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HKR INTERNATIONAL LIMITED
香港興業國際集團有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00480)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2013**

RESULTS

The directors (the "Board" or the "Directors") of HKR International Limited (the "Company") are pleased to announce the audited final results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2013.

The Group's overall turnover during the year amounted to HK\$3,886.5 million, representing an increase of 133.5% as compared to HK\$1,664.1 million of last year. Profit attributable to shareholders amounting to HK\$998.3 million showed an increase of 33.6% as compared to HK\$747.2 million of last year. The basic earnings per share were HK73.9 cents for the year representing an increase of 33.6% as compared to HK55.3 cents of last year.

DIVIDEND

The Directors have recommended the declaration of a final dividend of HK5 cents per share for the year ended 31 March 2013 (2012: Nil) to shareholders whose names appear on the registers of members of the Company on 4 September 2013. The proposed final dividend together with the interim dividend of HK3 cents per share for the six months ended 30 September 2012 (for the financial year ended 31 March 2012: HK8 cents) makes a total dividend of HK8 cents per share for the year (2012: HK8 cents). The proposed final dividend will be paid on 19 September 2013 following approval at the 2013 annual general meeting of the Company.

CLOSURE OF REGISTERS

The main and branch registers of members of the Company will be closed on 3 and 4 September 2013 for the proposed final dividend. On both days, no transfer of shares will be registered. In order to qualify for the proposed final dividend for the year ended 31 March 2013, all transfer forms accompanied by the relevant share certificates must be lodged with the Company share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 2 September 2013.

AUDITED CONSOLIDATED INCOME STATEMENT

		For the year ended 31 March	
		2013	2012
	<i>NOTES</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Turnover	3	3,886.5	1,664.1
Cost of sales		<u>(2,835.6)</u>	<u>(1,195.0)</u>
Gross profit		1,050.9	469.1
Other income		111.3	120.9
Administrative expenses		(495.5)	(440.0)
Other gains and losses	4	(22.2)	41.2
Change in fair value of investment properties			
Realised gains on disposals		24.1	252.8
Unrealised gains		386.6	375.4
Finance costs	5	(116.8)	(63.2)
Share of results of associates		183.3	90.8
Share of results of jointly controlled entities		<u>282.8</u>	<u>69.9</u>
Profit before taxation	6	1,404.5	916.9
Taxation	7	<u>(161.1)</u>	<u>(61.2)</u>
Profit for the year		<u>1,243.4</u>	<u>855.7</u>
Attributable to:			
Owners of the Company		998.3	747.2
Non-controlling interests		<u>245.1</u>	<u>108.5</u>
		<u>1,243.4</u>	<u>855.7</u>
Earnings per share	9		
Basic (HK cents)		<u>73.9</u>	<u>55.3</u>

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 March	
	2013	2012
	<i>HK\$'M</i>	<i>HK\$'M</i>
Profit for the year	<u>1,243.4</u>	<u>855.7</u>
Other comprehensive income (expense):		
Exchange differences arising from translation of foreign operations	114.8	40.5
Share of exchange reserve of associates	1.7	1.4
Share of exchange reserve of jointly controlled entities	25.4	215.6
Available-for-sale financial assets:		
Fair value changes during the year	11.5	(7.3)
Reclassified to profit or loss upon disposal	(0.9)	–
Deferred tax arising from fair value changes	<u>(0.4)</u>	<u>(0.2)</u>
Other comprehensive income for the year (net of tax)	<u>152.1</u>	<u>250.0</u>
Total comprehensive income for the year	<u>1,395.5</u>	<u>1,105.7</u>
Total comprehensive income attributable to:		
Owners of the Company	1,150.2	996.6
Non-controlling interests	<u>245.3</u>	<u>109.1</u>
	<u>1,395.5</u>	<u>1,105.7</u>

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 March	
		2013	2012
	<i>NOTES</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Non-current assets			
Investment properties		6,178.5	6,135.2
Property, plant and equipment		2,984.0	2,642.3
Prepaid lease payments		18.9	29.7
Interests in associates		604.4	535.7
Interests in jointly controlled entities		7,279.4	6,845.9
Held-to-maturity investments		144.2	83.9
Available-for-sale financial assets		80.5	53.1
Other assets		210.6	125.6
Deferred tax assets		6.3	5.5
Amount due from an associate		–	122.5
		17,506.8	16,579.4
Current assets			
Inventories		94.7	145.8
Properties held for sale		1,124.4	717.8
Trade receivables	<i>10</i>	975.8	82.1
Deposits, prepayments and other financial assets		259.3	186.9
Properties held for/under development for sale		1,568.1	2,546.0
Amounts due from associates		270.3	59.0
Amounts due from jointly controlled entities		74.3	58.0
Taxation recoverable		3.7	14.8
Held-to-maturity investments		74.3	158.8
Pledged bank deposits		2.8	3.1
Bank balances and cash		2,788.3	2,628.8
		7,236.0	6,601.1
Current liabilities			
Trade payables, provision and accrued charges	<i>11</i>	1,127.7	777.4
Deposits received and other financial liabilities		350.1	609.2
Amount due to an associate		8.1	23.0
Taxation payable		117.1	54.6
Bank and other loans due within one year		990.7	3,704.9
Other liabilities due within one year		11.8	14.9
		2,605.5	5,184.0
Net current assets		4,630.5	1,417.1
Total assets less current liabilities		22,137.3	17,996.5

		At 31 March	
		2013	2012
	<i>NOTE</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Non-current liabilities			
Bank and other loans due after one year		3,470.0	707.9
Other liabilities due after one year		1,412.9	1,315.7
Deferred tax liabilities		191.8	156.5
		<u>5,074.7</u>	<u>2,180.1</u>
		<u>17,062.6</u>	<u>15,816.4</u>
Capital and reserves			
Share capital	<i>12</i>	337.5	337.5
Reserves		15,160.4	14,158.3
		<u>15,497.9</u>	<u>14,495.8</u>
Equity attributable to owners of the Company		15,497.9	14,495.8
Non-controlling interests		1,564.7	1,320.6
		<u>17,062.6</u>	<u>15,816.4</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets

Amendments to Hong Kong Accounting Standard (“HKAS”) 12 titled “Deferred tax: Recovery of underlying assets” which is mandatorily effective for the current year has been applied by the Group in advance in prior year.

