興勝創建控股有限公司
HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 896)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

SUMMARY OF RESULTS

For the year ended 31 March 2013, the turnover of Hanison Construction Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") was HK$1,554.5 million, being 25.9% higher than the turnover of HK$1,234.7 million for the year ended 31 March 2012.

In addition to the increase in turnover, the Group recorded an increase in profit attributable to owners of the Company for the year from HK$128.2 million for the last financial year to HK$188.3 million for this financial year. Such increase is mainly attributable to the profit on the sale of four units from our property development project, Eight College, and revaluation gain from investment properties.

The basic earnings per share for the year was HK35.1 cents, compared to HK23.9 cents (restated) last year.

As at 31 March 2013, the net asset value of the Group amounted to HK$1,219.5 million (2012: HK$1,051.3 million), representing an increase of 16.0% over last year. Net asset value per share at 31 March 2013 was HK$2.27 (2012: HK$1.96 (restated)).

DIVIDEND

The Board has recommended a final dividend of HK3.2 cents per share for the year ended 31 March 2013 (2012: HK2.7 cents per share) to shareholders whose names appear on the register of members of the Company on 4 September 2013. This together with the interim dividend of HK1.8 cents per share (2012: HK1.5 cents per share) gives a total of HK5.0 cents per share for the year (2012: HK4.2 cents per share). The proposed final dividend will be paid on 18 September 2013 following approval at the annual general meeting.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from 23 August 2013 to 27 August 2013, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the annual general meeting scheduled to be held on 27 August 2013. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later that 4:30 p.m. on 22 August 2013.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The register of members of the Company will be closed from 2 September 2013 to 4 September 2013, both days inclusive, for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 March 2013. In order to qualify for the final dividend for the year ended 31 March 2013, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later that 4:30 p.m. on 30 August 2013.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	NOTES	**2013** ***HK$'000***	2012 *HK$'000*
Turnover	*3*	**1,554,479**	1,234,656
Cost of sales		**(1,290,467)**	(1,070,562)
Gross profit		**264,012**	164,094
Other income		**5,435**	4,721
Marketing and distribution costs		**(44,281)**	(24,695)
Administrative expenses		**(121,982)**	(99,302)
Gain on change in fair value of investment properties		**104,489**	72,195
Gain (loss) on change in fair value of investments held for trading		**89**	(51)
Loss on change in fair value of derivative financial instruments		**(427)**	(2,100)
Share of profit of an associate		**839**	1,467
Share of (loss) profit of jointly controlled entities		**(546)**	25,130
Finance costs		**(5,731)**	(5,382)
Profit before taxation	*5*	**201,897**	136,077
Taxation	*6*	**(16,711)**	(7,910)
Profit for the year		**185,186**	128,167
Profit (loss) for the year attributable to:			
Owners of the Company		**188,265**	128,167
Non-controlling interest		**(3,079)**	–
		185,186	128,167
			(Restated)
Earnings per share-basic (HK cents)	*8*	**35.1**	23.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**185,186**	128,167
Other comprehensive income		
Exchange differences arising on translation of foreign operations	**1,810**	3,461
Total comprehensive income for the year	**186,996**	131,628
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	**190,075**	131,628
Non-controlling interest	**(3,079)**	–
	186,996	131,628

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	NOTES	**31.3.2013 *HK$'000***	31.3.2012 *HK$'000*
Non-current assets			
Investment properties		**747,090**	415,910
Property, plant and equipment		**108,341**	82,036
Prepaid lease payments		**7,024**	6,740
Interest in an associate		**21,238**	20,399
Interests in jointly controlled entities		**129,592**	138,680
Pledged bank deposits		**24,401**	–
Deferred tax assets		**848**	784
		1,038,534	664,549
Current assets			
Properties under development for sale		**815,553**	626,500
Properties held for sale		**31,886**	167,306
Inventories		**31,412**	31,514
Amounts receivable on contract work		**122,017**	169,092
Progress payments receivable	*9*	**76,522**	108,540
Retention money receivable		**114,691**	119,506
Debtors, deposits and prepayments	*10*	**42,412**	206,327
Prepaid lease payments		**218**	215
Amount due from a jointly controlled entity		**449**	246
Amount due from an associate		**1,921**	2,300
Investments held for trading		**372**	283
Taxation recoverable		**1,753**	382
Derivative financial instruments		**277**	213
Bank balances and cash		**293,338**	184,924
		1,532,821	1,617,348
Assets classified as held for sale		**8,500**	–
		1,541,321	1,617,348
Current liabilities			
Amounts payable on contract work		**68,566**	77,576
Trade and other payables	*11*	**379,401**	388,138
Taxation payable		**20,832**	7,395
Derivative financial instruments		**–**	2,619
Bank loans – amounts due within one year		**810,700**	734,300
		1,279,499	1,210,028
Net current assets		**261,822**	407,320
Total assets less current liabilities		**1,300,356**	1,071,869

	31.3.2013	31.3.2012
	HK$'000	*HK$'000*
Non-current liabilities		
Other long-term payable	**14,253**	14,253
Amount due to a non-controlling shareholder	**63,600**	–
Deferred tax liabilities	**6,118**	6,286
	83,971	20,539
	1,216,385	1,051,330
Capital and reserves		
Share capital	**53,632**	48,756
Reserves	**1,165,832**	1,002,574
Equity attributable to owners of the Company	**1,219,464**	1,051,330
Non-controlling interest	**(3,079)**	–
	1,216,385	1,051,330

NOTES:

1. BASIS OF PREPARATION AND CONSOLIDATION

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

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

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interest

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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

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

Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets

Amendments to HKAS 12 titled "Deferred tax: Recovery of underlying assets" which is mandatorily effective for the current year has been applied by the Group in advance in the financial year ended 31 March 2012.

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

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 to 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]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[1]

[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.*

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

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

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) – INT 12 "Consolidation – Special purpose entities" 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. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

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.

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The directors of the Company have assessed the control in respect of its subsidiaries, jointly controlled entities and an associate under the new definition in the new and revised HKFRSs. The directors of the Company anticipate that the application of these five standards will not have material impact on amounts in connection to subsidiaries, jointly controlled entities and an associate of the Company currently reported in the consolidated financial statements. The application of HKFRS 12 will result in more extensive disclosures in the consolidated financial statements.

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 of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and 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 in future accounting periods.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the Group's financial performance and positions.

3. TURNOVER

Turnover represents the aggregate of the revenue earned from construction contract work, interior and renovation contracts, supply and installation of building materials, sales of goods, gross rental income from property investment, sales of properties and provision of property agency and management services during the year.

4. SEGMENT INFORMATION

The Group is organised into seven operating divisions: construction, interior and renovation works, trading and installation of building materials, sales of health products, property investment, property development and provision of property agency and management services. These divisions are the basis on which the Group reports its financial information internally and are regularly reviewed by executive directors of the Company, being the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance.

(a) Segment revenues and results

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

For the year ended 31 March 2013

	Construction *HK$'000*	**Interior and renovation** *HK$'000*	**Building materials** *HK$'000*	**Health products** *HK$'000*	**Property investment** *HK$'000*	**Property development** *HK$'000*	**Property agency and management** *HK$'000*	**Segment total** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
TURNOVER										
External sales	**886,148**	**29,761**	**226,025**	**56,074**	**20,138**	**325,800**	**10,533**	**1,554,479**	**–**	**1,554,479**
Inter-segment sales	**155,353**	**150,676**	**46,136**	**8**	**1,748**	**–**	**3,152**	**357,073**	**(357,073)**	**–**
Total	**1,041,501**	**180,437**	**272,161**	**56,082**	**21,886**	**325,800**	**13,685**	**1,911,552**	**(357,073)**	**1,554,479**

Inter-segment sales are charged by reference to market prices.

RESULTS										
Segment result	**9,446**	**1,648**	**2,598**	**1,331**	**100,956**	**89,242**	**512**	**205,733**	**(287)**	**205,446**
Unallocated expenses										**(3,549)**
Profit before taxation										**201,897**

For the year ended 31 March 2012

	Construction *HK$'000*	Interior and renovation *HK$'000*	Building materials *HK$'000*	Health products *HK$'000*	Property investment *HK$'000*	Property development *HK$'000*	Property agency and management *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
TURNOVER										
External sales	804,536	10,133	205,222	52,639	16,957	138,000	7,169	1,234,656	–	1,234,656
Inter-segment sales	29,259	178,351	27,630	8	1,548	–	1,873	238,669	(238,669)	–
Total	833,795	188,484	232,852	52,647	18,505	138,000	9,042	1,473,325	(238,669)	1,234,656

Inter-segment sales are charged by reference to market prices.

RESULTS										
Segment result	13,834	3,670	1,219	1,206	75,563	43,123	693	139,308	(400)	138,908
Unallocated expenses										(2,831)
Profit before taxation										136,077

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of administration costs incurred by head office and the inactive subsidiaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

(b) Other Information

Year ended 31 March 2013

	Construction HK$'000	Interior and renovation HK$'000	Building materials HK$'000	Health products HK$'000	Property investment HK$'000	Property development HK$'000	Property agency and management HK$'000	Consolidated HK$'000
Amounts included in the measure of segment results or segment assets:								
Depreciation	**2,366**	**38**	**457**	**1,277**	**5**	**–**	**2,561**	**6,704**
Gain on change in fair value of investment properties	**–**	**–**	**–**	**–**	**(104,489)**	**–**	**–**	**(104,489)**
Gain on change in fair value of investments held for trading	**(89)**	**–**	**–**	**–**	**–**	**–**	**–**	**(89)**
Loss on change in fair value of derivative financial instruments	**–**	**–**	**427**	**–**	**–**	**–**	**–**	**427**
Impairment loss recongised on trade debtors	**–**	**–**	**3,000**	**–**	**–**	**–**	**–**	**3,000**
Gain on disposal of property, plant and equipment	**(57)**	**–**	**–**	**–**	**–**	**–**	**–**	**(57)**
Interest income	**–**	**–**	**(16)**	**(1)**	**–**	**–**	**(618)**	**(635)**
Share of profit of an associate	**–**	**–**	**–**	**–**	**(839)**	**–**	**–**	**(839)**
Share of (profit) loss of jointly controlled entities	**(1,201)**	**–**	**–**	**–**	**–**	**1,747**	**–**	**546**
Finance costs	**–**	**–**	**2,122**	**6**	**3,420**	**183**	**–**	**5,731**
Additions to non-current assets *(note)*	**3,458**	**–**	**1,045**	**702**	**335,420**	**–**	**473**	**341,098**
Interest in an associate	**–**	**–**	**–**	**–**	**21,238**	**–**	**–**	**21,238**
Interests in jointly controlled entities	**5,769**	**–**	**–**	**–**	**–**	**123,823**	**–**	**129,592**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results:								
Income tax expenses (credit)	**492**	**193**	**294**	**(24)**	**427**	**14,741**	**588**	**16,711**

Note: Non-current assets exclude pledged bank deposits, deferred tax assets, interest in an associate and interests in jointly controlled entities.

Year ended 31 March 2012

	Construction HK$'000	Interior and renovation HK$'000	Building materials HK$'000	Health products HK$'000	Property investment HK$'000	Property development HK$'000	Property agency and management HK$'000	Consolidated HK$'000
Depreciation	1,331	38	380	1,166	425	4	2,148	5,492
Gain on change in fair value of investment properties	–	–	–	–	(72,195)	–	–	(72,195)
Loss on change in fair value of investments held for trading	51	–	–	–	–	–	–	51
Loss on change in fair value of derivative financial instruments	–	–	2,100	–	–	–	–	2,100
Loss (gain) on disposal of property, plant and equipment	(109)	–	–	–	–	–	327	218
Interest income	(1)	–	(9)	(7)	–	–	(28)	(45)
Share of profit of an associate	–	–	–	–	(1,467)	–	–	(1,467)
Share of profit of jointly controlled entities	(10,954)	–	–	–	–	(14,176)	–	(25,130)
Finance costs	–	–	1,581	4	1,594	2,203	–	5,382
Additions to non-current assets *(note)*	1,321	–	237	966	205	–	182	2,911
Interest in an associate	–	–	–	–	20,399	–	–	20,399
Interests in jointly controlled entities	14,568	–	–	–	–	124,112	–	138,680
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results:								
Income tax expenses	120	513	119	232	1,333	5,037	556	7,910

Note: Non-current assets exclude deferred tax assets, interest in an associate and interests in jointly controlled entities.

Geographical information

The Group's turnover which is generated from customers located in Hong Kong, the Company's place of domicile, amounted to HK$1,531,481,000 (2012: HK$1,229,232,000). Accordingly, no further analysis of the Group's turnover by geographical market based on geographical location of customers has been prepared.

The analysis of the Group's non-current assets by geographical location of assets is presented as follows (Note):

	2013	2012
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**854,676**	505,804
The PRC	**158,609**	157,961
	1,013,285	663,765

Note: Interest in an associate and interests in jointly controlled entities are analysed by geographical location of their respective operations.

Information about major customers

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

	2013	2012
	HK$'000	*HK$'000*
Customer A *(note)*	**329,713**	64,613
Customer B *(note)*	**180,073**	258,687
Customer C *(note)*	**141,766**	241,968
Customer D *(note)*	**–**	173,635
	651,552	738,903

Note: Revenue from construction contracts income within the construction segment.

5. PROFIT BEFORE TAXATION

	2013 HK$'000	2012 HK$'000
Profit before taxation has been arrived at after charging and (crediting):		
Depreciation of property, plant and equipment	**6,704**	5,492
Auditor's remuneration	**1,910**	1,800
Impairment loss recongised on trade debtors	**3,000**	–
(Gain) loss on disposal of property, plant and equipment	**(57)**	218
Net exchange gain	**(105)**	(131)
Contract costs recognised as expense in cost of sales	**1,039,462**	928,713
Costs of inventories recognised as an expense in cost of sales	**240,061**	141,849
Gross rental income under operating leases	**(20,138)**	(16,957)
Less: Direct operating expenses that generated rental income during the year	**5,117**	3,302
	(15,021)	(13,655)
Sub-leasing income	**(778)**	(861)
Less: Direct operating expenses that generated sub-leasing income during the year	**38**	40
	(740)	(821)
Expenses capitalised in cost of contract work:		
Depreciation	**5,324**	11,110
Release of prepaid lease payments	**218**	215
Rentals under operating leases in respect of:		
– plant and machinery	**8,452**	3,237
– others	**473**	351

6. TAXATION

	2013	2012
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current year	**17,128**	8,960
(Over)underprovision in prior years	**(185)**	63
	16,943	9,023
Deferred taxation	**(232)**	(1,113)
	16,711	7,910

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

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions. Profits tax arising in the PRC is calculated at 25% on the assessable profits for both years.

7. DIVIDENDS

Dividends recognised as distribution during the year:

	2013	2012
	HK$'000	*HK$'000*
Ordinary shares:		
Interim dividend for 2013 – HK1.8 cents per share (2012: HK1.5 cents per share for 2012)	**8,777**	7,314
Final dividend for 2012 – HK2.7 cents per share (2012: HK2.7 cents per share for 2011)	**13,164**	13,164
	21,941	20,478

A final dividend of HK3.2 cents per share totalling HK$17,162,000 in respect of the year ended 31 March 2013 (2012: final dividend of HK2.7 cents per share totalling HK$13,164,000 in respect of the year ended 31 March 2012) has been proposed by the directors and is subject to approval by the shareholders in general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the profit attributable to owners of the Company for the year of HK$188,265,000 (2012: HK$128,167,000) and on the 536,315,641 shares in issue for the two years ended 31 March 2013 after adjusting for the effect of bonus issue of shares during the year.

There were no potential ordinary shares in existence for the two years ended 31 March 2013. Accordingly, no diluted earnings per share has been presented.

9. PROGRESS PAYMENTS RECEIVABLE

Progress payments receivable represent the amounts receivable, after deduction of retention money, for construction services which usually fall due within 30 days after the work is certified. Retention money is usually withheld from the amounts receivable for work certified. 50% of the retention money is normally due upon completion of construction services and the remaining 50% portion is due upon finalisation of construction accounts. Retention money receivable is expected to be settled within twelve-months after the finalisation of construction accounts.

The aged analysis of progress payments receivable is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**72,125**	80,128
31 – 60 days	**2,130**	10,505
61 – 90 days	**2,267**	14,519
Over 90 days	**–**	3,388
	76,522	108,540

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Proceeds from property sales are receivable pursuant to the terms of the sale and purchase agreements. For other businesses, the Group generally allows a credit period of not more than 90 days (2012: not more than 90 days) to its customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customers and define appropriate credit limit. Other receivables are unsecured, interest-free and are repayable on demand.

The aged analysis of trade debtors presented based on the invoice date at the end of the reporting period is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**5,200**	131,632
31 – 60 days	**2,727**	8,703
61 – 90 days	**4,050**	5,327
Over 90 days	**7,616**	14,182
	19,593	159,844

11. TRADE AND OTHER PAYABLES

The aged analysis of trade payables based on the invoice date is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**79,055**	115,769
31 – 60 days	**1,708**	7,535
61 – 90 days	**3,226**	2,250
Over 90 days	**5,901**	4,610
	89,890	130,164

OPERATIONS REVIEW

CONSTRUCTION DIVISION

The turnover for the Construction Division was HK$1,041.5 million for the year ended 31 March 2013 (2012: HK$833.8 million). During the year, several construction projects had reached the peak phase and some had come to the completion phase.

The total amount of contract on hand as at 31 March 2013 was HK$1,470.9 million, of which HK$1.2 million was derived from a project under joint venture arrangement with a joint venture partner.

Major Projects Completed

(1) Construction of Sports Centre and Community Hall in Area 101 at Tin Shui Wai with a joint venture partner

(2) Construction of Lam Tin North Municipal Services Building with a joint venture partner

(3) Construction of Student Hostel Phase 3 for The Hong Kong Polytechnic University

(4) Construction of shopping centre at Discovery Bay, Lantau Island

(5) Construction of Phase 14, N1C (Block 1 & 4) at Discovery Bay, Lantau Island

Major Projects in Progress

(1) Construction of proposed industrial redevelopment, The Bedford, at Nos. 91-93 Bedford Road, Tai Kok Tsui, Kowloon

(2) Construction of public rental housing development at Tseung Kwan O Area 65B

(3) Construction of proposed residential redevelopment at Nos. 146 & 148 Argyle Street, Kowloon

(4) Construction of proposed residential redevelopment, The Austine Place, at No. 38 Kwun Chung Street, Jordan, Kowloon

(5) Construction of Composite Development at Nos. 1-21 Dundas Street, Kowloon

(6) Construction of the redevelopment at No. 23 Tong Chong Street, Quarry Bay, Hong Kong

INTERIOR AND RENOVATION DIVISION

For the year ended 31 March 2013, the Interior and Renovation Division recorded a turnover of HK$180.4 million, as compared with HK$188.5 million last year. The Interior and Renovation Division maintained steady turnover for the year under review.

The contract on hand as at 31 March 2013 amounted to HK$59.0 million.

Major Projects Completed

(1) Interior fitting-out works for the residential development at Area N1d, Phase 14, Discovery Bay, Lantau Island

(2) Builder's works and fitting-out works for the conference and resort hotel at North Area N3, Discovery Bay, Lantau Island

Major Projects Awarded

(1) Alterations and additions term contract for building works for The Hong Kong Polytechnic University

The following projects were awarded subsequent to the financial year ended 31 March 2013:

(2) Spatial reorganisation works to Core FJ, 7/F of The Hong Kong Polytechnic University

(3) Renovation of Ronsdale Garden at No. 25 Tai Hang Drive, Jardine's Lookout, Hong Kong

BUILDING MATERIALS DIVISION

For the year ended 31 March 2013, the turnover of the Building Materials Division was HK$272.2 million, compared with that of HK$232.9 million last year.

The implementation of various infrastructure projects and increase in building construction activities have created more business opportunities for the Building Materials Division. A number of projects were undertaken during the year under review.

Trigon Building Materials Limited ("Trigon HK") and Trigon Interior Fitting-Out Works (Macau) Limited ("Trigon Macau") (collectively, "Trigon")

Trigon HK and Trigon Macau are two of the subsidiaries of the Group under the Building Materials Division, specialising in the supply and installation of interior products such as different types of suspended ceiling system, metal cladding system, demountable partition system, fire related protection system, decorative moulding, raised flooring and wood flooring.

Major Projects Undertaken

(1) Lam Tin North Municipal Services Building – Supply and installation of false ceiling

(2) Victoria Park Swimming Complex – Supply and installation of false ceiling

(3) Che Kung Temple Station – Supply and installation of false ceiling

(4) West Island Line – Sai Ying Pun Station and tunnels – Supply and installation of false ceiling

(5) TMTL 447, Tuen Mun Station – Supply and installation of false ceiling

(6) Sheng Kung Hui St. James' Primary School – Supply and installation of false ceiling

(7) TPTL 195, Po Wu Lane, Tai Po – Supply and installation of false ceiling

(8) KIL 11073, West Kowloon – Supply and installation of aluminium suspended ceiling

(9) Proposed industrial redevelopment, The Bedford at Nos. 91-93 Bedford Road, Tai Kok Tsui, Kowloon – Supply and installation of suspended ceiling system

(10) STTL 502 proposed residential development at Lok Wo Sha, Ma On Shan – Supply and installation of suspended ceiling system

Major Projects Awarded

(1) TPTL 183 proposed residential development at Fung Yuen, Tai Po – Supply and installation of suspended ceiling system

(2) Composite Development at Nos. 1-21 Dundas Street, Kowloon – Supply and installation of drywall system

The contract on hand of Trigon as at 31 March 2013 amounted to HK$42.2 million.

Tai Kee Pipes Limited ("Tai Kee")

Another subsidiary under the Building Materials Division, Tai Kee, focuses on the supply of pipes, fittings and other related accessories through project sales.

Major Projects Undertaken

(1) Science Park Phase 3 – Supply of copper pipes and related accessories

(2) Public Rental Housing Development at Tseung Kwan O Area 65B – Supply of copper pipes and related accessories

(3) Public Housing Development at Macau (Lot CN5a) – Supply of copper pipes and related accessories

(4) Public Housing Development at Green Island Macau – Supply of copper pipes and related accessories

(5) A commercial building at Yip Kan Street, Wong Chuk Hang – Supply of copper pipes and related accessories

The contract on hand of Tai Kee as at 31 March 2013 amounted to HK$22.2 million.

Million Hope Industries Limited ("Million Hope HK") and 美興新型建築材料(惠州)有限公司 ("美興") (collectively "Million Hope")

Million Hope HK and its factory, 美興, specialise in the design, supply and installation of aluminium windows and curtain walls in Hong Kong and Mainland China. Million Hope is one of the authorised manufacturers of the renowned German brand product "Schüco".

Major Projects Undertaken

(1) Lam Tin North Municipal Services Building – Design, supply and installation of aluminium curtain wall, aluminium cladding, canopy, skylight and feature

(2) Proposed industrial development at TWTL No. 36 Hoi Shing Road, Tsuen Wan, New Territories – Design, supply and installation of aluminium window, window wall, canopy and aluminium cladding

(3) Proposed residential development at Nos. 13-27 Warren Street, Causeway Bay, Hong Kong – Design, supply and installation of aluminium window, curtain wall, aluminium cladding, louvre, grille, skylight, canopy, balustrade and metal ceiling

(4) Proposed industrial redevelopment, The Bedford, at Nos. 91-93 Bedford Road, Tai Kok Tsui, Kowloon – Design, supply and installation of aluminium curtain wall, window wall, window, louvre and aluminium cladding

(5) Area 4-5 (Phase 1) Cheng Nam Xin Qu, Haining – Design, supply and installation of aluminium door, window and curtain wall

Major Projects Awarded

(1) Proposed residential development, The Austine Place, at No. 38 Kwun Chung Street, Jordan, Kowloon – Design, supply and installation of aluminium window, sliding door, window wall, cladding and balustrade

(2) Proposed residential development at No. 11 Warren Street, Causeway Bay, Hong Kong – Design, supply and installation of aluminium window, sliding door, window wall, cladding and balustrade

(3) Redevelopment of Block E Building in NKIL 5748 for The Hong Kong Baptist Hospital – Design, supply and installation of curtain wall, window and louvre

(4) No. 59 Mount Kellett Road, The Peak, Hong Kong – Design, supply and installation of curtain wall, window and canopy

The contract on hand of Million Hope as at 31 March 2013 amounted to HK$184.1 million.

PROPERTY DEVELOPMENT DIVISION

The Property Development Division recorded a turnover of HK$325.8 million, representing the sale of four units of Eight College, the Group's wholly-owned luxurious residential development in Kowloon Tong, during the year under review (2012: HK$138.0 million). Subsequent to the year end, the last unit was sold. The sale results were encouraging and have brought about promising returns to the Group.

During the year, the construction work of The Bedford, a boutique industrial high-rise at Nos. 91-93 Bedford Road, Tai Kok Tsui has reached its final phase. Pre-sale has launched and three units were sold subsequent to the financial year ended 31 March 2013.

The foundation work of The Austine Place was completed in early 2013 and superstructure work has been commenced thereafter. The Austine Place is a boutique residential building with retail podium, situated at a superb location of No. 38 Kwun Chung Street, Jordan, offering luxury residences at a nexus of transportation.

Pieces of agricultural land at Tong Yan San Tsuen in Yuen Long were acquired in May 2012. A land exchange application for residential use was made in 2012 with the Lands Department.

Another proposed residential development of the Group at D.D. 129, Lau Fau Shan in Yuen Long had completed gazettal stage and we are waiting for the offer of land premium.

For the proposed residential development project with Sun Hung Kai Properties Limited at So Kwun Wat, Tuen Mun, planning application to the Town Planning Board has been completed during the year. Land exchange application to convert the land to residential use will be made with the Lands Department.

For the Group's 49% interests in the parcel of land situated at 中國浙江省海寧市區文苑路西側、後富亭港南側 (West of Wenyuan Road and South of Houfutinggang, Haining, Zhejiang Province, the PRC) for the development and construction of office, retail, carparking spaces and other development pertaining to the land, LUXÉAST, pre-sale has commenced in late 2012. As at the date of this announcement, a total of 24 commodity house purchase and sale contracts (商品房買賣合同) and a total of 22 purchase letters (認購書) were signed.

PROPERTY INVESTMENT DIVISION

The Property Investment Division recorded a turnover of HK$21.9 million as compared with that of HK$18.5 million last year. The increase was mainly attributable to the rental income from a newly acquired commercial building.

During the year, some workshops at Shatin Industrial Centre were sold. The Group completed the acquisition of 100% interest of a commercial building situated at No. 151 Hollywood Road, Hong Kong (the "Commercial Building") in November 2012. Given that the Group would like to seize the opportunity to add a high-quality property to its property portfolio and at the same time maintain a steady gearing ratio and reserve the funds for other existing development projects, 40% interest of the issued shares of the Group's subsidiary, representing 40% interest of the Commercial Building, was subsequently sold. Completion of the disposal took place in December 2012 and the Group now maintains 60% interest in the Commercial Building.

Leasing performance of Shatin Industrial Centre was steady, attaining an occupancy rate of 100% at 31 March 2013.

Other investment properties of the Group include No. 31 Wing Wo Street and No. 151 Hollywood Road in Sheung Wan, some units at Kin Wing Industrial Building in Tuen Mun, various land lots in D.D. 76 Ping Che in Fanling, various land lots in D.D. 128 Deep Bay Road in Yuen Long and Hoi Bun Godown in Tuen Mun in which the Group has 50% interest, all contributed to satisfactory income for the Group during the year.

PROPERTY AGENCY AND MANAGEMENT DIVISION

The turnover of the Property Agency and Management Division for the year was HK$13.7 million, compared to that of HK$9.0 million last year.

The Property Agency and Management Division is providing property management services to Golf Parkview in Sheung Shui, One LaSalle and Eight College in Kowloon Tong and No.151 Hollywood Road in Sheung Wan.

It is also providing rental collection and leasing agency services to 8 Hart Avenue and The Cameron in Tsim Sha Tsui and No.151 Hollywood Road in Sheung Wan.

During the year, the Property Agency and Management Division continued to provide project management service to the large-scale integrated development project in Haining City, Zhejiang Province, the PRC under a new set of agreements entered into on 2 April 2012. Commencing from 1 April 2012, the Property Agency and Management Division was also engaged to provide site supervision service to the above project. Details of the transactions for the provision of project management and site supervision services were made in the Company's announcement published on 2 April 2012.

In Hong Kong, the Property Agency and Management Division acted as the project manager for two of the Group's redevelopments, The Bedford at Nos. 91-93 Bedford Road, Tai Kok Tsui and The Austine Place at No. 38 Kwun Chung Street, Jordan as well as for a client in the redevelopment project at Nos. 11-13 Grampian Road.

HEALTH PRODUCTS DIVISION

There are three subsidiaries of Health Products Division under the Group, Care & Health Limited ("Care & Health"), Healthcorp Trading Limited ("Healthcorp") and Retailcorp Limited ("Retailcorp"). They are engaged in wholesale in Chinese and western supplements and retail chain store businesses respectively.

This year, the Health Products Division recorded a turnover of HK$56.1 million as compared to HK$52.6 million last year.

Retailcorp operates chain store retail business under the trade name of HealthPlus. As at 31 March 2013, there were 13 retail outlets (including a HealthPlus shop at St. Teresa's Hospital in Kowloon) and 1 service centre in operation.

Three HealthPlus shops namely Sincere (Sheung Wan), Lok Fu Plaza, and Tuen Mun Town Plaza were closed due to substantial increase in rental by the landlord. To cope with our development and accommodate our customers from different districts, three new retail shops were opened in this financial year. The shops are situated at The Pacifica Mall in Lai Chi Kok, Kwun Tong MTR Station and Tuen Mun MTR West Rail Station.

Retailcorp carries a full range of different health product lines including "Lingzhi Master", "Metro Chinese Medicine Series", "Natural Extracts", "HealthMate" and "28 Chinese Herbal Soup for Postnatal Women". It also serves a large variety of vendor goods, including imported organic groceries, sugarless snacks, health devices, etc. Four new products namely "Yunzhi" for strengthening immunity system and can adjunct radiotherapy and chemotherapy, "Smart Eyes Plus" for preventing the risks of eye degeneration, "Chlorella" for removing heavy metals and toxic substances from body, and "Nano-Calcium" for strengthening bone density were launched in this financial year. Retailcorp will join the 21st International Baby/Children products Expo in August 2013.

Healthcorp is engaged in the wholesale and retail of western health supplements and “28 Chinese Herbal Soup for Postnatal Women”. To promote our products, Care & Health and Healthcorp will jointly participate in the Food Expo 2013 and Hong Kong Brands and Products Expo 2013.

After the implementation of “Registration of Proprietary Chinese Medicine” by the Department of Health on 3 December 2010, “Guidelines on labels of proprietary Chinese medicines” and “Guidelines on package inserts of proprietary Chinese medicines” (regulation No. 143 and 144) on 1 December 2011, a new regulation “the Undesirable Medical Advertisements (Amendment) Ordinance 2005” has been enforced on 1 June 2012. We are committed to complying with the requirements imposed by the Department of Health.

Retailcorp and Care & Health were awarded the “Caring Company” honour from The Hong Kong Council of Social Service for the 7th and 8th consecutive year and going to 8th and 9th consecutive year respectively. HealthPlus was also awarded the “Quality Tourism Services Scheme” and the “No Fakes Pledge” Scheme. Bu Yick Fong “28 Chinese Herbal Soup for Postnatal Women” has become the first Chinese material medica product awarded the “STC tested” Mark from Hong Kong Standards and Testing Centre.

In e-Marketing channels, we have developed a fan page on Facebook and an e-shop in order to strengthen customer relationship management and to provide interactive ways to connect with potential customers.

FINANCIAL REVIEW

Group Liquidity and Financial Resources

The Group’s liquidity and financing requirements are regularly reviewed.

For day-to-day liquidity management and to maintain flexibility in funding, the Group has access to banking facilities with an aggregate amount of HK$1,402.8 million (HK$957.8 million was secured by first charges over certain leasehold land and buildings, investment properties, properties under development, assets classified as held for sale and bank deposits of the Group), of which HK$810.7 million loans have been drawn down and approximately HK$130.7 million has been utilised mainly for the issuance of letters of credit and performance bonds as at 31 March 2013. The bank loans under these banking facilities bear interests at prevailing market interest rates.

The Group follows a prudent policy in managing its cash balance, and endeavours to maintain its sound cash-flow generating capability, its ability to take on investments and acquisition projects, in order to enhance shareholder wealth. The total cash and bank balances of the Group amounted to HK$293.3 million as at 31 March 2013 (2012: HK$184.9 million), and accounted for 19.0% of the current assets (2012: 11.4%).

During the year, the Group has a net cash inflow of HK$273.6 million in its operating activities (mainly due to the decrease in debtors, deposits and prepayments, progress payments receivable and amounts receivable on contract work), a net cash outflow of HK$283.1 million in its investing activities (mainly due to purchase of investment properties and placement of pledged bank deposits, netting off proceeds received from disposal of investment properties and capital distribution from jointly controlled entities), and a net cash inflow of HK$118.1 million in its financing activities (mainly due to new bank loans raised and advance from non-controlling shareholder, netting off dividends paid to shareholders and repayment of bank loans). As a result, the cash and bank balances increased, while the bank borrowings increased. Net bank borrowings (total bank borrowings less total cash and bank balances) amounted to HK$517.4 million at 31 March 2013 (2012: net bank borrowings of HK$549.4 million). Accordingly, the gearing ratio of the Group, calculated on the basis of the Group's net bank borrowings to shareholders' funds, was 42.4% (2012: 52.3%). The net current assets have decreased by HK$145.5 million to HK$261.8 million as at the year-end date and the current ratio (current assets divided by current liabilities) was 1.20 times (2012: 1.34 times).

With its cash holdings and available banking facilities, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.

Treasury Policy

The aim of the Group's treasury policy is to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Treasury transactions unrelated to underlying financial exposure are not undertaken. Foreign currency exposures of the Group arise mainly from the purchase of goods. The Group will determine if any hedging is required, on an individual basis, depending upon the size and nature of the exposure, and the prevailing market circumstances.

In order to enhance the deployment of internal funds with maximum benefit, to achieve better risk control, and to minimise cost of funds, the Group's treasury activities are centralised and scrutinised by the top management.

The surplus cash which is generally placed with reputable financial institutions is mostly denominated in Hong Kong dollar. Most of the income, expenses, assets and liabilities of the Group are denominated in Hong Kong dollars. The Group therefore does not have any significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar.

Shareholders' Funds

At the year-end date, shareholders' funds of the Group were HK$1,219.5 million including reserves of HK$1,165.8 million, an increase of HK$163.2 million from HK$1,002.6 million at 31 March 2012. On that basis, the consolidated net asset value of the Group as at 31 March 2013 was HK$2.27 per share, compared to the consolidated net asset value of HK$1.96 per share (restated) at 31 March 2012. Increase in shareholders' funds was mainly attributable to profits retained after the payments of dividends during the year.

Capital Structure

The Group intends to keep an appropriate mix of equity and debt to ensure an efficient capital structure over time. During the year under review, the Group has borrowed Hong Kong dollar loans amounting to HK$810.7 million from the banks (at 31 March 2012: HK$734.3 million). The borrowings have been used as general working capital for financing the properties for development and investment purposes over the years. The maturity profile of the loans spread over a period of six years with HK$456.9 million repayable within the first year, HK$326.8 million repayable within the second year, HK$3.0 million repayable within third to fifth years and HK$24.0 million repayable more than five years. Bank loans that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause with carrying amount of HK$353.8 million have been classified as current liabilities. Interest is based on HIBOR plus a competitive margin.

Major Acquisitions and Disposals

On 21 September 2012, Excel Pointer Limited ("Excel Pointer"), a wholly owned subsidiary of the Group, entered into a sale and purchase agreement to acquire an investment property for a consideration of HK$318,000,000 from an independent third party. The transaction was completed on 30 November 2012. On 1 November 2012, the Group entered into a sale and purchase agreement to dispose of the 40% issued share capital of Superior Choice Holdings Limited ("Superior Choice"), a wholly owned subsidiary of the Group and immediate holding company of Excel Pointer, to Sky Champion International Limited ("Sky Champion") for a consideration of US$4, representing the relevant carrying value of Superior Choice at that time. Immediately upon the completion of the disposal of 40% equity interest in Superior Choice on 17 December 2012, Sky Champion provided a shareholder's loan to Superior Choice amounting to HK$63,600,000 and a guarantee of HK$63,600,000 to a bank for banking facilities granted to Excel Pointer. The Group now maintains 60% interest in the investment property.

On 15 April 2011, the Group entered into a conditional sale and purchase agreement to acquire 100% of the issued share capital of Wisdom Mount Investment Limited ("Wisdom Mount") for a basic consideration of RMB79,872,000 (approximately HK$95,976,000) and a contingent consideration of RMB11,962,000 (approximately HK$14,253,000).

Wisdom Mount, incorporated in British Virgin Islands, is an investment holding company which owns 49% equity interest in 海寧嘉豐房地產有限公司 Haining Jiafeng Real Estate Development Limited ("Haining Jiafeng"). The Group and the other joint venturer have the right to appoint the same number of directors of Haining Jiafeng and all of the strategic financial and operating decisions require unanimous consent of the Group and the other joint venturer. Accordingly, the Group exercises joint control over Haining Jiafeng with the other joint venturer. Haining Jiafeng is engaged in property development, which owns the land use right and has the right to develop and construct office premises on the land located in Haining, the PRC. The vendor, Clear Shine International Limited, is an indirect 65% owned subsidiary of Mingly Corporation, an indirect subsidiary of a substantial shareholder of, and has significant influence over, the Company. The acquisition has been completed on 30 June 2011.

Collateral

As at 31 March 2013, certain leasehold land and buildings, investment properties, properties under development for sale and assets classified as held for sale of the Group, at the carrying value of approximately HK$1,168.2 million (at 31 March 2012: HK$898.5 million), were pledged to the banks to secure the Hong Kong dollar loans of HK$530.7 million (at 31 March 2012: HK$464.3 million). In addition, bank deposits of HK$24.4 million was pledged for bank loans granted to one of the Group's jointly controlled entity in PRC.

