RYKADAN CAPITAL LIMITED
宏基資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2288)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
	2013	2012	% Change
	(Audited)	(Restated)	
RESULTS			
Loss for the year from continuing operations (HK$'000)	**(29,481)**	(24,815)	19%
Profit for the year from discontinued operations (HK$'000)	**168,964**	134,380	26%
Profit for the year – continuing and discontinued operations (HK$'000)	**139,483**	109,565	27%
FINANCIAL INFORMATION PER SHARE			
Earnings – basic (HK cents) – continuing and discontinued operations	**28.9**	22.9	26%
	As at 31.3.2013	As at 31.3.2012	% Change
Net assets (HK$) (Net assets/number of issued ordinary shares of the Company)	**2.12**	2.01	6%

BANK BALANCES AND CASH

As at 31 March 2013, the Group had bank balances and cash of approximately HK$230 million (2012: HK$371 million).

FINAL DIVIDEND

The Board has proposed the payment of a final dividend of HK5 cents per share.

The board of directors (the "Board") of Rykadan Capital Limited 宏基資本有限公司 (formerly known as "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") for the year ended 31 March 2013 together with the comparative figures for the year ended 31 March 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31 March 2013

	NOTES	**2013** ***HK$'000***	2012 *HK$'000* (restated)
Continuing operations			
Revenue	*3*	**156,422**	81,673
Cost of sales and services		**(114,448)**	(67,090)
Gross profit		**41,974**	14,583
Other income, other gains and losses	*5*	**5,519**	3,895
Selling expenses		**(4,346)**	(6,583)
Administrative expenses		**(71,297)**	(35,899)
Other expenses		**(7,432)**	(1,843)
Share of profit of associates		**10,593**	2,320
Finance costs	*6*	**(711)**	–
Loss before taxation		**(25,700)**	(23,527)
Income tax expense	*7*	**(3,781)**	(1,288)
Loss for the year from continuing operations	*8*	**(29,481)**	(24,815)
Discontinued operations			
Profit for the year from discontinued operations	*9*	**168,964**	134,380
Profit for the year		**139,483**	109,565

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the Year ended 31 March 2013

	2013	2012
	HK$'000	*HK$'000* (restated)
Other comprehensive (expense) income		
Exchange differences arising on translation of foreign operations	**(697)**	4,705
Reclassification of translation reserve to profit or loss upon disposal of subsidiaries	**(11,753)**	6
Reclassification of translation reserve to profit or loss upon deemed disposal of an associate	**(895)**	–
Fair value gain on available-for-sale investments	**48,022**	–
Reclassification to profit or loss upon disposal of available-for-sale investment	**(3,151)**	–
Share of translation reserve of an associate	**724**	234
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)
Deferred taxation arising on fair value gain on available-for-sale investments	**(13,070)**	–
Other comprehensive income for the year	**19,180**	6,187
Total comprehensive income for the year	**158,663**	115,752
Profit for the year attributable to:		
Owners of the Company		
– Loss for the year from continuing operations	**(30,865)**	(24,778)
– Profit for the year from discontinued operations	**168,964**	134,380
	138,099	109,602
Non-controlling interests		
– Profit (loss) for the year from continuing operations	**1,384**	(37)
	139,483	109,565

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the Year ended 31 March 2013

	NOTES	**2013** **HK$'000**	2012 *HK$'000* (restated)
Total comprehensive (expense) income attributable to:			
Owners of the Company			
– from continuing operations		**(16,348)**	(24,544)
– from discontinued operations		**153,397**	140,333
		137,049	115,789
Non-controlling interests			
– from continuing operations		**21,614**	(37)
		158,663	115,752
Earnings (loss) per share			
From continuing and discontinued operations			
Basic (HK cents)	*11*	**28.9**	22.9
From continuing operations			
Basic (HK cents)	*11*	**(6.5)**	(5.2)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	NOTES	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**4,663**	27,787
Investment property		**–**	6,785
Goodwill		**27,934**	1,510
Other intangible assets		**–**	15,976
Interest in an associate		**79,453**	23,601
Other deposits and receivables	*15*	**14,340**	–
Available-for-sale investments	*12*	**253,526**	15,611
		379,916	91,270
Current assets			
Properties under development for sale	*13*	**1,171,091**	781,355
Inventories		**12,745**	35,901
Amount due from a related company	*14*	**–**	2,100
Trade and other receivables	*15*	**82,793**	210,299
Bills receivable	*15*	**–**	1,508
Amount due from an associate	*15*	**2,817**	–
Amount due from an investee	*15*	**35,571**	–
Amounts due from customers for contract work		**–**	379,385
Retentions receivable	*15*	**–**	129,002
Tax recoverable		**833**	3,465
Restricted bank balances		**176,683**	–
Bank balances and cash		**230,033**	370,771
		1,712,566	1,913,786
Current liabilities			
Trade and other payables	*16*	**61,505**	346,813
Bills payable	*16*	**7,805**	–
Deposit received from sale of properties under development	*16*	**388,081**	–
Amount due to an associate	*16*	**47,609**	–
Amounts due to customers for contract work		**–**	13,768
Loans from non-controlling shareholders	*18*	**154,779**	–
Tax payable		**3,511**	25,064
Bank borrowings	*17*	**304,125**	63,880
		967,415	449,525

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 March 2013

	NOTES	2013 HK$'000	2012 HK$'000
Net current assets		**745,151**	1,464,261
Total assets less current liabilities		**1,125,067**	1,555,531
Capital and reserves			
Share capital		**4,774**	4,774
Reserves		**860,262**	945,804
Equity attributable to owners of the Company		**865,036**	950,578
Non-controlling interests		**145,122**	8,096
Total equity		**1,010,158**	958,674
Non-current liabilities			
Bank borrowings	*17*	**96,970**	497,623
Loans from non-controlling shareholders	*18*	**–**	98,212
Deferred taxation		**17,939**	1,022
		114,909	596,857
		1,125,067	1,555,531

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 Room 1305, 13th Floor, Shun Tak Centre West Tower, 200 Connaught Road Central, Hong Kong respectively.

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

Pursuant to a special resolution passed by the shareholders at an extraordinary general meeting of the Company held on 31 August 2012, the name of the Company was changed from "Sundart International Holdings Limited" to "Rykadan Capital Limited", with effect from 31 August 2012.

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

The Group had discontinued the fitting-out works operations in the current year (see note 9). The presentation of continuing operations and discontinued operations in the current year has resulted in a re-presentation of the corresponding comparative amounts shown for the consolidated statement of comprehensive income and related notes to the consolidated financial statements.

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

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKAS 12	Deferred tax: Recovery of underlying assets
Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets

Except as described below, 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 on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 12 Deferred tax: Recovery of underlying assets

The Group has applied for the first time the amendments to HKAS 12 "Deferred tax: Recovery of underlying assets" in the current year. 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 entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment property using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property and concluded that the investment property situated in the People's Republic of China (the "PRC") is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to HKAS 12 is rebutted for the investment property situated in the PRC.

The application of the amendments to HKAS 12 has no impact to the Group's measurement of deferred taxes on changes in fair value of the investment property situated in the PRC as the entire carrying amounts of the property were expected to be recovered through use. Accordingly, the application of the amendments to HKAS 12 has had no material impact on the Group consolidated financial statements for the current and prior years.