The application of the amendments to 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 consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

In prior financial years, the Group was organised into seven operating divisions and each of the operating divisions represented an operating and reportable segment: property development, property investment, services provided (clubs operation, provision of professional property management and transportation services to the residents of Discovery Bay), hotel operation, healthcare (provision of medical and dental care services, comprising diabetic and cardiovascular centres, cancer centres, imaging centres, dental centres, Chinese medicine centres and multi-specialty outpatient centres), manufacturing (manufacturing and sales of sanitary products) and securities investment. During the year ended 31 March 2013, the chief operating decision maker no longer considered the securities investment as an operating and reportable segment and the Group is now organised into six operating divisions. Accordingly, the aggregate segment results for the year ended 31 March 2012 have been restated.

The following is an analysis of the Group's revenue and results by operating and reportable segments for the year:

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operation <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Manufacturing <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2013							
TURNOVER							
Segment revenue – sales to external customers derived by the Group and associates	3,841.6	341.1	450.6	373.0	297.4	178.9	5,482.6
Excluding turnover of associates	(1,554.9)	(41.2)	-	-	-	-	(1,596.1)
Consolidated turnover, as reported	<u>2,286.7</u>	<u>299.9</u>	<u>450.6</u>	<u>373.0</u>	<u>297.4</u>	<u>178.9</u>	<u>3,886.5</u>
RESULTS							
Segment results – total realised results of the Group, associates and jointly controlled entities (<i>note 1</i>)	668.8	309.8	33.2	(33.9)	(16.8)	(186.8)	774.3
Excluding realised results of associates and jointly controlled entities not shared by the Group	(59.6)	(78.9)	-	-	-	-	(138.5)
Results attributable to the Group	<u>609.2</u>	<u>230.9</u>	<u>33.2</u>	<u>(33.9)</u>	<u>(16.8)</u>	<u>(186.8)</u>	635.8
Other income							7.7
Unallocated corporate expenses							(89.1)
Finance costs and corporate level exchange difference							(70.2)
Net unrealised gains on fair value change of investment properties (<i>note 2</i>)							386.9
Net unrealised gains on fair value change of investment properties attributable to the Group's interests in a jointly controlled entity and associates, net of deferred tax							<u>372.3</u>
Profit for the year							1,243.4
Non-controlling shareholders' share of profit for the year							<u>(245.1)</u>
Profit for the year attributable to the owners of the Company							<u>998.3</u>

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operation <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Manufacturing <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2012							
TURNOVER							
Segment revenue – sales to external customers derived by the Group and associates	1,253.9	352.5	428.6	368.7	328.9	232.7	2,965.3
Excluding turnover of associates	(1,253.3)	(37.8)	–	–	–	–	(1,291.1)
Excluding sale proceeds of certain investment properties (<i>note 3</i>)	–	(10.1)	–	–	–	–	(10.1)
Consolidated turnover, as reported	<u>0.6</u>	<u>304.6</u>	<u>428.6</u>	<u>368.7</u>	<u>328.9</u>	<u>232.7</u>	<u>1,664.1</u>
RESULTS							
Segment results – total realised results of the Group, associates and jointly controlled entities (<i>note 4</i>)	24.9	445.1	61.8	8.9	(55.5)	6.3	491.5
Excluding realised results of associates and jointly controlled entities not shared by the Group	(30.6)	(8.4)	–	–	–	–	(39.0)
Results attributable to the Group	<u>(5.7)</u>	<u>436.7</u>	<u>61.8</u>	<u>8.9</u>	<u>(55.5)</u>	<u>6.3</u>	452.5
Other income							10.4
Unallocated corporate expenses							(82.4)
Finance costs and corporate level exchange difference							(27.9)
Net unrealised gains on fair value change of investment properties (<i>note 5</i>)							374.4
Net unrealised gains on fair value change of investment properties attributable to the Group's interests in a jointly controlled entity and associates, net of deferred tax							<u>128.7</u>
Profit for the year							855.7
Non-controlling shareholders' share of profit for the year							<u>(108.5)</u>
Profit for the year attributable to the owners of the Company							<u><u>747.2</u></u>

Notes:

- (1) The segment results of the Group represent the total results of the Group, associates and jointly controlled entities, excluding the unrealised gains on fair value change of investment properties net of deferred tax arising from change in fair value. The segment results of property investment business for the year ended 31 March 2013 included realised gains on fair value change of investment properties of HK\$11.3 million.
- (2) The net unrealised gains on fair value change of investment properties for the year ended 31 March 2013 of HK\$386.9 million represented the unrealised gains on fair value change of investment properties of HK\$386.6 million and the deferred tax credit arising from change in fair value of HK\$0.3 million.
- (3) For property investment segment, revenue included rental income generated from investment properties and the sale proceeds arising from disposal of particular investment property in Shanghai, the People's Republic of China ("PRC"). Such disposal proceeds were excluded for consolidated turnover for reporting purpose.
- (4) The segment results of the Group represent the total results of the Group, associates and jointly controlled entities, excluding the unrealised gains on fair value change of investment properties net of deferred tax arising from change in fair value. The segment results of property investment business for the year ended 31 March 2012 included realised gains on fair value change of investment properties of HK\$252.8 million, deferred tax credit on disposal of investment properties of HK\$2.9 million, and recognition of current tax upon disposal of investment properties of HK\$2.4 million.
- (5) The net unrealised gains on fair value change of investment properties for the year ended 31 March 2012 of HK\$374.4 million represented the unrealised gains on fair value change of investment properties of HK\$375.4 million net of the deferred tax arising from change in fair value of HK\$1.0 million.

