Sundart

SUNDART INTERNATIONAL HOLDINGS LIMITED
承達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2288)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2012

FINANCIAL HIGHLIGHTS

	2012	2011	Change
	(Audited)	(Audited)	
RESULTS			
Revenue (HK$ million)	**1,660**	1,362	21.9%
Gross profit (HK$ million)	**227**	251	-9.6%
Gross profit margin	**13.7%**	18.4%	-25.5%
Profit attributable to owners of the Company (HK$ million)	**110**	141	-22.0%
FINANCIAL INFORMATION PER SHARE			
Earnings – basic (HK cents)	**23**	29	-20.7%
Net assets (HK$) (Net assets/number of issued ordinary shares of the Company as at year end)	**2.01**	1.79	12.3%

BANK BALANCES AND CASH

As at 31 March 2012, the Group had bank balances and cash of HK$371 million.

FINAL DIVIDEND

A final dividend of HK6.5 cents per share with an aggregate amount of HK$31,034,055 has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

The board of directors (the "Board") of Sundart International Holdings Limited承達國際控股有限公司(the "Company") hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "Group" or "Sundart") for the year ended 31 March 2012 together with the comparative figures for the year ended 31 March 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	NOTES	**2012** *HK$'000*	2011 *HK$'000*
Revenue	*3*	**1,659,859**	1,362,278
Cost of sales		**(1,432,605)**	(1,111,434)
Gross profit		**227,254**	250,844
Other income, other gains and losses	*5*	**5,672**	587
Loss on disposal of subsidiaries		**(1,356)**	–
Selling expenses		**(8,136)**	(4,936)
Administrative expenses		**(87,402)**	(68,235)
Other service costs		**(3,733)**	(9,333)
Other expenses		**(3,225)**	(868)
Share of profit of an associate		**2,320**	193
Finance costs	*6*	**(2,604)**	(937)
Profit before taxation		**128,790**	167,315
Income tax expense	*7*	**(19,225)**	(26,100)
Profit for the year	*8*	**109,565**	141,215
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**4,705**	2,777
Reclassification of exchange difference to profit or loss upon disposal of subsidiaries and a jointly controlled entity		**6**	–
Share of translation reserve of an associate		**234**	83
Fair value gain on available-for-sale investment	*11*	**–**	3,151
Gain on revaluation of property upon transfer to investment property		**1,720**	–
Deferred taxation arising on revaluation of property upon transfer to investment property		**(478)**	–
Other comprehensive income for the year		**6,187**	6,011
Total comprehensive income for the year		**115,752**	147,226

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 March 2012

	NOTES	**2012**	2011
		HK$'000	*HK$'000*
Profit (loss) for the year attributable to:			
Owners of the Company		**109,602**	141,215
Non-controlling interests		**(37)**	–
		109,565	141,215
Total comprehensive income (expense) attributable to:			
Owners of the Company		**115,789**	147,226
Non-controlling interests		**(37)**	–
		115,752	147,226
Earnings per share			
Basic (HK cents)	*10*	**23**	29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

		2012	2011
	NOTES	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**27,787**	27,690
Investment property		**6,785**	–
Goodwill		**1,510**	1,510
Other intangible assets		**15,976**	21,264
Interest in an associate		**23,601**	21,047
Available-for-sale investment	*11*	**15,611**	15,023
		91,270	86,534
Current assets			
Properties under development for sale	*12*	**781,355**	336,472
Inventories		**35,901**	40,249
Amount due from a related company	*13*	**2,100**	–
Trade and other receivables	*14*	**210,299**	234,017
Bills receivable	*14*	**1,508**	15,805
Amounts due from customers for contract work		**379,385**	272,592
Retentions receivable	*14*	**129,002**	131,963
Tax recoverable		**3,465**	2,652
Bank balances and cash		**370,771**	434,307
		1,913,786	1,468,057
Current liabilities			
Trade and other payables	*15*	**346,813**	283,227
Amount due to a jointly controlled entity		**–**	5,346
Amounts due to customers for contract work		**13,768**	10,552
Tax payable		**25,064**	26,640
Bank borrowings	*16*	**63,880**	123,123
		449,525	448,888
Net current assets		**1,464,261**	1,019,169
Total assets less current liabilities		**1,555,531**	1,105,703

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 March 2012

	NOTES	**2012** *HK$'000*	2011 *HK$'000*
Capital and reserves			
Share capital		**4,774**	4,800
Reserves		**945,804**	856,531
Equity attributable to owners of the Company		**950,578**	861,331
Non-controlling interests		**8,096**	–
Total equity		**958,674**	861,331
Non-current liabilities			
Bank borrowings	*16*	**497,623**	243,973
Amounts due to non-controlling shareholders		**98,212**	–
Deferred taxation		**1,022**	399
		596,857	244,372
		1,555,531	1,105,703

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 21 August 2009. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 25th Floor, Millennium City 3, 370 Kwun Tong Road, Kowloon, Hong Kong respectively.

The Company acts as an investment holding company and provides corporate management services.

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 the following new and revised HKFRs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised 2009)	Related party disclosures
Amendments to HK(IFRIC) – INT 14	Prepayments of a minimum funding requirement
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments

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

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle[2]
Amendments to HKFRS 1	Severe hyperinflation and removal of fixed dates for first-time adopters[1]
Amendments to HKFRS 1	Government loans[2]
Amendments to HKFRS 7	Disclosures – Transfers of financial assets[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[5]
Amendments to HKAS 12	Deferred tax – Recovery of underlying assets[4]
HKAS 19 (Revised 2011)	Employee benefits[2]
HKAS 27 (Revised 2011)	Separate financial statements[2]
HKAS 28 (Revised 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[6]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[2]

[1] Effective for accounting periods beginning on or after 1 July 2011.
[2] Effective for accounting periods beginning on or after 1 January 2013.
[3] Effective for accounting periods beginning on or after 1 January 2015.
[4] Effective for accounting periods beginning on or after 1 January 2012.
[5] Effective for accounting periods beginning on or after 1 July 2012.
[6] Effective for accounting periods beginning on or after 1 January 2014.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) – INT 12 "Consolidation – Special purpose entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in joint ventures" and HK(SIC) – INT 13 "Jointly controlled entities – Non-monetary contributions by venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements.

