audit Committee fell below the minimum number required under the terms of reference as well as the requirement under Rule 3.21 where the audit committee must comprise a minimum of three members; (iii) the composition of the Nomination Committee was deviate from the code provision under the terms of reference pursuant to code provision A.5.1 set out in the CG Code in the Appendix 14 of the Listing Rules where the nomination committee shall be chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors; and (iv) the numbers of member of the Remuneration Committee and Nomination Committee fall below the minimum number required under the terms of reference of the respective committees. The Company had fulfilled the requirement since the appointment of independent non-executive Directors on 7 January 2015.

The Company has received an annual confirmation from each of the independent non-executive Directors of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent in accordance with the independence guideline as set out in the Listing Rules.

Each of the independent non-executive Directors was appointed for a term of three years and is subject to termination provisions as set out in the appointment contracts and provisions on retirement by rotation of the Directors as set out in the Articles.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In compliance with the code provision in A.4.2 of the CG Code, the Articles provide that any Director appointed either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. In compliance with the code provision in A.4.2 of the CG code, the Articles also provide that one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at each of the AGM of the Company provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices.

In compliance with the CG Code and the Articles, the Directors appointed during the Reporting Year, namely Mr. Zhong Baisheng, Mr. Huang Jingkai, Ms. Zhang Yan, Mr. Han Biao, Mr. Lin Yaohui and Mr. Li Qi, had retired and re-elected at the first general meeting after their appointments and Mr. Huang Jingkai, Ms. Zhang Yan and Mr. Han Biao shall retire from office by rotation at the forthcoming AGM and, being eligible, will offer themselves for re-election.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment and re-election and succession planning of Directors.

THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

In compliance with the code provision in A.2.1 of the CG Code, the roles of the Chairman and the Chief Executive Officer are separated and assumed by different individuals to ensure a balance of power and authority, so that power is not concentrated in any one individual. The Chairman, Mr. Zhong Baisheng, is responsible for leadership of the Board and strategic planning of the Group while the Chief Executive Officer, Mr. Huang Jingkai, is responsible for formulating and executing the business strategy under plans approved by the Board and overall business management. There is a clear division of responsibilities between the Chairman and Chief Executive Officer.

DIRECTORS' ATTENDANCE RECORDS

Nine Board meetings were held during the Reporting Year.

Details of directors' attendance at the meetings of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee held during the Reporting Year are set out in the following table:

	Number of meetings attended/Eligible to attend during the Reporting Year			
	Board	Audit Committee	Remuneration Committee	Nomination Committee
Executive Directors				
Mr. Huang Jingkai *(Chief Executive Officer)* (appointed on 7 January 2015)	1/1	—	—	—
Mr. Yip Chee Lai, Charlie	9/9	—	—	—
Mr. Yip Chee Seng (resigned on 28 January 2015)	8/8	—	—	—
Mr. Yip Chee Way, David (resigned on 28 January 2015)	6/8	—	—	—
Mr. Yep Gee Kuarn (resigned on 28 January 2015)	8/8	—	—	2/2
Non-executive Directors				
Mr. Zhong Baisheng *(Chairman)* (appointed on 7 January 2015)	1/1	—	—	—
Ms. Zhang Yan (appointed on 7 January 2015)	0/1	—	—	—
Independent non-executive Directors				
Mr. Han Biao (appointed on 7 January 2015)	1/1	0/0	1/1	1/1
Mr. Liu Yaohui (appointed on 7 January 2015)	1/1	0/0	1/1	1/1
Mr. Li Qi (appointed on 28 January 2015)	0/0	0/0	0/0	0/0
Mr. Chan Yip Keung (resigned on 28 January 2015)	8/8	3/3	3/3	—
Mr. Chung Kin Fai (stepped down on 25 November 2014)	4/4	3/3	2/2	1/1
Ms. Lo Yee Hang (resigned on 28 January 2015)	8/8	3/3	3/3	2/2

BOARD MEETINGS

Board meetings are held regularly for at least four times a year at approximately quarterly intervals and ad-hoc meetings are also convened if necessary to discuss the overall strategy as well as financial performance of the Group, and to review and approve the Group's annual and interim results. Notice of Board meeting is normally sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notice is given to the Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communication.

Agenda and Board papers together with all appropriate, complete and reliable information will be provided to all the Directors before meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to suggest matters in the agenda for Board meetings. Directors have access to the services of the Company Secretary to ensure that the Board procedures are followed.

Minutes of the board meetings and committee meetings are recorded in sufficient details of the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

In addition to regular Board meetings, the Chairman of the Board met with the independent non-executive Directors without the presence of the executive Directors.

A list of directors is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT PROGRAMME

Each newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

All Directors are encouraged to attend relevant training courses and seminars to strengthen their skill sets and knowledge on understanding of current issues and developments of the financial and business environment. During the Reporting Year, all the Directors have attended the workshop conducted by a professional and licensed solicitor pertaining to the updates on the Listing Rules and responsibilities and/or duties of directors, as well as training courses relevant to his/her professional. The Directors will continue to undergo training that may be required from time to time keeping abreast with latest changes in laws, regulations and the business environment.

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee on 25 November 2011 with written terms of reference in compliance with Rule 3.21 of the Listing Rules which are available on the website of the Stock Exchange and the Company. As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Liu Yaohui, Mr. Han Biao and Mr. Li Qi. Mr. Liu Yaohui is the chairman of the Audit Committee. The primary duties of the Audit Committee include:

i. to review the financial statements and reports and consider any significant or unusual items raised by the internal audit division or external auditors before submission to the Board;

ii. to review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors; and

iii. to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee has reviewed Group's consolidated financial statements for the year ended 31 March 2015, including the accounting principles and practice adopted by the Group.

During the Reporting Year, the Audit Committee performed the duties and responsibilities under its terms of reference as published on the websites of the Stock Exchange and the Company and other duties of CG Code.

Three Audit Committee meetings were held during the Reporting Year. At the meetings, the Audit Committee has performed the following:-

i. reviewed the annual results of the Group for the year ended 31 March 2014;

ii. reviewed the interim results of the Group for six months ended 30 September 2014; and

iii. reviewed the financial status and performance and internal control issues of the Group.

Remuneration Committee

The Company established the Remuneration Committee on 25 November 2011 with written terms of reference in compliance with Rule 3.25 of the Listing Rules which are available on the website of the Stock Exchange and the Company. As at the date of this annual report, the Remuneration Committee consists of three independent non-executive Directors, namely Mr. Han Biao, Mr. Liu Yaohui and Mr. Li Qi. Mr. Han Biao is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee include making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review performance based remuneration and ensure that none of the Directors of any of his/her associates will participate in determining or will determine their own remuneration.

The Board retains its power to determine the individual remuneration package of all individual Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group and at the recommendation of the Remuneration Committee.

All Directors do not participate in determining their own remuneration.

Details of the Directors' remuneration for the year ended 31 March 2015 are set out in note 13 to the consolidated financial statements. Details of the remuneration policy of the Group are also set out in the "Employees and Remuneration Policy" section contained in the Management Discussion and Analysis on page 15 of this annual report.

Four meetings of the Remuneration Committee had been held during the Reporting Year.

Nomination Committee

The Company established the Nomination Committee on 25 November 2011 with written terms of reference in compliance with Appendix 14 to the Listing Rules which are available on the website of the Stock Exchange and the Company. As at the date of this annual report, the Nomination Committee consists of three members, namely Mr. Han Biao, Mr. Liu Yaohui and Mr. Li Qi. Mr. Han Biao is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include:

i. to review the structure, size and composition of the Board and make recommendations regarding any proposed changes;

ii. to identify suitable candidates for appointment as Directors;

iii. to make recommendations to the Board on appointment or reappointment of and succession planning for Directors; and

iv. to assess the independence of independent non-executive Directors.

When there is a vacancy, the Nomination Committee identifies suitably qualified candidates and reviews, among others, the character and integrity, qualifications, business experience relevant and beneficial to the Company, capabilities, knowledge, skills or experience and whether the candidates would satisfy those needs, and independence criteria as stipulated in the Listing Rules for independent non-executive directors, of such candidates for determining the suitability to the Group. After due and careful consideration by the Nomination Committee, it will proceed to recommend the identified candidates to the Board for consideration.

Three meetings of the Nomination Committee had been held during the Reporting Year.

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 these purposes.

CORPORATE GOVERNANCE

The Board is entrusted with the overall responsibility to maintain a good standard of corporate governance practices and business ethics within the Group. Under the terms of reference of the corporate governance function, the Board is responsible to develop and review the Company's policies and practices on corporate governance and make recommendations; review and monitor the training and continuous professional development of Directors and senior management; review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and review the Company's compliance with the CG code and disclosure in the Corporate Governance Report.

FINANCIAL REPORTING AND INTERNAL CONTROL

Directors' Responsibility on the Financial Statements

The Directors acknowledge their responsibility for preparing, with the support from the finance department of the Group, the financial statements of the Company and the Group and are responsible for overseeing the preparation of financial statements for the year ended 31 March 2015 with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flow for the Reporting Year. The Company's accounts are prepared in accordance with all relevant statutory requirements and suitable accounting standards.

In the preparation of financial statements, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards have been consistently complied with. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

A statement from the auditor about its reporting responsibilities on the financial statements is set out on page 48 of this annual report.

Independent Auditor's Remuneration

During the Reporting Year, the Group was charged HK$1,300,000 for auditing services and approximately HK$484,000 for non-auditing services by the Company's auditors, Deloitte Touche Tohmatsu.

	Fee paid/payable HK$'000
Annual audit services	1,300
Non-audit services:	
Review of interim results	300
Comfort letter of indebtedness	184
Total	1,784

The Audit Committee will recommend the re-appointment of Deloitte Touche Tohmatsu for audit service, and consider the engagement of the non-audit services to ensure the independence and objectively of audit service.

Internal Controls

The Group has its own internal control and accounting systems, accounting and finance department, independent treasury function for cash receipts and payments, as well as independent access to third party financing. As such, the Directors believe that the Group is financially independent from the controlling shareholders of the Company and their/its associates.