Contingent Liabilities

During the year ended 31 March 2004, legal actions in respect of allegations of copyright infringement and defamation have been taken against certain subsidiaries of the Company carrying on health products business. No further steps have been taken against the Group in respect of such actions after the court hearing for directions to appoint experts and exchange witness statements since 2004. At 31 March 2013, the directors are of the opinion that in view of the uncertainty, it is not practicable to assess the financial effect.

Capital Commitments

At the balance sheet date, the Group had the following commitments:

	2013	2012
	HK$'000	*HK$'000*
Contracted for but not provided in consolidated financial statements		
Commitments for the acquisition of leasehold land for development purpose	**–**	58,650

Authorised but not contracted for

As at the end of both reporting periods, the Group had committed with an independent third party to contribute HK$231,500,000, representing 23.63% of the anticipated project costs for the joint development of a site in So Kwun Wat, Hong Kong.

Employees and Remuneration Policy

The number of full time monthly employees of the Group, excluding its jointly controlled entities, was around 736 (of which 142 employees were in Mainland China) as at 31 March 2013. The Group recruits and promotes individuals based on their development potential, merits and competencies, and ensures that their remuneration packages are at a reasonable market level.

FUTURE DIRECTIONS AND PROSPECTS

Upon entering 2013, there are positive signs in the global economy. Nevertheless, the fundamentals of the advanced economies remain weak, with growth still heavily constrained by high unemployment, fiscal uncertainty and structural problems. Hong Kong as a highly externally-oriented economy is not envisaged to see a sharp rebound in 2013, and the HKSAR Government only forecasts the GDP growth for 2013 to be around 1.5% to 3.5%. We believe the challenging market conditions will persist in 2013, it is therefore important for the Group to move forward in a cautious pace.

The HKSAR Government's various cooling measures had resulted in a moderate downtrend in property prices and a drastic drop in property transactions. With the HKSAR Government's determination to curb the overheated property market, speculators stay away and prospective buyers factor the additional stamp duty charges into their total acquisition costs and wait with expectation for further price deduction. Under these uncertain circumstances, developers can no longer count on selling flats at ever higher prices as before. However, if no dramatic change in the external environment such as interest rate rises or market liquidity constrains as a result of US's change in quantitative easing policy, and internal environment such as unemployment rate surges or investment sentiment deteriorates, the market generally believes that property prices in Hong Kong may only undergo a short-term correction, and will become stabilised in the near future. Besides, Hong Kong property market is still the mainlanders' favourite.

Over the years, the Group has acquired several pieces of land at relatively low costs. The construction work of The Bedford will be completed in the coming financial year, and followed by The Austine Place, which is expected to complete and offer for sale by around year 2015.

As a number of large-scale Government infrastructure projects are under way, public sector construction activities remain intensive and private sector building activities continue to flourish. However, the challenge that the overall building and construction expenditure are expected to rise robustly cannot be ignored. We will ride on our construction capabilities and experience to secure more construction contracts in both private and public sectors, and will make every effort to control our costs.

The Group is in very good shape and will continue to make good progress in delivering value to our shareholders. We are confident about our future prospects and ability to pursue profitable growth. This will be achieved by our experienced management team, committed staff, co-operative clients and supportive shareholders.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasize a quality Board and transparency and accountability to all shareholders.

Throughout the year ended 31 March 2013, the Company has complied with all the Code Provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("Listing Rules"), except for the deviations set out below in respect of which remedial steps for compliance have been taken or considered reasons are given below.

(a) Code Provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors (including the independent non-executive directors) of the Company are not appointed for a specific term. However, pursuant to the Articles of Association of the Company amended on 2 August 2005, at each annual general meeting of the Company, one-third of the directors, including executive, non-executive and independent non-executive directors shall retire from office by rotation, and every director shall be subject to retirement at least once every three years. As such, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are no less exacting than those in the CG Code.

(b) Code Provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Cha Mou Sing, Payson, the Chairman and non-executive director of the Company, Mr. Cha Mou Daid, Johnson, non-executive director of the Company, and Mr. Cha Yiu Chung, Benjamin, non executive director of the Company, were unable to attend certain or all general meetings of the Company held during the year as they had other important business engagement. Details of their attendance record of meetings are set out in the Corporate Governance Report of the Annual Report to be despatched shortly. To ensure compliance with the CG Code, the Company has taken and will continue to take all reasonable measures to arrange the schedule in such a cautious way that all directors can attend the general meetings.

(c) Code Provision E.1.2 of the CG Code stipulates that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board, Mr. Cha Mou Sing, Payson, was unable to attend the annual general meeting of the Company held on 28 August 2012 as he had other important business engagement. However, the Managing Director, present at the annual general meeting, took the chair of that meeting in accordance with Article 78 of the Articles of the Association of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors of the Company, all directors confirmed they have complied with the required standard set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

REVIEW OF ANNUAL RESULTS

The financial statements for the year ended 31 March 2013 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors of the Company comprises:

Non-executive chairman
Mr. Cha Mou Sing, Payson

Executive directors
Mr. Wong Sue Toa, Stewart *(Managing Director)*
Mr. Tai Sai Ho *(General Manager)*
Dr. Lam Chat Yu

Non-executive directors
Mr. Cha Mou Daid, Johnson
Mr. Cha Yiu Chung, Benjamin

Independent non-executive directors
Mr. Chan Pak Joe
Dr. Lau Tze Yiu, Peter
Dr. Sun Tai Lun

By order of the Board
Hanison Construction Holdings Limited
Cha Mou Sing, Payson
Chairman

Hong Kong, 25 June 2013