In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The Group has applied proportionate accounting to its interests in jointly controlled entities.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. Since the jointly controlled entities using proportionate consolidation were disposed of during the current year, the application of HKFRS 11 may not impact on amounts reported in the consolidated financial statements. However, these standards will result in more extensive disclosures.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad and it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new standard may affect the amounts reported in the Group's consolidated financial statements, including investment property, and result in more extensive disclosures about fair value measurements in the Group's consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The directors anticipate that the amendments to HKAS 1 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. Upon adoption, the presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKAS 12 Deferred tax – Recovery of underlying assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the amendments to HKAS 12 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2012 and are in the process of performing a detailed analysis of the impact of the application of this standard and hence have not yet quantified the extent of this impact.

Other than as described above, the directors anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE

Revenue represents the net amounts received and receivable for fitting-out works rendered and manufacturing, sourcing and distribution of interior decorative materials by the Group to outside customers, net of discounts.

An analysis of the Group's revenue for the year is as follows:

	2012	2011
	HK$'000	*HK$'000*
Contract revenue from fitting-out works	**1,578,186**	1,305,729
Manufacturing, sourcing and distribution of interior decorative materials	**81,673**	56,549
	1,659,859	1,362,278

4. SEGMENT INFORMATION

The Company's executive directors are the chief operating decision makers. Information reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on three principal business activities in three locations.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

(a) Fitting-out works in Hong Kong;

(b) Fitting-out works in Macau;

(c) Fitting-out works in the People's Republic of China (the "PRC");

(d) Manufacturing, sourcing and distribution of interior decorative materials; and

(e) Property development.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2012

	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Manufacturing, sourcing and distribution of interior decorative materials	Property development	Segment total	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue								
External revenue	864,949	625,601	87,636	81,673	–	1,659,859	–	1,659,859
Inter-segment revenue	–	–	–	90,772	–	90,772	(90,772)	–
Segment revenue	864,949	625,601	87,636	172,445	–	1,750,631	(90,772)	1,659,859

Inter-segment revenue is charged at prevailing market rates.

Segment profit (loss)	47,486	113,558	(267)	(3,973)	(110)	156,694	–	156,694
Corporate expenses								(30,928)
Corporate income								4,664
Share of profit of an associate								2,320
Loss on disposal of subsidiaries								(1,356)
Finance costs								(2,604)
Profit before taxation								128,790

For the year ended 31 March 2011

	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Manufacturing, sourcing and distribution of interior decorative materials	Property development	Segment total	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue								
External revenue	485,222	786,558	33,949	56,549	–	1,362,278	–	1,362,278
Inter-segment revenue	–	–	–	61,180	–	61,180	(61,180)	–
Segment revenue	485,222	786,558	33,949	117,729	–	1,423,458	(61,180)	1,362,278

Inter-segment revenue is charged at prevailing market rates.

Segment profit (loss)	74,620	128,244	(2,508)	1,933	–	202,289	–	202,289
Corporate expenses								(35,222)
Corporate income								992
Share of profit of an associate								193
Finance costs								(937)
Profit before taxation								167,315

Segment profit (loss) represents the profit earned by (loss from) each segment, excluding income and expenses of the corporate function, including certain other income, certain administrative expenses, other service costs, certain other expenses, share of profit of an associate, loss on disposal of subsidiaries and finance costs. This is the measure reported to the Company's executive directors for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2012	2011
	HK$'000	*HK$'000*
Segment assets		
Fitting-out works in Hong Kong	**399,879**	344,880
Fitting-out works in Macau	**208,136**	267,259
Fitting-out works in the PRC	**75,505**	20,916
Manufacturing, sourcing and distribution of interior decorative materials	**112,867**	105,899
Property development	**781,355**	336,472
Total segment assets	**1,577,742**	1,075,426
Unallocated corporate assets		
– Property, plant and equipment	**2,268**	2,716
– Investment property	**6,785**	–
– Interest in an associate	**23,601**	21,047
– Available-for-sale investment	**15,611**	15,023
– Other receivables	**4,813**	3,420
– Tax recoverable	**3,465**	2,652
– Banks balances and cash	**370,771**	434,307
Total consolidated assets of the Group	**2,005,056**	1,554,591
Segment liabilities		
Fitting-out works in Hong Kong	**162,654**	122,521
Fitting-out works in Macau	**65,060**	121,376
Fitting-out works in the PRC	**24,111**	13,620
Manufacturing, sourcing and distribution of interior decorative materials	**86,060**	31,037
Property development	**555,742**	190,603
Total segment liabilities	**893,627**	479,157
Unallocated corporate liabilities		
– Other payables	**1,701**	3,622
– Amount due to a jointly controlled entity	**–**	5,346
– Tax payable	**25,064**	26,640
– Bank borrowings	**124,968**	178,096
– Deferred taxation	**1,022**	399
Total consolidated liabilities of the Group	**1,046,382**	693,260

For the purposes of monitoring segment performances and allocating resources between segments:

All assets are allocated to operating segments other than certain property, plant and equipment, investment property, interest in an associate, available-for-sale investment, certain other receivables, tax recoverable and bank balances and cash.