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed to safeguard the assets of the Company and ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, ensure compliance of applicable laws, rules and regulations.

After reviewing the Group's internal control system, the Board considers that the internal control system is effective and adequate for the Group as a whole. The Board further considers that (i) there was no issue relating to the material controls, including financial, operational and compliance controls and risk management functions, of the Group; and (ii) that there were adequate staffs with appropriate qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function for the year ended 31 March 2015.

COMPANY SECRETARY

The company secretary of the Company, Mr. Tam Ka Tung ("Mr. Tam"), is responsible for supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed and advising the Board through the Chairman and/or the chief executive on governance matters and should also facilitate induction and professional development of directors.

The former joint company secretary of the Company, Mr. Kwok Siu Man ("Mr. Kwok"), resigned on 7 January 2015. Following Mr. Kwok's resignation, Mr. Tam remained as the company secretary of the Company.

The profile of Mr. Tam is set out in the "Biographies of Board of Directors and Senior Management" section in this annual report. According to Rule 3.29 of the Listing Rules, Mr. Tam Ka Tung has taken no less than 15 hours or the relevant professional training during the Reporting Year.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company aims to maintain amicable relationships with its shareholders and investors, and to enhance the transparency of its business operations. Annual/interim reports, announcements and press releases are posted on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.oto.cn which are constantly being updated in a timely manner and so contain additional information on the Group's business.

The hotline of the Company is +852 25494611, and its fax number is +852 25590126, through which the Company makes replies to the written or direct enquiries regarding all kinds of maters by shareholders and investors.

AGM is an important channel for directors and shareholders to communicate with each other. Shareholders are given the opportunity to participate actively during the AGMs and query the Board and management regarding the Group's business and financial statements. The chairman of the Company himself presides over the AGM to ensure the opinions of the directors can be passed directly to the Board. In an AGM, the Board and chairman of the Audit Committee will participate in the questions raised by shareholders, and the chairman will come up with individual resolutions in respect of every event raised in the AGM.

Procedures for shareholders to convene an Extraordinary General Meeting

The following procedures are subject to the memorandum of association and the Articles of the Company (as amended from time to time), and the applicable legislation and regulation, in particular the Listing Rules (As amended from time to time).

- 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 (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting (the "EGM") to be called by the Board for the transaction of any business specified in such requisition.
- Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at 26th Floor, Pacific Plaza, 410 Des Voeux road West, Hong Kong, for the attention of the Company Secretary.
- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders.
- The Requisition will be verified with the Company's branch share registrar and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the articles of association of the Company to all the registered shareholders of the Company. On the contrary, if the Requisition has been verified as not in order or the shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.
- If within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Procedures for shareholders to put forward proposals at shareholders' meetings

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Cayman Islands Companies Law (2013 Revision). However, pursuant to the Articles, shareholders who wish to move a resolution may by means of Requisition convene an extraordinary general meeting following the procedures set out above.

Procedures for sending enquiries to the Board

Shareholders may send their enquiries and concerns to the Board of the Company by addressing them to the principal place of business of the Company in Hong Kong at 26th Floor, Pacific Plaza, 410 Des Voeux Road West, Hong Kong by post or by fax to +852 25590126 for the attention of the company secretary. Upon receipt of the enquiries, the company secretary will forward:

1. communications relating to matters within the Board's purview to the executive Directors of the Company;
2. communications relating to matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and
3. communications relating to ordinary business matters, such as suggestions, inquiries and consumer complaints, to the appropriate management of the Company.

Biographies of each members of the senior management team are set out below:

EXECUTIVE DIRECTORS

Mr. Huang Jingkai ("Mr. Huang"), aged 32, was appointed as the executive director and chief executive officer (the"CEO") of the Company on 7 January 2015. Mr. Huang is responsible for formulating and executing the Group's business strategy and overall management of the Group. Mr. Huang is also the director of Tempus Value Chain Limited and Tempus Holdings (Hong Kong) Limited, the director and chief executive officer of 深圳市騰邦物流股份有限公司 (Shenzhen Tempus Logistics Holding Ltd.*) and the chairman of the board of directors of 前海騰邦國際名酒交易中心 (Qianhai Tempus International Fine Wine Exchange*). Mr. Huang obtained the legal professional qualification certificate from the Ministry of Justice of the PRC. He has the qualification certificate of secretary of board of directors issued by the Shenzhen Stock Exchange. He obtained Bachelor of Arts and Bachelor of Laws. Mr. Huang is also a graduate of the senior business administration seminar of the University of Tsinghua of the PRC. Mr. Huang is 深圳市福田區第六屆人民代表大會常務委員會委員 (a member of the 6th standing committee of the People's Congress of the Futian District of Shenzhen*). He is also the standing vice president of the Shenzhen Wine Industry Association and the vice chairman of Guangdong Provincial Alcohol Industry Association and the vice chairman of the China National Association for Liquor and Spirits Circulation. Save for being a Director of the Company, Mr. Huang did not hold any directorship in any public companies in the past three years.

Mr. Yip Chee Lai, Charlie ("Mr. Charlie Yip"), aged 56, is the executive director of the Company. Mr. Charlie Yip ceased to be the CEO on 7 January 2015 and continued to act as an executive Director. He is responsible for the Group's day-to-day operation and communication with key customers and suppliers. He is also responsible for the sales and operation of the Group in Hong Kong and Macau. Mr. Charlie Yip was educated to GCE Advance Level in Singapore in 1979. He began his career as a retail promoter when he joined IPS Brothers Enterprise in 1982. In 1986, Mr. Charlie Yip joined the Group's operations in Hong Kong upon incorporation of OTO Bodycare (H.K.) Limited. He has been contributing to the growth of "OTO" brand business and brand development in Hong Kong and Macau. Mr. Charlie Yip became a member of the Hong Kong Institute of Directors since January 2013. Save for being a Director of the Company, Mr. Charlie Yip did not hold any directorship in any public companies in the past three years.

NON-EXECUTIVE DIRECTORS

Mr. Zhong Baisheng ("Mr. Zhong"), aged 50, was appointed as the chairman and non-executive director of the Company on 7 January 2015. Mr. Zhong is responsible for leadership of the Board and strategic planning of the Group. Mr. Zhong is the founder of 騰邦投資控股有限公司 (Tempus Investment Holdings Ltd.*) ("Tempus Investment Holdings"), and its subsidiaries ("Tempus Group"), the chairman of the board of directors of Tempus Investment Holdings and 深圳市騰邦國際商業服務股份有限公司 (Shenzhen Tempus Global Business Service Holding Ltd.*) ("Tempus Global") which is a joint stock company incorporated in the PRC with limited liability with its shares listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300178). Mr. Zhong is 中國人民政治協商會議廣東省深圳市第五屆常務委員會委員 (a member of the 5th standing committee of the Chinese People's Political Consultative Committee of Shenzhen City of Guangdong Province*). Save as disclosed above, Mr. Zhong did not hold any other directorships in any public listed companies during the last three years.

Ms. Zhang Yan ("Ms. Zhang"), aged 33, was appointed as the Non-executive director of the Company on 7 January 2015. Ms. Zhang is responsible for advising the Board on fund management. Ms. Zhang is the vice general manager of 深圳市騰邦資產管理股份有限公司 (Shenzhen Tempus Asset Management Co. Ltd.*) ("Tempus Assets"). Ms. Zhang has approximately 9 years of corporate banking experience in Industrial and Commercial Bank of China before she joined Tempus Group, of which 3 years was the head of corporate banking department of Industrial and Commercial Bank of China (Canada). Ms. Zhang obtained her Bachelor of Economics from the School of Economics and Management of University of Tsinghua of the PRC. Save for being a Director of the Company, Ms. Zhang did not hold any other directorships in any public listed companies during the last three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Han Biao ("Mr. Han"), aged 51, was appointed as the Independent Non-Executive Director of the Company on 7 January 2015. He is also the chairman of Nomination Committee and Remuneration Committee and a member of Audit Committee. Mr. Han is the Professor and mentor for Doctor of Philosophy degree candidate of the School of Economics of the University of Shenzhen of the PRC. He was an independent director of Tempus Global from April 2011 to April 2014. He was an independent director of 深圳市機場股份有限公司 (Shenzhen Airport Co. Limited*) from 2004 to 2008 and an independent director of 深圳香江控股股份有限公司 (Shenzhen Heungkong Holding Co., Ltd*) from 2004 to 2007. Mr. Han is a member of the 10th standing committee of the Chinese Association of Quantitative Economics and a member of 5th standing committee of the China Society of Logistics. Mr. Han obtained his Doctor of Economics from the Northern Jiaotong University of the PRC, his Master of Engineering from 西安公路學院 (Xian Highway Institute*) of the PRC and his Bachelor of Engineering from 西安公路學院 (Xian Highway Institute*) of the PRC. Saved for being a Director of the Company, Mr. Han did not hold any directorship in any other public companies in the past three years.

Mr. Liu Yaohui ("Mr. Liu"), aged 47, was appointed as the Independent Non-Executive Director of the Company on 7 January 2015. He is also the chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee. Mr. Liu is the partner of 大華會計師事務所(特殊普通合夥) (Da Hua CPAs (Special General Partnership)*) since 2009. He was an independent director of Tempus Global from April 2011 to April 2014. He is a Certified Public Accountant of the PRC since 1996 and obtained his Master of Arts in International Accounting from the City University of Hong Kong. Saved for being a Director of the Company, Mr. Liu did not hold any directorship in any other public companies in the past three years.