All of the segment revenue reported above is from external customers.

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as they are not reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker for review.

Other segment information

For the year ended 31 March 2013

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operation <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Manufacturing <i>HK\$'M</i>	Unallocated amounts <i>HK\$'M</i>	Total <i>HK\$'M</i>
Amounts included in the measure of segment profit or loss:								
Revenue from inter-segment sales *	-	(3.6)	(7.4)	-	-	-	-	(11.0)
Depreciation	12.1	8.8	46.4	53.2	12.3	13.7	3.4	149.9
Impairment losses on property, plant and equipment recognised	-	-	-	-	0.1	82.2	-	82.3
Net allowance (reversal of allowance) for doubtful debts	-	-	0.4	-	(1.1)	14.8	-	14.1
Net gains from financial assets/liabilities	-	-	-	-	-	-	(0.9)	(0.9)
(Gain) loss on disposal of property, plant and equipment and prepaid lease payments	(2.1)	0.2	(2.0)	1.4	-	(94.2)	(0.4)	(97.1)
Realised gains on disposals of investment properties	-	(11.3)	-	(12.8)	-	-	-	(24.1)
Interest income	(0.8)	(18.7)	-	(2.0)	-	(0.9)	(24.4)	(46.8)
Interest expenses	14.3	6.6	-	-	-	0.7	95.2	116.8
Income tax expenses	117.5	17.0	8.7	2.4	1.5	11.3	2.7	161.1
Share of results of associates	(56.1)	(45.0)	-	-	-	-	(82.2)	(183.3)
Share of results of jointly controlled entities	(1.2)	12.3	-	-	-	-	(293.9)	(282.8)
Write down of inventories	-	-	-	-	-	42.2	-	42.2

For the year ended 31 March 2012

	Property development <i>HK\$'M</i>	Property investment <i>HK\$'M</i>	Services provided <i>HK\$'M</i>	Hotel operation <i>HK\$'M</i>	Healthcare <i>HK\$'M</i>	Manufacturing <i>HK\$'M</i>	Unallocated amounts <i>HK\$'M</i>	Total <i>HK\$'M</i>
Amounts included in the measure of segment profit or loss:								
Revenue from inter-segment sales *	-	(3.4)	(6.0)	-	-	-	-	(9.4)
Depreciation	10.8	7.6	45.8	54.1	21.5	11.3	2.7	153.8
Impairment losses on property, plant and equipment recognised	-	-	-	-	8.7	-	-	8.7
Net allowance for doubtful debts	-	-	0.1	-	3.2	0.4	-	3.7
Net gains from financial assets/liabilities	-	-	-	-	-	-	(5.1)	(5.1)
(Gain) loss on disposal of property, plant and equipment and prepaid lease payments	-	(0.6)	0.1	0.2	1.1	(72.9)	-	(72.1)
Realised gains on disposals of investment properties	-	(252.8)	-	-	-	-	-	(252.8)
Interest income	(1.4)	(18.2)	-	(2.3)	(0.1)	-	(25.5)	(47.5)
Interest expenses	0.1	13.0	-	-	-	1.3	48.8	63.2
Income tax expenses	14.6	22.6	6.1	6.6	1.6	6.7	3.0	61.2
Share of results of associates	(29.2)	(10.2)	-	-	-	-	(51.4)	(90.8)
Share of results of jointly controlled entities	(0.3)	10.1	-	-	-	-	(79.7)	(69.9)
Write down of inventories	-	-	-	-	2.3	9.2	-	11.5

* Inter-segment sales are entered into in accordance with the relevant agreements, if any, governing those transactions, in which the pricing was determined with reference to prevailing market price or actual cost incurred, as appropriate.

Turnover from major products and services

The following is an analysis of the Group's turnover from its major products and services:

	2013	2012
	<i>HK\$'M</i>	<i>HK\$'M</i>
Sales of properties	2,286.4	–
Sales of goods	178.9	232.7
Rental income	287.0	315.0
Hotel revenue	367.3	344.2
Provision of healthcare services	297.4	328.9
Other services rendered	469.5	443.3
	<u>3,886.5</u>	<u>1,664.1</u>

Geographical information

For each of the years ended 31 March 2013 and 2012, the Group's operations are located in Hong Kong, the PRC, South East Asia and Japan, Australia and the United Kingdom.

The Group's revenue from external customers based on the location of properties and goods delivered or services rendered, and location of properties in the case of rental income, and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from		Non-current assets	
	external customers			
	2013	2012	2013	2012
	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Hong Kong	2,058.4	899.3	7,853.2	7,017.3
PRC	19.4	41.4	6,852.5	6,530.6
South East Asia and Japan	1,649.2	531.4	2,334.7	2,567.4
Australia	134.5	160.8	2.6	3.7
United Kingdom	25.0	31.2	22.2	69.8
	<u>3,886.5</u>	<u>1,664.1</u>	<u>17,065.2</u>	<u>16,188.8</u>

Note: Non-current assets excluded financial instruments and deferred tax assets.

Information about major customers

The revenue from individual customer contributed less than 10% of the total turnover of the Group for both years.