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[2]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[1]
HKFRS 11	Joint arrangements[1]
HKFRS 12	Disclosure of interests in other entities[1]
HKFRS 13	Fair value measurement[1]
HKAS 19 (as revised in 2011)	Employee benefits[1]
HKAS 27 (as revised in 2011)	Separate financial statements[1]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[1]
Amendments to HKAS 1	Presentation of items of other comprehensive income[4]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[2]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[2]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[1]
HK(IFRIC) – INT 21	Levies[2]

1 Effective for annual periods beginning on or after 1 January 2013.
2 Effective for annual periods beginning on or after 1 January 2014.
3 Effective for annual periods beginning on or after 1 January 2015.
4 Effective for annual periods beginning on or after 1 July 2012.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted. The directors anticipate that HKFRS 9 will be adopted by the Group for annual period beginning on 1 April 2015 and may have significant impact on amounts reported in respect of the Group's financial assets. Based on the Group's financial assets and financial liabilities as at 31 March 2013, the application of HKFRS 9 will mainly affect the classification and measurement of the Group's available-for-sale investments.

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. HK(SIC) – INT 12 "Consolidation-special purpose entities" will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, 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". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC) – INT 13 "Jointly controlled entities" – Non-monetary contributions by venturers will be withdrawn upon the effective date of HKFRS 11. 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. A joint operator shall recognise in relation to its interest in a joint operation (i) its assets, including its share of any assets held jointly; (ii) its liabilities, including its share of any liabilities incurred jointly; (iii) its revenue from the sale of its share of the output arising from the joint operation; (iv) its share of the revenue from the sale of the output by the joint operation; and (v) its expenses, including its share of any expenses incurred jointly.

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.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors anticipate that the application of these five standards will be adopted by the Group for annual period beginning on 1 April 2013 and may have significant impact on amounts reported in the consolidated financial statements. For example, the application of HKFRS 10 may affect the accounting for the Group's interests in fund investments that are currently classified as the Group's available-for-sale investments. A detailed review is being performed by the directors to determine and quantify the impact on the application of HKFRS 10.

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; 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 by the Group for annual period beginning on 1 April 2013 and may result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 "Presentation of items of other comprehensive income" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". 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 items of other comprehensive income to be 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 do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied by the Group for annual period beginning on 1 April 2013.

3. REVENUE FROM CONTINUING OPERATIONS

Revenue from continuing operations represents the amounts received and receivable for manufacturing, sourcing and distribution of interior decorative materials and assets, investments and fund management provided by the Group to external customers, net of discounts.

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

	2013	2012
	HK$'000	*HK$'000*
Manufacturing, sourcing and distribution of interior decorative materials	**125,992**	81,673
Assets, investments and funds management	**30,430**	–
	156,422	81,673

4. SEGMENT INFORMATION

HKFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers ("CODM") in order to allocate resources to the segment and to assess its performance. The Company's executive directors are the CODM.

In previous years, the Group reported its segment information based on five reportable and operating segments as follows:

(a) Fitting-out works in Hong Kong;

(b) Fitting-out works in Macau;

(c) Fitting-out works in the PRC;

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

(e) Property development.

Those reportable and operating segments were based on the product type as well as the location of the market. During the year ended 31 March 2013, operations regarding the fitting-out works was discontinued as a result of disposal of certain group companies (details as set out in note 9).

After the disposal of the fitting-out works operations, and the acquisition of Kailong REI Project Investment Consulting (Hong Kong) Co., Limited ("KLR Hong Kong"), the Group commenced its new business, namely asset, investment and fund management business in Greater China.

From July 2012 onwards, information provided to CODM for performance assessment and resources allocation is based on product/service type only, regardless of the location of market. The basis is consistent with the Group's long term business strategy. The Group is now organised into the following three major operating segments, each of which represents an operating and reportable segment of the Group:

(a) Asset, investment and fund management – This segment derives its revenue from managing unlisted fund investments and a portfolio of real estates in the Greater China region. It has an extensive asset portfolio covering offices, business parks, retail and residential segments.

(b) Property development – This segment derives its revenue from repositioning and value enhancement of property with a focus on commercial projects in prime locations in Hong Kong.

(c) Manufacturing, sourcing and distribution of interior decorative materials – This segment derives its revenue from trading marble-based and quartz-based stone composite surfaces products in the PRC and a license to use the relevant trademark in connection therewith.

Information regarding the above operating and reportable segments is reported below.

For the year ended 31 March 2013

	Continuing operations				Discontinued operations				
	Asset, investment and fund management	Property development	Manufacturing, sourcing and distribution of interior decorative materials	Sub-total	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue									
External revenue	30,430	–	125,992	156,422	252,543	7,181	65,838	–	481,984
Inter-segment revenue	14,747	–	46,610	61,357	12,103	–	–	(73,460)	–
Total	45,177	–	172,602	217,779	264,646	7,181	65,838	(73,460)	481,984
Segment profit (loss)	1,997	(167)	15,858	17,688	13,379	1,395	2,041	–	34,503
Corporate expenses									(46,276)
Corporate income									4,192
Gain on disposal of subsidiaries									144,181
Share of profit of associates									10,593
Finance costs									(1,164)
Profit before taxation									146,029

For the year ended 31 March 2012

	Continuing operations			Discontinued operations				
	Property development	Manufacturing, sourcing and distribution of interior decorative materials	Sub-total	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue								
External revenue	–	81,673	81,673	864,949	625,601	87,636	–	1,659,859
Inter-segment revenue	–	90,772	90,772	–	–	–	(90,772)	–
Total	–	172,445	172,445	864,949	625,601	87,636	(90,772)	1,659,859
Segment (loss) profit	(110)	(3,973)	(4,083)	47,486	113,558	(267)	–	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

The accounting policies of the operating segments are the same as the Group's accounting policies.

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

Inter-segment sales are charged at agreed terms set out in the service agreement entered into between group companies.

Segment assets and liabilities

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

	2013	2012
	HK$'000	*HK$'000*
Segment assets		
Continuing operations		
– Asset, investment and fund management	**187,982**	–
– Property development	**1,327,045**	781,355
– Manufacturing, sourcing and distribution of interior decorative materials	**75,050**	112,867
Discontinued operations		
– Fitting-out works in Hong Kong	**–**	399,879
– Fitting-out works in Macau	**–**	208,136
– Fitting-out works in the PRC	**–**	75,505
Total segment assets	**1,590,077**	1,577,742
Unallocated corporate assets		
– Property, plant and equipment	**1,368**	2,268
– Investment property	**–**	6,785
– Interest in an associate	**79,453**	23,601
– Available-for-sale investments	**121,720**	15,611
– Amount due from an investee	**35,571**	–
– Other receivables	**5,766**	4,813
– Tax recoverable	**833**	3,465
– Restricted bank balances	**27,661**	–
– Bank balances and cash	**230,033**	370,771
Total consolidated assets of the Group	**2,092,482**	2,005,056
Segment liabilities		
Continuing operations		
– Asset, investment and fund management	**6,541**	–
– Property development	**953,780**	555,742
– Manufacturing, sourcing and distribution of interior decorative materials	**12,736**	86,060
Discontinued operations		
– Fitting-out works in Hong Kong	**–**	162,654
– Fitting-out works in Macau	**–**	65,060
– Fitting-out works in the PRC	**–**	24,111
Total segment liabilities	**973,057**	893,627
Unallocated corporate liabilities		
– Other payables	**45,777**	1,701
– Tax payable	**3,511**	25,064
– Bank borrowings	**13,888**	124,968
– Loans from non-controlling shareholders	**28,152**	–
– Deferred taxation	**17,939**	1,022
Total consolidated liabilities of the Group	**1,082,324**	1,046,382

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, amount due from an investee, certain available-for-sale investments, certain other receivables, tax recoverable, certain restricted bank balances and bank balances and cash.