Mr. Li Qi ("Mr. Li"), aged 59, was appointed as the independent non-executive Director of the Company on 28 January 2015. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Li is a doctor of economics, a professor in E-commerce of Xi'an Jiaotong University and a doctoral tutor. He is the director of the 西安交通大學電子商務研究所 (E-Commerce Institute of Xi'an Jiaotong University*). Mr. Li was the vice chairman of the 國家教育部高等學校電子商務專業教學指導委員會 (Steering Committee of Professional E-commerce Education of Colleges and Universities*) under the Ministry of Education from 2006 to 2010 and from 2013 to 2017. He was the deputy dean of School of Economics and Finance of Xi'an Jiaotong University. He is a member of the 國家教育部學科發展與專業設置專家委員會 (Discipline Development and Major Setting Experts Committee*) under the Ministry of Education from 2006 to 2010. He was also a member of the 國家商務部電子商務專家諮詢委員會 (E-commerce Experts Consultative Committee*) under the Ministry of Commerce from 2012 to 2015 and a member of the 陝西省決策諮詢委員會 (Shaanxi Decision-marking and Advisory Committee*) from 2014. Mr. Li is the director of the 陝西省電子商務與電子政務重點實驗室 (Shaanxi Key Laboratory of E-Commerce and E-Government*) and the director of the 全國高校電子商務與電子政務聯合實驗室 (National Joint Laboratory for all colleges and universities*). Mr. Li was conferred the title "教學名師 (Top Teacher*)" by the Xi'an Jiaotong University in 2007 and won the 國家級教學成果二等獎 (Second prize of National Teaching Achievement Prize*) in 2009. The 鄭州市企業電子商務發展研究 (Research of Enterprise E-commerce Development in Zhengzhou*) under the charge of Mr. Li was awarded "決策研究優秀成果 (Outstanding Decision-making Research Achievement*)" by the People's Government of Zhengzhou in 2010. He was also awarded "人文社會科學優秀科研工作者 (Outstanding Science Researcher in Humanities and Social Sciences*)" by Xi'an Jiaotong University in 2010. Saved for being a Director of the Company, Mr. Li did not hold any directorship in any other public companies in the past three years.

The Directors have confirmed that there is no other information which is required to be disclosed under Rule 13.51 (2) (h)-(v) of the Listing Rules.

SENIOR MANAGEMENT

Mr. Tan Shan ("Mr. Tan"), aged 29, is the vice president of the Group since January 2015. Mr. Tan is responsible for the investment and financing, information disclosure and investor relationship of the Group. Mr. Tan holds a bachelor degree in Marketing from the Peking University. Prior to joining the Group, Mr. Tan had worked in the Tempus Group and had rich experience in the investment affairs in the PRC including IPO and merger and acquisitions activities.

Mr. Tam Ka Tung ("Mr. Tam"), aged 32, is the Group Financial Controller and Company Secretary of the Group since July 2013. Mr. Tam is responsible for financial reporting and management, internal control, taxation, compliance and investor relationship of the Group. Mr. Tam is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Tam holds a bachelor degree in Accounting and Financial Management (first class honors) from the University of Hull and a master degree in Finance and Investment from the University of Nottingham. Mr. Tam jointed the Group in 2012 as the Group Accountant and was subsequently promoted to Assistant Financial Controller and then the current position. Prior to joining the Group, Mr. Tam had worked in international accounting firms and had extensive experience in accounting, audit and internal control practice.

Mr. Yip Chee Way, David ("Mr. David Yip"), aged 53, is the head of the Group's international (export) business and supervisor of Malaysia and Singapore businesses. Mr. David Yip graduated in June 1987 from the National University of Singapore with a Bachelor of Arts degree, majoring in Economics and Chinese Studies. He began his career with OTO Singapore as a retail promoter in 1987 upon his graduation and became an executive director of the Company during the period from 26 May 2011 to 28 January 2015. Mr. David Yip is a brother of Mr. Charlie Yip, the executive director of the company.

Mr. Ding Yanzhao ("Mr. Ding"), aged 37, is the head of the Group's e-commerce business since March 2015. Mr. Ding is responsible for the Group's e-commerce business, including overall planning and operation of cross- boundary e-commerce business, and is responsible for the design and development of the Group's Internet of Things intelligent products. Mr. Ding holds a bachelor degree in Information Management and Information System from Xiangtan University and a master of science degree in Logistics and Supply Chain Management from the Chinese University of Hong Kong. Mr. Ding joined 深圳市騰邦物流股份有限公司 (Shenzhen Tempus Logistics Holding Ltd.*) in July 2010, had worked as deputy general manager of 深圳市物聯網科技有限公司 (Shenzhen Things Technology Co., Ltd.*) (subsidiary of 騰邦物流股份有限公司 (Shenzhen Tempus Logistics Holding Ltd.*)) and general manager of 深圳騰邦名酒有限公司.

Mr. Luan Xin ("Mr. Luan"), aged 34, is the head of the Group's corporate business in the PRC since January 2015. Mr. Luan is responsible for business development and integrated operation of supply chain for the Group. Mr. Luan holds a bachelor degree in finance from University of International Business and Economics in PRC. Mr. Luan joined 深圳市騰邦物流股份有限公司 (Shenzhen Tempus Logistics Holding Ltd.*) in 2009 and worked as finance management manager, and was subsequently promoted to finance management controller, responsible for supply chain integrated operation and supply chain financial services. Mr. Luan assists the Company in establishing continuous and indepth cooperation with various financial institutions, providing supply chain services to hundreds of companies.

Mr. Yip Chan Yong ("Mr. CY Yip"), aged 34, is the supervisor of the Group's retail business in the PRC. Mr. CY Yip started his career with OTO Singapore as retail promoter in 2003 and was promoted to sales manager in 2009. In the same year, he was seconded to Shanghai as a sales manager to explore the PRC market. Mr. CY Yip has become the supervisor of the Group's PRC retail business since 2012. Mr. CY Yip is the nephew of Mr. Charlie Yip and Mr. David Yip.

* *The English transliteration of the Chinese names of the PRC entities above, where indicated, is included for identification purpose only and is not the official English names for such PRC entities.*

Deloitte.
德勤

TO THE SHAREHOLDERS OF TEMPUS HOLDINGS LIMITED
(FORMERLY KNOWN AS OTO HOLDINGS LIMITED)
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Tempus Holdings Limited (formerly known as OTO Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 50 to 109, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 and to report our opinion solely to you, as a body, in accordance with our agreed terms of 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.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	NOTES	**2015**	2014
		HK$'000	HK$'000
Revenue	7	**389,692**	339,700
Other income	8	**10,096**	10,126
Other gains and losses	9	**(771)**	541
Changes in inventories of finished goods		**1,201**	7,268
Finished goods purchased		**(134,632)**	(120,305)
Staff costs		**(79,823)**	(71,046)
Depreciation expense		**(7,826)**	(6,827)
Finance costs	10	**(412)**	(344)
Other expenses		**(161,526)**	(147,416)
Profit before tax	11	**15,999**	11,697
Income tax expense	12	**(3,862)**	(2,975)
Profit for the year		**12,137**	8,722
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		**(825)**	(30)
Total comprehensive income for the year		**11,312**	8,692
Earnings per share			
Basic (HK$)	16	**0.04**	0.03
Diluted (HK$)		**0.04**	0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	NOTES	31 March 2015 HK$'000	31 March 2014 HK$'000
Non-current assets			
Property, plant and equipment	17	**15,526**	14,216
Investment property	18	**9,600**	9,290
Deferred tax assets	19	**1,043**	966
Deposit placed at an insurance company	23	**3,247**	3,061
Utility and other deposits paid		**2,657**	4,065
		32,073	31,598
Current assets			
Inventories	20	**19,711**	18,510
Trade and other receivables and prepayments	21	**44,460**	40,859
Utility and other deposits paid		**14,244**	8,853
Amounts due from related parties	22	**190**	978
Tax recoverable		**2,789**	3,298
Pledged bank deposits	23	**11,884**	18,111
Bank balances and cash	23	**220,964**	211,636
		314,242	302,245
Current liabilities			
Trade and other payables	24	**39,186**	44,816
Amount due to a related party	22	**—**	127
Obligations under finance leases	25	**215**	186
Tax payable		**3,180**	3,139
Bank borrowings	26	**25,811**	14,838
		68,392	63,106
Net current assets		**245,850**	239,139
Total assets less current liabilities		**277,923**	270,737

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	NOTES	31 March 2015 HK$'000	31 March 2014 HK$'000
Capital and reserves			
Share capital	27	**25,106**	24,928
Reserves		**252,508**	245,646
		277,614	270,574
Non-current liability			
Obligations under finance leases	25	**309**	163
		277,923	270,737

The consolidated financial statements on pages 50 to 109 were approved and authorised for issue by the Board of Directors on 30 June 2015 and are signed on its behalf by:

Zhong Baisheng
DIRECTOR

Huang Jingkai
DIRECTOR

For the year ended 31 March 2015

	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Share options reserve HK$'000	Translation reserve HK$'000	Capital reserve HK$'000 (Note (a))	Statutory reserve HK$'000 (Note (b))	Warrant reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2013	24,928	227,643	32	—	(48)	(128,447)	393	180	136,948	261,629
Profit for the year	—	—	—	—	—	—	—	—	8,722	8,722
Other comprehensive expense for the year – exchange difference arising on translation	—	—	—	—	(30)	—	—	—	—	(30)
Total comprehensive (expense) income for the year	—	—	—	—	(30)	—	—	—	8,722	8,692
Recognition of share-based payments	—	—	—	253	—	—	—	—	—	253
Expiry of warrants	—	—	—	—	—	—	—	(180)	180	—
At 31 March 2014	24,928	227,643	32	253	(78)	(128,447)	393	—	145,850	270,574
Profit for the year	—	—	—	—	—	—	—	—	12,137	12,137
Other comprehensive expense for the year – exchange difference arising on translation	—	—	—	—	(825)	—	—	—	—	(825)
Total comprehensive (expense) income for the year	—	—	—	—	(825)	—	—	—	12,137	11,312
Recognition of share-based payments	—	—	—	234	—	—	—	—	—	234
Shares issued under share option scheme	178	1,701	—	(464)	—	—	—	—	—	1,415
Transfer upon forfeited of share options	—	—	—	(23)	—	—	—	—	23	—
Transfer to statutory reserve	—	—	—	—	—	—	679	—	(679)	—
Dividends paid (note 15)	—	—	—	—	—	—	—	—	(5,921)	(5,921)
At 31 March 2015	25,106	229,344	32	—	(903)	(128,447)	1,072	—	151,410	277,614

For the year ended 31 March 2015

Notes:

(a) Capital reserve comprised:

(i) the difference between the aggregate share capital of the subsidiaries acquired by the Company and the Company's investment cost in OTO (BVI) Investment Limited ("OTO BVI") upon the group reorganisation on 13 April 2011;

(ii) the excess of the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed over the sum of the consideration transferred upon the acquisition of a subsidiary on 29 June 2011.