4. OTHER GAINS AND LOSSES

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Other gains (losses) include the following:		
Net foreign exchange gain (loss)	<u>18.4</u>	<u>(12.1)</u>
Gain on disposal of property, plant and equipment and prepaid lease payments	<u>97.1</u>	<u>72.1</u>
Impairment loss recognised		
Property, plant and equipment	(82.3)	(8.7)
Inventories	<u>(42.2)</u>	<u>(11.5)</u>
	<u>(124.5)</u>	<u>(20.2)</u>
Net allowance for doubtful debts	<u>(14.1)</u>	<u>(3.7)</u>
Net gains from financial assets/liabilities		
Net realised gains on available-for-sale financial assets	0.9	–
Net realised gains on financial assets at fair value through profit or loss	<u>–</u>	<u>5.1</u>
	<u>0.9</u>	<u>5.1</u>
	<u>(22.2)</u>	<u>41.2</u>

5. FINANCE COSTS

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Interest on		
Bank and other loans wholly repayable within five years	90.6	52.5
Other borrowings wholly repayable within five years	<u>15.5</u>	<u>12.9</u>
	<u>106.1</u>	<u>65.4</u>
Less: Amounts included in the cost of properties held for/under development for sale/construction in progress	<u>(15.5)</u>	<u>(12.8)</u>
	<u>90.6</u>	<u>52.6</u>
Bank loans arrangement fees	<u>26.2</u>	<u>10.6</u>
	<u>116.8</u>	<u>63.2</u>

6. PROFIT BEFORE TAXATION

	2013 HK\$'M	2012 <i>HK\$'M</i>
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	7.9	7.9
Cost of inventories and developed properties recognised as an expense	1,523.5	106.1
Operating lease rentals in respect of land and buildings	60.0	55.1
Staff costs (including directors' remuneration)	676.6	598.5
Release of prepaid lease payments	0.9	1.0
Depreciation		
Owned assets	149.6	152.0
Assets under finance leases	0.3	1.8
	<u>149.9</u>	<u>153.8</u>
Net rental income under operating leases on		
Investment properties	(282.7)	(310.6)
Other properties	(4.3)	(4.4)
Less: Outgoings	35.3	35.0
	<u>(251.7)</u>	<u>(280.0)</u>

7. TAXATION

	2013 HK\$'M	2012 <i>HK\$'M</i>
The taxation charge comprises:		
Hong Kong Profits Tax calculated at 16.5% on the estimated assessable profit for the year	60.3	26.3
Overseas tax calculated at rates prevailing in respective jurisdictions (<i>note a</i>)	66.9	22.6
	<u>127.2</u>	48.9
Deferred taxation for current year (<i>note b</i>)	33.9	12.3
	<u>161.1</u>	<u>61.2</u>

Notes:

(a) The overseas tax charge for the year comprises:

	2013 HK\$'M	2012 <i>HK\$'M</i>
Land Appreciation Tax and Enterprise Income Tax arising from disposal of investment properties in the PRC (“PRC Tax on disposal of investment properties”)	–	2.4
Land Appreciation Tax and Enterprise Income Tax arising from disposal of land in the PRC	11.2	11.3
Other overseas tax	55.7	8.9
	66.9	22.6
Net accumulated taxation charge (credit) to profit or loss arising from disposal of investment properties during the year is as follows:		
PRC Tax on disposal of investment properties	–	2.4
Less: Deferred tax recognised in prior years	–	(2.9)
	–	(0.5)

(b) An analysis of deferred taxation for current year is as follows:

	2013 HK\$'M	2012 <i>HK\$'M</i>
Deferred tax (credit) charge arising during the year in respect of unrealised (loss) gain on fair value change of investment properties	(0.3)	1.0
Deferred tax credit on disposal of investment properties	–	(2.9)
Others	34.2	14.2
	33.9	12.3

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

	2013 HK\$'M	2012 <i>HK\$'M</i>
Interim dividend paid for the financial year ended 31 March 2012 of HK8 cents (2012: Final dividend paid for the financial year ended 31 March 2011 of HK11 cents) per share	108.0	148.5
Interim dividend paid for the interim reporting period for the six months ended 30 September 2012 of HK3 cents per share (2012: for the interim reporting period for the six months ended 30 September 2011: Nil)	<u>40.5</u>	<u>–</u>
	<u>148.5</u>	<u>148.5</u>
No interim dividend declared, after the end of the year, for the financial year ended 31 March 2013 (2012: for the financial year ended 31 March 2012 of HK8 cents per share)	<u>–</u>	<u>108.0</u>
Proposed final dividend for the financial year ended 31 March 2013 of HK5 cents per share (2012: for the financial year ended 31 March 2012: Nil)	<u>67.5</u>	<u>–</u>

9. EARNINGS PER SHARE

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

	2013 HK\$'M	2012 <i>HK\$'M</i>
Earnings		
Earnings for the purpose of calculating the basic earnings per share (profit for the year attributable to owners of the Company)	<u>998.3</u>	<u>747.2</u>
	2013	2012
Number of shares		
Number of ordinary shares in issue during the year for the purpose of calculating the basic earnings per share	<u>1,350,274,367</u>	<u>1,350,274,367</u>

No diluted earnings per share has been presented for the years ended 31 March 2013 and 2012 because there was no potential ordinary share outstanding during the years.

10. TRADE RECEIVABLES

The credit period allowed by the Group to its customers is dependent on the general practice in the industry concerned. For property sales, sales terms vary for each property project and are determined with reference to the prevailing market conditions. Sale of properties are normally completed upon the execution of legally binding, unconditional and irrevocable contracts and the payments are settled in accordance with the terms stated in the contracts. Deferred payment terms are sometimes offered to purchasers at a premium. Property rentals are receivable in advance. Payments for healthcare, clubs and hotel services are receivable on demand. The general credit terms allowed for customers of manufactured goods range from 30 to 90 days.

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

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Not yet due	923.1	17.8
Overdue:		
0 – 60 days	43.9	55.9
61 – 90 days	5.2	4.4
Over 90 days	3.6	4.0
	<u>975.8</u>	<u>82.1</u>

11. TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

Included in trade payables, provision and accrued charges are trade payables of HK\$174.1 million (2012: HK\$191.1 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Not yet due	118.6	132.8
Overdue:		
0 – 60 days	37.7	34.0
61 – 90 days	4.8	5.8
Over 90 days	13.0	18.5
	<u>174.1</u>	<u>191.1</u>

12. SHARE CAPITAL

	2013 & 2012	
	<i>Number of shares</i>	<i>HK\$'M</i>
Ordinary shares of HK\$0.25 each		
Authorised:		
At 1 April 2011, 31 March 2012 and 31 March 2013	<u>2,000,000,000</u>	<u>500.0</u>
Issued and fully paid:		
At 1 April 2011, 31 March 2012 and 31 March 2013	<u>1,350,274,367</u>	<u>337.5</u>

BUSINESS REVIEW

Property Development and Property Investment

We have been developing premium property projects for customers of exquisite taste, while our balanced portfolio of investment properties provides stable rental income.