All liabilities are allocated to operating segments other than certain other payables, amount due to a jointly controlled entity, tax payable, certain bank borrowings and deferred taxation.

Other segment information

For the year ended 31 March 2012

	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Manufacturing, sourcing and distribution of interior decorative materials	Segment total	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment results or segment assets:							
Additions of property, plant and equipment	–	8	1,521	10,858	12,387	878	13,265
Depreciation of property, plant and equipment	259	16	844	6,951	8,070	996	9,066
Amortisation of other intangible assets	3,600	–	–	1,688	5,288	–	5,288
Allowance for inventories	–	–	–	619	619	–	619
Loss on disposal of property, plant and equipment	–	2	1	74	77	329	406

For the year ended 31 March 2011

	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Manufacturing, sourcing and distribution of interior decorative materials	Segment total	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment results or segment assets:							
Additions of property, plant and equipment	196	10	800	20,929	21,935	2,630	24,565
Additions of other intangible assets	18,000	–	–	–	18,000	–	18,000
Depreciation of property, plant and equipment	342	1,528	458	1,159	3,487	434	3,921
Amortisation of other intangible assets	1,800	–	–	1,688	3,488	–	3,488
Allowance for inventories	–	–	–	982	982	–	982
Loss on disposal of property, plant and equipment	–	297	46	–	343	7	350

Geographical information

The Group's operations are located in Hong Kong, Macau, the PRC and others.

The management has categorised the revenue by location of customers as follows:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**867,751**	486,831
Macau	**659,675**	789,965
The PRC	**90,600**	34,093
Qatar	**23,723**	50,032
United States of America	**8,013**	733
Others	**10,097**	624
	1,659,859	1,362,278

The Group's information about its non-current assets by geographical location of the assets (for property, plant and equipment and investment property) or by the location of the related operations (for goodwill, other intangible assets and interest in an associate) are detailed below:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**19,561**	25,230
Macau	**10**	20
The PRC	**56,088**	45,918
Qatar	**–**	343
	75,659	71,511

Note: Non-current assets excluded financial instruments.

All non-current assets of the Group are located in the respective group entity's country of domicile.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2012	2011
	HK$'000	*HK$'000*
Customer A *(Note 1)*	**192,242**	670,856
Customer B *(Note 2)*	**171,303**	274,240
Customer C *(Notes 1, 3)*	**212,972**	N/A
Customer D *(Notes 1, 3)*	**207,888**	N/A
Customer E *(Notes 2, 3)*	**194,042**	N/A

Notes:

(1) The revenue was from fitting-out works in Macau.

(2) The revenue was from fitting-out works in Hong Kong.

(3) The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2011.

5. OTHER INCOME, OTHER GAINS AND LOSSES

	2012	2011
	HK$'000	*HK$'000*
Other income		
Interest income	**785**	1,027
Management fee income	**3,712**	–
Rental income	**361**	–
Others	**490**	540
	5,348	1,567
Other gains and losses		
Net foreign exchange gains (losses)	**237**	(630)
Gain on fair value change of investment property	**493**	–
Loss on disposal of property, plant and equipment	**(406)**	(350)
	324	(980)
	5,672	587

6. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**9,463**	937
Bank borrowings not wholly repayable within five years	**–**	619
Imputed interest expense on the shareholder's loan from non-controlling shareholders	**2,246**	–
Total interest	**11,709**	1,556
Less: Amounts capitalised *(Note)*	**(9,105)**	(619)
	2,604	937

Note: Interest capitalised in properties under development for sale during the year is arisen on the specific bank borrowings and the shareholder's loan from non-controlling shareholders granted to the Group.

7. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**4,600**	9,583
Macau Complementary Tax	**14,846**	16,830
PRC Enterprise Income Tax	**83**	9
	19,529	26,422
(Over)underprovision in prior years		
Hong Kong Profits Tax	**(239)**	(165)
Macau Complementary Tax	**(228)**	(170)
PRC Enterprise Income Tax	**42**	–
	(425)	(335)
Deferred taxation		
Current year	**121**	13
	19,225	26,100

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

Macau Complementary Tax is calculated at the progressive rates from 9% to 12% of the estimated assessable profits 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.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	2012	2011
	HK$'000	*HK$'000*
Profit before taxation	**128,790**	167,315
Tax at the weighted average tax rate *(Note)*	**16,107**	20,504
Tax effect of share of profit of an associate	**(383)**	(32)
Tax effect of expenses not deductible for tax purpose	**3,497**	2,418
Tax effect of income not taxable for tax purpose	**(94)**	(46)
Overprovision in respect of prior years	**(425)**	(335)
Tax effect of tax losses not recognised	**693**	3,634
Utilisation of tax losses previously not recognised	**(251)**	–
Others	**81**	(43)
Income tax for the year	**19,225**	26,100

Note: The weighted average applicable tax rate for different jurisdictions for the year ended 31 March 2012 is approximately 13% (2011: 12%). The weighted average applicable tax rate represents the weighted average tax rate in different jurisdictions in which the Group operates and is calculated on the basis of the profit or loss before taxation arising in these jurisdictions and on the statutory rates applicable.

