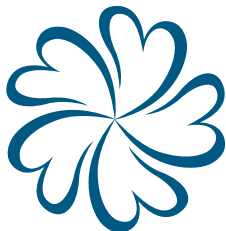


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MAGIC HOLDINGS INTERNATIONAL LIMITED

美即控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1633)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2013**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 30 June 2013 was approximately HK\$1,691 million, representing an increase of 25.3% from approximately HK\$1,349 million for the year ended 30 June 2012.
- Gross profit for the year ended 30 June 2013 was approximately HK\$1,286 million, representing an increase of 24.5% from approximately HK\$1,033 million for the year ended 30 June 2012.
- Net profit for the year ended 30 June 2013 was approximately HK\$199 million, which was stable compare to the year ended 30 June 2012 of approximately HK\$200 million.
- Earnings per share attributable to equity holders of the Company for the year ended 30 June 2013 was approximately HK20.35 cents, which was stable compare to the year ended 30 June 2012 of approximately HK20.36 cents.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Magic Holdings International Limited (the “**Company**” or “**MG**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 June 2013 together with the comparative amounts for the preceding financial year as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 30 June 2013

	<i>Notes</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
REVENUE	4	1,690,540	1,349,409
Cost of sales		<u>(404,395)</u>	<u>(316,399)</u>
Gross profit		1,286,145	1,033,010
Other income and gains	4	21,713	16,678
Selling and distribution expenses		(933,982)	(691,984)
Administrative expenses		<u>(97,442)</u>	<u>(92,447)</u>
PROFIT BEFORE TAX	5	276,434	265,257
Income tax expense	6	<u>(77,622)</u>	<u>(65,130)</u>
PROFIT FOR THE YEAR		<u>198,812</u>	<u>200,127</u>
Attributable to:			
Equity holders of the Company		207,095	204,513
Non-controlling interests		<u>(8,283)</u>	<u>(4,386)</u>
		<u>198,812</u>	<u>200,127</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		<u>HK20.35 cents</u>	<u>HK20.36 cents</u>
Diluted		<u>HK20.20 cents</u>	<u>HK20.23 cents</u>

Details of the dividends are disclosed in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2013

	2013 HK\$'000	2012 HK\$'000
PROFIT FOR THE YEAR	198,812	200,127
OTHER COMPREHENSIVE INCOME		
Other comprehensive income may be reclassified to income statement in subsequent periods:		
Exchange differences on translation of foreign operations	<u>29,725</u>	<u>13,937</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>228,537</u>	<u>214,064</u>
Attributable to:		
Equity holders of the Company	236,645	218,114
Non-controlling interests	<u>(8,108)</u>	<u>(4,050)</u>
	<u>228,537</u>	<u>214,064</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		40,788	32,344
Prepaid land lease payments		63,670	61,564
Goodwill		14,549	14,549
Intangible asset		16,739	20,445
Deferred tax assets		432	415
Prepayments and deposits	<i>11</i>	318,481	2,467
Total non-current assets		454,659	131,784
CURRENT ASSETS			
Inventories		29,656	26,967
Trade receivables	<i>9</i>	419,387	250,497
Prepayments, deposits and other receivables	<i>11</i>	32,217	109,010
Tax recoverable		917	895
Cash and cash equivalents		965,492	1,104,202
		1,447,669	1,491,571
Assets of a subsidiary classified as held for sale		1,212	–
Total current assets		1,448,881	1,491,571
CURRENT LIABILITIES			
Trade payables	<i>10</i>	64,766	63,825
Other payables and accruals		68,092	37,797
Tax payable		26,280	23,998
		159,138	125,620
Liabilities directly associated with a subsidiary classified as held for sale		3,035	–
Total current liabilities		162,173	125,620
NET CURRENT ASSETS		1,286,708	1,365,951
TOTAL ASSETS LESS CURRENT LIABILITIES		1,741,367	1,497,735
NON-CURRENT LIABILITIES			
Deferred tax liabilities		4,185	5,111
Net assets		1,737,182	1,492,624

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	103,253	100,890
Reserves	1,629,759	1,379,456
	1,733,012	1,480,346
Non-controlling interests	4,170	12,278
Total equity	1,737,182	1,492,624

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Magic Holdings International Limited is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is Suite 802, Sino Plaza, 255–257 Gloucester Road, Causeway Bay, Hong Kong. The Group was principally engaged in the manufacture, sales and marketing of facial masks and other skincare products in Mainland China.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). They have been prepared under the historical cost convention. A subsidiary held for sale is stated at the lower of its carrying amount and fair value less costs to sell. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (**HK\$’000**) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements</i> — <i>Presentation of Items of Other Comprehensive Income</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes</i> — <i>Deferred Tax: Recovery of Underlying Assets</i>

Other than as further explained below regarding the impact of amendments to HKAS 1, the adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point of time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments will affect presentation only and have no impact on the financial position or performance.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products. Since the Group has only one single product line during the year, which is the manufacture and sale of facial masks and other skincare products, no further analysis thereof is presented.

Besides, the Group’s customers and non-current assets are solely in the PRC, no further analysis on the geographical information is presented.

Information about major customers

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Customer A*	N/A	241,445
Customer B*	N/A	137,769
	<u>N/A</u>	<u>379,214</u>

* During the year ended 30 June 2013, as no revenue derived from an individual customer of the Group has accounted for over 10% of the Group's total revenue, no information about major customers is presented under HKFRS 8.

4. REVENUE, OTHER INCOME AND GAINS

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Revenue		
Sale of goods	<u>1,690,540</u>	<u>1,349,409</u>
Other income and gains		
Bank interest income	14,078	6,836
Foreign exchange differences, net	<u>7,635</u>	<u>9,842</u>
	<u>21,713</u>	<u>16,678</u>
	<u>1,712,253</u>	<u>1,366,087</u>

5. PROFIT BEFORE TAX

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Cost of inventories sold	404,395	316,399
Depreciation*	4,838	2,845
Amortisation of prepaid land lease payments	1,487	–
Amortisation of an intangible asset*	4,121	4,091
Minimum lease payments under operating leases on land and buildings	7,616	5,102
Employee benefit expenses* (including directors' and chief executive's remuneration):		
Wages and salaries	84,687	57,799
Retirement benefit scheme contributions	10,226	5,409
Equity-settled share award expenses	17,070	22,767
Equity-settled share option expenses	<u>–</u>	<u>7,737</u>
	<u>111,983</u>	<u>93,712</u>
Equity-settled share option expenses — others	–	5,872
Impairment of goodwill**	–	1,223
Foreign exchange differences, net	<u>(7,635)</u>	<u>(9,842)</u>

* Included in the respective balances are the following amounts which are also included in the cost of inventories sold disclosed above:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Depreciation	1,573	945
Amortisation of an intangible asset	4,121	4,091
Employee benefit expenses	23,145	17,880
	28,839	22,916

** Impairment of goodwill is included in the “administrative expenses” on the face of the consolidated income statement.

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

During the 5th Session of the 10th National People’s Congress which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the “**Corporate Income Tax Law**”) was approved and became effective on 1 January 2008. The Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

重慶朗禾化妝品有限公司 and 西藏嘉燦貿易有限公司 were qualified as 鼓勵類產業企業 and Tax Incentives for Investment in Western Regions, respectively, and hence are subject to a preferential corporate income tax (“CIT”) rate of 15%.

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current — Mainland China		
Charge for the year	78,669	65,284
Deferred	(1,047)	(154)
Total tax charge for the year	77,622	65,130

7. DIVIDENDS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Dividends paid:		
Final dividend in respect of the financial year ended 30 June 2012		
— HK3.6 cents per ordinary share		
(2012: HK3.6 cents per ordinary share and a bonus issue of shares on the basis of 1 new ordinary share for every 5 existing ordinary shares)	36,701	30,057
Interim dividend in respect of the period ended 31 December 2012		
— HK1.2 cents per ordinary share (2012: Nil)	12,246	—
Proposed dividend:		
Final	31,137	36,320

The directors recommend the payment of dividend of HK\$31,137,000 (approximately HK3.0 cents per share) for the year. The dividend payable was not reflected in the financial statements for the year ended 30 June 2013.

The dividend of HK\$31,137,000 is calculated based on the number of shares in issue as at the end of the reporting period. The dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on 13 December 2013. These financial statements do not reflect the dividend payable.

The proposed final dividend of HK\$36,320,000, representing approximately HK3.6 cents per share for the year ended 30 June 2012 was approved by the Company's shareholders at the Company's annual general meeting on 14 December 2012. A final dividend of HK3.6 cents per share for the year ended 30 June 2012 was satisfied by cash payment. The dividend payable was not reflected in the financial statements as at 30 June 2012.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares of 1,017,555,000 (2012: 1,004,240,000) in issue during the year.

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Earnings:		
Profit for the year attributable to equity holders of the Company	<u>207,905</u>	<u>204,513</u>
	<i>'000</i>	<i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,017,555	1,004,240
Weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year	<u>7,816</u>	<u>6,552</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,025,371</u>	<u>1,010,792</u>

9. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group generally grants credit terms of up to one year for certain amounts of products to its distributors at the beginning of each calendar year on a case-by-case basis. The Group generally requires such distributors to settle payment for these products at the end of each calendar year. No credit is provided for any further placement from these distributors and payment is required before any further delivery is made to them. Included in the receivable balances at 30 June 2013 were amounts of HK\$419,387,000 (2012: HK\$245,953,000), which represented amounts granted under such terms. The Group generally offers credit terms of up to 90 days to its retailers.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The Group's trade receivables relate to a number of diversified customers and there is certain concentration of credit risk. At the end of the reporting period, the Group has certain concentrations of credit risk as 20.9% (2012: 9.8%) and 39% (2012: 37.3%) of the total accounts receivable were due from the largest customer and the five largest customers, respectively.

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

	Group	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
1 to 180 days	419,387	249,108
Over 180 days	–	1,389
	<u>419,387</u>	<u>250,497</u>

An analysis of trade receivables that were not considered to be impaired is as follows:

	Group	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Neither past due nor impaired	419,387	249,108
Over 180 days past due	–	1,389
	<u>419,387</u>	<u>250,497</u>

The Group's trade receivables mainly relate to sales made to recognised and creditworthy customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a customer that has a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of the balance as there has not been a significant change in credit quality and the balance is still considered fully recoverable.

10. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period is as follows:

	Group	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 90 days	<u>64,766</u>	<u>63,825</u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group	
	2013	2012
	HK\$'000	HK\$'000
Prepayments*	318,605	1,636
Prepaid sales and promotional expenses	15,873	101,584
Deposits and other receivables**	16,220	8,257
	<hr/>	<hr/>
	350,698	111,477
Less: Non-current portion	(318,481)	(2,467)
	<hr/>	<hr/>
	32,217	109,010
	<hr/> <hr/>	<hr/> <hr/>

At 30 June 2013, the net balance of deposits and other receivables was neither past due nor impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

- * At 30 June 2013, included in the deposits is RMB250,000,000 (approximately HK\$314,379,000) paid for the acquisition of the entire issued share capital of Apex Rich Enterprises Limited (the "Acquisition"). The Acquisition was subsequently completed on 27 July 2013.

Details of the Acquisition have been set out in the Company's announcement dated 31 May 2013 and 5 August 2013.