Hong Kong, Residential Properties in Discovery Bay

In Hong Kong, Discovery Bay remains our most distinctive project and an unique integrated residential development with resort, dining and leisure facilities. Amalfi, Phase 14 of Discovery Bay, is our latest offering and boasts a spectacular sea view. The three mid-rise blocks of Amalfi offer a total gross floor area (“GFA”) of approximately 169,300 square feet in 164 units. The sales launch in October 2012 was met with keen interest with 126 units sold as at 31 March 2013 at an average price of about HK\$10,400 per square foot GFA. Meanwhile, fitting out works of Phase 15 with a total GFA of approximately 187,700 square feet are underway and its sales launch is planned for end 2013.

During the year, the Group was given a number of awards in recognition of our commitment to create a green and sustainable living space, particularly in our development of Discovery Bay. Our Company was awarded the “Green Building Award” in the “Green China Award 2012”. Hong Kong Resort Company Limited, the Group’s subsidiary and developer of Discovery Bay, won the “Best Developer – Urban Design & Master Planning Award” and “Best Developer – Green Development Award” in the “CAPITAL The Best Developer Awards 2012” for the third year in a row and also clinched the “2013 Capital Honor Grand Award – Green Enterprise”.

The Group has a 50% interest in Discovery Bay.

Industrial and/or Commercial Properties

CDW Building in Tsuen Wan recorded an average occupancy rate of 90% during the year. To maximise the potential value of CDW Building, the Group is conducting a preliminary study of converting the building into commercial use under the government’s special waiver for conversion of an entire existing industrial building. Premium for a covered walkway connecting CDW Building and an existing footbridge to the MTR station was settled and construction works are expected to commence in mid-2013.

West Gate Tower in Cheung Sha Wan achieved an average occupancy rate of 95% during the year. The Group is also considering various options to release the full potential of the building in light of the government’s special waiver for conversion of industrial building.

DB Plaza, with its renowned D’Deck, the largest oceanfront alfresco dining hotspot in Hong Kong, achieved a 99% occupancy rate as of 31 March 2013. DB North Plaza, the new social hub in Discovery Bay, provides residents with shopping and dining outlets, offices and an open piazza. Some 50 new office units became available for lease in January 2013. As of 31 March 2013, DB North Plaza achieved an occupancy rate of about 65%. The Group has a 50% interest in DB Plaza and DB North Plaza.

The two-storey commercial centre in Coastal Skyline, Tung Chung was sold at a consideration of about HK\$406.8 million in early 2013. In addition, the 480 residential car parking spaces at Coastal Skyline were placed on the market. As of 31 March 2013, 469 car parking spaces were sold, generating proceeds of about HK\$292.7 million. The remaining car parking spaces were sold subsequent to the year-end. The Group has a 31% interest in Coastal Skyline.

Nos. 2-6 Fui Yiu Kok Street, Tsuen Wan

Demolition, foundation and piling works for the site on Fui Yiu Kok Street, Tsuen Wan were completed and superstructure works are in progress. The site is to be developed into a new industrial building of approximately 93,600 square feet GFA, which is scheduled for completion in 2014.

Kap Pin Long, Sai Kung

The Kap Pin Long site in Sai Kung will be developed into a prestige townhouse with approximately 3,700 square feet GFA. Site formation and foundation works are expected to commence in the third quarter of 2013.

Mainland China, Dazhongli (under construction) in Shanghai

The Dazhongli project in Jingan district of Shanghai is progressing well. It will become the Group's showcase project in Mainland China when it completes by phases until about 2016. With a planned GFA of approximately 323,000 square metres, the Dazhongli project will be a world class mixed-use development comprising two super Grade-A office towers, three luxury hotels and a prime retail mall, attracting the most prestigious corporations, brands and customers. It is expected to become a focal point for business and leisure in Shanghai, as well as an iconic development for the country.

Located at the very heart of Shanghai, the Dazhongli project enjoys excellent connectivity. It is bounded by the main arteries of Shanghai, with close proximity to Four Seasons Hotel and Shanghai TV Building. It will be seamlessly connected with three metro lines and all major transportation hubs in Shanghai (including the two international airports in Pudong and Hongqiao and the high-speed rail station), as well as the freeway network (the Yan An Expressway and North-South Expressway are nearby).

Foundation works for the retail podium, two office towers and one of the hotels were completed. Basement construction is progressing by stages. Superstructure works of the 250-metre-high office tower commenced in March 2013.

The Dazhongli project is jointly owned and developed by the Group and Swire Properties Limited on a 50:50 basis.

Jiaxing City, Zhejiang Province

The residential development in Jiaxing city, Zhejiang province is poised to become another signature project for the Group in the Yangtze River Delta. With a GFA of approximately 82,000 square metres, it will offer around 600 units in mid-rise towers and townhouses. The Group acquired the land use right in June 2012 and the overall master plan and scheme design have been approved. Foundation works have started and superstructure works will commence in July 2013. The whole project is planned for completion in 2016.

The Exchange in Tianjin

The Exchange in Tianjin, in which the Group has a 15% interest, comprises a retail mall, two office towers and a 5-star hotel with a total GFA of over 152,000 square metres. From May to September 2012, the retail mall and its anchor tenant carried out joint upgrading works. During the year, the average occupancy rates of the retail mall, two office towers and the hotel were 94%, 97% and 61% respectively, generating stable rental income.

