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Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

The Board of Directors of Pioneer Global Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2013, together with the comparative figures for the corresponding period in 2012 as follows:

CONSOLIDATED INCOME STATEMENT

		For the year ended	
		31 March	
	<i>Notes</i>	2013	2012
		HK\$'000	HK\$'000
			(Restated)
Turnover			
Company and subsidiaries		199,415	179,762
Share of associates		107,068	78,324
		<hr/> 306,483 <hr/>	<hr/> 258,086 <hr/>
Turnover of Company and subsidiaries	4	199,415	179,762
Properties operating expenses		(32,395)	(31,717)
Staff costs		(13,218)	(13,522)
Depreciation		(429)	(525)
Other expenses		(3,684)	(4,501)
		<hr/> (49,726) <hr/>	<hr/> (50,265) <hr/>

		For the year ended	
		31 March	
	<i>Notes</i>	2013	2012
		HK\$'000	<i>HK\$'000</i>
			(Restated)
Operating profit		149,689	129,497
Share of profits of associates		76,232	37,457
Change in fair value of investment properties		607,761	296,249
Other gains and losses	5	11,968	58,434
Finance costs		(33,157)	(29,843)
Profit before taxation	6	812,493	491,794
Taxation			
Current	7	(3,580)	(3,052)
Deferred	7	(15,208)	(12,413)
Profit for the year		793,705	476,329
Profit attributable to:			
Shareholders of the Company		671,140	405,545
Non-controlling interests		122,565	70,784
		793,705	476,329
		HK cents	<i>HK cents</i>
Earnings per share	9	58.16	42.97

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 March	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
Profit for the year	<u>793,705</u>	<u>476,329</u>
Other comprehensive income		
Change in fair value of available for sale investments		
– subsidiaries	26,516	(57,104)
– associates	36,107	(1,474)
Exchange difference on translation of associates	<u>(1,624)</u>	<u>(7,349)</u>
Other comprehensive income for the year, net of tax	<u>60,999</u>	<u>(65,927)</u>
Total comprehensive income for the year	<u>854,704</u>	<u>410,402</u>
Total comprehensive income attributable to:		
Shareholders of the Company	730,512	337,617
Non-controlling interests	<u>124,192</u>	<u>72,785</u>
	<u>854,704</u>	<u>410,402</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	At 31 March 2013 <i>HK\$'000</i>	At 31 March 2012 <i>HK\$'000</i> (Restated)
ASSETS			
Non-current assets			
Investment properties		4,704,200	4,136,700
Associates		764,549	669,864
Available for sale investments		266,347	229,085
Property, plant & equipment		2,480	2,072
Other assets		300	950
		<u>5,737,876</u>	<u>5,038,671</u>
Current assets			
Debtors, advances & prepayments	<i>10</i>	25,637	26,113
Available for sale investments		16,761	12,260
Financial assets at fair value		2,336	1,780
Cash & bank balances		186,475	155,582
		<u>231,209</u>	<u>195,735</u>
Total assets		<u>5,969,085</u>	<u>5,234,406</u>
EQUITY			
Share capital		115,404	115,404
Reserves		3,566,093	2,877,126
Shareholders' funds		<u>3,681,497</u>	<u>2,992,530</u>
Non-controlling interests		682,956	583,800
Total equity		<u>4,364,453</u>	<u>3,576,330</u>
LIABILITIES			
Non-current liabilities			
Creditors & accruals		31,320	31,615
Secured bank loans		1,424,228	433,410
Deferred payment		20,500	61,500
Deferred taxation		26,801	11,593
		<u>1,502,849</u>	<u>538,118</u>
Current liabilities			
Creditors & accruals	<i>11</i>	26,120	31,577
Secured bank loans		33,720	1,046,053
Deferred payment		41,000	41,000
Tax liabilities		943	1,328
		<u>101,783</u>	<u>1,119,958</u>
Total liabilities		<u>1,604,632</u>	<u>1,658,076</u>
Total equity and liabilities		<u>5,969,085</u>	<u>5,234,406</u>

Notes:

1. BASIS OF PREPARATION

The audited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those used in the financial statements for the year ended 31 March 2012, except for the changes set out below.

During the current year, the Group has applied a number of new and revised Standards, Amendments to Standards and Interpretations (“new and revised HKFRSs”) issued by the HKICPA which are relevant to its operations.

HKFRS 7 (Amendment)	Financial Instruments: Disclosures
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets

Amendments to HKAS 12 “Deferred Tax: Recovery of Underlying Assets”

Under the amendments to HKAS 12 “Deferred Tax: Recovery of Underlying Assets”, investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment Property” are presumed to be recovered through sale for the purposes of measuring deferred tax, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors of the Company reviewed the Group’s investment property portfolios and concluded that the Group’s investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

Summary of the effects of the changes in accounting policies

The effects of the changes in accounting policies described above on the results of the Group for the current and prior years by line items are as follows:

	For the year ended 31 March	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Consolidated income statement		
Decrease in taxation – deferred	99,786	46,811
Increase in other gains and losses	–	27,166
	<hr/>	<hr/>
Increase in profit for the year	99,786	73,977
	<hr/> <hr/>	<hr/> <hr/>
Increase in profit for the year attributable to shareholders of the Company	83,101	64,982
Increase in profit for the year attributable to non-controlling interests	16,685	8,995
	<hr/>	<hr/>
	99,786	73,977
	<hr/> <hr/>	<hr/> <hr/>
Consolidated statement of comprehensive income		
Increase in profit and total comprehensive income for the year	99,786	73,977
	<hr/> <hr/>	<hr/> <hr/>
Increase in total comprehensive income attributable to shareholders of the Company	83,101	64,982
Increase in total comprehensive income attributable to non-controlling interests	16,685	8,995
	<hr/>	<hr/>
	99,786	73,977
	<hr/> <hr/>	<hr/> <hr/>

	As originally stated <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Consolidated income statement for the year ended 31 March 2012			
Taxation – deferred	(59,224)	46,811	(12,413)
Other gains and losses	31,268	27,166	58,434
Profit for the year	402,352	73,977	476,329
Profit for the year attributable to shareholders of the Company	340,563	64,982	405,545
Profit for the year attributable to non-controlling interests	61,789	8,995	70,784
	<u>402,352</u>	<u>73,977</u>	<u>476,329</u>

**Consolidated statement of comprehensive income
for the year ended 31 March 2012**

Profit for the year	402,352	73,977	476,329
Total comprehensive income for the year	336,425	73,977	410,402
Total comprehensive income attributable to shareholders of the Company	272,635	64,982	337,617
Total comprehensive income attributable to non-controlling interests	63,790	8,995	72,785
	<u>336,425</u>	<u>73,977</u>	<u>410,402</u>

The effects on the financial position of the Group as at 1 April 2011 and 31 March 2012 are as follows:

	As originally stated <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Consolidated statement of financial position as at 1 April 2011			
Deferred tax liabilities/(assets)	279,816	(280,429)	(613)
Retained earnings	1,461,182	204,389	1,665,571
Non-controlling interests	441,640	76,040	517,680
Effects on equity	<u>1,902,822</u>	<u>280,429</u>	<u>2,183,251</u>
Consolidated statement of financial position as at 31 March 2012			
Deferred tax liabilities	365,999	(354,406)	11,593
Retained earnings	1,774,048	269,371	2,043,419
Non-controlling interests	498,765	85,035	583,800
Effects on equity	<u>2,272,813</u>	<u>354,406</u>	<u>2,627,219</u>

The effects on the earnings per share are as follows:

	For the year ended	
	31 March	
	2013	2012
	<i>HK Cents</i>	<i>HK Cents</i>
Impact on earnings per share		
Earnings per share before adjustments	50.96	36.08
Adjustments arising on the application of the amendments to HKAS 12	7.20	6.89
Restated earnings per share	58.16	42.97

Except as described above, the application of the above new and revised HKFRSs did not have any material effect on the financial position or performance of the Group for the current and/or prior accounting periods.

New and revised Standards and Interpretations in issue but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Amendment)	Presentation of Financial Statements ¹
HKAS 19 (Amendment)	Employee Benefits ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities ³
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities ²
HKFRS 7 (Amendment) & HKFRS 9	Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the potential impact of the above new and revised standards, amendments or interpretations. The Group is not yet in a position to determine the impact of these new and revised standards or interpretations on the results of operations and financial position of the Group.

3. SEGMENT INFORMATION

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

Segment Result

For the year ended 31 March 2013 (31 March 2012)

	Property and hotels		Investments and others		Consolidated	
	2013 HK\$'000	2012 HK\$'000 (Restated)	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000 (Restated)
Segment turnover						
Company and subsidiaries	187,223	165,173	12,192	14,589	199,415	179,762
Segment result	138,310	116,176	11,575	13,792	149,885	129,968
Unallocated corporate expenses					(196)	(471)
Operating profit					149,689	129,497
Share of profits of associates	76,232	37,457	–	–	76,232	37,457
Change in fair value of investment properties	607,761	296,249	–	–	607,761	296,249
Other gains and losses	10,454	37,334	1,514	21,100	11,968	58,434
Finance costs					(33,157)	(29,843)
Taxation					(18,788)	(15,465)
Non-controlling interests					(122,565)	(70,784)
Profit attributable to shareholders					671,140	405,545

Geographical Segment

	2013 HK\$'000	2012 HK\$'000
Revenue by location		
Hong Kong	192,626	168,948
Overseas	6,789	10,814
	199,415	179,762

Overseas segments include China, Thailand, Singapore and Malaysia.

4. TURNOVER

	2013 HK\$'000	2012 HK\$'000
Rental income	158,133	138,516
Property expenses recovery	28,923	26,657
Dividend income	6,204	8,703
Interest income	4,809	5,199
Others	1,346	687
	199,415	179,762

5. OTHER GAINS AND LOSSES

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
Gain on disposal of investment properties and other fixed assets	10,850	26,390
Net gain on disposal of available for sale investments	563	20,005
Increase in fair value of financial assets at fair value	555	629
Negative goodwill on acquisition of subsidiaries	–	9,710
Other gains and recovery of impairment provision	–	1,700
	<u>11,968</u>	<u>58,434</u>

6. PROFIT BEFORE TAXATION

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Interest on bank loans wholly repayable within five years	33,157	29,843
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	13,487	13,419
Pension scheme contributions	158	103
Auditors' remuneration	470	498
Depreciation	429	525
(Over)-provision/provision for long service payments	(427)	161
and after crediting:		
Rental income from investment properties	158,133	138,516
Less: direct outgoings	(1,230)	(1,749)
Listed investment income	2,946	6,039
Unlisted investment income	3,258	2,664
Interest income	4,809	5,199
Exchange gain	1,179	193

7. TAXATION

	2013			2012		
	Current taxation <i>HK\$'000</i>	Deferred taxation <i>HK\$'000</i>	Total <i>HK\$'000</i>	Current taxation <i>HK\$'000</i>	Deferred taxation <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
Hong Kong						
– Provision for the year	3,557	13,520	17,077	3,023	12,413	15,436
Overseas						
– Provision for the year	23	1,688	1,711	29	–	29
	<u>3,580</u>	<u>15,208</u>	<u>18,788</u>	<u>3,052</u>	<u>12,413</u>	<u>15,465</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated Hong Kong source assessable profits for the year. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

8. DIVIDEND

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Interim dividend of HK1.30 cents (2012: HK1.20 cents) per ordinary share	15,002	13,849
Proposed final cash dividend of HK2.50 cents (2012: HK2.30 cents) per ordinary share	28,851	26,543
	43,853	40,392
The dividends which have been paid during the year by cash are as follows:		
Interim for the year ended 31 March 2013 (2012)	15,002	13,849
Final for the year ended 31 March 2012 (2011)	26,543	13,848
	41,545	27,697

The 2013 final cash dividend of HK2.50 cents (2012: HK2.30 cents) per ordinary share has been proposed by the Board of Directors and is subject to approval by the shareholders at the forthcoming annual general meeting ("AGM").

9. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$671,140,000 (2012 (restated): HK\$405,545,000) and on 1,154,038,656 shares (2012: weighted average of 943,831,251 shares) in issue during the year.

No diluted earnings per share have been presented for the years ended 31 March 2013 and 31 March 2012 as the Company had no dilutive potential ordinary shares during both years.

10. TRADE RECEIVABLES

Trade and rental debtors mainly comprise rental receivables. Rent from leasing of investment properties are recognized according to the date of debit notes and normally received in advance. The aging analysis of the trade and rental debtors at the reporting date was as follows:

	31 March 2013 <i>HK\$'000</i>	31 March 2012 <i>HK\$'000</i>
0 – 30 days	2,449	664
31 – 60 days	148	35
61 – 90 days	208	–
	2,805	699

11. TRADE PAYABLES

Trade payables are included in creditors and accruals. The aging analysis of the trade payables at the reporting date was presented based on the dates of the invoices as follows:

	31 March 2013 HK\$'000	31 March 2012 HK\$'000
0 – 30 days	5,290	5,717
31 – 60 days	597	1
61 – 90 days	–	517
> 90 days	–	66
	5,887	6,301

12. GUARANTEES AND COMMITMENTS

	The Group 31 March		The Company 31 March	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Guarantees				
– given to bank in respect of banking facilities utilized by subsidiaries	446,002	446,500	446,002	446,500
– given to bank in respect of banking facilities utilized by associates	195,435	187,364	20,000	20,000
– on utility deposits	609	609	533	533
Commitments (contracted but not provided for)				
– for total future minimum lease payments				
– not later than one year	2,185	2,309	–	–
– later than one year and not later than five years	2,644	720	–	–
– for purchase of available for sale investments				
– not later than one year	1,195	4,529	–	–

BUSINESS REVIEW

During the past year, China has successfully tamed inflation, achieved a smooth political transition, and property prices have been largely stable. With the continued transition of the economy from an export-led growth model to domestic consumption growth, wages have continued to rise and growth has moderated to between 7-8% per annum. On the other hand, worries persist on the risks of “shadow banking” industry and high debt levels in certain industries, especially among local government financing vehicles. While these are legitimate concerns by the pundits, we also believe that the Chinese government has done a remarkably fine job in stabilizing the economy, essentially achieving a “soft landing”.

In 2012, Hong Kong property prices had been among the most buoyant in the world. With hot money flows from China and other parts of the world (as a result of QE and other forms of stimulus programs from central banks around the world) and an unnaturally low interest rate environment, Hong Kong’s property market faced tremendous upward momentum. Facing intense political pressure from widespread discontent among the less privileged class, the Hong Kong government rolled out measures such as a Buyers Stamp Duty and an extension of the two-year-old Special Stamp Duty in order to dampen residential price growth. When capital flows caused a surge in investment in commercial properties, the government also announced a Double Stamp Duty on all property transactions. With these harsh administrative measures, the Hong Kong Government has signaled that it is determined to suppress market demand on property investments, at least until physical supply catches up with demand.

Thailand’s economy recovered strongly in 2012 from the massive flood in fourth quarter of 2011. Both export and domestic economy have seen strong growth and The Stock Exchange of Thailand was one of the world’s top performing stock markets. Tourism markets such as Pattaya, Koh Samui, and Phuket have performed fabulously. While average room rates in Bangkok hotels have continued to be relatively weak due to substantial amount of new supply, occupancy rates have recovered since the 2011 flood. One of the most positive aspects for Thailand is that after many years of political infighting, the government of Yingluck Shinawatra is performing well and seems to have found a stable footing.

For the year ended 31 March 2013, turnover for the Group and share of associates was HK\$306.5 million, compared to HK\$258.1 million in 2012. Operating profits increased to HK\$149.7 million, from HK\$129.5 million in the same period last year. The increase in the Group’s turnover and operating profits are due mainly to the first full year result (as opposed to partial year the previous period) from the Pemberton Building, and better performance (occupancy and rental rates) from 68 Yee Wo Street. At the same time, operating costs have been kept slightly below that of 2012. Net profit attributable to shareholders was HK\$671.1 million, significantly higher than HK\$405.5 million (restated) during the same period last year. In addition to increase in operating profits as noted above, the large rise in net profits was due mainly to the substantial increase in fair value of the Group’s investment properties.

Property Investments

The Group's 60% owned 68 Yee Wo Street Building (229,200 sq.ft.) in Causeway Bay, Hong Kong has performed well. As at 31 March 2013, occupancy was 99% and achieving healthy increase in rental rates on renewals and new leases. During the reporting period, the property contributed rental and related revenues of HK\$104.7 million and a fair value gain of HK\$252.8 million to the Group.

The Club Lusitano Building (80,100 sq.ft.) in Central, Hong Kong contributed HK\$38.6 million in rental and related revenues in the year to 31 March 2013, with fair value also increasing by HK\$105.9 million. The building's occupancy rate was at 92%, with average rental rates increasing in line with reversionary market levels.

For the year ended 31 March 2013, the Pioneer Building (245,678 sq.ft.) in Kwun Tong, Hong Kong contributed HK\$19.7 million in rental and related revenues and HK\$160.6 million in fair value increase. As reported previously, we will be converting the property from industrial to commercial use under Hong Kong Government's revitalization scheme for industrial buildings. As such, currently the Pioneer Building has no remaining tenants and the conversion works have been recently started.

As at 31 March 2013, the Pemberton Building in Sheung Wan, Hong Kong enjoyed an occupancy rate of 100% and contributed HK\$22.6 million in rental and related revenues. The property's fair value also increased by HK\$80.0 million during the period.

The Shanghai K. Wah Centre (a GFA 750,000 sq.ft. commercial tower in Shanghai held 15.4% through the Group's 50.0% owned associated company) contributed an associate profit of HK\$33.9 million to the Group.

In May and July of 2012 respectively, the Group disposed of a shop unit at 14 Kau U Fong, Central and the 12th Floor and the roof and car parking spaces of Edwick Industrial Centre, Kwai Chung. The Kau U Fong shop was sold at a consideration of HK\$30.0 million and generated a profit of HK\$4.5 million (of which HK\$3.8 million was recognized in the previous period). The Edwick Industrial Centre property was disposed at a price of HK\$36.2 million, generating a profit of HK\$30.0 million (of which about HK\$20.2 million was recognized previously) to the Group.

Investments in Hotel Industry

The Group's investments in hotel industry have all been made through associated companies.

In order to take advantage of synergistic marketing effects of our newly acquired sister property in Bangkok, the 353 rooms Pullman Pattaya Aisawan Resort has been rebranded as Pullman Pattaya Hotel G since April 2012. During the year ended 31 March 2013, the Pullman Pattaya Hotel G (owned by the Group's 49.5% owned associated company) generated revenues of Baht 394.3 million (2012: Baht 310.2 million) and operating profits of Baht 178.9 million (2012: Baht 125.5 million). Along with other resort markets in Thailand, the Pattaya market has performed strongly and has continued its recovery from the various political crises in the past years. The management is confident that the performance of this property will continue to strengthen in the year ahead.

Since April 2012, the newly acquired 469 rooms Sofitel Silom Hotel in Bangkok has been renamed Pullman Bangkok Hotel G, after new lobby, new rooms, new restaurants, and new function rooms were all unveiled in the first half of 2012. The new renovations were all part of the plan to rebrand the property into a lifestyle hotel, distinguishing it in a city already populated by many luxury hotels. The hotel is held by the Group through the same 49.5% owned associate that holds the Pullman Pattaya Hotel G. For the year ended 31 March 2013, the Pullman Bangkok Hotel G had revenues of Baht 415.6 million and operating profit of Baht 91.8 million. In its first full year of operation, the Pullman Bangkok Hotel G has not yet made any contribution to the Group. However, we believe that its performance will continue to improve as the Bangkok market absorbs its many new hotel openings over the next 2-3 years. Since the rebranding, Pullman Bangkok Hotel G and its restaurants have generated many positive reviews in the market. We believe that our attractive acquisition price and our differentiated product will make the Pullman Bangkok Hotel G competitive in the market.

The Group (through its 49.5% owned Thai associated company) owns 37.5% of a 79 acre land site at Cape Nga in Phuket, Thailand. We plan to develop a world-class luxury resort with branded residences. Phase 1 of the project is planned as a 100-keys all villa resort and luxury residences operating under the brand of Park Hyatt Phuket. The construction permit has recently been granted and the management is now moving forward with interior design and other preparation works before commencing construction.

A 50% owned associated company of the Group holds 10.3% of Dusit Thani Public Company Limited (“Dusit Thani”), the leading owner and operator of hotels in Thailand. For the year ended 31 December 2012, Dusit Thani achieved total revenues of Baht 4.75 billion (2011: Baht 3.92 billion) and net profit attributable to shareholders of Baht 149.4 million (2011: Baht 31.0 million). Dividend income to our associated company was Baht 4.4 million (2011: Baht 4.4 million).

The Group’s unlisted associate (27.71% owned by the Group), Strand Hotels International Limited, is in a 50/50 joint venture with the government of Myanmar to own and operate (for 30 years) three hotels in Yangon – the Strand Hotel, the Inya Lake Hotel, and the Thamada Hotel. Due to Myanmar’s on-going political and economic reforms, there has been a significant increase in both tourists and business visitors to the country. With hardly any new hotel construction in Yangon since the Asia Financial crisis some 15 years ago, the city is now facing a severe shortage in hotel rooms. Hence, our three properties have been performing well in the past 12 months, and the joint venture company has enjoyed its best financial year in its 20 years history.

PROSPECTS

For the coming year, the most significant project for the Group will be the planned conversion of the Pioneer Building into a modern commercial building under Hong Kong Government’s revitalization scheme for industrial buildings. Due to the shortage of large floor plate international Class A office space in traditional CBD areas, new developments in Kowloon East (Kowloon Bay and Kwun Tong) have been attracting many large office space users as the area develops into the new CBD of Hong Kong.

Due to Hong Kong's currency peg to the US Dollar, it is expected that interest rate in the territory will continue to be low for the next 12-18 months, but the fear is that the US interest rate cycle will rise at the same time as new supply of properties hit the Hong Kong market. While we do not foresee any collapse in prices under the current environment (in light of healthy debt levels for both corporate and personal balance sheets), government actions are creating uncertainties for property market in Hong Kong. The Group's policy for the coming year is to continue to be vigilant in asset management of our investment properties, keep a conservative balance sheet, and explore any potential new opportunities.

For Myanmar, the political reform and the accompanying re-opening of the country have continued at an astonishing pace during the past year. It is indeed an exciting time for the country. Among the many dignitaries who visited Myanmar in the past year were US President Obama and UK Prime Minister Cameron. The country also successfully hosted the World Economic Forum at its capital Nay Pyi Taw recently. In addition to its wealth of natural resources, we believe that the country offers exciting investment opportunities particularly in tourism and agriculture businesses. And due to its low level of existing developments, there will also be real estate and infrastructure development opportunities. Due to our existing investments in the country, the Group will be interested to explore further in Myanmar.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2013, the Group continued to enjoy a strong financial position with substantial unutilized bank facilities. At 31 March 2013, the Group's total debts to total assets ratio was 25.5% (31 March 2012: 30.2%) and net debt to total assets ratio was 22.3% (31 March 2012: 27.3%).

EMPLOYEES

As at 31 March 2013, the number of salaried staff at the holding company level was 17 (2012: 18). The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK2.50 cents (2012: HK2.30 cents) per share for the year ended 31 March 2013. The proposed dividend is subject to the approval of shareholders at the forthcoming AGM and payable on 27 September 2013 to all persons registered as shareholders on 24 September 2013.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The AGM of the Company is scheduled to be held on Tuesday, 3 September 2013. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 30 August 2013 to 3 September 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 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 29 August 2013.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The record date for entitlement to the proposed final dividend is Tuesday, 24 September 2013. For determining the entitlement to the proposed final dividend for the year ended 31 March 2013, the register of members of the Company will be closed from 19 September 2013 to 24 September 2013, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 18 September 2013.

CORPORATE GOVERNANCE

During the year ended 31 March 2013, the Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

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

During the year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management and external auditors the accounting principles and practices adopted by the Group, the internal control system and the consolidated financial statements of the Group for the year ended 31 March 2013. The Committee is satisfied with the review and the Board is also satisfied with the Committee's report.

By Order of the Board
Kenneth Gaw
Managing Director

Hong Kong, 25 June 2013

As at the date of this announcement, the executive directors of the Company are Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw and Mr. Alan Kam Hung Lee and the independent non-executive directors of the Company are Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and Mr. Arnold Tin Chee Ip.