8. PROFIT FOR THE YEAR

	2012	2011
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,980**	1,944
Depreciation of property, plant and equipment	**9,066**	3,921
Amortisation of other intangible assets	**5,288**	3,488
Total depreciation and amortisation	**14,354**	7,409
Cost of inventories recognised as expense	**66,471**	43,949
Allowance for inventories (included in cost of sales)	**619**	982
Contract costs recognised as expense	**1,365,515**	1,066,503
Gross rental income from investment property	**361**	–
Less: Direct operating expenses from investment property that generated rental income during the year	**(21)**	–
	340	–
Operating lease payments in respect of rented properties	**12,017**	8,594
Staff costs		
Gross staff costs (including directors' emoluments)	**164,271**	114,522
Other service costs	**3,733**	9,333
Less: Staff costs capitalised to contract costs	**(94,151)**	(67,850)
	73,853	56,005

9. DIVIDENDS

Year ended 31 March 2012

Pursuant to the annual general meeting of the Company held on 19 August 2011, a final dividend of HK8.5 cents per share amounting to HK$40,800,000 in total for the year ended 31 March 2011, was approved by the shareholders of the Company and distributed to the shareholders on 11 October 2011.

Pursuant to the directors' meeting of the Company held on 21 November 2011, an interim dividend of HK5.0 cents per share amounting to approximately HK$23,872,000 in total had been declared and distributed to the shareholders on 5 January 2012.

A final dividend of HK6.5 cents per share in respect of the year ended 31 March 2012 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

Year ended 31 March 2011

Pursuant to the annual general meeting of the Company held on 16 September 2010, a final dividend of HK9.5 cents per share amounting to HK$45,600,000 in total for the year ended 31 March 2010, was approved by the shareholders of the Company and distributed to the shareholders on 21 September 2010.

Pursuant to the directors' meeting of the Company held on 24 November 2010, an interim dividend of HK6.5 cents per share amounting to HK$31,200,000 in total had been declared and distributed to the shareholders on 22 February 2011.

10. EARNINGS PER SHARE

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

Earnings

	2012	2011
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share		
Profit for the year attributable to owners of the Company	**109,602**	141,215

Number of shares

	2012	2011
Weighted average number of ordinary shares for the purpose of basic earnings per share	**478,704,670**	480,000,000

No diluted earnings per share information has been presented as there were no potential ordinary shares outstanding for both years.

11. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment comprises:

	2012	2011
	HK$'000	*HK$'000*
Unlisted fund equity investment in the PRC measured at fair value	**15,611**	15,023

The above unlisted fund investment represents investment in a fund in the PRC. The fund principally invests in real estate market in the PRC. The cost was approximately HK$11,872,000 and the fair value gain of approximately HK$3,151,000 was recognised in other comprehensive income during the year ended 31 March 2011. No fair value change was recognised for the year ended 31 March 2012. The investment was disposed of subsequent to the end of the reporting period, at a price approximate to its carrying amount at 31 March 2012.

12. PROPERTIES UNDER DEVELOPMENT FOR SALE

	HK$'000
At cost	
At 1 April 2010	–
Additions during the year	336,472
At 31 March 2011	336,472
Additions during the year	444,883
At 31 March 2012	781,355

As at 31 March 2012 and 2011, the properties under development for sale were expected to be realised after twelve months from the end of the reporting period, were situated in Hong Kong under medium term lease and were pledged to secure bank borrowings granted to the Group.

13. AMOUNT DUE FROM A RELATED COMPANY

	2012	2011
	HK$'000	*HK$'000*
Trade receivable:		
– Giant World Corporation Limited ("Giant World") *(Note)*	**2,100**	–

Note: This is a company in which Mr. Chan William has beneficial interest that gives him significant influence over this company.

The Group allows a credit period of 30 days to its trade receivables due from a related company. The amount is unsecured, interest free and repayable within credit period granted.

As at 31 March 2012, the trade receivable due from a related company of HK$2,100,000 is aged over 90 days and past due at the end of the reporting period for which the Group has not provided for impairment loss and the amount is settled subsequent to the end of reporting period. The Group does not hold any collateral over this balance.

14. OTHER FINANCIAL ASSETS

Trade and other receivables and retentions receivable at the end of the reporting period comprise receivables from third parties as follows:

Trade and other receivables

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**143,202**	165,896
Other receivables, prepayments and deposits	**67,097**	68,121
	210,299	234,017

Trade receivables

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables presented based on invoice date at the end of the reporting period:

	2012	2011
	HK$'000	*HK$'000*
1 – 30 days	**109,910**	90,018
31 – 60 days	**26,035**	59,564
61 – 90 days	**1,704**	4,824
Over 90 days	**5,553**	11,490
	143,202	165,896

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the existing customers is reviewed by the Group regularly.

As at 31 March 2012, included in the Group's trade receivable balances are receivables with an aggregate carrying amount of approximately HK$21,653,000 (2011: HK$41,596,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss as these balances were either subsequently settled or there has not been a significant change in credit quality and the amounts are still considered recoverable. Accordingly, the directors believe that no impairment is required. The Group does not hold any collateral over these balances.

Ageing of trade receivables which were past due but not impaired:

	2012	2011
	HK$'000	*HK$'000*
Overdue		
1 – 30 days	**15,155**	31,202
31 – 60 days	**3,001**	2,489
61 – 90 days	**91**	1,839
Over 90 days	**3,406**	6,066
	21,653	41,596

Other receivables

Other receivables comprise receivables from third parties and deposits paid to suppliers and are unsecured, interest free and recoverable within one year. All balances were neither past due nor impaired as at 31 March 2012 and 2011.

Bills receivable

All bills receivable are aged within 90 days.

Retentions receivable

	2012	2011
	HK$'000	*HK$'000*
Retentions receivable which:		
– will be recovered within twelve months	**77,782**	105,209
– will be recovered more than twelve months after the end of the reporting period	**51,220**	26,754
	129,002	131,963

15. OTHER FINANCIAL LIABILITIES

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The average credit period taken for trade purchase is 30 days.

	2012	2011
	HK$'000	*HK$'000*
Trade and other payables		
Contract creditors and suppliers	**166,169**	178,004
Retentions payable	**73,400**	64,470
	239,569	242,474
Other payables	**25,415**	27,152
Trade and other payables classified as financial liabilities	**264,984**	269,626
Non-financial liabilities		
Advances received from customers	**73,890**	6,189
Other non-financial liabilities	**7,939**	7,412
Total	**346,813**	283,227

As at 31 March 2012, retentions payable of approximately HK$27,623,000 (2011: HK$13,313,000) are expected to be paid after one year.

The aged analysis of contract creditors and suppliers is stated based on invoice date as follows:

	2012	2011
	HK$'000	*HK$'000*
Trade payables:		
1 – 30 days	**142,537**	159,123
31 – 60 days	**12,761**	10,758
61 – 90 days	**1,352**	2,292
Over 90 days	**9,519**	5,831
	166,169	178,004

16. BANK BORROWINGS

	2012	2011
	HK$'000	*HK$'000*
Secured bank borrowings	**436,535**	189,000
Unsecured bank borrowings	**124,968**	178,096
	561,503	367,096
Carrying amount repayable:		
Within one year	**63,880**	123,123
More than one year, but not exceeding two years	**458,771**	60,035
More than two years, but not more than five years	**38,852**	174,488
More than five years	**–**	9,450
	561,503	367,096
Less: Amounts due within one year shown under current liabilities	**(63,880)**	(123,123)
Amounts shown under non-current liabilities	**497,623**	243,973

17. DISPOSAL OF SUBSIDIARIES

On 31 August 2011, the Group entered into an agreement with Mr. Leung Kai Ming ("Mr. Leung"), an executive director and chief operating officer of the Company, to dispose of the entire issued share capital of Sundart Development Limited, which held the entire equity interest in Sundart Investments (Middle East) Limited ("Sundart Middle East") and 47% equity interest in Sundart Interior Contracting (Middle East) L.L.C. ("Sundart Interior") (collectively refer to as the "Disposal Group"), for a cash consideration of HK$4,400,000 after taking into account the waiver of loans of HK$11,124,000 advanced by the Group to the Disposal Group.

The disposal was completed on 31 August 2011 and control of the Disposal Group was passed to Mr. Leung. Upon the completion of the disposal, Sundart Development Limited and Sundart Middle East ceased to be indirect wholly-owned subsidiaries of the Company and Sundart Interior ceased to be a jointly controlled entity of the Group which had been proportionate consolidated up to date of disposal.

	HK$'000
Cash received as total consideration received	4,400

The net assets of Sundart Development Limited to be disposed of at the date of disposal were as follows:

	HK$'000
Trade and other receivables	163
Bank balances and cash	10,942
Trade and other payables	(16)
Amount due to a jointly controlled entity	(5,327)
Net assets disposed of	5,762
Reclassification of exchange differences to profit or loss	(6)
	5,756
Loss on disposal	(1,356)
Total consideration satisfied by cash	4,400
Net cash outflow arising on disposal:	
Cash consideration received	4,400
Bank balances and cash disposed of	(10,942)
Net outflow of cash and cash equivalents in respect of disposal of subsidiaries	(6,542)

During the period between 1 April 2011 and the date of disposal, the Disposal Group contributed loss of HK$578,000 (1.4.2010 to 31.3.2011: HK$1,539,000) to the Group's results. The Disposal Group did not have material effect on the Group's cash flow.

18. DISPOSAL OF PARTIAL INTEREST IN A SUBSIDIARY

On 14 June 2011, the Group entered into an agreement with two independent third parties, pursuant to which the Group has conditionally agreed to sell, and the two purchasers have conditionally agreed to purchase (i) 35% of the issued share capital of Wit Legend Investments Limited ("Wit Legend"), and (ii) 35% of the shareholder's loan owned by the Group of HK$50,311,000, for an aggregate cash consideration of HK$87,850,000. The disposal was completed on 24 June 2011.

The disposal, without losing the Group's control over Wit Legend, was accounted for as equity transaction. The difference between the fair value of cash consideration received of HK$37,539,000 and 35% of net liabilities of HK$7,000 amounting to HK$37,546,000, was recognised directly in equity as other reserves and attributable to owners of the Company.

OVERVIEW

The 2011/12 financial year saw the Group further explore new business streams and reassess its long-term strategy, as the slow down of the global economy, liquidity constraints and government measures to dampen the property market created a challenging operating environment.

Revenue for the year was HK$1,660 million (2010/11: HK$1,362 million), an increase of 22%, while profits for the year was HK$110 million (2010/11: HK$141 million), a fall of 22%. Basic earnings per share were HK23 cents (2010/11: HK29 cents).

Despite these challenges, the Group remained in a strong financial position throughout the year. The Board proposed a final dividend of HK6.5 cents (2010/11: HK8.5 cents) per share.

Together with the interim dividend of HK5.0 cents per share (1H 2010/11: HK6.5 cents), the total dividend per share will be HK11.5 cents (2010/11: HK15 cents), representing a dividend payout ratio of approximately 50% (2010/11: 51%).

BUSINESS REVIEW

The Group has maintained a sizable share of the Hong Kong and Macau fitting-out markets and secured a number of new fitting-out projects, including in the PRC, throughout the year. It also continued to build its promising commercial property development business in Hong Kong and the Greater China region.

Fitting-out business in Hong Kong

The Group continued to secure more projects throughout the year despite the slow down of the global economy and measures to cool down the local residential property market.

Fitting-out business in Macau

The government's ongoing limit on the number of casino tables substantially reduced the number of fitting-out projects available in Macau this year.

Despite this, the Group remains optimistic about the long-term prospects of the Macau market following recent approvals for casino operators to develop new sites on the Cotai Strip. However, the Group does not expect these approvals would be translated into any large-scale fitting-out projects until at least 2013.

Fitting-out business in PRC

The Group continued to leverage on its long-term partnerships with property developers, hotel owners and contractors in Hong Kong to secure more fitting-out projects attached to their PRC developments.

However, measures imposed by the Chinese government to restrict liquidity and cool down the property market delayed the progress of some projects secured by the Group in the PRC and increased operational risk.

In spite of this, the PRC will continue to be an important growth market for the Group's fitting-out business as more and more Hong Kong developers move into the PRC market.

Property development

The Group entered the property development business in 2010 as part of its strategy which sound out new lines of business and access to additional sources of income. In collaboration with strategic partner Kailong REI Project Investment Consulting (Hong Kong) Co., Limited ("KLR Hong Kong"), the Group has begun the process of acquiring and refurbishing commercial properties to be repackaged and sold at a higher value.

The Group's development project at 135-137 Hoi Bun Road, Kwun Tong is the first under this model. Due to be completed in June 2013, the final site will be a high-end commercial building with a gross floor area of approximately 19,200 square meters and is well placed to benefit from the emergence of Kowloon East as a Central Business District.

The Group is currently in the final stage of preparation to market the project, which it expects to launch in the third quarter of 2012.

SHIFTING TO PROPERTY DEVELOPMENT MODEL TO PURSUE BETTER RETURNS

In the past few years, the Group has encountered a rising number of challenges that have limited its growth and profitability prospects. These include limited expansion prospects in the Hong Kong and Macau fitting-out markets, falling profit margins and funding risks for projects in the PRC.

With the above challenges likely to continue in the mid to long term, the Group made a strategic decision to partially exit the fitting-out business and redeploy its resources to more promising business streams, particularly property development.

In May 2012, the Group entered into an agreement to sell 85% of its fitting-out business to Jangho Curtain Wall Hongkong Limited (a wholly-owned subsidiary of Beijing Jangho Curtain Wall Co., Ltd.) for HK$493 million. The Board believes that the sale would offer an unique opportunity for the Group to further shift into the more promising commercial property development sector and secure better returns for shareholders.

The Group will still retain a 15% stake in the fitting-out business, allowing it to continuously contribute to its profits while avoiding the higher operational risk from working in the larger PRC market. Following completion of the agreement, the Group expects the fitting-out business will be able to expand more rapidly in the PRC by leveraging of Beijing Jangho's well established PRC construction business.

The agreement remains subject to shareholders' approval, as well as approval from connected banks and government authorities.

BUSINESS PROSPECTS

Property development, asset management and fund management

With the support of the management team of KLR Hong Kong, the Group will work to emulate the success of the Kwun Tong project by continuing to seek other suitable property development opportunities which have the potential to deliver sustainable rental incomes and capital gain potential.

The Group will also leverage on KLR Hong Kong's extensive network in the PRC and strong connections to international funds to become involved in other redevelopment projects in the PRC, including large-scale projects.

After the Company's initial acquisition of the shareholding in KLR Hong Kong in 2010, KLR Hong Kong and its subsidaries (the "KLR Group") is now managing two funds with a total capital of RMB650 million and plans to invest in around RMB1.2 billion worth of property. As KLR Group has already established a presence in the PRC, the Company believes that the Group will be able to benefit from the expertise and the experience of the management team and the professional operation team of the KLR Group in operating the businesses of real estate investment, fund management and asset management. Further, by becoming a shareholder of KLR Hong Kong, the Group gained access to the network and chance to co-invest with a real estate fund in the Kwun Tong Project. As KLR Hong Kong can complement the Company's business well and the PRC market for RMB fund products is very large, the Directors consider that acquisition of further interest in KLR Hong Kong will enable the Company to be further involved in the real estate investment, fund management and asset management business in the PRC.

Fitting-out business

The Hong Kong fitting-out market will remain robust as a result of ongoing mega-infrastructure projects, as well as solid demand for luxury properties. The Group also expects Hong Kong developers to continue expanding their fitting-out budgets to ensure that their residential projects are competitive in the market.

In Macau, the Group will continue to leverage on its long-established relationships with casino and hotel companies to ensure it is well positioned to retain its market share and win new projects when the recently announced developments move to the fitting-out stage.

The PRC will remain continue to grow into a major market for the fitting-out business as both coastal and inland cities attract large scale hotel and commercial projects.

FINANCIAL REVIEW

Overview

For the year ended 31 March 2012, the Group recorded a consolidated revenue of HK$1,660 million (2010/11: HK$1,362 million), with a gross profit of HK$227 million (2010/11: HK$251 million). The Group's gross profit margin was 13.7% (2010/11: 18.4%), with basic earnings per share of HK23 cents (2010/11: HK29 cents).

Net profit for the year ended 31 March 2012 was HK$110 million (2010/11: HK$141 million) a fall of 22%.

As at 31 March 2012, the Group's total assets were valued at HK$2,005 million (31 March 2011: HK$1,555 million), of which current assets were HK$1,914 million (31 March 2011: HK$1,468 million), representing 4.3 times (31 March 2011: 3.3 times) current liabilities. Equity attributable to owners of the Company was HK$951 million (31 March 2011: HK$861 million).

Revenue Breakdown

Revenue from the Group's fitting-out business was HK$1,578 million (2010/11: HK$1,306 million), while HK$82 million (2010/11: HK$56 million) was contributed by the manufacturing, sourcing and distribution of interior decorative materials.

The Group's revenue is dependent on the progress of individual projects. The Group continued to deliver a number of projects in Hong Kong and Macau throughout the year, although measures imposed by the PRC government to cool down the domestic property market delayed the delivery of some projects in the PRC.

Segment Analysis

The Group's revenue was primarily derived from four business streams for the year ended 31 March 2012.

(i) Fitting-out works in Hong Kong

Revenue from the Group's fitting-out business in Hong Kong was HK$865 million (2010/11: HK$485 million), a rise of 78% as compared to the prior financial year. Gross profit was HK$78 million (2010/11: HK$92 million), a fall of 15%. The increase in revenue was mainly because several sizable projects including Tamar Development Project and Renaissance Harbour View Hotel were commenced and completed or nearly completed during the year.

The gross profit margin, however, decreased from 19.0% from 2010/11 to 9.0% for the year. The reduction in gross profit margin was mainly attributable to a loss incurred for providing fitting-out services for the Tamar Development Project due to its tight working schedule. The Group also strategically and purposely competed and explored the renovation and alteration market by accepting a renovation project with a very low profit margin of refurbishing of an old industrial building in Yuen Long which further reduced the gross profit margin during the year.

(ii) Fitting-out works in Macau

Most revenue was driven from large-scale hotel projects in Cotai during the year, such as Galaxy Resort & Casino Cotai City. The revenue from fitting out works in Macau decreased by 20% from HK$787 million for 2010/2011 to HK$625 million for the year. The decrease was due to less progress on sizable projects falling into the year.

The gross profit was HK$120 million for the year, with a decrement of HK$17 million as compared to 2010/11.

(iii) Fitting-out works in the PRC

Revenue from the Group's fitting-out business in the PRC was HK$88 million (2010/11: HK$34 million), a rise of 159% as compared to the previous year. The increase in revenue was attributed to orders that were secured and commenced throughout the year, despite the delay of some projects. Revenue from delayed projects and orders still in the preliminary stage will be recognised in the 2012/13 financial year.

(iv) Manufacturing, sourcing and distribution of interior decorative material

Revenue and gross profit contributed by the manufacturing, sourcing and distribution of interior decorative materials was HK$82 million (2010/11: HK$56 million) and HK$15 million (2010/11: HK$12 million) respectively. Revenue was contributed by orders mainly from Macau and the Middle East.

Loss on Disposal of Subsidiaries

Loss on disposal of subsidiaries represents the disposal of Sundart Development Limited to Mr. Leung.

Administrative Expenses

Administrative expenses were HK$87 million for the year ended 31 March 2012 (2010/11: HK$68 million), an increase of 28%. The increase was mainly attributed to the acquisition of Sundart Living Limited, which resulted in an increase in general administrative expenses, particularly in staff costs. In addition, an increase in number of staff and a rise in general salaries within the Group also triggered an increase in staff costs. More expenses were also incurred for the expansion of the Group's business into the PRC market.

Other Service Costs

Other service costs represent the non-cash transactions on share-based payments to Mr. Leung, a shareholder and director of the Company.

Share of Profit of an Associate

The share of profit of an associate represents the profit shared by the Group's associate, Kailong REI Holdings Limited, during the year.

Earnings Per Share

The calculation of the basic earnings per share is based on the profit for the financial years attributable to owners of the Company and on the weighted average number of ordinary shares issued during the years.

BUSINESS REVIEW

Major Projects in Progress

As at 31 March 2012, the estimated remaining value of contracts to be completed by the Group was HK$2,300 million (31 March 2011: HK$1,087 million), of which approximately HK$1,195 million, HK$138 million and HK$718 million were fitting-out works in Hong Kong, Macau and the PRC respectively. The remaining HK$249 million is related to the Group's manufacturing and trading business.

Properties under Development for Sale

The properties under development for sale represent the Group's property development project at Hoi Bun Road, Kwun Tong ("Kwun Tong Project"). The value of the property was HK$781 million as at the end of the year, compared to HK$336 million as at 31 March 2011. The increase mainly represents the land premium of HK$387 million which has already been accepted and paid to the Government and documents in relation to the lease modification were all duly executed during the year.

The Group's Kwun Tong Project continued to make good progress during the year. Demolition of the existing building has already been completed and superstructure work is now in progress. It is expected a new high-end commercial building will be completed around June 2013.

Material Acquisition and Disposal

On 16 May 2012, the Company entered into an agreement to dispose of 85% of the issued share capital of Sundart Holdings Limited ("Sundart Holdings"), for a consideration of HK$493,000,000. The disposal is still in process up to the date of this announcement. Details have been disclosed in the circular of the Company dated 1 June 2012.

An extraordinary general meeting will be held on 20 June 2012 for obtaining the approval from the independent shareholders by way of poll.

Saved as disclosed above, there was no significant investment, material acquisition or disposal that should be notified to shareholders for the year ended 31 March 2012 and up to the date of this announcement.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources

The management and control of the Group's financial, capital management and external financing functions are centralized at its headquarters in Hong Kong. The Group adheres to the principle of prudent financial management to minimise financial and operational risks. The Group mainly relies upon internally generated funds and bank borrowings to finance its operations and expansion.

As at 31 March 2012, the Group's total debt (representing total interest-bearing borrowings) to total assets ratio was 28.00% (31 March 2011: 23.61%). The gearing ratio (net debt to equity attributable to owners of the Company) was 20.06% (31 March 2011: nil) as the Group has net debt (total debt less bank balances and cash) of HK$191 million as at 31 March 2012 (31 March 2011: net cash of HK$67 million).

The bank borrowings of the Group were mainly to finance the Kwun Tong Project. Borrowings of HK$437 million were secured by the property under development and will be repayable in 2013 or upon sale of the Kwun Tong Project. Further costs for developing the Kwun Tong Project will be financed by unutilised bank facilities designated for the project.

The liquidity of the Group remains strong and healthy. As at 31 March 2012, the Group's current assets and current liabilities were HK$1,914 million and HK$450 million respectively. The Group's current ratio increased to 4.3 (31 March 2011: 3.3). The internally generated funds, together with unutilised banking facilities (including bank guarantees, trade credit, revolving loans and short term loans), and sufficient committed and unutilised loans, working capital facilities and guarantee facilities enable the Group to meet its business development needs.

The Group will cautiously seek new development opportunities, including a planned partial exit from the fitting-out business to focus on the property development business, in order to balance risk and opportunities and maximise shareholders' value.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2012, the Group had 1,232 full-time employees (2010/11: 1,006 full-time employees), including 384 staff (2010/11: 321) in its fitting-out business and 848 staff (2010/11: 685) in the Group's timber product manufacturing plant.

The Group offers an attractive remuneration policy and provides external training programmes which are complementary to certain job functions. Total remuneration for employees (including the directors' remuneration) was HK$164 million for the year (2010/11: HK$115 million). The increase in total remuneration of the employees was mainly due to the increase in the number of staff and an increase in the average salaries of employees.

EVENT AFTER THE REPORTING PERIOD

On 16 May 2012, the Company and Jangho Curtain Wall Hongkong Limited, an independent third party (the "Purchaser"), entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase 85% of the issued share capital of Sundart Holdings, for a cash consideration of HK$493,000,000. In January 2012, Sundart Holdings underwent a reorganisation which involved disposal of four subsidiaries held by Sundart Holdings to the Company at a consideration equal to the aggregate net assets of these subsidiaries. Since then, Sundart Holdings and its subsidiaries carried out only the fitting-out works and the manufacturing, sourcing and distribution of interior decorative materials business of the Group. The Company and its subsidiaries (other than Sundart Holdings and its subsidiaries) continued to focus on the property development business in Hong Kong. The completion is conditional upon the shareholders' approval in extraordinary general meeting. Details are set out in the circular dated 1 June 2012. The transaction has not been completed up to the date of this announcement. The directors of the Company have not yet performed a detailed analysis of the financial impact of the transaction and hence have not yet quantified the financial impact up to the date of this announcement.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2012 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PROPOSED FINAL DIVIDEND

A final dividend of HK6.5 cents per share for the year ended 31 March 2012 has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting. Upon approval by the shareholders, the proposed final dividend will be paid on 15 August 2012 to the shareholders of the Company whose name appeared on the Company's register of members as at 8 August 2012.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The 2012 annual general meeting (the "AGM") of the Company is scheduled to be held on 31 July 2012. For determining the qualification to attend and vote at the AGM, the register of members of the Company will be closed from 27 July 2012 to 31 July 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify as members to attend and vote at the AGM, investors are urged to lodge all transfers of shares accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 26 July 2012.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 7 August 2012 to 8 August 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 6 August 2012.

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

During the year ended 31 March 2012, the Company repurchased and cancelled a total of 2,553,000 of its own shares on the Stock Exchange, details of the repurchases are as follows:

Month of repurchase	**No. of ordinary shares of HK$0.01 each**	**Price per share Lowest**	**Price per share Highest**	**Aggregate consideration paid**
		HK$	*HK$*	*HK$'000*
September 2011	1,751,000	1.22	1.27	2,220
October 2011	802,000	1.15	1.15	929
	2,553,000			3,149

Other than as disclosed above, there were no purchase, sale or redemption of the Company's listed securities by the Company nor any of its subsidiaries.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2012, the Company has complied with the code provisions and certain recommended best practices as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules, save for the deviation from code provision A.1.1 of the CG Code which stipulates that regular board meetings should be held at least four times a year at approximately quarterly intervals. There were eight board meetings held during the year ended 31 March 2012, two of which were regular meetings held for approving the final results for the year ended 31 March 2011 and interim results for the six-month period ended 30 September 2011. The Company has not held the other two regular board meetings as it is not required under the Listing Rules to publish quarterly results.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by directors and employees (the "Securities Code") with standards no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Having made specific enquiries, all directors and relevant employees (as defined in the Listing Rules) of the Company confirmed that they have complied with the Securities Code and Model Code throughout the year.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises of all three independent non-executive directors, namely Mr. Ho Kwok Wah, George (Chairman of the Audit Committee), Mr. To King Yan, Adam and Mr. Wong Hoi Ki, with the chairman possessing the appropriate professional qualifications and accounting expertise. The Company's annual results for the year ended 31 March 2012 have been reviewed by the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is available for viewing on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sundart.com) and the annual report for the year ended 31 March 2012 of the Company containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to express my sincere thanks to all shareholders and business partners for their support throughout the year, and most importantly, to ask for your future support for the Group's strategic vision and new growth strategy. I would also like to thank each and every member of staff for the unwavering commitment to the Group during this time of change.

For and on behalf of the Board
Sundart International Holdings Limited
承達國際控股有限公司
CHAN William
Chairman

Hong Kong, 11 June 2012

As at the date of this announcement, the Board comprises Mr. CHAN William (Chairman), Mr. NG Tak Kwan (Chief Executive Officer), Mr. LEUNG Kai Ming (Chief Operating Officer) and Mr. YIP Chun Kwok as executive directors, Mr. WONG Kim Hung, Patrick as non-executive director and Mr. TO King Yan, Adam, Mr. WONG Hoi Ki and Mr. HO Kwok Wah, George as independent non-executive directors.