Thailand, The Sukhothai Residences in Bangkok

The Group's 196-unit ultra-luxury condominium tower in the Bangkok's central business district, The Sukhothai Residences, was completed in April 2012. As at 31 March 2013, over 73% of the 145 sold units in The Sukhothai Residences have completed ownership transfer.

Sathorn Road and Wireless Road, Bangkok

The Group acquired the freehold land on Sathorn Road with a site area of about 5,200 square metres through a jointly controlled entity in 2011. Preliminary project design of the site and application for approvals from the local authorities are underway. Construction and sales of the project are planned for 2014 or later.

The freehold land on Wireless Road with a site area of approximately 12,600 square metres, which the Group acquired through another jointly controlled entity in 2010, is currently in preliminary design and planning stage.

The Group has a 49% interest in both the Sathorn Road and Wireless Road projects.

Japan, Residential and/or Commercial Properties in Tokyo and Hokkaido

Two residential properties located in Tokyo, namely Horizon Place Akasaka (a 94-unit block in Akasaka) and Chelsea Garden (a 17-unit apartment block in Hiroo), achieved occupancy rates of 85% and 77% respectively as at 31 March 2013. During the year, the Group was exploring plans to redevelop Homat Sun (an 18-unit block in Roppongi) into a luxury residential block for strata-title sale to unlock the intrinsic value of the property, which is high given its prime location in the Roppongi area.

In March 2013, the Group acquired the investment interests in Graphio Nishi-Shinjuku Building, a 13-storey office building in Shinjuku-ku, Tokyo as a core investment.

Separately, in August 2012, the Group disposed of DIA Palace Sapporo Higashi Actio, a 39-unit en-bloc residential apartment building in Sapporo, Hokkaido, at a consideration of about JPY650 million (equivalent to approximately HK\$64.4 million), realising a satisfactory investment return.

Except for Chelsea Garden of which the Group has a 20% interest, the rest of the properties in Japan are 100% owned by the Group.

Niseko, Hokkaido

In August 2012, the Group acquired a plot of residential land with a site area of approximately 60,700 square metres in Niseko, Hokkaido, in the vicinity of Niseko Annupuri ski village. The Group is considering various options to maximise the land value of the site.

Save as disclosed above, all property development and property investment projects are 100% owned by the Group.

Services Provided

The Group's subsidiaries provide ferry, land transport, tunnel and property management services in Discovery Bay, which are essential to the daily lives of the residents. Like other businesses in Hong Kong, these operations face challenges arising from serious manpower shortages and rising labour costs. The ferry operation, in particular, has continued to incur losses due to soaring fuel and maintenance costs. Yet it has managed to maintain the highest level of services to passengers. All our subsidiaries will continue to implement measures to control costs and improve service quality and efficiency.

As an integrated resort-style residential project, Discovery Bay boasts four prestigious clubs within a single development, namely Discovery Bay Golf Club, Discovery Bay Marina Club, Discovery Bay Recreation Club and Club Siena. These clubs achieved moderate growth in turnover during the year and they will continue to focus on providing quality services to members and guests by enhancement of facilities and the food and beverage services.

The Group has a 50% interest in such service providers in Discovery Bay.

Hospitality

The Group operates its own hotels in Asia, providing the highest level of services and constantly exceeding customer expectation. The hotels are also regular winners of major industry awards and recognitions.

Hong Kong

The 325-room Auberge Discovery Bay Hong Kong ("Auberge DB") is a proud addition to the Group's hospitality business. Located on the waterfront of Yi Pak in Discovery Bay, Auberge DB soft-opened in March 2013. The deluxe resort hotel offers a stylish yet tranquil retreat just 25 minutes away from the hustle and bustle of Central district. It caters to a wide range of events and customers including wedding banquets, corporate meetings, residential seminars, incentive outings and gala events, corporate groups, airline related business, exhibition attendees and individual international travellers. In particular, its first-of-its-kind wedding pavilion has already attracted many newlyweds.

Thailand

In Bangkok, despite stiff competition with thousands of new rooms added to the market, The Sukhothai benefited from the improved business climate in the absence of any notable natural or political disruptions. During the year, The Sukhothai recorded moderate growth in its occupancy rate to reach 57% while strong turnover in food and beverage helped improve revenue.

The Sukhothai remains at the forefront of acclaimed deluxe hotels in Bangkok. In 2012/2013, the hotel clinched a number of major accolades including the "Luxury City Hotel 2012 in Thailand" in the "World Luxury Hotels Awards" and "TripAdvisor Certificate of Excellence 2012 with 4.5-Star Rating".

A hospitality outlet was sold during the year. In June 2012, the Group disposed of the Siri Sathorn serviced residences in Bangkok at a consideration of THB700 million (about HK\$172.2 million), again realising a satisfactory return.

Singapore

Although the tourist arrivals in Singapore reached another record high in 2012 at 14.4 million, the number of hotel rooms also increased. Despite intense competition, The Sentosa Resort & Spa recorded improved occupancy at 73% and increased turnover.

The Sentosa Resort & Spa, with its outstanding services, was named one of the “Top 25 Luxury Hotels in Singapore” in “TripAdvisor Travellers’ Choice 2013” and received “TripAdvisor Certificate of Excellence 2012 with 4-Star Rating”.

Except for Auberge DB, in which the Group has a 50% interest, the rest of the Group’s hospitality outlets are 100% owned by the Group.

Healthcare

GenRx Holdings Limited (“GenRx”), the Group’s wholly-owned subsidiary, operates a comprehensive healthcare service network comprising diabetic and cardiovascular centres, cancer centres, imaging centres, dental centres, Chinese medicine centres and multi-specialty outpatient centres located in Hong Kong, Macau and Manila. During the year, GenRx recorded improvement in its bottom line through restructuring, business streamlining and cost containment. A new flagship dental centre and a Chinese medicine centre cum dental centre were added to its network in Hong Kong in March and April 2013 respectively.

Except for dental centres and diabetic and cardiovascular centres that involve third parties’ interests of 43% and 20% respectively, other businesses under GenRx are 100% owned by the Group.