(b) The Article of Association of 騰多商貿(上海)有限公司 Dainty (Shanghai) Co., Ltd. requires the appropriation of 10% of its profit after tax determined in accordance with generally accepted principles of the People's Republic of China (the "PRC") to the statutory reserve. The statutory reserve should only be used for making up losses, capitalisation into capital and expansion of the production and operation.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**15,999**	11,697
Adjustments for:		
Depreciation of property, plant and equipment	**7,826**	6,827
Finance costs	**412**	344
Gain on fair value of investment property	**(310)**	(1,640)
Gain on disposal of property, plant and equipment	**(70)**	—
Loss on write-off of property, plant and equipment	**338**	—
Interest income on deposit placed at an insurance company	**(186)**	—
Share-based payment expense	**234**	253
Interest income	**(4,632)**	(4,314)
Operating cash flows before movements in working capital	**19,611**	13,167
Increase in inventories	**(1,488)**	(4,314)
Increase in trade and other receivables and prepayments	**(3,834)**	(3,448)
Increase in utility and other deposits paid	**(3,983)**	(412)
Decrease (increase) in amounts due from related parties	**855**	(509)
(Decrease) increase in trade and other payables	**(5,411)**	16,404
(Decrease) increase in amount due to a related party	**(127)**	127
Cash generated from operations	**5,623**	21,015
Hong Kong Profits Tax paid	**—**	(1,140)
Macau Complimentary Income Tax paid	**(735)**	(767)
PRC Enterprise Income Tax (paid) refunded	**(2,603)**	795
Malaysian Income Tax paid	**(54)**	—
NET CASH FROM OPERATING ACTIVITIES	**2,231**	19,903

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	NOTE	2015 HK$'000	2014 HK$'000
INVESTING ACTIVITIES			
Withdrawal (placement) of bank deposits with original maturity over three months		**37,696**	(39,056)
Acquisition of business	28	**—**	(5,126)
Interest received		**4,632**	4,314
Proceeds from disposal of property, plant and equipment		**105**	—
Additions of property, plant and equipment		**(9,331)**	(9,506)
Decrease (increase) in pledged bank deposits		**6,236**	(127)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**39,338**	(49,501)
FINANCING ACTIVITIES			
Dividends paid		**(5,921)**	—
Repayments of obligations under finance leases		**(222)**	(178)
Interest paid		**(412)**	(344)
Increase in trust receipt loans		**10,973**	2,848
Proceeds from issuance of shares upon exercise of share options		**1,415**	—
NET CASH FROM FINANCING ACTIVITIES		**5,833**	2,326
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**47,402**	(27,272)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**172,675**	200,013
Effect of foreign exchange rate changes		**(378)**	(66)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**219,699**	172,675
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		**220,964**	211,636
Bank deposits with original maturity over three months		**(1,265)**	(38,961)
		219,699	172,675

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

By a special resolution passed on the extraordinary general meeting held on 27 February 2015, it was resolved that the Company's name be changed from "OTO Holdings Limited" to "Tempus Holdings Limited" and the adoption of "騰邦控股有限公司" as the new dual foreign name of the Company to replace "豪特保健控股有限公司" have both become effective on 2 March 2015.

On 28 November 2014, Tempus Holdings (Hong Kong) Limited ("Tempus Hong Kong"), an independent third party and the then shareholders of the Company, including Mr. Yip Chee Seng, Mr. Yep Gee Kuarn, Mr. Yip Chee Lai, Charlie, Mr. Yip Chee Way, David, Mr. Tan Beng Gim and Ms. Chua Siew Hun (together, the "Vendors"), had entered into the First Share Purchase Agreement and the Second Share Purchase Agreement (collectively the "Share Purchase Agreement") for the disposal of an aggregate of 179,140,000 ordinary shares of HK$2.09 each (the "Disposal Shares") of the Company. The Disposal Shares represented approximately 56% of the issued share capital of the Company as at 5 December 2014 ("Completion Date"). Prior to Completion Date, the Vendors are being the controlling shareholders of the Company. Where after completion, its immediate holding company is Tempus Hong Kong, a company incorporated in Hong Kong with limited liability and its ultimate holding company is Tempus Investments Holdings Ltd., a company incorporated in the PRC. The ultimate controlling party is Mr. Zhong Baisheng, the chairman of the Company. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1 - 1111, Cayman Islands and its principal place of business is located on 26th Floor, Pacific Plaza, 410 Des Voeux West, Hong Kong.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 35.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) - Int 21	Levies

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 - 2012 Cycle[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 - 2013 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 July 2014
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The directors of the Company do not anticipate that the application of these new and revised HKFRSs will have a material effect on the Group's consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in award credits for customers, under the Group's customer loyalty programmes, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value - the amount for which the awards credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction - but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled or the award credits expires.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Service income is recognised when services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land (classified as finance leases) held for use in the supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets over their useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at their fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

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 (including deposit placed at an insurance company, trade and other receivables, amounts due from related parties, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Warrants issued by the Company to acquire a fixed number of the Company's own equity instruments for a fixed amount of cash are equity instruments. Any consideration received is recognised directly in equity. Changes in fair value of the equity instruments are not recognised in the consolidated financial statements. When the warrants are exercised, the portion of subscription money for the nominal value of the ordinary shares is recognised to the share capital account while any excess of the subscription money over the nominal value of ordinary shares is taken into the share premium account.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchases, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax (Continued)

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Retirement benefit costs

Payments to the state-managed retirement benefits schemes and the defined contribution retirement benefits plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Estimated allowances for inventories

The Group makes allowances for inventories based on an assessment of the net realisable value of inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgement and estimates on the conditions and usefulness of the inventories. If conditions which have an impact on the net realisable value of inventories deteriorate/improve; additional allowances/reversal of allowances may be required. The carrying amount of inventories as at 31 March 2015 amounting to HK$19,711,000 (2014: HK$18,510,000).

Fair value of investment property

Investment property is stated at fair value based on the valuation performed by independent professional valuer. The determination of the fair value involves certain assumptions of market conditions. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment property and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income. The carrying amount of investment property as at 31 March 2015 amounting to HK$9,600,000 (2014: HK$9,290,000).

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remained unchanged from prior year.

The capital structure of the Group consists of debts, which includes bank borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure regularly. The management considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through payments of dividends, new share issues as well as issue of new debts or repayment of existing debts, if necessary.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 **HK$'000**	2014 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**275,444**	270,909
Financial liabilities		
Liabilities at amortised cost	**55,114**	47,320

(b) Financial risk management objectives and policies

The Group's major financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(i) Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not use any derivative financial instrument to hedge the foreign exchange risk. The Group manages the foreign currency risk by closely monitoring the movement of the foreign currency rate.

The Group's foreign currency monetary assets are mainly trade and other receivables, amounts due to related parties and bank balances and cash, and the Group's foreign currency monetary liabilities are mainly trade payables, bank borrowings and amount due to a related party.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		**Liabilities**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States dollar ("US$")	**5,188**	5,743	**34,750**	24,997
HK$	**15,463**	19,218	**—**	—
Renminbi ("RMB")	**128,416**	134,088	**141**	257
Singapore dollar ("SGD")	**2,982**	3,214	**—**	138

Sensitivity analysis

As US$ and MOP are pegged to HK$, the sensitivity analysis does not include US$ denominated assets and liabilities held by entity with HK$ as its functional currency and HK$ denominated assets held by entity with MOP as its functional currency as it is expected that there would be no material currency risk exposure.

The Group is mainly exposed to the currency risk of RMB and SGD against HK$.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(i) Foreign currency risk (Continued)

Sensitivity analysis *(Continued)*

The following table details the Group's sensitivity to a 10% (2014: 10%) increase or decrease in HK$ against RMB and SGD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% (2014: 10%) change in foreign currency rates. The following table indicates the impact to the profit after tax where HK$ strengthens 10% (2014: 10%) against the respective foreign currencies. For a 10% (2014: 10%) weakening of HK$ against the foreign currency, there would be an equal and opposite impact on the profit after tax.

	RMB Impact		**SGD Impact**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Decrease in profit after tax	**(10,711)**	(11,175)	**(249)**	(257)

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and variable-rate bank borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors closely the interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is exposed to fair value interest rate risk in relation to fixed-rate deposit placed at an insurance company, fixed-rate bank deposits (note 23) and fixed-rate obligations under finance leases (note 25). The management will take appropriate measures to manage interest rate exposure if interest rate fluctuates significantly. The management considers the fair value interest rate risk to the Group is insignificant.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Best Lending Rate, London Interbank Offered Rate ("LIBOR") and Standard Bills Rates arising from the Group's borrowings.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(ii) Interest rate risk (Continued)

Sensitivity analysis

In the opinion of the directors, no sensitivity analysis is prepared for the interest rate risk for variable-rate bank balances since the impact on the Group's results for the year is not significant as the interest rates are low and did not fluctuate significantly during the years.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate borrowings. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period existed for the whole year. A 50 basis points (2014: 50 basis points) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2014: 50 basis points) higher and all other variables were held constant, the potential effect on the Group's profit after tax during the year is as follows:

	2015 **HK$'000**	2014 HK$'000
Decrease in profit after tax	**(108)**	(62)

If interest rates had been 50 basis points (2014: 50 basis points) lower and all other variables were held constant, there would be an equal and opposite impact on the profit after tax.

(iii) Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade and other receivables, amounts due from related parties, pledged bank deposits and bank balances.

The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(iii) Credit risk (Continued)

The credit risk on pledged bank deposits and bank balances is limited because the majority of the counterparties are banks with good reputation. The credit risk on receivables from department stores and corporate customers are limited because all department stores and corporate customers have good repayment records.

The credit risk on amounts due from related parties are insignificant after considering the financial strength of these related entities.

The Group has concentration of credit risk as 60% (2014: 56%) of the total trade receivables represented amounts due from the Group's largest five trade debtors which mainly include department stores and wholesale customers.

In addition, the Group has concentration of credit risk on liquid funds which are deposited with several banks with good reputation.

Other than those described above, the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

(iv) Liquidity risk

The management of the Group has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The management manages liquidity risk by closely monitoring the Group's cash flow position.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(iv) Liquidity risk (Continued)

Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights within one year after the reporting date. The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

	Weighted average effective interest rate %	Repayable on demand or less than 3 months HK$'000	3 months to 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 March 2015 HK$'000
As at 31 March 2015						
Non-derivative financial liabilities						
Trade and other payables	—	29,303	—	—	29,303	29,303
Bank borrowings at variable interest rate	2.22	25,908	—	—	25,908	25,811
Obligations under finance leases	3.15	76	168	342	586	524
		55,287	168	342	55,797	55,638

	Weighted average effective interest rate %	Repayable on demand or less than 3 months HK$'000	3 months to 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 March 2014 HK$'000
As at 31 March 2014						
Non-derivative financial liabilities						
Trade and other payables	—	32,355	—	—	32,355	32,355
Amount due to a related company	—	127	—	—	127	127
Bank borrowings at variable interest rate	2.21	14,838	—	—	14,838	14,838
Obligations under finance leases	3.58	52	158	172	382	348
		47,372	158	172	47,702	47,668

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(iv) Liquidity risk (Continued)

Bank loans with a repayment on demand clause are included in the "Repayable on demand or less than 3 months" time band in the above maturity analysis. As at 31 March 2015 and 2014, the aggregate undiscounted principal amounts of these bank loans amounted to HK$25,811,000 and HK$14,838,000 respectively. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors of the Company believe that such bank loans will be repaid by monthly instalments which will be wholly repayable during the year ending 31 March 2016 in accordance with the scheduled repayment dates set out in the loan agreements. On this basis, the aggregate principal and interest cash flows repayable of these bank borrowings in the "Repayable on demand or less than 3 months" time band as at 31 March 2015 will amount to HK$25,907,000 (2014: HK$14,893,000).

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value measurements

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received or receivable for the sales of health and wellness and other products, net of sales related taxes, during the year.

The operating segments of the Group represent the components of the Group whose operating results are regularly reviewed by the chief operating decision makers for the purposes of making decisions about resources allocation and assessment of performance. The chief operating decision makers comprise the executive directors of the Company.

Information reported to the Group's chief operating decision makers for the purposes of resource allocation and performance assessment is focused on revenue and operating results from each of the four geographical locations, Hong Kong, Macau, PRC and Malaysia.

No revenue from any single customer during both years contributed over 10% of the total revenue of the Group.

7. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments, i.e. the four (2014: four) geographical locations as mentioned above, for the year:

Year ended 31 March 2015

	Hong Kong HK$'000	Macau HK$'000	PRC HK$'000	Malaysia HK$'000	Total HK$'000
Revenue					
External sales	189,436	30,749	148,218	21,289	389,692
Inter-segment sales	15,006	—	—	82	15,088
Segment revenue	204,442	30,749	148,218	21,371	404,780
Elimination					(15,088)
Group revenue					389,692
Segment profit	36,630	11,724	24,791	1,140	74,285
Unallocated administrative expenses					(61,735)
Other gains and losses					(771)
Interest income					4,632
Finance costs					(412)
Profit before tax					15,999
Income tax expense					(3,862)
Profit for the year					12,137

7. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment revenue and results *(Continued)*

Year ended 31 March 2014

	Hong Kong HK$'000	Macau HK$'000	PRC HK$'000	Malaysia HK$'000	Total HK$'000
Revenue					
External sales	181,057	34,802	112,896	10,945	339,700
Inter-segment sales	12,348	—	—	237	12,585
Segment revenue	193,405	34,802	112,896	11,182	352,285
Elimination					(12,585)
Group revenue					339,700
Segment profit	28,013	11,715	21,188	820	61,736
Unallocated administrative expenses					(54,550)
Other gains and losses					541
Interest income					4,314
Finance costs					(344)
Profit before tax					11,697
Income tax expense					(2,975)
Profit for the year					8,722

Inter-segment sales are made at cost plus a certain percentage profit mark-up.

The accounting policies of reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the pre-tax gross profit generated from each segment net of staff costs, depreciation expense, and other expenses directly attributable to each segment. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

7. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Other information

Year ended 31 March 2015

	Hong Kong HK$'000	Macau HK$'000	PRC HK$'000	Malaysia HK$'000	Total HK$'000
Depreciation expense	**4,490**	**11**	**2,740**	**585**	**7,826**
Additions to property, plant and equipment	**5,870**	**—**	**3,178**	**680**	**9,728**

Year ended 31 March 2014

	Hong Kong HK$'000	Macau HK$'000	PRC HK$'000	Malaysia HK$'000	Total HK$'000
Depreciation expense	3,192	13	3,385	237	6,827
Additions to property, plant and equipment	5,169	—	4,195	1,428	10,792

(c) Product information

The Group has a large portfolio of health and wellness products which are previously divided into four categories, namely relaxation products, fitness products, therapeutic products and diagnostic products. During the third quarter of 2014, the Group completed an evaluation of its activities in therapeutic products and diagnostic products. As a result, to be consistent with the Group's strategic view of its integrated products, the previously reported therapeutic products and diagnostic products, together with cookware products, are aligned and reported as other products.

7. REVENUE AND SEGMENT INFORMATION *(Continued)*

(c) Product information *(Continued)*

The Group believes the change in its internal reporting system allows the most senior executive management to assess the Group's performance more effectively.

	2015	2014
	HK$'000	HK$'000
Relaxation products	**251,157**	269,723
Fitness products	**83,093**	59,999
Other products	**55,442**	9,978
	389,692	339,700

(d) Geographical information

The following table sets out information about the geographical location of the Group's non-current assets other than financial instruments and deferred tax assets.

	2015	2014
	HK$'000	HK$'000
Hong Kong	**21,798**	21,805
Macau	**—**	47
PRC	**4,235**	4,122
Malaysia	**1,750**	1,597
Total assets	**27,783**	27,571

(e) Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are reported to the chief operating decision makers. Accordingly, no segment assets and liabilities are presented.

8. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Repair income	**1,746**	1,816
Delivery income	**2,355**	3,499
Bank interest income	**4,632**	4,314
Interest income on deposit placed at an insurance company	**186**	—
Warranty income	**51**	28
Rental income	**252**	229
Other service income	**247**	160
Compensation income	**266**	9
Sundry income	**361**	71
	10,096	10,126

9. OTHER GAINS AND LOSSES

	2015 HK$'000	2014 HK$'000
Gain from change in fair value of investment property	**310**	1,640
Net exchange loss	**(813)**	(1,099)
Loss on write-off of property, plant and equipment	**(338)**	—
Gain on disposal of property, plant and equipment	**70**	—
	(771)	541

10. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on:		
Bank borrowings wholly repayable within five years	**372**	313
Finance leases	**40**	31
	412	344

11. PROFIT BEFORE TAX

	2015 HK$'000	2014 HK$'000
Profit before tax has been arrived at after charging (crediting):		
Auditor's remuneration	**1,200**	1,300
Cost of inventories recognised as an expense	**133,431**	113,037
Depreciation for property, plant and equipment	**7,893**	6,910
– Shared by related companies as part of the research and development expenditure	**(67)**	(83)
– Shared by the Group	**7,826**	6,827
Staff retirement benefit costs (including directors' retirement benefit scheme contributions)	**5,913**	4,115
Operating lease payments in respect of rented premises (included in other expenses)		
– Minimum lease payments	**27,579**	28,159
– Contingent rent	**44,108**	48,604
Share-based payment expenses (included in staff costs)	**234**	253
Research and development expenditure		
– Included in staff costs	**1,042**	1,522
– Included in depreciation expense	**614**	523
– Included in other expenses	**363**	326
	2,019	2,371
Research and development expenditure shared by related companies (note 31)		
– Staff costs	**(115)**	(241)
– Depreciation expense	**(67)**	(83)
– Other expenses	**(40)**	(52)
	(222)	(376)
Research and development expenditure shared by the Group	**1,797**	1,995

12. INCOME TAX EXPENSE

	2015 HK$'000	2014 HK$'000
Current tax:		
Hong Kong Profits Tax	**509**	—
Macau Complimentary Income Tax	**1,106**	1,166
Malaysian Income Tax	**18**	—
PRC Enterprise Income Tax	**2,257**	1,887
	3,890	3,053
Underprovision of taxation in prior years:		
Malaysian Income Tax	**49**	—
Deferred tax (note 19)	**(77)**	(78)
	3,862	2,975

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 March 2015. No Hong Kong Profits Tax is provided for the prior year as the subsidiary operating in Hong Kong incurred a tax loss for the year ended 31 March 2014.

The Macau Complimentary Income Tax is calculated at 12% of the estimated assessable profit exceeding MOP300,000.

Under the Law of the PRC on Enterprise Income Tax, for both years, the tax rate of the PRC subsidiary is 25% of taxable income.

Taxable income of the subsidiary in Malaysia is subject to corporate income tax at the rate of 25% of taxable income for both years.

12. INCOME TAX EXPENSE *(Continued)*

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 **HK$'000**	2014 HK$'000
Profit before tax	**15,999**	11,697
Tax at Hong Kong Profits Tax rate of 16.5%	**2,640**	1,930
Tax effect of income not taxable for tax purposes	**(814)**	(895)
Tax effect of expenses not deductible for tax purposes	**2,122**	1,053
Tax effect on tax exemption	**(35)**	(35)
Utilisation of tax losses previously not recognised	**(629)**	—
Tax effect of tax losses not recognised	**—**	629
Tax effect of different tax rates on operations in other jurisdictions	**285**	206
Underprovision of taxation in prior years	**49**	—
Others	**244**	87
Income tax expense for the year	**3,862**	2,975

Details of deferred taxation are set out in note 19.

13. DIRECTORS' EMOLUMENTS

The amount of directors' emoluments paid and payable by the Group during the year is set out below:

	Year ended 31 March 2015					
	Fee HK$'000	Salary and other benefits HK$'000	Performance related incentive payments HK$'000 (Note 1)	Retirement benefits scheme contributions HK$'000	Share-based payments HK$'000	Total emoluments HK$'000
Mr. Yip Chee Seng[2]	—	2,679	—	—	25	2,704
Mr. Yip Chee Lai, Charlie	—	2,601	899	18	24	3,542
Mr. Yip Chee Way, David[2]	—	1,380	203	—	23	1,606
Mr. Yep Gee Kuarn[2]	—	1,302	—	—	25	1,327
Mr. Chan Yip Keung[2]	226	—	—	—	12	238
Mr. Chung Kin Fai[1]	147	—	—	—	11	158
Ms. Lo Yee Hang[2]	185	—	—	—	11	196
Mr. Hung Jingkai[3]	115	125	—	—	—	240
Mr. Han Biao[3]	35	—	—	—	—	35
Mr. Liu Yaohui[3]	35	—	—	—	—	35
Mr. Li Qi[4]	26	—	—	—	—	26
Mr. Zhong Baisheng[3]	—	—	—	—	—	—
Ms. Zhang Yan[3]	—	—	—	—	—	—
	769	8,087	1,102	18	131	10,107

1 Stepped down on 25 November 2014
2 Resigned on 28 January 2015
3 Appointed on 7 January 2015
4 Appointed on 28 January 2015

13. DIRECTORS' EMOLUMENTS *(Continued)*

Year ended 31 March 2014	Fee HK$'000	Salary and other benefits HK$'000	Performance related incentive payments HK$'000 (Note 1)	Retirement benefits scheme contributions HK$'000	Share-based payments HK$'000	Total emoluments HK$'000
Mr. Yip Chee Seng	—	3,148	—	—	25	3,173
Mr. Yip Chee Lai, Charlie	—	2,733	936	15	24	3,708
Mr. Yip Chee Way, David	—	1,448	190	—	24	1,662
Mr. Yep Gee Kuarn	67	671	—	—	25	763
Mr. Chan Yip Keung	270	—	—	—	12	282
Mr. Chung Kin Fai	220	—	—	—	12	232
Ms. Lo Yee Hang	220	—	—	—	12	232
	777	8,000	1,126	15	134	10,052

Note 1: The performance related incentive payments are determined as a percentage, ranging from 0.5% to 2% per annum, of the Group's turnover of respective geographical locations.

Mr. Huang Jingkai is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Neither the chief executive nor any of the directors waived any emoluments in the years ended 31 March 2015 and 2014.

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2014: three) were the directors of the Group during the year, whose emoluments are included in note 13 above. The emoluments of remaining one (2014: two) individuals during the year are as follows:

	2015	2014
	HK$'000	HK$'000
Salary and other benefits	**754**	1,592
Performance related bonus	**—**	887
Share-based payments	**16**	23
Total emoluments	**770**	2,502

Their emoluments were within the following bands:

	2015	2014
	HK$'000	HK$'000
Less than HK$1,000,000	**1**	1
HK$1,000,001 to HK$1,500,000	**—**	—
HK$1,500,001 to HK$2,000,000	**—**	1
	1	2

During the years ended 31 March 2015 and 2014, no emoluments were paid by the Group to any of the directors or past directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

15. DIVIDENDS

	2015 HK$'000	2014 HK$'000
Dividends recognised as distributions during the year:		
2014 Final - HK cent 0.814 per share	**2,604**	—
2015 Interim - HK cent 0.622 per share	**1,990**	—
2015 Special dividend - HK cent 0.415 per share	**1,327**	—
	5,921	—

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2015 of HK cent 0.472 (2014: HK cents 0.814) and special dividend of HK cents 0.314 (2014: nil) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2015 HK$'000	2014 HK$'000
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**12,137**	8,722
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**320,223**	319,594
Effect of dilutive potential ordinary shares in respect of share options	**1,084**	18
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**321,307**	319,612

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold land HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Leasehold improvements HK$'000	Total HK$'000
COST						
At 1 April 2013	1,091	4,250	9,751	1,437	16,403	32,932
Additions	—	—	3,254	—	6,252	9,506
Acquired on acquisition of business (note 28)	—	—	568	194	524	1,286
Exchange adjustments	—	—	(2)	(3)	(23)	(28)
At 31 March 2014	1,091	4,250	13,571	1,628	23,156	43,696
Additions	—	—	2,494	552	6,682	9,728
Disposal	—	—	(124)	(210)	—	(334)
Write-off	—	—	—	—	(635)	(635)
Exchange adjustments	—	—	(112)	(48)	(81)	(241)
At 31 March 2015	**1,091**	**4,250**	**15,829**	**1,922**	**29,122**	**52,214**
DEPRECIATION						
At 1 April 2013	786	1,699	8,555	909	10,647	22,596
Provided for the year	44	94	1,116	310	5,346	6,910
Exchange adjustments	—	—	11	—	(37)	(26)
At 31 March 2014	830	1,793	9,682	1,219	15,956	29,480
Provided for the year	44	94	1,992	428	5,335	7,893
Eliminated on disposal	—	—	(89)	(210)	—	(299)
Eliminated on write-off	—	—	—	—	(297)	(297)
Exchange adjustments	—	—	(25)	(16)	(48)	(89)
At 31 March 2015	**874**	**1,887**	**11,560**	**1,421**	**20,946**	**36,688**
CARRYING VALUES						
At 31 March 2015	**217**	**2,363**	**4,269**	**501**	**8,176**	**15,526**
At 31 March 2014	261	2,457	3,889	409	7,200	14,216

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

	Depreciation rate
Buildings	4%
Leasehold land	Over the shorter of the term of the lease or 50 years
Furniture, fixtures and equipment	20% - 50%
Motor vehicles	33%
Leasehold improvements	Over the shorter of the term of the lease or 3 years

The leasehold land represents land in Hong Kong under medium-term lease.

The carrying value of motor vehicles includes an amount of HK$418,000 (2014: HK$250,000) in respect of assets held under finance leases.

18. INVESTMENT PROPERTY

	HK$'000
FAIR VALUE	
At 1 April 2013	7,650
Increase in fair value	1,640
At 31 March 2014	9,290
Increase in fair value	310
At 31 March 2015	9,600

The Group's property interest held under operating lease to earn rentals or for capital appreciation purpose is measured using fair value model and is classified and accounted for as investment property.

The fair value of the Group's investment property at 31 March 2015 and 2014 have been arrived at on the basis of a valuation carried out on the respective dates by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent qualified professional valuers not connected with the Group. The valuation report on the property was signed by director of Jones Lang LaSalle Corporate Appraisal and Advisory Limited who is a member of the Hong Kong Institute of Surveyors.

The fair value of the property was determined based on the direct comparison approach. In the valuation, which falls under Level 3 of the fair value hierarchy, the market unit rate, used was determined after taking into account the floor level, view, size and building age, is one of the key inputs. The higher the market unit rate, the higher the fair value, and vice versa. There has been no change to the valuation technique during the year.

18. INVESTMENT PROPERTY *(Continued)*

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There were no transfers into or out of Level 3 during the year.

The investment property shown above is situated on land in Hong Kong under long term leases.

19. DEFERRED TAX ASSETS

The following are the deferred tax assets recognised by the Group and movements thereon during the year and prior year.

	Depreciation in excess of tax allowance on property, plant and equipment HK$'000	Fair value adjustments on customer loyalty programmes HK$'000	Tax losses HK$'000	Total HK$'000
As at 1 April 2013	876	12	—	888
(Charge) credit to profit or loss	(40)	118	—	78
As at 31 March 2014	836	130	—	966
(Charge) credit to profit or loss	84	(139)	132	77
As at 31 March 2015	**920**	**(9)**	**132**	**1,043**

As at 31 March 2015, the Group has unused tax losses of HK$528,000 (2014: HK$3,814,000) available for offset against future assessable profits. A deferred tax asset has been recognised in respect of HK$528,000 (2014: nil) of such losses. No deferred tax asset has been recognised in respect of the tax losses of HK$3,814,000 as at 31 March 2014 due to the unpredictability of future assessable profit streams. The tax losses may be carried forward indefinitely.

At the end of the reporting period, the temporary difference associated with undistributed earnings of the PRC subsidiary for which deferred tax liability has not been recognised is HK$10,720,000 (2014: HK$4,179,000). No deferred taxation has been recognised in respect of this difference because the Group is in a position to control the timing of the reversal of the temporary difference and it is probable that such differences will not reverse in the foreseeable future.

20. INVENTORIES

All inventories represent finished goods held for resale.

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2015 HK$'000	2014 HK$'000
Trade receivables	**37,627**	34,682
Prepayments	**5,301**	3,736
Other receivables	**1,532**	2,441
	44,460	40,859

The management expects that other receivables would be realised within twelve months after the end of the reporting period.

Retail sales are normally settled in cash or by credit card with the settlement from the corresponding financial institutions within 14 days. Receivables from retail sales in department stores are collected within three months. The Group granted an average credit period from 30 days to 90 days to the corporate customers.

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	2015 HK$'000	2014 HK$'000
0 - 30 days	**24,938**	27,345
31 - 60 days	**11,211**	4,413
61 - 90 days	**1,032**	2,202
Over 90 days	**446**	722
	37,627	34,682

Before accepting any new corporate customer, the Group assesses the potential corporate customer's credit quality and defines credit limits for corporate customers. Credit limits granted to corporate customers are reviewed annually.

As at 31 March 2015, included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$8,156,000 (2014: HK$5,857,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. There has not been a significant change in credit quality and the amounts are still considered recoverable based on historical experience.

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

Aging of trade receivables (by due date) which are past due but not impaired:

	2015	2014
	HK$'000	HK$'000
1 - 30 days	**7,019**	3,571
31 - 60 days	**599**	1,723
61 - 90 days	**343**	139
Over 90 days	**195**	424
	8,156	5,857

As at 31 March 2015 and 2014, the Group has not provided for any allowance for doubtful debts.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date at which credit was initially granted up to the reporting date.

22. AMOUNTS DUE FROM (TO) RELATED PARTIES

	Notes	**2015**	2014
		HK$'000	HK$'000
Amount due from:			
OTO Bodycare Sdn. Bhd. ("OTO Malaysia")	i	**172**	657
OTO Bodycare Pte. Ltd. ("OTO Singapore")	ii	**18**	321
		190	978
Amount due to:			
OTO Singapore	ii	**—**	127

Notes:

(i) Mr. Yep Gee Kuarn and Mr. Yip Chee Seng, directors of certain subsidiaries of the Group, are shareholders of OTO Malaysia in which they hold 45.8% and 54.2% interest respectively. As at 31 March 2014, included in the amount due from OTO Malaysia was an amount of HK$602,000 which arose from the collection of payments by OTO Malaysia on behalf of the Group and was considered as non-trade in nature. The amount is repayable on demand and the maximum amount outstanding during the year was HK$602,000.

The remaining amount is trade in nature and repayable within 30 days.

(ii) Mr. Yip Chee Seng, Mr. Yep Gee Kuarn, Mr. Yip Chee Way, David, Mr. Tan Beng Gim and Ms. Chua Siew Hua are shareholders of OTO Singapore. Mr. Yep Gee Kuarn is a director of OTO Singapore. Mr. Yip Chee Way, David, Mr. Tan Beng Gim and Ms. Chua Siew Hun have an indirect interest in OTO Singapore by holding 36.4%, 31.8% and 31.8% interests respectively in The Essence Shop Pte. Ltd., a company which has a 4.2% interest in OTO Singapore. Mr. Yip Chee Seng and his spouse together hold a 90.4% interest in OTO Singapore and Mr. Yep Gee Kuarn and his spouse together hold a 5.4% interest in OTO Singapore.

As at 31 March 2014, the amount was trade in nature and repayable within 30 days.

23. DEPOSIT PLACED AT AN INSURANCE COMPANY/PLEDGED BANK DEPOSITS/ BANK BALANCES AND CASH

Deposit placed at an insurance company carries interest at a rate of 4% (2014: 4%) per annum and will mature in May 2016.

Pledged bank deposits carry interest at rates ranging from 0.2% to 3.3% (2014: 0.25% to 3.3%) per annum. Deposits amounting to HK$11,884,000 (2014: HK$18,111,000) have been pledged to secure short term bank loans and trust receipt loans and therefore classified as current assets.

Bank balances carry floating average market interest at rates ranging from 0.11% to 0.38% (2014: 0.12% to 0.41%) per annum and fixed interest at rates ranging from 0.10% to 3.68% (2014: 2.85% to 3.35%) per annum.

Bank deposits with original maturity over three months carry fixed interest at rate of 3.68% (2014: ranging from 3.05% to 3.3%) per annum.

24. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	HK$'000
Trade payables	**17,480**	18,477
Receipts in advance	**4,088**	4,634
Accruals	**9,324**	10,931
Others (note)	**8,294**	10,774
	39,186	44,816

Note: Includes HK$90,000 (2014: HK$811,000) deferred revenue in relation to customer loyalty programmes.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2015	2014
	HK$'000	HK$'000
0 - 30 days	**16,665**	11,682
31 - 60 days	**555**	3,771
61 - 90 days	**93**	2,964
Over 90 days	**167**	60
	17,480	18,477

The average credit period for trade purchases ranges from 0 to 60 days.

25. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**244**	210	**215**	186
In more than one year but not more than two years	**112**	151	**96**	143
In more than two years but not more than five years	**230**	21	**213**	20
	586	382	**524**	349
Less: Future finance charges	**(62)**	(33)	**N/A**	N/A
Present value of lease obligations	**524**	349	**524**	349
Less: Amounts due within one year shown under current liabilities			**(215)**	(186)
Amounts due after one year shown as non-current liability			**309**	163

The Group has leased motor vehicles under finance leases. The lease terms are four years. The average effective borrowing rate for the year ended 31 March 2015 is 3.15% (2014: 3.58%) per annum. Interest rate is fixed and ranges from 2.5% to 3.75% (2014: 3.5% to 3.75%) on the contract date. The leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the finance lease obligations, determined based on the present value of the estimated future cash flow discounted using the prevailing market rate at the end of the reporting period approximates to their carrying amount. All finance lease obligations are denominated in Hong Kong dollars.

26. BANK BORROWINGS

	2015 HK$'000	2014 HK$'000
Secured trust receipt loans	**25,811**	14,838
Carrying amount of bank borrowings that contain a repayment on demand clause and are repayable within one year	**25,811**	14,838

The details of the Group's borrowings at the end of the reporting period are as follows:

	2015 HK$'000	2014 HK$'000
Variable rates:		
– Best Lending Rate plus margin	**—**	721
– LIBOR plus 1.75% to 2.25%	**25,107**	13,618
– Standard Bills Rates	**704**	499
	25,811	14,838

The range of effective interest rate per annum to the Group's variable rate borrowings are as follows:

	2015	2014
Variable rate borrowings	**1.97% - 4.02%**	1.98% - 6.02%

The Group's borrowings are denominated in US$ (2014: US$). No interest was capitalised in relation to the borrowings of the Group.

27. SHARE CAPITAL

	Number of shares	Share capital US$
Ordinary shares of US$0.01 each		
Authorised:		
At 1 April 2013, 31 March 2014 and 31 March 2015	10,000,000,000	100,000,000
Issued and fully paid or credited as fully paid:		
At 1 April 2013 and 31 March 2014	319,594,000	3,195,940
Shares issued under share option scheme	2,282,800	22,828
At 31 March 2015	**321,876,800**	**3,218,768**

	2015 HK$'000	2014 HK$'000
Presented as	**25,106**	24,928

28. ACQUISITION OF BUSINESS

On 1 October 2013, OTO Wellness Sdn. Bhd. ("OTO Wellness"), a subsidiary of the Company, entered into a sales and purchase agreement with OTO Malaysia, pursuant to which OTO Wellness agreed to acquire and, OTO Malaysia agreed to sell, the business in Malaysia operated by OTO Malaysia (the "Target Business") for an aggregate consideration of RM2,127,000 (equivalent to approximately HK$5,126,000), which was determined with reference to the carrying amount of the acquired assets of the Target Business as at the date of acquisition.

The carrying amount of the acquired assets of the Target Business comprised:

	HK$'000
Property, plant and equipment	1,286
Inventories	2,970
Deposits	870
	5,126

28. ACQUISITION OF BUSINESS *(Continued)*

The fair value of the identifiable assets acquired and liabilities assumed have been arrived at on the basis of a valuation carried out on 1 October 2013 by Roma Appraisals Limited, independent qualified professional valuers not connected with the Group. Since the difference between the consideration and the fair value of the identifiable assets acquired and liabilities assumed was minimal, no goodwill was recognised from the acquisition.

Net cash outflow on acquisition of business:

	HK$'000
Cash consideration paid	5,126

Details of the acquisition are set out in the announcement of the Company dated 2 October 2013.

Revenue of HK$10,945,000 and loss of HK$133,000 attributable to the Target Business for the period from the acquisition date to 31 March 2014 was consolidated in the Group's profit and loss for the year ended 31 March 2014.

Had the acquisition been completed on 1 April 2013, total group revenue for the year would have been HK$349,128,000, and profit for the year would have been HK$9,822,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2013, nor is it intended to be a projection of future results.

29. PLEDGE OF ASSETS

The following assets were pledged to banks as securities to obtain the banking facilities at the end of the reporting period:

	2015	2014
	HK$'000	HK$'000
Leasehold land and buildings		
- included in property, plant and equipment	**2,580**	2,718
Investment property	**9,600**	9,290
Pledged bank deposits	**11,884**	18,111
	24,064	30,119

In addition, the Group's obligations under finance leases are secured by the lessor's charge over the leased assets with carrying values as disclosed in note 17.

30. OPERATING LEASE ARRANGEMENTS

The Group as lessor

At the end of the reporting period, an investment property was let out under an operating lease. Gross rental income earned during the year is HK$252,000 (2014: HK$229,000).

At the end of the reporting period, the Group had contracted with a tenant for the future minimum lease payments of under a non-cancellable operating lease which fall due:

	2015	2014
	HK$'000	HK$'000
Within one year	**300**	—
In the second year	**25**	—
	325	—

Lease is negotiated and rental is fixed for a term of two years.

30. OPERATING LEASE ARRANGEMENTS *(Continued)*

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments for premises under non-cancellable operating leases which fall due:

	2015 HK$'000	2014 HK$'000
Within one year	**25,690**	32,275
In the second to fifth years inclusive	**7,733**	6,779
	33,423	39,054

Operating lease payments represent rentals payable by the Group for its office, shops and consignment counters at department stores. Leases are negotiated for terms ranging from one year to three years with fixed monthly rentals and certain arrangements are subject to contingent rents based on a fixed percentage of the monthly gross turnover with or without monthly minimum lease payments.

31. RELATED PARTY DISCLOSURES

Other than those balances and transactions disclosed in notes 22 and 28, during the year the Group entered into following transactions with related parties:

Name of related parties	**Nature of transaction**	**2015 HK$'000**	2014 HK$'000
OTO Singapore	Trade purchases	**1,013**	805
	Share of research and development expenses (Note i)	**222**	321
OTO Malaysia	Share of research and development expenses (Note i)	**—**	55
Mr. Yip Chee Lai, Charlie	Rental expenses (Note ii)	**—**	48

31. RELATED PARTY DISCLOSURES *(Continued)*

Note:

(i) On 25 November 2011, the Group entered into an agreement for sharing of research and development expenses with OTO Singapore and OTO Malaysia pursuant to which, following the listing of the Company's shares on the Stock Exchange, the parties have agreed to share the research and development expenses of new product development on the terms and conditions stated therein. OTO Singapore, OTO Malaysia and the Group will share the research and development expenses on an annual basis in proportion to their respective turnovers during the same year. The agreement was renewed on 25 November 2014 and terminated on 9 December 2014.

(ii) Pursuant to a tenancy agreement dated as of 1 September 2011 and entered into between the Group as tenant and Mr. Yip Chee Lai, Charlie on behalf of the landlords (being Mr. Yip Chee Lai, Charlie and his spouse), the landlords agreed to lease a residential property located in the Western District in Hong Kong as a staff quarter for a term from 1 June 2011 to 31 May 2013 at an annual rental of HK$144,000. During the year ended 31 March 2014, the landlords agreed to extend the tenancy for two months at a monthly rental of HK$12,000.

The balances of amounts due from/to related parties are disclosed in the consolidated statement of financial position and in note 22.

The compensation to key management personnel comprises only the directors' emoluments, details of which are disclosed in note 13.

32. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The employees employed in Macau are members of the defined contribution retirement benefit plan. The subsidiary established in Macau is required to contribute MOP30 per month for each employee to the retirement benefit plan to fund the benefits.

The employees employed in the PRC are members of the state-managed benefit scheme operated by PRC government. The subsidiary established in the PRC is required to contribute a certain percentage of the salaries of its employees to the scheme. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the scheme.

The employees employed in Malaysia are members of Employees Provident Fund, a Malaysian government agency under the Ministry of Finance. The subsidiary established in Malaysia is required to contribute certain percentage of the salaries of its employees to the scheme. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the scheme.

As at 31 March 2015 and 2014, the Group had no significant obligation apart from the contribution as stated above.

33. SHARE-BASED PAYMENTS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution in writing passed by all the shareholders of the Company on 25 November 2011 for the primary purpose of recognising and acknowledging the contribution of the eligible participant had or may have made to the Group. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares of the Company.

On 29 January 2014, the Company granted 3,180,000 share options (the "Share Options"), to subscribe for the ordinary shares of the Company at a price of US$0.01 each in the capital under the Scheme.

The grant of Share Options comprised (i) 1,680,000 Share Options to the directors of the Company and (ii) 1,500,000 Share Options to certain members of the senior management and employees of the Company to subscribe for shares in the Company at HK$0.62 per share.

At 31 March 2014, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 3,180,000, representing approximately 1% of the shares of the Company in issue at that date. The maximum number of shares in respect of which options may be granted under the Scheme must not in aggregate exceed 10% of the total number of shares in issue on the date on which trading of the shares commenced on the Main Board of the Stock Exchange being 32,000,000 shares.

As 31 March 2015, there are no share options outstanding under the Scheme.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK$1 per eligible participant. Options may be exercised at any time during the exercise period as disclosed below. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of the shares options are as follows:

	Date of Grant	Vesting period	Exercise period	Exercise Price	Exercise Date
Type I	29 January 2014	30%: exercisable on the date of grant	29.1.2014 to 28.1.2017	HK$ 0.62 per share	Any date within the exercise period
		40%: 29.1.2014 to 28.1.2015	29.1.2015 to 28.1.2017		
		30%: 29.1.2014 to 28.1.2016	29.1.2016 to 28.1.2017		

33. SHARE-BASED PAYMENTS *(Continued)*

The following table discloses movement of the Company's share options held by directors and eligible employees during current and prior years:

Option type	Outstanding at 1 April 2013	Granted during the year	Outstanding at 31 March 2014 and 1 April 2014	Exercised during the year	Forfeited during the year	Outstanding at 31 March 2015
Type I	—	3,180,000	3,180,000	(2,282,800)	(897,200)	—
Exercisable at the end of the year			954,000			—
Weighted average exercise price	—	HK$0.62	HK$0.62	HK$0.62	HK$0.62	—

During the year ended 31 March 2014, 3,180,000 share options were granted on 29 January 2014. The estimated fair value of the options granted on this date is HK$636,000.

The fair values were calculated using the Binomial model. The inputs into the model were as follows:

Share price on the date of grant	HK$0.62
Exercise price	HK$0.62
Expected volatility	48.468%
Contractual life	3 years
Risk-free rate	0.658%
Expected dividend yield	0.00%
Option type	Call

Expected volatility was determined by using the historical price volatilities of Company's share price as at the date of valuation as extracted from Bloomberg.

Total consideration received during the year ended 31 March 2014 from employees, including the directors of the Company, for taking up the options granted was HK$18.

The Group recognised the total expenses of HK$234,000 for the year ended 31 March 2015 (2014: HK$253,000) in relation to share options granted by the Company vesting during the period.

34. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2015 HK$'000	2014 HK$'000
Investments in subsidiaries	**132,087**	132,087
Prepayments and other receivables	**430**	463
Amounts due from subsidiaries	**5,343**	27,141
Bank balances and cash	**122,535**	97,856
Other payables and accrued expenses	**(295)**	(1,069)
Amounts due to subsidiaries	**(5,581)**	(1,286)
	254,519	255,192
Share capital	**25,106**	24,928
Reserves	**229,413**	230,264
	254,519	255,192

Movement of reserves

	Share premium HK$'000	Warrants reserve HK$'000	Capital redemption reserve HK$'000	Share options reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2013	227,643	180	32	—	5,327	233,182
Loss for the year	—	—	—	—	(3,171)	(3,171)
Recognition of share-based payments	—	—	—	253	—	253
Expiry of warrants	—	(180)	—	—	180	—
At 31 March 2014	227,643	—	32	253	2,336	230,264
Loss for the year	—	—	—	—	3,599	3,599
Recognition of share-based payments	—	—	—	234	—	234
Shares issued under share option scheme	1,701	—	—	(464)	—	1,237
Transfer upon forfeited of share option	—	—	—	(23)	23	—
Dividends paid	—	—	—	—	(5,921)	(5,921)
At 31 March 2015	229,344	—	32	—	37	229,413

35. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries as at 31 March 2015 and 2014 are as follows:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Attributable equity interest held by the Company (Note i) 2015	2014	Principal activities
OTO (BVI) Investment Limited	British Virgin Islands 7 January 2011	US$16,252	**100%**	100%	Investment holding
OTO (HK) Investment Limited	Hong Kong 17 February 2011	HK$1	**100%**	100%	Investment holding
OTO Bodycare (H.K.) Limited	Hong Kong 14 November 1986	HK$1,000,000	**100%**	100%	Sales of health and wellness products in Hong Kong
OTO International (Macau) Company Limited	Macau 13 September 2005	MOP30,000	**100%**	100%	Sales of health and wellness products in Macau
Dainty Shanghai Co., Ltd.	PRC (Note ii) 25 March 2010	Registered and paid-up capital US$5,150,000	**100%**	100%	Sales of health and wellness products in PRC
OTO Wellness Sdn. Bhd. ("OTO Wellness")	Malaysia 17 July 2013	MYR1,000,000	**100%**	100%	Sales of health and wellness products in Malaysia
OTO Wellness Pte. Ltd.	Singapore 1 October 2013	SGD10,000	**100%**	100%	Inactive
Tempus OTO Limited	Hong Kong 29 January 2015	HK$10,000	**100%**	—	Inactive

Note:

(i) The Company holds OTO BVI directly and all other subsidiaries indirectly.

(ii) Dainty Shanghai Co. Ltd. is a wholly foreign-owned enterprise registered in the PRC.

36. MAJOR NON-CASH TRANSACTION

During the year, the Group entered into a finance lease arrangement in respect of a motor vehicle with a capital value at the inception of the lease of HK$397,000 (2014: nil).

37. EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition of the business of OTO Singapore

On 15 May 2015, OTO Wellness, a subsidiary of the Company, and OTO Singapore, a related party of the Company, entered into a business transfer agreement, pursuant to which OTO Wellness agreed to acquire and OTO Singapore agreed to sell the target business for consideration of S$822,413 (equivalent to approximately HK$4,852,000). Upon completion on the same date, the target business has been fully accounted for in the financial statements of the Group. Details of the acquisition are set out in the announcement by the Company dated 15 May 2015.

The Group is in the process of completing the independent valuation to assess the fair value of the identifiable assets acquired and liabilities assumed and so it is impracticable to disclose the financial information and the impact on the consolidated financial statements at this stage.

(b) Subscription of new Shares

On 27 May 2015, the Company entered into a conditional subscription agreement with the subscriber, pursuant to which the subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 28,000,000 subscription shares of US$0.01 each in the Company at a price of HK$4.88 per subscription share representing a discount of approximate 8.70% to the closing market price of the Company's shares on 17 May 2015. The placement was completed on 8 June 2015. The proceeds are intended to be used to fund the Group's potential investments. These new shares were issued under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 5 August 2014 and rank pari passu with other shares in issue in all respects.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out below:

	Year ended 31 March				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**389,692**	339,700	259,201	245,658	209,402
Other income	**10,096**	10,126	6,549	6,434	4,700
Other gains and losses	**(771)**	541	(1,771)	1,354	1,185
Changes in inventories of finished goods	**1,201**	7,268	4,000	(861)	1,574
Finished goods purchased	**(134,632)**	(120,305)	(91,186)	(77,694)	(59,773)
Staff costs	**(79,823)**	(71,046)	(52,049)	(36,728)	(29,186)
Depreciation expense	**(7,826)**	(6,827)	(3,595)	(1,471)	(1,465)
Finance costs	**(412)**	(344)	(350)	(333)	(404)
Listing expenses	**—**	—	—	(19,266)	(2,691)
Other expenses	**(161,526)**	(147,416)	(117,083)	(95,689)	(79,308)
Profit before tax	**15,999**	11,697	3,716	21,404	44,034
Income tax expenses	**(3,862)**	(2,975)	(1,670)	(6,050)	(6,855)
Profit for the year	**12,137**	**8,722**	**2,046**	**15,354**	**37,179**

ASSETS, LIABILITIES AND EQUITY

	At 31 March				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**346,315**	333,843	303,500	305,124	172,392
TOTAL LIABILITIES	**68,701**	63,269	41,871	37,751	43,876
TOTAL EQUITY	**277,614**	270,574	261,629	267,373	128,516

Note:

The figures for the prior years 2012 and 2011 have been restated pursuant to the adoption of the applicable Hong Kong Financial Reporting Standards as explained in note 2 to the financial statements. Figures for the years prior to 2011 have not been restated as the effect on financial statement is not material.