- ** Included in the "deposits and other receivables" as at 30 June 2012 was a deposit paid for acquisition of a machinery of RMB2,012,000 (approximately HK\$2,467,000), which was transferred to "plant and machinery" included in property, plant and equipment during the year.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (“**Annual General Meeting**”) is scheduled on Friday, 13 December 2013. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 9 December 2013 to Friday, 13 December 2013, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 6 December 2013.

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is Friday, 20 December 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 19 December 2013 to Friday, 20 December 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s share registrars in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Wednesday, 18 December 2013. The payment of final dividend will be made on Tuesday, 28 January 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in manufacture, sales and marketing of facial mask products and other skincare products including MG brand (“**MG Brand**”) and Keep Up brand (“**Keep Up Brand**”) in China. During the year, the Group achieved a positive return through its efforts on brand building and marketing, well-established distribution networks as well as the development of new products offerings.

FINANCIAL REVIEW

During the year, the Group maintained a healthy continuous growth and achieved a new height. Sales revenue for the year amounted to approximately HK\$1,690,540,000, representing a growth of approximately 25.3% as compared with approximately HK\$1,349,409,000 in the preceding financial year. Gross profit margin is approximately 76.1% in the year as compared to approximately 76.6% in the preceding financial year. Profit attributable to equity holders increased to approximately HK\$207,095,000 in the year, representing an increase of approximately 1.3% from approximately HK\$204,513,000 in financial year 2012.

The total selling, general and administrative expenses incurred by the Group during the year under review was approximately HK\$1,031,424,000, representing in aggregate approximately 61.0% of the total sales revenue, of which, total selling and distribution expenses were approximately HK\$933,982,000, representing in aggregate approximately 55.2% of total sales revenue. Administrative expenses were approximately HK\$97,442,000.

BUSINESS REVIEW

Despite the slow down of China's economy growth, the Group still achieved a growth of approximately 25.3% in sales revenue for the financial year ended 2013. According to the ACNielsen report, the market share of MG Brand in China up to 31 December 2013 was approximately 26.4%, and MG Brand continued to be the leading brand in China. The leading position of MG Brand in China has proven its successfully brand building and marketing strategies over the past years.

Brand Building and Marketing

The brand awareness of our MG Brand has been the highest in the facial mask industry since 2010. When most of the consumers see our MG Brand, they will immediately think of facial masks, which is an evidence of the leading position of MG Brand within the facial mask industry in China.

We have been focusing on both above-the-line and below-the-line marketing strategies. We engaged various advertising agencies, as our advertising partners, to build, manage and promote our MG Brand through a series of all-dimensional above-the-line marketing strategies which include various kinds of advertisement platforms. In respect of the below-the-line marketing strategy, we also engaged third party service providers to advice on organizing the promotion activities in retail stores, designing displays for in-store MG Brand products, and the training on selling skills of our in-store sales promoters. These marketing strategies have been successful and effective which is best evidenced by our MG Brand's brand awareness and the response of the consumers.

The aforesaid brand building and marketing activities resulted in encouraging enhancement in respect of popularity and reputation of MG Brand, which are of great benefits in facilitating channel expansion, promoting terminal sales and improving brand awareness of MG Brand.

Optimization and Expansion of Distribution Networks

During the year, we continued to optimize and expand our distribution networks. We negotiated the design of our MG Brand products display at the point of sales and size of shelf space with the headquarter of point of sales in different sales channels, and also increased the number of point of sales with high quality shop management. Besides optimization and expansion of our distribution networks, we are also looking for opportunities to introduce our MG Brand into different sales channels which we previously had limited exposure. The change of consumers' purchase habit, especially for youngsters, is important as we expect the growth of our sales from on-line retail shops would increase steadily in the coming years so that we will also focus on the development of E-commerce channel in addition to the physical stores. As at 30 June 2013, we had 363 distributors (261 distributors as at 30 June 2012) and the number of terminal stores coverage was 13,852 (10,184 stores as at 30 June 2012), representing a net increase of 3,668 new stores for the year.

The smooth development of sales channel expansion is of significant importance. We believed that the optimization and expansion of distribution networks will make great contribution to the growth of facial mask industry as well as improving the brand awareness of MG Brand.

In line with our fast growing number of new terminal stores, as mentioned previously, we also optimized the operation of the original terminal stores, which helped to further improve the performance of the original stores.

New Products Offerings

Our MG Brand has consistently enriched its product portfolios by introducing new products with different characteristics in response towards frequent changes in demand of the facial mask industry. Currently our MG Brand carries over 170 types of peel-off and wash-off facial mask products within a range of 13 product series. During the year, peel-off facial mask products (including eye masks) and wash-off facial mask products accounted for approximately 87.1% and approximately 11.7% of our total sales, respectively. During the financial year 2013, we have launched nine new products under the Basic Series of our MG Brand, namely Rowan Brightening and Whitening Jelly Mask, Snail Essence Firming and Nourishing Mask, Q10 Activating and Tightening Mask, Helichrysum Brightening and Repairing Mask, Marigold Soothing and Hydrating Mask and lastly Black Wrack Hydrating and Activating Mask. While the above new products had enlarged the MG Brand portfolio, they had also provided more comprehensive choices to cater for different consumers' demand.

FUTURE PROSPECTS

Looking forward, we believe the growth of the facial mask industry will continue to be driven by the increasing number of facial mask users and more frequent use of facial masks. Therefore, we will continue our commitment to develop our facial mask products and focus on our strategies to strengthen our facial masks products under our MG Brand.

We have preliminarily established a basic distribution system that covers personal skincare chain stores, supermarkets and hypermarkets, skincare specialty stores, and E-commerce channels. Based on this, we will continue to focus on the promotion and expansion of our distribution networks in terms of the number of terminal stores and coverage. In parallel with constant expansion of terminal stores, we emphasize more on the quality development of terminal stores. We will endeavor to foster strategic cooperation with sales channel providers on the management of facial mask products in hope for better display positions, larger display areas, and more brand specialty counters in the terminal stores. Coupled with a wider coverage of shopping guides at the terminal stores and improved professionalism, we will adjust the incentive-based Key Performance Indicator to enhance the customers' loyalty of our MG Brand in their shopping experience and increase the output of a single store.

In view of a growing popularity of facial mask products, we will optimize the research on consumers' needs and technology development of facial mask products under our MG Brand, and launch new products on a timely basis. Finally, we will focus on the development of a successful model for our skincare business segment through brainstorming, verification, products testing and marketing in order to set a solid foundation for the long-term healthy and sustainable growth for the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2013, the Group had unpledged cash and bank balances of approximately HK\$965,722,000 (2012: approximately HK\$1,104,202,000). The gearing ratio for the Group was 0% (2012: 0%) as the Group had no outstanding bank borrowing as at 30 June 2013 (2012 outstanding bank loan: Nil). Net current assets were approximately HK\$1,286,708,000 (2012: approximately HK\$1,365,951,000) and current ratio was maintained at a healthy level of approximately 8.9 (2012: approximately 11.9) as at 30 June 2013.

The Group has no finance costs incurred during the year as there is no bank borrowing during the year (2012: approximately HK\$0).

COMMITMENTS

As at 30 June 2013, the Group had contracted commitments of approximately HK\$188,879,000 (30 June 2012: HK\$1,834,000).

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any significant contingent liabilities (30 June 2012: Nil).

BANK BORROWINGS

As at 30 June 2013, the Group had no outstanding bank loans (30 June 2012: Nil).

SEASONAL OR CYCLICAL FACTORS

During the year, the Group's business operations were not significantly affected by any seasonal or cyclical factors.

FOREIGN EXCHANGE EXPOSURE

During the year, the Group mainly generated sales revenue and incurred costs in Renminbi. In view of the expected appreciation of Renminbi, the Directors considered that the Group's exposure to fluctuation in foreign exchange rate was minimal, and accordingly, the Group did not employ any financial instruments for hedging purpose.

TREASURY POLICIES

During the year, the Group generally financed its operations with internally generated resources. The Group placed these resources into interest-bearing bank accounts opened with banks in China, Hong Kong, and Macau, and earned interest in accordance with the China, Hong Kong and Macau bank interest rates. Bank deposits were mainly denominated in Renminbi and Hong Kong Dollars.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As at 30 June 2013, the Group had a total of 4,726 workforces, including the workforces under the Group's employment and those supplied by a workforces solution provider ("the Provider") (2012: 3,930), of whom 4,722 were based in China, with the rest stationed in Hong Kong. The employees of the Group were remunerated based on their experience, qualifications, the Group's performance as well as market conditions. During the year, staff costs and amount paid to the Provider amounted to a total of approximately HK\$222,644,000 (2012: approximately HK\$175,373,000). Such costs accounted for 13.2% of the Group's sales revenue (2012: 13.0%) during the year. The increase of such costs in the year was mainly attributable to the increase in number of workforces and their wages and salaries. The Group participated in retirement benefit schemes for its staff both in Hong Kong and China.

The Group has developed its training programs in a structured and systematic manner for its directors, senior management and employees. The Group provided regular directors, senior management and employee with technical related courses during the year.

FINAL DIVIDEND

At a meeting of the Board held on 18 September 2013, the Directors recommended the payment of a final dividend of HK3.0 cents (2012: HK3.6 cents) per share for the year totalling approximately HK\$31,137,000 (2012: HK\$36,320,000) to the shareholders of the Company whose names appear on the register of members of the Company on 20 December 2013, subject to the approval of the shareholders of the Company in the Company's forthcoming Annual General Meeting. The final dividend will be paid on 28 January 2014, if the relevant resolutions have been passed at the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE

During the year, the Company has complied with all the Code Provisions of the Code on Corporate Governance Practices, which was revised and renamed as Corporate Governance Code on 1 April 2012, contained in Appendix 14 to the Listing Rules for the period from 1 July 2011 to 31 March 2012 and of the Corporate Governance Code for the period from 1 April 2012 to 30 June 2012.

Detailed information of the Company's corporate governance practices as set out in the corporate governance report will be included in the Company's annual report to be despatched to the shareholders in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors and senior management of the Group in September 2010 on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiries of all Directors and senior management of the Group, all Directors and senior management of the Group have complied with the required standard set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors and senior management of the Group during the year and up to the date of this announcement.

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

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

AUDIT COMMITTEE

The Board has established an audit committee (the “**Committee**”) in accordance with the requirements of the Code Provisions. The primary duties of the Committee include reviewing and providing supervision over the financial reporting procedures and internal controls of the Group. The Committee currently comprises Mr. Yan Kam Tong, Professor Dong Yin Mao and Professor Yang Rude, the three independent non-executive Directors. The Group's financial statements for the year have been reviewed by the Committee, which is of the opinion that such financial statements comply with the applicable accounting standards, and the requirements of the Listing Rules and the applicable laws, and that adequate disclosures have been made.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is available for viewing on the website of the Stock Exchange and the website of the Company at <http://www.magicholdings.co>. The annual report of the Company will be dispatched to shareholders of the Company in due course.

By the order of the Board
Magic Holdings International Limited
Tang Siu Kun Stephen
Chairman

Hong Kong, 18 September 2013

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Tang Siu Kun Stephen (Chairman), Mr. She Yu Yuan, Mr. Luo Yao Wen and Mr. Cheng Wing Hong; two non-executive directors, namely Mr. Sun Yan and Mr. Chen Dar Cin; and three independent non-executive directors, namely Professor Dong Yin Mao, Professor Yang Rude and Mr. Yan Kam Tong.