Manufacturing

Business of the Group’s sanitaryware manufacturing business, Imperial Bathroom Products Hong Kong Limited (“Imperial”), faced challenges during the year. Its Australian market and some of the Pacific Rim markets contracted due to a vast supply of low priced Chinese products. In response to this challenge, Imperial continued to reduce operating costs and enhance efficiency.

Meanwhile, the closure of its PRC plant is underway and the manufacturing processes are being shifted to the UK plant in Middlewich, Cheshire, which was acquired by the Group in November 2011. Ongoing demand for OEM service from European and US based market players makes the outlook for this facility promising and a positive contribution is expected by 2013. The facility received “Silver Award” in the “RoSPA Occupational Health and Safety Awards 2013” organised by the Royal Society for the Prevention of Accidents, UK, in recognition of the high standards of its health and safety management system and its commitment to accident and ill health prevention.

HUMAN RESOURCES

As at 31 March 2013, the Group had a total of 3,220 employees in Hong Kong, Mainland China and overseas.

We are committed to nurture our human capital and believe that good employee communications and engagement are indispensable to a cohesive company. Launched for the first time is the PRI²DE Outstanding Employee Awards, which recognises outstanding achievers and promotes the corporate values, PRI²DE (i.e. **P**ioneer, **R**espect, **I**nnovation, **I**ntegrity, **D**evotion and **E**xcellence). To further promote staff communications, a quarterly staff e-Newsletter, *i-Pri²de*, is published to share business updates, staff news and other useful information with colleagues. In addition to staff relations activities such as annual dinner and annual outings, workshops on light-hearted topics and over 250 man-hours of health talks were organised. Monthly HR Tips are emailed to all staff on topics of immediate interest.

During the year, we improved employee benefits with enhanced medical and dental scheme coverage and extended company sponsorship of club memberships. We are also reviewing HR policies by phases to ensure that they remain relevant and adequate.

We have also stepped up efforts in regard to talent acquisition, upgrading incentives for our Employee Referral Program and actively participating in recruitment fairs. Ongoing investments were made in senior executive education, middle-management competency-based training, and learning curriculum enrichment for general staff.

The Group also devoted ample resources to an advanced HR Information System to further enhance the efficiency of our human resources management. A pilot run has already been launched in one of the Group's subsidiaries.

INFORMATION TECHNOLOGY

In addition to improving staff benefits, we seek to continuously raise staff efficiency and competitiveness through the introduction of latest information technology infrastructure and application systems, including developing business intelligence software and eLearning with webcasting systems. The Group has also acquired an integrated Enterprise Social Networking platform, which will help staff members engage with experts in the context of critical business processes, sharing of business knowledge, experience and intelligence through the internet with mobile support. "DB Transport", a free mobile application, was launched during the year to provide the public with the latest alerts and information regarding Discovery Bay transportation.

CORPORATE SOCIAL RESPONSIBILITY

During the year, the Group continued to drive diversified volunteer and sponsorship programmes to contribute to society, and to strengthen colleagues' sense of belonging.

HKR Care & Share, the Group's corporate volunteer team, partnered with T.W.G.Hs Residential Child Care Services and St. James' Settlement to organise a number of volunteer activities such as a mid-autumn party for elderly people with dementia, a Ngong Ping tour for underprivileged children, and home visits to single elderly people in Wanchai.

To support arts and culture development in Hong Kong, the Group sponsored the performance "La Traviata" given by the San Carlo Theatre, Naples in March 2013 at the 41st Hong Kong Arts Festival. We also sponsored "The Bounty cruise" as a prize to help raise funds for the Hong Kong Society for the Protection of Children.

In recognition of the Group's continuous efforts in serving the community, the Hong Kong Council of Social Service awarded the Group the "Caring Company" logo for the eighth consecutive year. The Social Welfare Department also presented the "Gold Award for Volunteer Service" to the Group.

PROSPECTS

The US economy has shown signs of recovery with improved unemployment figures, a reviving property market, and new highs in the US stock markets. Asia continues its growth path supported by relatively strong fundamentals, but Europe's recession-bound economies remain a cause for concern.

In Hong Kong, after several rounds of tightening measures in the property market, transaction volume has contracted. But the low interest rate environment, strong end-user demand and limited flat supply are expected to support property prices.

The Group also has confidence in the Asian economies overall. We will continue to adopt a proactive yet cautious approach in optimising our asset portfolio and pursuing business expansion. Property development and property investment will remain our core business and development projects in Hong Kong, Mainland China and other markets will progress as planned. We expect them to generate good returns for the Group in the years to come.

The new Auberge DB made a good start with encouraging occupancy and booking rates in the first few months of operation. We believe that our hospitality business in Asia will benefit from the thriving tourism industry in the region and we shall maintain our service excellence and unique offerings.

GenRx will also look to strengthen its presence in existing markets, particularly in the Philippines, where it has developed the well-known "Healthway Medical" brand. GenRx will also explore other new markets with a view of capturing the vast potentials and opportunities in Asia.

As always, to achieve sustainable growth and create maximum value for our shareholders, the Group will adhere to the principles of prudent financial management and diversified business development while maintaining flexibility to cope with the ever changing business and economic environment.

FINANCIAL REVIEW

Shareholders' Funds

As at 31 March 2013, the shareholders' funds of the Group increased by HK\$1,002.1 million to HK\$15,497.9 million (2012: HK\$14,495.8 million). The increase was mainly due to an upward fair value revaluation of investment properties, disposal of certain investment properties and profit contribution from operating units. The overall gross profit margin for the Group was 27.0% (2012: 28.2%).

Major Cash Flows to/from Investing Activities

During the year, the Group continued to capitalise one of its major development projects located in Jingan, Shanghai, the PRC, in which the Group holds 50% equity interest, for HK\$62.2 million.