All liabilities are allocated to operating segments other than certain other payables, tax payable, deferred taxation, certain loans from non-controlling shareholders and certain bank borrowings.

Other segment information

For the year ended 31 March 2013

	Continuing operations		Discontinued operations					
	Manufacturing, sourcing and distribution of interior decorative materials	Asset, investment and fund management	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	Segment total	Unallocated	Consolidated
	HK$'000	*HK$'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	3,687	99	–	–	309	4,095	1,669	5,764
Depreciation of property, plant and equipment	2,002	537	57	–	233	2,829	516	3,345
Amortisation of other intangible assets	422	–	900	–	–	1,322	–	1,322
Gain (loss) on disposal of property, plant and equipment	74	–	–	–	–	74	(21)	53

For the year ended 31 March 2012

	Continuing operations	Discontinued operations					
	Manufacturing, sourcing and distribution of interior decorative materials	Fitting-out works in Hong Kong	Fitting-out works in Macau	Fitting-out works in the PRC	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	10,858	–	8	1,521	12,387	878	13,265
Depreciation of property, plant and equipment	6,951	259	16	844	8,070	996	9,066
Amortisation of other intangible assets	1,688	3,600	–	–	5,288	–	5,288
Allowance for inventories	619	–	–	–	619	–	619
Loss on disposal of property, plant and equipment	(74)	–	(2)	(1)	(77)	(329)	(406)

Geographical information

The Group's operations are located on Hong Kong, Macau, the PRC, United States of America and others.

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

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**33,992**	2,802
Macau	**–**	34,074
The PRC	**122,029**	2,964
Qatar	**–**	23,723
United States of America (the "USA")	**–**	8,013
Others	**401**	10,097
	156,422	81,673

The Group's information about its non-current assets by geographical location of the assets or by the location of the related operations are detailed below:

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**80,284**	19,561
Macau	**–**	10
The PRC	**31,766**	56,088
	112,050	75,659

Note: Non-current assets excluded those relating to 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 (including both continuing and discontinued operations) are as follows:

	2013	2012
	HK$'000	*HK$'000*
Customer A *(Notes 1, 3)*	**–**	192,242
Customer B *(Notes 2, 3)*	**–**	171,303
Customer C *(Notes 1, 3)*	**–**	212,972
Customer D *(Notes 1, 3)*	**–**	207,888
Customer E *(Notes 2, 3)*	**–**	194,042

Notes:

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

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

(3) The revenue from none of these customers or other customers of the Group contribute over 10% of the total revenue of the Group for the year ended 31 March 2013.

5. OTHER INCOME, OTHER GAINS AND LOSSES FROM CONTINUING OPERATIONS

	2013	2012
	HK$'000	*HK$'000*
Other income		
Interest income from financial assets classified as loans and receivables	**2,236**	256
Management fee income	**1,260**	3,344
Others	**18**	239
	3,514	3,839
Other gains and losses		
Net foreign exchange gains	**1,883**	129
Gain (loss) on disposal of property, plant and equipment	**74**	(73)
Others	**48**	–
	2,005	56
	5,519	3,895

6. FINANCE COSTS FROM CONTINUING OPERATIONS

	2013	2012
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings wholly repayable within five years	**13,197**	6,859
Imputed interest expense on the loans from non-controlling shareholders wholly repayable within five years	**4,229**	2,246
Total interest	**17,426**	9,105
Less: Amounts capitalised *(Note)*	**(16,715)**	(9,105)
	711	–

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 FROM CONTINUING OPERATIONS

	2013	2012
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**1,490**	746
Macau Complementary Tax	**48**	494
PRC Enterprise Income Tax	**2,272**	83
	3,810	1,323
Overprovision in prior years		
Hong Kong Profits Tax	**(29)**	(35)
	3,781	1,288

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.

8. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2013	2012
	HK$'000	*HK$'000*
Loss for the year from continuing operations has been arrived at after charging:		
Auditor's remuneration	**1,573**	560
Depreciation of property, plant and equipment	**2,791**	6,951
Amortisation of other intangible assets	**422**	1,688
Total depreciation and amortisation	**3,213**	8,639
Cost of inventories recognised as expense	**94,458**	66,471
Allowance for inventories (included in cost of sales)	**–**	619
Operating lease payments in respect of rented properties	**6,827**	5,233
Staff costs (including directors' emoluments)	**63,224**	38,599

9. DISCONTINUED OPERATIONS

On 16 May 2012, the Group entered into a sales and purchase agreement to partially dispose of its 85% equity interest in Sundart Holdings Limited ("Sundart Holdings") that carried out all of the Group's fitting-out works in Hong Kong, Macau and the PRC (see note 21(a)). The disposal was completed on 26 June 2012, on which date the Group lost control in Sundart Holdings. The Group's fitting-out works operations are treated as discontinued operations.

The results of and profit from the discontinued operations for the period from 1 April 2012 to 26 June 2012 and year ended 31 March 2012 are analysed as follows:

	For the period from 1 April 2012 to 26 June 2012	For the year ended 31 March 2012
	HK$'000	*HK$'000*
Revenue	**325,562**	1,578,186
Cost of sales	**(288,021)**	(1,365,515)
Other income, other gains and losses	**3,677**	1,777
Selling expenses	**(382)**	(1,553)
Administrative expenses	**(12,528)**	(52,208)
Other service costs	**–**	(3,733)
Other expenses	**(307)**	(677)
Finance costs	**(453)**	(2,604)
Profit before taxation	**27,548**	153,673
Income tax expense	**(2,765)**	(17,937)
Profit for the period/year	**24,783**	135,736
Gain on disposal of fitting-out works operations *(Note 21(a))*	**144,181**	–
Loss on disposal of subsidiaries *(Note 21(b))*	**–**	(1,356)
	168,964	134,380

Profit for the period/year from discontinued operations included the following:

	For the period from 1 April 2012 to 26 June 2012	For the year ended 31 March 2012
	HK$'000	*HK$'000*
Auditor's remuneration	**–**	1,420
Depreciation of property, plant and equipment	**554**	2,115
Amortisation of other intangible assets	**900**	3,600
Total depreciation and amortisation	**1,454**	5,715
Contact costs recognised as expense	**288,021**	1,365,515
Interest income	**(207)**	(529)
Gross rental income from investment property	**(100)**	(361)
Less: Direct operating expenses from investment property that generated rental income during the year	**6**	21
	(94)	(340)
Loss on disposal of property, plant and equipment	**21**	333
Operating lease payments in respect of rented properties	**1,641**	6,784
Staff costs:		
Gross staff costs (including directors' emoluments)	**26,314**	120,398
Other service costs	**–**	3,733
Less: Staff costs capitalised to contract costs	**(18,696)**	(88,877)
	7,618	35,254

During the year ended 31 March 2013, the fitting-out works operations paid HK$13 million (2012: HK$299 million) in respect of the Group's net operating cash flows, contributed HK$14 million (2012: HK$16 million) in respect of investing activities and paid HK$20 million (2012: contributed HK$123 million) in respect of financing activities.

The carrying amount of the assets and liabilities of Sundart Holdings and its subsidiaries at the date of disposal are disclosed in note 21(a).

10. DIVIDENDS

Year ended 31 March 2013

Pursuant to the annual general meeting of the Company held on 31 July 2012, a final dividend of HK6.5 cents per share amounting to approximately HK$31,034,000 in total for the year ended 31 March 2012, was approved by the shareholders of the Company and distributed to the shareholders on 15 August 2012.

Pursuant to the directors' meeting of the Company held on 28 November 2012, an interim dividend of HK5 cents per share and special dividend of HK35 cents per share amounting to approximately HK$190,979,000 in total had been declared and distributed to the shareholders on 4 January 2013.

A final dividend of HK5 cents per share in respect of the year ended 31 March 2013 has been proposed by the directors and is subject to the approval by the shareholders in the forthcoming annual general meeting.

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 approximately 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 cents per share amounting to approximately HK$23,872,000 in total had been declared and distributed to the shareholders on 5 January 2012.

11. EARNINGS (LOSS) PER SHARE

For continuing and discontinued operations

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

Earnings

	2013	2012
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**138,099**	109,602

Number of shares

	2013	2012
Weighted average number of ordinary shares for the purpose of basic earnings per share	**477,447,000**	478,704,670

From continuing operations

Basic loss per share from continuing operations attributable to the owners of the Company is calculated based on the loss for the year attributable to owners of the Company from continuing operations of HK$30,865,000 (2012: HK$24,778,000) and the denominators detailed above for basic earnings per share.

From discontinued operations

Basic earnings per share from discontinued operations is HK35.4 cents per share (2012: HK28.1 cents per share), based on the profit for the year from discontinued operations of HK$168,964,000 (2012: HK$134,380,000) and the denominators detailed above for basic earnings per share.

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

12. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2013	2012
	HK$'000	*HK$'000*
Unlisted investment in an investee measured at fair value	**121,720**	–
Unlisted fund investments measured at fair value	**131,806**	15,611
	253,526	15,611

The unlisted investment in an investee represents equity investment in Bestlinkage (as defined in note 20). Bestlinkage is principally engaged in investment property holding in the PRC.

The unlisted fund investments represent investment in funds in the PRC. These funds principally invest in real estate properties in the PRC.

13. PROPERTIES UNDER DEVELOPMENT FOR SALE

	HK$'000
AT COST	
At 1 April 2011	336,472
Additions during the year	444,883
At 31 March 2012	781,355
Additions during the year	389,736
At 31 March 2013	1,171,091

As at 31 March 2013, properties under development for sale of HK$974,730,000 (2012: nil) were expected to be realised within twelve months from the end of the reporting period and the remaining balance of HK$196,361,000 (2012: HK$781,355,000) were expected to be realised after twelve months from the end of the reporting period. All properties under development for sale were situated in Hong Kong under medium term lease and were pledged to secure bank borrowings granted to the Group. Details are set out in note 17.

14. AMOUNT DUE FROM A RELATED COMPANY

	2013	2012
	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 an average credit period of 30 days to its trade receivables due from a related company. The amount was 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 were past due at the end of the reporting period for which the Group had not provided for impairment loss and the amount was settled during the current year.

15. 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

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**64,541**	143,202
Other receivables, prepayments and deposits	**32,592**	67,097
	97,133	210,299
Less: non-current balances	**(14,340)**	–
Current balances	**82,793**	210,299

Trade receivables

The Group allows an average credit period of 75 days (2012: 30 days) to its trade customers and service invoice for asset, investment and fund management services are due upon issue. The following is an aged analysis of trade receivables presented based on invoice date at the end of the reporting period:

	2013	2012
	HK$'000	*HK$'000*
1-30 days	**34,367**	109,910
31-60 days	**22,536**	26,035
61-90 days	**103**	1,704
Over 90 days	**7,535**	5,553
	64,541	143,202

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 2013, included in the Group's trade receivable balances are receivables with aggregate carrying amount of approximately HK$7,663,000 (2012: HK$21,653,000) 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:

	2013	2012
	HK$'000	*HK$'000*
Overdue		
1-30 days	**1,895**	15,155
31-60 days	**92**	3,001
61-90 days	**36**	91
Over 90 days	**5,640**	3,406
	7,663	21,653

Other receivables, prepayments and deposits

Other than the non-current portion of HK$14,340,000, 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 2013 and 2012.

Non-current balances

	2013	2012
	HK$'000	*HK$'000*
Deposit paid for acquisition of other intangible assets	**4,609**	–
Loan receivables	**9,731**	–
	14,340	–

Loan receivables are unsecured, interest bearing at 1.24% per annum and the directors expect these balances are recoverable after two years from the end of the reporting period.

Bills receivable

As at 31 March 2012, all bills receivable was aged within 90 days.

Retentions receivable

	2013	2012
	HK$'000	*HK$'000*
Retentions receivable which:		
– will be recovered within twelve months	**–**	77,782
– will be recovered more than twelve months after the end of the reporting period	**–**	51,220
	–	129,002

Amounts due from an associate and an investee

Amounts due from an associate and an investee are unsecured, interest free and are repayable on demand. The investee is Bestlinkage (as defined in note 20).

16. 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.

	2013	2012
	HK$'000	*HK$'000*
Trade and other payables		
Contract creditors and suppliers	**5,019**	166,169
Retentions payable	**1,009**	73,400
	6,028	239,569
Other payables	**12,094**	25,415
Consideration payable for acquisition of a subsidiary *(Note 20)*	**39,188**	–
Trade and other payables classified as financial liabilities	**57,310**	264,984
Non-financial liabilities		
Advances received from customers	**3,105**	73,890
Other non-financial liabilities	**1,090**	7,939
Total	**61,505**	346,813

As at 31 March 2013, all retentions payable are expected to be paid within one year. As at 31 March 2012 retentions payable of approximately HK$27,623,000 were expected to be paid after one year.

The aged analysis of contract creditors and suppliers (presented based on invoice date at the end of the reporting period) is stated as follows:

	2013	2012
	HK$'000	*HK$'000*
Trade payables:		
1-30 days	**1,965**	142,537
31-60 days	**111**	12,761
61-90 days	**69**	1,352
Over 90 days	**2,874**	9,519
	5,019	166,169

Deposits received from sale of properties under development

The amounts are expected to be realised within twelve months.

Bills payable

All bills payable are aged (presented based on invoice date at the end of the reporting period) within 30 days.

Amount due to an associate

	2013	2012
	HK$'000	*HK$'000*
Contract creditor	**36,180**	–
Retentions payable	**11,429**	–
	47,609	–

The contract creditor is within the credit period of 30 days. The retentions payable is expected to be paid after one year.

17. BANK BORROWINGS

	2013	2012
	HK$'000	*HK$'000*
Secured bank borrowings	**387,207**	436,535
Unsecured bank borrowings		
– Bank loans	**–**	95,324
– Trust receipt loans	**13,888**	29,644
	401,095	561,503
Carrying amount repayable:		
Within one year	**304,125**	63,880
More than one year, but not exceeding two years	**–**	458,771
More than two years, but not more than five years	**96,970**	38,852
	401,095	561,503
Less: Amounts due within one year shown under current liabilities	**(304,125)**	(63,880)
Amounts shown under non-current liabilities	**96,970**	497,623

As at 31 March 2013, the bank borrowings are variable-rate borrowings which bear interest at 2.0% to 2.5% (2012: 1.2% to 2.35%) per annum over the Hong Kong Interbank Offer Rate and interest is repriced every one to three months. At 31 March 2013, the weighted average effective interest rate (which is also equal to contracted interest rate) is 2.70% (2012: 2.45%) per annum.

As at 31 March 2013, bank borrowing of approximately HK$13,888,000 that are repayable within one year from the end of the reporting period contains a repayable on demand clause.

As at 31 March 2013 and 2012, all of the Group's properties under development were pledged to secure the Group's banking facilities.

18. LOANS FROM NON-CONTROLLING SHAREHOLDERS

Amounts of approximately HK$104,627,000 (2012: HK$98,212,000) are unsecured, interest free and are repayable after settlement of a bank borrowing granted to Vital Success Development Limited, a non-wholly owned subsidiary of Wit Legend Investments Limited ("Wit Legend"). The bank borrowing is repayable in January 2014.

According to the shareholders' agreement entered between the Group and the two non-controlling shareholders of Wit Legend on 24 June 2011, the board of directors of Wit Legend may request all shareholders of Wit Legend to provide interest free loans in accordance with their respective shareholding ratios. During the current year, the non-controlling shareholders advanced further interest free loans of HK$3,150,000 (2012: HK$53,795,000 and the sale of shareholder's loan of HK$50,311,000 payable to the Group to the two non-controlling shareholders of Wit Legend (as set out in note 22)) to Wit Legend. Fair value adjustments at effective interest rate of 4.1% (2012: 3.2%) per annum on these additional interest free loans are made at initial recognition and are recognised in equity as deemed capital contribution from non-controlling shareholders. As at 31 March 2013, the aggregate principal amount of the loans from non-controlling shareholders of Wit Legend is HK$107,256,000 (2012: HK$104,106,000).

The remaining loans from non-controlling shareholders of HK$50,152,000 (2012: nil) are unsecured, interest free and are repayable on demand.

During the year ended 31 March 2013, HK$4,229,000 (2012: HK$2,246,000) finance costs were recognised of which imputed interest of HK$3,641,000 (2012: HK$2,246,000) is capitalised in properties under development for sale.

19. ACQUISITION OF SUBSIDIARIES

On 11 July 2012, Talent Step Investments Limited ("Talent Step"), an indirectly wholly owned subsidiary of the Company, entered into: (i) a restructuring agreement with Good Grace Investments Limited, Borrison (B.V.I.) Limited, independent third parties to the Group, and Kailong REI Holdings Limited ("KLR Holdings"), the then associate of the Company, in respect of the restructuring of KLR Holdings and KLR Hong Kong (the "Restructuring"); (ii) a subscription agreement with other shareholders of KLR Hong Kong in relation to the rights issue of KLR Hong Kong (the "Rights Issue"); and (iii) the shareholders' deed (the "Shareholders' Deed") with the other shareholders of KLR Hong Kong and KLR Hong Kong in respect of the matters relating to, among others, the management of KLR Hong Kong.

Following the completion of the Restructuring and the Rights Issue, the Group's effective equity interest in KLR Hong Kong increased from approximately 15.86% to 41.07%. KLR Holdings became inactive and were disposed of subsequent to the completion of the Restructuring and the Rights Issue. Pursuant to the Shareholders' Deed, the Group is able to exercise control over the board of directors of KLR Hong Kong, which is responsible for making decisions relating to the financial and operating policies of KLR Hong Kong. Accordingly, KLR Hong Kong had become an indirectly non-wholly owned subsidiary of the Company at the date of completion of the Restructuring and the Rights Issue on 30 July 2012.

This acquisition has been accounted for using the acquisition method of accounting. The total cash consideration for this acquisition was US$8,900,000 (equivalent to approximately HK$69,149,000). The primary reason for the acquisition of KLR Hong Kong is to expand a new business segment of the Group. The amount of goodwill arising as a result of the acquisition was approximately HK$27,934,000. Goodwill arose in the acquisition of KLR Hong Kong because the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies in expanding the market of the asset, investment and fund management business. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Assets and liabilities recognised at the date of acquisition

	Fair value
	HK$'000
Property, plant and equipment	1,484
Available-for-sale investments	81,513
Trade and other receivables	22,979
Bank balances and cash	46,810
Trade and other payables	(10,846)
Deferred taxation	(4,868)
Net assets at the date of acquisition	137,072

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK$22,979,000 at the date of acquisition. Based on the best estimate at acquisition date, none of the contractual cash flows from these trade and other receivables are not expected to be collected.

Non-controlling interests

The non-controlling interests (58.93%) in KLR Hong Kong recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of KLR Hong Kong and amounted to HK$80,777,000.

Goodwill arising on acquisition

	HK$'000
Cash consideration	69,149
Fair value of interest in an associate (KLR Holdings) deemed disposed of	15,080
Non-controlling interests	80,777
Less: Recognised amount of identifiable net assets acquired	(137,072)
Goodwill arising on acquisition	27,934

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

	HK$'000
Consideration paid in cash	69,149
Less: Cash and cash equivalents acquired	(46,810)
	22,339

Included in the loss for the year from continuing operations is a profit of HK$1,997,000 attributable to the additional business generated by KLR Hong Kong and its subsidiaries. Revenue for the year includes HK$30,430,000 generated from KLR Hong Kong and its subsidiaries.

Had the acquisition been completed on 1 April 2012, total Group revenue from continuing operation for the year would have been HK$163 million, and loss for the year from continuing operation would have been HK$36 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2012, nor is it intended to be a projection of future results.

20. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

On 1 August 2012, Best Key Holding Limited ("Best Key"), a wholly owned subsidiary of the Company, China Real Estates Investment Holdings Limited, an independent third party to the Group, KLR Hong Kong and Kings Haul Limited ("Kings Haul"), non-wholly owned subsidiaries of the Company, had entered into the Kings Haul shareholders agreement setting out, amongst others, the manner of management of and shareholders' financial commitments to Kings Haul. On the same date, Kings Haul and Fine Elite Holdings Limited ("Fine Elite"), an independent third party, had entered into share purchase agreement ("SP Agreement") in relation to 70% equity interest in Power City Investment Limited ("Power City") at a cash consideration of approximately RMB 58,097,000 (equivalent to approximately HK$ 71,334,000) (the "Acquisition").

Power City holds 76% equity interest in Bestlinkage NHI Co., Ltd. ("Bestlinkage") and the remaining 24% equity interest in Bestlinkage is owned by an independent third party ("Local Partner"). It is a condition of the SP Agreement that Power City will undertake the purchase by Power City from the Local Partner of the 24% equity interest in Bestlinkage held by the Local Partner pursuant to the terms and subject to the conditions of the Buy-Out agreement (the "Buy-Out"). However, the completion of the Buy-Out ("Buy-Out Completion") is not a condition of the completion of the Acquisition ("Acquisition Completion"). The Acquisition was completed on 14 August 2012. The remaining consideration of RMB32,142,000 (equivalent to approximately HK$39,151,000) is payable upon Buy-Out Completion.

In addition, pursuant to the SP Agreement, Fine Elite has agreed to grant to Kings Haul an option to have Fine Elite buy back the 70% equity interest in Power City from Kings Haul ("Share Buyback Option") for an amount equivalent to RMB58,097,000. Kings Haul shall be entitled to exercise the Share Buyback Option at any time in the event that there is no Buy-Out Completion or Power City fails to undertake the Buy-Out such that Power City fails to become the registered and beneficial owner of 100% equity interest of Bestlinkage within seven months commencing from the date of Acquisition Completion. As at 31 March 2013, the directors consider the fair value of the Share Buyback Option is insignificant.

Pursuant to the Power City shareholders agreement entered into among Kings Haul, Fine Elite and Power City on 1 August 2012, upon the Acquisition Completion and prior to the Buy-Out completion, the board of Power City shall consist of 3 directors, which comprise of 1 director appointed by Fine Elite and 2 directors appointed by Kings Haul. However, the board of Bestlinkage shall have 7 directors and Power City has the right to appoint 5 directors out of which Kings Haul and Fine Elite is entitled to nominate 1 director and 4 directors respectively through Power City. No change would be allowed on the above director appointment arrangement relating to the board of directors of Bestlinkage until the Buy-Out Completion. The board of directors of Power City and Bestlinkage are responsible for making decisions relating to the financial and operating policies of Power City and Bestlinkage respectively and all resolutions should be determined by the board by a simple majority vote. After considering, amongst others, the board representation of the Group, the directors of the Company are of the view that the Group is able to obtain control over Power City but unable to obtain control over Bestlinkage prior to the Buy-Out Completion.

As at 31 March 2013, the Buy-Out has not been completed and the Group had not exercised the Share Buyback Option. In the opinion of the directors of the Company, Kings Haul has contractual obligation to pay the remaining consideration of RMB32,142,000 (equivalent to approximately HK$39,188,000) in relation to the acquisition of 70% equity interest in Power City even if the Company chooses not to exercise the Share Buyback Option in the case when Buy-Out was not completed in accordance with the terms and conditions as set out in the SP Agreement.

The Group recognised the 76% equity investment in Bestlinkage as available-for-sale equity investment – investment in an investee.

In the opinion of the directors of the Company, the Acquisition did not constitute a business combination in accordance with HKFRS 3 "Business combination" as the major underlying assets to be acquired through the Acquisition are equity investments in Bestlinkage. Bestlinkage owned investment properties located in Shanghai. Therefore, the Acquisition has been accounted for as an acquisition of assets and liabilities through acquisition of a subsidiary.

	HK$'000
Consideration paid in cash	32,183
Consideration payable to Fine Elite	39,151
Total consideration	71,334

Assets acquired and liabilities recognised at date of Acquisition Completion are as follows:

	HK$'000
Available-for-sale investment – investment in an investee	115,801
Bank balances and cash	11
Other payables	(13,906)
Net assets acquired	101,906
Less: Non-controlling interests	(30,572)
	71,334

	HK$'000
Net cash outflow on the Acquisition	
Cash consideration paid	32,183
Less: Cash and cash equivalents acquired	(11)
	32,172

Non-controlling interests

The non-controlling interest (30%) in Power City recognised at the Acquisition Completion date was measured by reference to the proportionate share of recognised amounts of net assets of Power City and amounted to HK$30,572,000.

21. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Sundart Holdings

On 16 May 2012, the Group entered into a sales and purchase agreement with an independent third party (the "Purchaser"), to dispose of 85% equity interest in Sundart Holdings, the then wholly-owned subsidiary of the Company, for a cash consideration of HK$493,000,000 (the "Disposal"). Upon the completion of the Disposal on 26 June 2012, Sundart Holdings and its subsidiaries ceased to be subsidiaries of the Group. However, the Group is able to exercise significant influence over Sundart Holdings because it has the power to appoint one out of five directors of Sundart Holdings pursuant to the shareholders' agreement that was entered among the Company, the Purchaser and Sundart Holdings upon completion of the Disposal. Accordingly, the remaining 15% equity interest in Sundart Holdings had been accounted for as interest in an associate in the consolidated financial statements under equity method of accounting.

The assets and liabilities of Sundart Holdings at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	26,852
Investment property	6,747
Goodwill	1,510
Other intangible assets	14,654
Inventories	54,740
Trade and other receivables	207,683
Retention receivables	142,184
Bills receivable	2,708
Amounts due from customers for contract work	397,684
Amount due from a non-controlling shareholder	12,509
Tax recoverable	3,260
Bank balances and cash	141,955
Trade and other payables	(327,564)
Amount due to a non-controlling shareholder	(15,939)
Amounts due to customers for contract work	(30,071)
Loan from a non-controlling shareholder	(80,000)
Tax payable	(24,549)
Bank borrowings	(105,148)
Deferred taxation	(1,018)
Net assets disposed of	428,197
Less: Interest in an associate at fair value on initial recognition	(67,625)
Release of translation reserve upon disposal of subsidiaries	(11,753)
Gain on disposal	144,181
Total consideration satisfied by cash	493,000
Net cash inflow arising on disposal:	
Cash consideration received	493,000
Bank balances and cash disposed of	(141,955)
	351,045

The impact of Sundart Holdings and its subsidiaries on the Group's results and cash flows in the current and prior periods is disclosed in note 9.

(b) Disposal of Sundart Development Limited

On 31 August 2011, the Group entered into an agreement with Mr. Leung Kai Ming ("Mr. Leung"), the then executive director and chief operating officer of the Company, to dispose of entire issued share capital of Sundart Development Limited, which held the entire equity interest in Sundart Investments (Middle East) Limited and 47% equity interest in Sundart Interior Contracting (Middle East) LLC ("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 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 Investments (Middle East) Limited 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
Release of translation reserve upon disposal of subsidiaries	(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 disposals of subsidiaries	(6,542)

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

22. 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, and (ii) 35% of the shareholder's loan payable to 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.

BUSINESS AND FINANCIAL REVIEW

Overview

During the year ended 31 March 2013, the Group disposed of a majority stake in its fitting-out business and is positioning itself into an investment holding company. Its investment strategy is to secure high potential investments with a view to grow asset values, achieve stable yields and exit within a three to five-year horizon.

During the year, the Group's investments included commercial and residential property developments in Hong Kong and the PRC, as well as companies operating in the asset management, education, fitting-out and construction materials industries.

As at 31 March 2013, the Group's total assets was valued at HK$2,092 million, of which current assets were HK$1,713 million, approximately 1.8 times of current liabilities. Equity attributable to the owners of the Company was HK$865 million.

Overall Performance

During the year ended 31 March 2013, the Group recorded consolidated revenue of HK$156 million from business segments under continuing operations (including property development, asset, investment and management and the trading and distribution of interior decorative material). Gross profit and gross profit margins for these segments was HK$42 million and 26.8% respectively.

The administrative expenses from continuing operations increased from HK$36 million to HK$71 million, which is contributed by the increase in legal and professional fees from the disposal of Sundart Holdings and the increase of administration expenses after acquisition of subsidiaries.

Profits from the Group's discontinued operations (including the fitting-out business) during the year were HK$169 million, including HK$25 million for the provision of fitting-out works in Hong Kong, Macau and the PRC, as well as a gain of HK$144 million for the disposal of the fitting-out business.

Revenues and profits from the Group's fitting-out operations up until the completion of the sales and purchase agreement on 26 June 2012 are treated as discontinued operations. Following 26 June 2012, the Group shares profit from Sundart Holdings and treated as share of profit of associate.

Net profit for the year of the Group from continuing and discontinued operations was HK$139 million. Basic earnings per share for continuing and discontinued operations were HK28.9 cents. The Board proposed a final dividend per share of HK5 cents for the year.

Material Acquisitions and Disposals

In June 2012, the Group sold 85% of its fitting-out business to Beijing Jangho Curtain Wall Ltd. ("Beijing Jangho") for a total consideration of HK$493 million (for details, please refer to note 21(a) in the notes to the consolidated financial statements).

Utilising the proceeds from the above disposal, along with unused proceeds from its IPO in 2009, the Group made a number of key investments during the year ended 31 March 2013.

- In July 2012, the Group increased its interest in Kailong REI Project Investment Consulting (Hong Kong) Co., Limited to 41.07% for a total consideration of HK$69.15 million, making it a subsidiary of the Group. The Group previously held an approximate 15.86% interest in the business (see 'Kailong REI' in Summary and review of investments and note 19 in the consolidated financial statements).

- In August 2012, the Group entered into a joint-venture to take a 70% stake in Power City Investments Limited, which owns commercial buildings in a business park in Shanghai (equal to an effective 46.6% stake in the business), for a total consideration of HK$71.33 million (see 'Kailong Nanhui Business Park' in Summary and review of investments and note 20 in the consolidated financial statements).

- In September 2012, the Group took a 51% stake in Wing Lok Innovative Education Organization Corporation, a provider of educational software, publications and pre-school learning centres (see 'Wing Lok Innovative Education' in Summary and review of investments).

- In December 2012, the Group won a tender to develop a land lot in Kowloon for residential/ commercial purposes for a total consideration of HK$194 million (see 'Kwun Chung Street Property Project' in Summary and review of investments). The Group owns an 80% stake in the project.

Investment Portfolio

As at 31 March 2013, the Group had bank balances and cash of approximately HK$230 million, representing 11.0% of the Group's total assets.

The following table shows the Group's investments as at 31 March 2013.

Real estate investments

Investment	*Location*	*Type*	*Group interest*	*Status as at 31/3/2013*	*Total gross floor area*	*Attributable gross floor area*
Rykadan Capital Tower	The Remaining Portion of Kwun Tong Inland Lot No. 526	Commercial property	65%	Under construction, pre-sale stage completed	252,820 square feet	164,333 square feet
Kailong Nanhui Business Park	An industrial complex located at No. 2300 Xuanhuang Road, Huinan County, Pudong New District, Shanghai, PRC	Commercial property	46.6%	Under refurbishment	52,304 square metre	24,374 square metre
Kwun Chung Street Property Project	Kowloon Inland Lot No. 11229	Residential/commercial property	80%	Under construction	26,275 square feet	21,020 square feet

Venture capital investments

Investment	*Business/type*
Wing Lok Innovative Education Organization Corporation	Education software developer, educational publication content provider and pre-school learning centre service provider

Other investments

Investment	*Business/type*
Kailong REI Project Investment Consulting (Hong Kong) Co., Limited	Asset, investment and fund management
Q-Stone Building Materials Limited	Distribution of stone composite surfaces products
Sundart Holdings Limited	Fitting-out contractor

Summary and review of investments

Rykadan Capital Tower

Located in the heart of Kwun Tong, Hong Kong's emerging second CBD, Rykadan Capital Tower is a 25-storey commercial tower with a gross floor area of 252,820 square feet, overlooking Victoria Harbour and within walking distance of the MTR. It is the Group's first real estate development project and also its first investment entered into under a co-investment model, with Secured Capital co-investing in the project in 2011.

In November 2012, the Group retained two floors and pre-sold all available floors at Rykadan Capital Tower, for a total of approximately HK$1.95 billion. Construction is due to be completed by December 2013. The Group expects to recognise the gains from the sale in 2014.

Kailong Nanhui Business Park

Kailong Nanhui Business Park (formerly known as "Bestlinkage Business Park") is a 52,304 square metre high-end business park located in Shanghai under medium term lease and is the Group's first showcase property project in the PRC. The site consists of five high-quality buildings conveniently located near the Shanghai Pudong International Airport and Shanghai Harbour City. It offers future tenants preferential tax and subsidy policies due to its location in the Nanhui Industrial Zone of Shanghai.

The Group is currently in the process of refurbishing the site's buildings in order to attract quality businesses to set up base there. Upon completion, the site is expected to generate stable rental returns for the Group, with a view to off-load the buildings at a later stage.

As at 31 March 2013, around 2% of the park had been leased. The Group expects the occupancy rate to increase following the extension of the Shanghai Metro to the area. Up to the date of this announcement, around 6% of the park had been leased.

Kwun Chung Street Property Project

The Group plans to construct a 25-storey tower with a total gross floor area of approximately 26,275 square feet at its newly acquired property site on Kwun Chung Street in Kowloon's Jordan district. The planned building will primarily consist of boutique luxury apartments, with lower floors being for commercial use. The Group plans to sell the entire building upon completion of the project and the construction is due to be completed in 2015.

Wing Lok Innovative Education Organization Corporation

Wing Lok Innovative Education Corporation is the Group's first venture capital investment. It is an educational software developer, educational publication provider and pre-school learning centres service provider.

While the business remains in the preliminary investment stage, it plans to launch a number of innovative projects in the coming year. Among these is its landmark 'App Learning' program, which is being currently rolled out to leading pre-schools in Hong Kong and Mainland China. The program uses tablet computers and a suite of 1,200 educational apps to encourage class, group and independent learning among pre-school students, both at home and in the classroom.

With the PRC's expanding middle class which fuels the growth of China's educational services sector, the Group believes Wing Lok Innovative Education offers significant growth potential in the middle-to-long term.

Kailong REI Project Investment Consulting (Hong Kong) Co., Limited

KLR Hong Kong is a leading player in the PRC's real estate investment, asset management and fund management market. It provides comprehensive asset management services for foreign and local property investors, as well as its own RMB real estate funds.

As at 31 March 2013, KLR Hong Kong held investments in, and provided asset management services for ten real estate projects in Beijing, Shanghai, Chengdu and Hong Kong. It also manages three real estate funds in Tianjin and Suzhou with total capital of RMB1.0 billion and has plans to invest in around RMB1.5 billion worth of property.

Q-Stone Building Materials Limited

Q-Stone Building Materials Limited is a wholly owned subsidiary of the Group and the exclusive distributor of Quarella, a world leader in the production of quartz and marble-based stone composite surfaces products in the China market. Quarella was established over 40 years ago with factories and research and development centres in Italy and Spain, its products are popularly used for benchtops, bathroom surfaces and floor tiles and has been used by a number of prominent commercial buildings in the PRC and Hong Kong.

Up to the date of this announcement, the Company has around HK$67 million contract sum which is to be completed in the coming years.

Sundart Holdings Limited

As a leading fitting-out contractor in Hong Kong and Macau, Sundart Holdings has continued to win new projects throughout the year, while further been expanding in the PRC market by leveraging on the well-established connections of its new majority owner, Beijing Jangho.

Outlook

The Group remains confident in the future prospects of its investments, despite the slowing economic growth rates in the PRC and continued government-led measures to cool down the property market in Hong Kong and the PRC. It will also continue to leverage on the strong experience of its management team and its business partners to deliver sustainable yields and reasonable capital gains to its shareholders.

The Group will also continue to explore additional investment opportunities in different potential regions and countries to support its future performance, while also to materialise some of its mature investments in a timely manner to unlock value.

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 centralised 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 2013, the Group's total debt (representing total interest-bearing bank borrowings) to total assets ratio was 19.2% (31 March 2012: 28.0%). The gearing ratio (net debt to equity attributable to owners of the Company) was 19.8% (31 March 2012: 20.1%) as the Group has net debt (total debt less bank balances and cash) of HK$171 million as at 31 March 2013 (31 March 2012: net debt of HK$191 million).

The bank borrowings of the Group were mainly to finance Rykadan Capital Tower and Kwun Chung Street Property Project. Borrowings of HK$387 million were secured by the properties under development of which HK$304 million will be repayable in 2013 and the remaining upon sale of the projects. Further costs for developing the Rykadan Capital Tower and Kwun Chung Street Property Project will be financed by unutilised bank facilities or deposit received from customers held as restricted bank balances designated for the projects.

The liquidity of the Group remains strong and healthy. As at 31 March 2013, the Group's current assets and current liabilities were HK$1,713 million (2012: HK$1,914 million) and HK$967 million (2012: HK$450 million) respectively. The Group's current ratio decreased to 1.8 (31 March 2012: 4.3). The internally generated funds, together with unutilised banking facilities enable the Group to meet its business development needs.

The Group will cautiously seek new investment and development opportunities in order to balance risk and opportunities and maximise shareholders' value.

Exposure to Fluctuations in Exchange Rates and Interest Rates and Corresponding Hedging Arrangements

The Group's bank borrowings have been made at floating rates.

The Group operates in various regions with different foreign currencies including Euro, United States Dollars and Renminbi. The exchange rates for the foresaid currencies are relatively stable. The Group reviews the exchange risk regularly and closely monitors the fluctuation of foreign currencies and will make proper adjustments if necessary.

The Group has no hedging arrangements for foreign currencies or interest rates.

Contingent Liabilities

As at 31 March 2013, the Company has issued financial guarantees, for a period within one year from the completion of the Disposal (as defined in note 21(a)), to banks in respect of banking facilities granted to an associate. The aggregate amounts that could be required to be paid if the guarantees were called upon in entirety amounted to approximately HK$460 million, of which approximately HK$90.45 million has been utilised by the associate as at 31 March 2013. In the opinion of the directors of the Company, no material liabilities will arise from the above guarantees as at 31 March 2013 and the fair value of the financial guarantees is estimated to be insignificant. Up to the date of this announcement, all the relevant guarantees has been released.

Employees and Remuneration Policies

As at 31 March 2013, the Group had 107 full-time employees (2012: 1,232 full-time employees). 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$90 million for the year (2012: HK$164 million). The decrease in total remuneration of the employees was mainly due to the decrease in the number of staff after the disposal of Sundart Holdings.

EVENT AFTER THE REPORTING PERIOD

On 27 June 2013, Q-Stone Building Materials Limited, a wholly owned subsidiary of the Company, entered into the Share Option Agreement with Fine China Limited, an independent third party to the Group. For details, please refer to the voluntary announcement by the Company dated 27 June 2013.

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 2013 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 HK5 cents per share for the year ended 31 March 2013 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 20 November 2013 to the shareholders of the Company whose names appear on the Company's register of members as at 12 November 2013.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The 2013 annual general meeting (the "AGM") of the Company is scheduled to be held on 23 August 2013. For determining the qualification as shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 21 August 2013 to Friday, 23 August 2013, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible 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 Tuesday, 20 August 2013.

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 Monday, 11 November 2013 to Tuesday, 12 November 2013, 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 no later than 4:30 p.m. on Friday, 8 November 2013.

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

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

CORPORATE GOVERNANCE

During the year, the Company had complied with the code provisions and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, except the following deviations:

Code provision A.1.1 of the CG Code stipulates that regular board meetings should be held at least four times a year at approximately quarterly intervals. There were nine Board meetings held during the year ended 31 March 2013, two of which were regular meetings held for approving the final results for the year ended 31 March 2012 and the interim results for the period ended 30 September 2012. The Company has not held the other two regular Board meetings as it is not required under the Listing Rules to publish quarterly results.

Mr. Chan has been appointed as Chief Executive Officer of the Company on 1 July 2012 and is now both the Chairman and the Chief Executive Officer of the Company, and that the functions of the Chairman and the Chief Executive Officer in the Company's strategic planning and development process overlap. These constitute a deviation from code provision A.2.1 of the CG Code which stipulates that the roles of the Chairman and the Chief Executive should be separate and should not be performed by the same individual. However, in view of the present composition of the Board, the in-depth knowledge of Mr. Chan of the operations of the Group and of the property development and real estate/asset management business in Hong Kong and the PRC, his extensive business network and the scope of operations of the Group, the Board believes it is in the best interests of the Company for Mr. Chan to assume the roles of Chairman and Chief Executive Officer at this time and that such arrangement be subject to review by the Board from time to time.

Under code provision A.6.7 of the CG Code, the independent non-executive directors should attend general meetings of the Company. Some independent non-executive directors were absent from the last annual general meeting held on 31 July 2012 and the extraordinary general meetings held on 20 June 2012 and 31 August 2012 respectively due to other business commitments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the directors, senior management and relevant employees (who, because of their office or employment, is likely to possess inside information in relation to the Company or its securities) of the Group (the "Securities Code") with terms no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Having made specific enquiries, all of the directors and relevant employees of the Group confirmed that they have complied with the Securities Code and the Model Code throughout the year ended 31 March 2013.

AUDIT COMMITTEE REVIEW

The Audit Committee comprises 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 2013 have been reviewed by the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is available for viewing on the websites of the Hong Kong Exchanges and Clearing Limited (http://www. hkexnews.hk) and the Company (http://www.rykadan.com) and the annual report for the year ended 31 March 2013 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 gratitude to our shareholders and our management team for their invaluable support throughout this year of transformation. I would also like to thank our staff for their continued commitment to the Group.

We look forward to the coming years with optimism and ask for your continued support as we continue to create value and grow our business.

For and on behalf of the Board
Rykadan Capital Limited
宏基資本有限公司
CHAN William
Chairman and Chief Executive Officer

Hong Kong, 28 June 2013

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