In Japan, the Group acquired the investment interests in an office building located in Tokyo for a total consideration of HK\$284.8 million, for which the Group had paid a deposit of HK\$84.6 million on 28 March 2013. The Group also acquired the land use right of a piece of land in Jiaxing city, Zhejiang province, the PRC for a consideration of HK\$229.0 million.

On the other hand, the disposals of the investment properties in Thailand and Japan and certain residential investment properties in Hong Kong have contributed HK\$322.5 million of cash to the Group during the year.

Major Cash Flows from Operating Activities

During the year, the sale of residential units of Amalfi in Discovery Bay, Hong Kong and units of The Sukhothai Residences in Bangkok, Thailand contributed approximately HK\$243.3 million and HK\$848.8 million of cash to the Group respectively.

In addition, a piece of plant land in the PRC was sold and brought HK\$132.0 million to the Group.

All the investment properties of the Group generated approximately HK\$195.1 million operating cash during the year.

Financial Liquidity

As at 31 March 2013, the Group had total cash and securities investment of HK\$3,090.1 million (2012: HK\$2,927.7 million) whilst total bank borrowings and other loans were HK\$4,460.7 million (2012: HK\$4,412.8 million). The major changes in bank borrowings and other loans were reflected in the acquisitions located in Japan.

Immediately after the end of the financial year, the Group successfully issued HK\$560 million 7-year unlisted notes in early April 2013 and subsequently established a US\$1 billion medium term note programme (“MTN Programme”) with listing status on the Stock Exchange. A total of HK\$238 million 7-year unlisted notes had been issued under the MTN Programme as of today.

Gearing

The Group’s gearing ratio maintained at a low level of 10.8% (2012: 12.3%) as calculated by the Group’s consolidated net borrowings to the shareholders’ funds as at 31 March 2013.

Banking Facilities and Other Loans

The Group closely monitors its liquidity requirements and arranges refinancing of the Group’s borrowings as and when appropriate. During the year, a 3-year HK\$5.0 billion syndicated loan was obtained to refinance the previous HK\$2.5 billion syndicated loan upon its maturity in September 2012 and to provide working capital loan facility to the Group. The Group had also procured certain banking facilities which provide the Group with strong financing flexibility. As at 31 March 2013, the unutilised credit facilities were approximately HK\$3,739.5 million (2012: HK\$2,207.5 million) which increased by HK\$1,532.0 million.

With the above bank financing, adding cash and securities investment in hand and continuous cash inflow from property sales and recurrent income, the Group’s liquidity position remains strong and the Group has ample financial resources to satisfy its funding requirement for development projects and operations.

The maturity profile of bank borrowings and other loans were 22.2% (2012: 84.0%) falling within one year, 16.2% (2012: 4.9%) falling between one to two years, and 61.6% (2012: 11.1%) falling between two and five years as at 31 March 2013.

Treasury Policy

The Group has centralised treasury functions and adopted a conservative approach for its treasury management. With majority of assets and liabilities denominated in HK dollars and US dollars, the Group has limited exposure to foreign currencies. To manage foreign currency exposure in certain investments overseas, the Group has maintained naturally hedged positions and made currency swap arrangements as appropriate. The Group's banking facilities are principally on floating rate basis and interest rate swaps will be employed to manage interest rate risk for its short to medium term borrowings when appropriate and necessary.

It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

Pledge of Assets

As at 31 March 2013, certain subsidiaries of the Group had pledged bank deposits of HK\$2.8 million (2012: HK\$3.1 million) to secure banking facilities granted to that certain subsidiaries.

In addition, a fixed and floating charge was created over the assets and undertaking of one of the Group's subsidiaries (total asset value as at 31 March 2013 was HK\$66.2 million (2012: HK\$72.9 million)) to secure a banking facility being granted.

A subsidiary of the Group had subordinated the inter-company debt of HK\$40.4 million as at 31 March 2013 (2012: HK\$666.8 million) to secure banking facilities being granted.

Contingent Liabilities

The Group's contingent liabilities relating to a corporate guarantee given, to the extent of the Group's proportionate share, in respect of banking facility granted to an investee company, increased by HK\$2.3 million to HK\$168.8 million as at 31 March 2013 (2012: HK\$166.5 million).

Save as disclosed above, the Group did not have other contingent liabilities as at 31 March 2013.

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

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

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules on the Stock Exchange during the year ended 31 March 2013, except for certain deviations from the code provisions A.4.1 (non-executive directors ("NEDs") should be appointed for a specific term), A.6.7 (NEDs including independent non-executive directors should regularly attend and actively participate in board meetings (including committee meetings) and attend general meetings, C.1.2 (management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail) and E.1.2 (chairman of the board

should attend annual general meeting). Since the publication of the Company's interim report for the six months ended 30 September 2012, there has been no other deviation from the CG Code. The considered reasons for deviations and details of the Company's compliance with the CG Code are to be set out in the corporate governance report contained in the 2012/2013 annual report of the Company to be published shortly.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The final results of the Group for the year ended 31 March 2013 have been reviewed by the audit committee of the Company. In addition, the figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2013 as set out in this announcement have been agreed by the Group's auditor to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2013.

By order of the Board
HKR International Limited
CHA Mou Zing Victor
Deputy Chairman & Managing Director

Hong Kong, 26 June 2013

As at the date of this announcement, the Board comprises:

Chairman

Mr CHA Mou Sing Payson

Deputy Chairman & Managing Director

Mr CHA Mou Zing Victor

Executive Directors

Mr CHA Yiu Chung Benjamin

Mr CHUNG Sam Tin Abraham

Mr TANG Moon Wah

Non-executive Directors

The Honourable Ronald Joseph ARCULLI

Mr CHA Mou Daid Johnson

Ms WONG CHA May Lung Madeline

Independent Non-executive Directors

Dr CHENG Kar Shun Henry

Dr CHEUNG Kin Tung Marvin

Mr CHEUNG Wing Lam Linus

Ms HO Pak Ching Loretta

Dr QIN Xiao

* *Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong*