香港興業國際集團有限公司
HKR International Limited

(Incorporated in the Cayman Islands with limited liability and registered under the Companies Ordinance of Hong Kong)

(Stock Code: 00480)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

RESULTS

The Board of Directors (the "Board") of HKR International Limited (the "Company") announces the audited final results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016.

The Group's turnover of continuing operations for the year amounted to HK$2,647.9 million, representing a decrease of 22.3% compared to HK$3,408.2 million last year. Profit for the year attributable to the shareholders of the Company amounting to HK$783.9 million showed a decrease of 13.9% as compared to HK$910.0 million last year. The basic earnings per share for continuing and discontinued operations was HK58.1 cents for the year as compared to HK67.4 cents last year.

On 13 October 2015, the Board declared an interim dividend by distribution in specie of all the shares in Hanison Construction Holdings Limited ("Hanison") held by the Company to its shareholders. Upon the distribution, Hanison together with its subsidiaries ("Hanison group") ceased to be subsidiaries of the Company. Hanison group's profit for the period from 1 April 2015 to 3 November 2015 was presented as discontinued operations in the consolidated financial statements and last year's comparative figures were restated accordingly.

DIVIDEND

The Directors do not recommend a final dividend to its shareholders for the year ended 31 March 2016, noting that an interim dividend by distribution in specie of all the shares held in Hanison was made in November 2015. Apart from the interim dividend by distribution in specie of all the shares held in Hanison in November 2015, the Company did not declare any other interim dividend(s) to the shareholders of the Company for the year ended 31 March 2016.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTERS

2016 Annual General Meeting of the Company will be held on 24 August 2016 ("2016 AGM"). The main and branch Registers of Members of the Company will be closed from 22 to 24 August 2016 (both days inclusive) for the 2016 AGM. During this period, no transfer of shares will be registered. To be eligible to attend and vote at the 2016 AGM all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 19 August 2016. The notice of the 2016 AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited and despatched to the shareholders of the Company in due course.

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 March	
		2016	2015
	NOTES	***HK$'M***	*HK$'M*
			(restated)
Continuing operations			
Turnover	*3*	**2,647.9**	3,408.2
Cost of sales		**(1,787.7)**	(2,149.7)
Gross profit		**860.2**	1,258.5
Other income		**142.7**	157.6
Administrative expenses		**(407.0)**	(410.9)
Other gains and losses	*4*	**(25.1)**	12.8
Change in fair value of investment properties			
Realised gains on disposals		**1.4**	8.5
Unrealised gains		**518.9**	420.8
Finance costs	*5*	**(168.3)**	(194.5)
Share of results of associates		**(2.4)**	4.0
Share of results of joint ventures		**159.0**	13.5
Profit before taxation	*6*	**1,079.4**	1,270.3
Taxation	*7*	**(126.0)**	(174.7)
Profit for the year from continuing operations		**953.4**	1,095.6
Discontinued operations			
Profit for the year from discontinued operations	*8*	**189.3**	487.5
Profit for the year		**1,142.7**	1,583.1
Profit for the year attributable to the owners of the Company			
For continuing operations	*3*	**698.0**	704.6
For discontinued operations		**85.9**	205.4
Profit for the year attributable to the owners of the Company		**783.9**	910.0
Profit for the year attributable to non-controlling interests			
For continuing operations		**255.4**	391.0
For discontinued operations		**103.4**	282.1
Profit for the year attributable to non-controlling interests		**358.8**	673.1
For continuing and discontinued operations			
Earnings per share	*10*		
Basic (HK cents)		**58.1**	67.4
For continuing operations			
Earnings per share	*10*		
Basic (HK cents)		**51.7**	52.2

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 March	
	2016	2015
	HK$'M	*HK$'M*
Profit for the year	**1,142.7**	1,583.1
Other comprehensive (expense) income:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising from translation of foreign operations	**(146.1)**	(146.2)
Share of exchange reserve of joint ventures	**(304.1)**	8.8
Share of exchange reserve of an associate	**—**	1.1
Release of exchange reserve upon deregistration/disposal of a foreign associate and foreign subsidiaries	**(4.1)**	0.5
Available-for-sale financial assets:		
Fair value changes during the year	**(2.1)**	1.4
Reclassified to profit or loss upon disposal	**(0.4)**	(1.0)
Deferred tax arising from fair value changes	**0.6**	(0.3)
	(456.2)	(135.7)
Items that will not be reclassified to profit or loss		
Revaluation gain on property, plant and equipment upon transfer to investment properties	**21.7**	—
Share of asset revaluation reserve of a joint venture	**0.2**	—
Other comprehensive expense for the year (net of tax)	**(434.3)**	(135.7)
Total comprehensive income for the year	**708.4**	1,447.4
Total comprehensive income attributable to:		
Owners of the Company	**342.0**	774.8
Non-controlling interests	**366.4**	672.6
	708.4	1,447.4

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 March	
		2016	2015
	NOTES	***HK$'M***	*HK$'M*
Non-current assets			
Investment properties		**7,654.7**	7,703.5
Property, plant and equipment		**2,085.4**	2,233.3
Prepaid lease payments		**0.1**	7.0
Interests in associates		**—**	45.4
Interests in joint ventures		**7,299.8**	7,561.8
Held-to-maturity investments		**146.2**	196.4
Available-for-sale financial assets		**98.8**	90.8
Other assets		**136.5**	143.5
Pledged bank deposits		**—**	83.7
Deferred tax assets		**3.1**	3.6
		17,424.6	18,069.0
Current assets			
Inventories		**49.9**	68.9
Properties held for sale		**1,557.6**	1,930.6
Properties held for/under development for sale		**3,111.5**	2,247.2
Trade receivables	*11*	**40.0**	407.1
Amounts receivable on contract work		**—**	134.8
Progress payments receivable	*12*	**—**	96.7
Retention money receivable		**—**	187.8
Deposits, prepayments and other financial assets		**629.7**	368.3
Amounts due from associates		**19.0**	40.4
Amounts due from joint ventures		**145.5**	122.1
Taxation recoverable		**14.2**	9.9
Held-to-maturity investments		**56.9**	40.9
Bank balances and cash		**4,718.0**	5,520.0
		10,342.3	11,174.7

		At 31 March	
		2016	2015
	NOTES	***HK$'M***	*HK$'M*
Current liabilities			
Trade payables, provision and accrued charges	*13*	**911.5**	1,490.6
Amounts payable on contract work		**—**	243.4
Deposits received and other financial liabilities		**231.9**	325.9
Taxation payable		**79.6**	221.7
Bank and other loans due within one year		**351.2**	2,433.6
Other liabilities due within one year		**0.5**	76.9
		1,574.7	4,792.1
Net current assets		**8,767.6**	6,382.6
Total assets less current liabilities		**26,192.2**	24,451.6
Non-current liabilities			
Bank and other loans due after one year		**6,614.9**	3,396.4
Other liabilities due after one year		**1,062.0**	1,031.3
Deferred tax liabilities		**255.8**	241.3
		7,932.7	4,669.0
		18,259.5	19,782.6
Capital and reserves			
Share capital	*14*	**337.5**	337.5
Reserves		**15,718.8**	16,390.2
Equity attributable to the owners of the Company		**16,056.3**	16,727.7
Non-controlling interests		**2,203.2**	3,054.9
		18,259.5	19,782.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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 ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance ("CO").

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO (Cap. 622) regarding presentation of accounts and directors' reports and audits and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments that are measured at fair values at the end of each reporting period.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied for the first time the following amendments to HKFRSs issued by the HKICPA.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

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

Up to the date of approval of these consolidated financial statements, the HKICPA has issued a number of new and revised HKFRSs, which are not yet mandatorily effective for the current accounting period.

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

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

- In addition, in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. The expected credit loss model may result in earlier recognition of impairment losses. In addition, for the Group's held-to-maturity investments and available-for-sale financial assets, the application of HKFRS 9 may affect the Group's classification and measurement and the directors of the Company are currently assessing whether the adoption of HKFRS 9 in the future will have a significant impact on the amounts reported in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

HKFRS 15 "Revenue from contracts with customers"

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company are currently assessing the impact of the application of HKFRS 15. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

HKFRS 16 "Leases"

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the HKAS 17, in terms of which specific disclosures are required to be made in respect of lease commitments.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The directors of the Company are currently assessing the impact of HKFRS 16 on the consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

The directors of the Company do not anticipate that the application of the other new and revised HKFRSs will have a material impact on the results and financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

The Group is organised into five operating divisions: property development, property investment, services provided (clubs operation, transportation and professional property management services), hotel operations and healthcare (provision of medical and dental care services, comprising diabetic and cardiovascular centres, a cancer centre, imaging facility, dental clinics, Chinese-medicine outlets and multi-specialty outpatient centres). Each of the operating divisions represents an operating and reportable segment.

In addition, Hanison group, which is engaged in construction, interior and renovation works, supply and installation of building materials, property investment and development, provision of property agency and management services and sales of health products, is considered as an operating segment and is presented as discontinued operations of the Group. The segment information reported below does not include any amounts for those discontinued operations which are described in more details in Note 8. The comparative figures of the segment information are re-presented.

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segments for the year:

Continuing operations

	Property development *HK$'M*	Property investment *HK$'M*	Services provided *HK$'M*	Hotel operations *HK$'M*	Healthcare *HK$'M*	Total *HK$'M*
For the year ended 31 March 2016						
TURNOVER						
Segment revenue – sales to external customers derived by the Group and an associate	**1,247.4**	**323.2**	**494.0**	**304.8**	**278.7**	**2,648.1**
Excluding turnover of an associate	**(0.2)**	**—**	**—**	**—**	**—**	**(0.2)**
Consolidated turnover, as reported	**1,247.2**	**323.2**	**494.0**	**304.8**	**278.7**	**2,647.9**
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures *(note a)*	**252.1**	**68.8**	**73.2**	**11.4**	**(14.5)**	**391.0**
Excluding realised results of associates and joint ventures not shared by the Group	**13.3**	**48.0**	**—**	**—**	**—**	**61.3**
Results attributable to the Group	**265.4**	**116.8**	**73.2**	**11.4**	**(14.5)**	**452.3**
Unallocated other income						**11.4**
Unallocated corporate expenses						**(126.5)**
Finance costs and corporate level exchange difference						**(108.3)**
Net unrealised gains on fair value change of investment properties *(note b)*						**510.6**
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						**213.9**
Profit for the year						**953.4**
Non-controlling shareholders' share of profit for the year						**(255.4)**
Profit for the year attributable to the owners of the Company						**698.0**

	Property development HK$'M	Property investment HK$'M	Services provided HK$'M	Hotel operations HK$'M	Healthcare HK$'M	Total HK$'M
For the year ended 31 March 2015						
TURNOVER						
Segment revenue – sales to external customers derived by the Group and associates	1,980.4	343.9	478.3	327.3	281.0	3,410.9
Excluding turnover of associates	(0.2)	(2.5)	—	—	—	(2.7)
Consolidated turnover, as reported	1,980.2	341.4	478.3	327.3	281.0	3,408.2
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures *(note a)*	615.5	147.6	55.2	25.0	(18.0)	825.3
Excluding realised results of associates and joint ventures not shared by the Group	0.4	16.1	—	—	—	16.5
Results attributable to the Group	615.9	163.7	55.2	25.0	(18.0)	841.8
Unallocated other income						13.4
Unallocated corporate expenses						(107.2)
Finance costs and corporate level exchange difference						(111.5)
Net unrealised gains on fair value change of investment properties *(note b)*						413.8
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						45.3
Profit for the year						1,095.6
Non-controlling shareholders' share of profit for the year						(391.0)
Profit for the year attributable to the owners of the Company						704.6

Notes:

(a) The segment results of the Group represent the total results of the Group, associates and joint ventures, excluding the unrealised gains on fair value change of investment properties net of deferred tax arising from change in fair value.

(b) The net unrealised gains on fair value change of investment properties for the year ended 31 March 2016 of HK$510.6 million (2015: HK$413.8 million) represented the unrealised gains on fair value change of investment properties of HK$518.9 million (2015: HK$420.8 million) net of deferred tax charge arising from change in fair value of HK$8.3 million (2015: HK$7.0 million).

Other than including the Group's share of revenue of associates as segment revenue, the accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of unallocated other income, unallocated corporate expenses, finance costs and corporate level exchange difference, net unrealised gains on fair value change of investment properties and net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

All of the segment revenue from continuing operations reported above is from external customers.

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as they are not reviewed by the chief operating decision maker nor otherwise regularly provided to the chief operating decision maker for review.

Other segment information

Continuing operations

	Property development *HK$'M*	Property investment *HK$'M*	Services provided *HK$'M*	Hotel operations *HK$'M*	Healthcare *HK$'M*	Unallocated amounts *HK$'M*	Total *HK$'M*
For the year ended 31 March 2016							
Amounts included in the measure of segment profit or loss:							
Revenue from inter-segment sales*	—	(0.8)	(10.5)	(0.1)	—	—	(11.4)
Depreciation	6.8	13.7	54.2	62.1	7.0	5.7	149.5
Release of prepaid lease payments	—	—	0.3	—	—	—	0.3
Impairment loss recognised on other receivables	—	—	—	—	0.2	—	0.2
Net allowance for doubtful debts	—	—	0.1	—	0.2	—	0.3
Net gains from financial assets	—	—	—	—	—	(0.4)	(0.4)
Loss on disposal of property, plant and equipment	—	0.3	0.2	3.4	0.1	—	4.0
Realised (gains) losses on disposal of investment properties	(1.4)	—	—	—	—	—	(1.4)
Interest income	(16.4)	(9.1)	—	(3.1)	—	(41.3)	(69.9)
Finance costs	0.8	24.6	—	—	—	142.9	168.3
Income tax charge	74.5	27.6	10.1	6.8	2.9	4.1	126.0
Share of results of associates	0.2	2.2	—	—	—	—	2.4
Share of results of joint ventures	12.5	42.4	—	—	—	(213.9)	(159.0)

	Property development HK$'M	Property investment HK$'M	Services provided HK$'M	Hotel operations HK$'M	Healthcare HK$'M	Unallocated amounts HK$'M	Total HK$'M
For the year ended 31 March 2015							
Amounts included in the measure of segment profit or loss:							
Revenue from inter-segment sales*	—	(2.1)	(10.1)	(0.6)	—	—	(12.8)
Depreciation	12.9	13.8	51.9	70.6	8.5	3.8	161.5
Release of prepaid lease payments	—	—	0.3	—	—	—	0.3
Impairment loss recognised on property, plant and equipment	26.6	—	—	—	0.3	—	26.9
Impairment loss recognised on held-to-maturity investments	—	—	—	—	—	7.3	7.3
Reversal of impairment loss recognised on other receivables	—	—	—	—	—	(4.0)	(4.0)
Net allowance for doubtful debts	—	—	—	—	0.9	—	0.9
Net gains from financial assets	—	—	—	—	—	(8.8)	(8.8)
Loss (gain) on disposal of property, plant and equipment	0.2	—	0.2	(0.1)	—	(9.8)	(9.5)
Gain on disposal of property interest	(40.1)	—	—	—	—	—	(40.1)
Realised (gains) losses on disposal of investment properties	(8.7)	0.2	—	—	—	—	(8.5)
Interest income	(13.6)	(9.0)	—	(13.0)	—	(42.4)	(78.0)
Finance costs	12.2	27.3	—	—	0.3	154.7	194.5
Income tax charge	132.1	20.2	7.6	8.2	0.5	6.1	174.7
Share of results of associates	0.2	(4.2)	—	—	—	—	(4.0)
Share of results of joint ventures	0.1	31.7	—	—	—	(45.3)	(13.5)
Write back of inventories	—	—	—	—	(0.8)	—	(0.8)

* Inter-segment sales are entered into in accordance with the relevant agreements, if any, governing those transactions, in which the pricing was determined with reference to prevailing market price or actual cost incurred, as appropriate.

Turnover from major products and services

The following is an analysis of the Group's turnover from continuing operations from its major products and services:

	2016	2015
	HK$'M	*HK$'M*
Sales of properties	**1,243.7**	1,975.2
Rental income	**301.6**	320.9
Hotel revenue	**304.8**	327.3
Provision of healthcare services	**278.7**	281.0
Other services rendered	**519.1**	503.8
	2,647.9	3,408.2

Geographical information

For each of the years ended 31 March 2016 and 2015, the Group's continuing operations are located in Hong Kong, the People's Republic of China ("PRC") and South East Asia and Japan.

The Group's revenue from external customers from continuing operations based on the location of properties and goods delivered or services rendered, and location of properties in the case of rental income, and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'M	*HK$'M*	***HK$'M***	*HK$'M*
Hong Kong	**1,915.1**	2,847.2	**9,295.3**	8,401.6
PRC	**340.1**	9.5	**6,368.2**	6,509.0
South East Asia and Japan	**392.7**	551.5	**1,376.5**	1,323.5
	2,647.9	3,408.2	**17,040.0**	16,234.1

Note: Non-current assets excluded those related to discontinued operations, financial instruments and deferred tax assets.

Information about major customers

The revenue from individual customer contributed less than 10% of the total turnover of the Group for both years.

4. OTHER GAINS AND LOSSES

	2016	2015
	HK$'M	*HK$'M*
Continuing operations		
Other (losses) gains include the following:		
Net foreign exchange loss	**(26.3)**	(15.4)
Gain on deregistration of foreign subsidiaries	**—**	0.1
Gain on disposal of property interest *(note)*	**—**	40.1
(Loss) gain on disposal of property, plant and equipment and prepaid lease payments	**(4.0)**	9.5
Gain on disposal of an associate and a joint venture	**2.3**	—
Reversal of impairment loss (impairment loss recognised) including property, plant and equipment, inventories, other receivables and held-to-maturity investments	**1.0**	(29.4)
Others	**1.9**	7.9
	(25.1)	12.8

Note: In April 2014, the Group disposed of 49% of its property interest in the ownership of a property located in Tokyo, Japan. The Group has retained 51% of property interest in that property and formed a joint operation with a Japanese project partner to develop that property project.

5. FINANCE COSTS

	2016	2015
	HK$'M	*HK$'M*
Continuing operations		
Interest on		
Bank and other loans	**125.9**	143.8
Advances from non-controlling shareholders	**6.7**	17.5
	132.6	161.3
Less: Amounts included in the cost of properties held for/under development for sale	**(6.7)**	(5.3)
	125.9	156.0
Bank and other loans arrangement fees	**42.4**	38.5
	168.3	194.5

Borrowing costs capitalised arose on specific borrowings to finance the properties held for/under development for sale for both years.

6. PROFIT BEFORE TAXATION

	2016	2015
	HK$'M	*HK$'M*
Continuing operations		
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**8.7**	8.4
Cost of inventories and developed properties recognised as an expense	**666.3**	943.9
Operating lease rentals in respect of land and buildings	**35.7**	36.0
Staff costs incurred (including directors' remuneration)	**602.8**	612.7
Release of prepaid lease payments	**0.3**	0.3
Depreciation	**149.5**	161.5
Net rental income under operating leases on:		
Investment properties	**(294.6)**	(314.2)
Other properties	**(7.0)**	(6.7)
Less: Outgoings	**44.0**	40.8
	(257.6)	(280.1)

7. TAXATION

	2016	2015
	HK$'M	*HK$'M*
Continuing operations		
The taxation charge comprises:		
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the year	**92.9**	159.0
Overseas tax calculated at rates prevailing in respective jurisdictions	**9.7**	14.7
	102.6	173.7
Deferred taxation for current year *(note)*	**23.4**	1.0
	126.0	174.7

Note: An analysis of deferred taxation for the year is as follows:

	2016	2015
	HK$'M	*HK$'M*
Deferred tax charge arising during the year in respect of unrealised gain on fair value change of investment properties	**8.3**	7.0
Deferred tax credit on disposal of investment properties	**(3.8)**	(27.4)
Others	**18.9**	21.4
	23.4	1.0

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DISCONTINUED OPERATIONS

Pursuant to a resolution of the Board of the Company on 13 October 2015, the Company declared an interim dividend, satisfied by distribution in specie of approximately 48.47% of the issued capital of its subsidiary, Hanison to the Company's shareholders. The distribution was made by way of allocating 1.21639 Hanison shares for every 5 shares held by the Company's shareholders. Upon the distribution, the Group held no interest in Hanison group and Hanison group ceased to be subsidiaries of the Company. Details of the distribution in specie have been disclosed in the announcement of the Company dated 13 October 2015.

The consolidated profit for the year from the discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss have been re-presented to show Hanison group as discontinued operations.

	Period from 1 April 2015 to 3 November 2015	Year ended 31 March 2015
	HK$'M	*HK$'M*
Turnover	**1,590.6**	2,013.7
Cost of sales	**(1,347.2)**	(1,698.0)
Gross profit	**243.4**	315.7
Other income	**2.0**	3.9
Administrative expenses	**(114.3)**	(170.8)
Other gains and losses	**0.4**	7.1
Change in fair value of investment properties		
Realised gains on disposals	**31.9**	46.5
Unrealised gains	**57.3**	309.4
Finance costs	**(3.7)**	(7.9)
Share of result of an associate	**0.1**	5.2
Share of results of joint ventures	**(3.8)**	2.4
Profit before taxation	**213.3**	511.5
Taxation	**(24.0)**	(24.0)
Profit for the year	**189.3**	487.5
Attributable to:		
Owners of the Company	**85.9**	205.4
Non-controlling interests	**103.4**	282.1
	189.3	487.5

Profit for the year from discontinued operations has been arrived at after charging (crediting):

	Period from 1 April 2015 to 3 November 2015 *HK$'M*	Year ended 31 March 2015 *HK$'M*
Auditor's remuneration	**1.5**	2.4
Cost of inventories recognised as an expense	**126.2**	295.5
Contract costs recognised as expense in cost of sales	**1,189.0**	1,340.5
Staff costs incurred (including directors' remuneration) *(note)*	**170.4**	283.1
Depreciation	**3.4**	5.5
Net rental income under operating leases on investment properties	**(13.1)**	(26.2)
Less: Outgoings	**1.7**	4.3
	(11.4)	(21.9)
Expenses included in cost of contract work:		
Depreciation	**2.6**	3.5
Release of prepaid lease payments	**0.1**	0.2
Rentals under operating leases in respect of		
Plant and machinery	**5.0**	12.7
Others	**0.8**	1.9

Note: The staff costs for the year ended 31 March 2015 included the share option expenses amounting to HK$5.7 million (2016: nil).

9. DIVIDENDS

	2016 HK$'M	2015 HK$'M
Final dividend paid for the financial year ended 31 March 2015 of HK7 cents (2015: for the financial year ended 31 March 2014 of HK12 cents) per share	**94.5**	162.0
No cash interim dividend paid for the financial year ended 31 March 2016 (2015: interim dividend paid for the financial year ended 31 March 2015 of HK6 cents per share)	**—**	81.0
Sub-total	**94.5**	243.0
Interim dividend by way of distribution in specie of subsidiaries *(note)*	**914.1**	—
	1,008.6	243.0
No final dividend was proposed for the financial year ended 31 March 2016 (2015: for the financial year ended 31 March 2015 of HK7 cents per share)	**—**	94.5

Note: On 13 October 2015, the Company declared an interim dividend, satisfied by distribution in specie of approximately 48.47% of the issued capital of its subsidiary, Hanison to the Company's shareholders. The distribution was made by way of allocating 1.21639 Hanison shares for every 5 shares held by the Company's shareholders. The distribution in specie was recognised at the carrying amount of the net assets of Hanison group attributable to the owners of the Company as the directors of the Company considered that Hanison was ultimately under the control of the same parties before and after the distribution.

10. EARNINGS PER SHARE

For continuing and discontinued operations

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

	2016 HK$'M	2015 HK$'M
Earnings		
Earnings for the purpose of calculating basic earnings per share (Profit for the year attributable to the owners of the Company)	**783.9**	910.0

	2016	2015
Number of shares		
Number of ordinary shares in issue during the year for the purpose of calculating basic earnings per share	**1,350,274,367**	1,350,274,367

For continuing operations

The calculation of basic earnings per share from continuing operations attributable to the owners of the Company is based on the earnings figures calculated as follows:

	2016	2015
	HK$'M	*HK$'M*
Earnings for the purpose of calculating basic earnings per share (Profit for the year attributable to the owners of the Company)	**783.9**	910.0
Less: Profit for the year from discontinued operations	**(85.9)**	(205.4)
Earnings for the purpose of calculating basic earnings per share from continuing operations (Profit for the year from continuing operations attributable to the owners of the Company)	**698.0**	704.6

No diluted earnings per share from continuing operations has been presented for the years ended 31 March 2016 and 2015 because there were no potential ordinary shares outstanding from continuing operations during the years.

The denominators used are the same as those detailed above for basic earnings per share from continuing and discontinued operations.

For discontinued operations

Basic earnings per share for discontinued operations for the year is HK6.4 cents (2015: HK15.2 cents), based on the profit for the year from discontinued operations of HK$85.9 million (2015: HK$205.4 million) and the denominators used are the same as those detailed above for basic earnings per share from continuing and discontinued operations.

11. TRADE RECEIVABLES

The credit periods allowed by the Group to its customers are dependent on the general practices in the industries concerned. For property sales, sales terms vary for each property project and are determined with reference to the prevailing market conditions. Property rentals are receivable in advance. Payments for healthcare, clubs and hotel services are receivable on demand.

The following is an aged analysis of trade receivables presented based on the payment due date at the end of the reporting period:

	2016	2015
	HK$'M	*HK$'M*
Not yet due	**8.7**	365.2
Overdue:		
0–60 days	**28.4**	37.6
61–90 days	**1.4**	2.0
Over 90 days	**1.5**	2.3
	40.0	407.1

12. PROGRESS PAYMENTS RECEIVABLE

As at 31 March 2015, progress payments receivable represented the amounts receivable, after deduction of retention money, for construction contract work, interior and renovation contracts and contracts for installation of building materials which usually fell due within 30 days after the work was certified.

Management closely monitored the credit quality of progress payments receivables. As at 31 March 2015, 100% (2016: nil) of the progress payments receivable were neither past due nor impaired and were considered to be of good credit quality based on historical repayment from the debtors.

The aged analysis of progress payments receivable is as follows:

	2016	2015
	HK$'M	*HK$'M*
Within 30 days	**—**	96.7

13. TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

Included in trade payables, provision and accrued charges are trade payables of HK$114.1 million (2015: HK$243.1 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	2016	2015
	HK$'M	*HK$'M*
Not yet due	**79.1**	185.7
Overdue:		
0–60 days	**19.7**	34.2
61–90 days	**1.4**	1.7
Over 90 days	**13.9**	21.5
	114.1	243.1

14. SHARE CAPITAL

	2016 & 2015	
	Number of shares	***HK$'M***
Ordinary shares of HK$0.25 each		
Authorised:		
At 1 April 2014, 31 March 2015 and 31 March 2016	**2,000,000,000**	**500.0**
Issued and fully paid:		
At 1 April 2014, 31 March 2015 and 31 March 2016	**1,350,274,367**	**337.5**

BUSINESS REVIEW

Save as otherwise stated below, all projects and operations are 100% owned by the Group.

PROPERTY DEVELOPMENT AND INVESTMENT

The Group's core business sectors are property development and investment. We create value and revenue by satisfying market demand and conforming to the highest standards of quality and professionalism. Our management of a diversified portfolio of investment properties in Hong Kong, Mainland China and other parts of Asia routinely delivers steady rental income.

Hong Kong, Discovery Bay

The Group's flagship development in Hong Kong is Discovery Bay, a pioneer in resort-living and popular leisure destination for families. Positano, the development's most recent luxury residential project, was launched in June 2014. Positano's show flats have received multiple awards for design excellence.

During the year under review, 12 of 18 remaining Positano units were sold. In May 2015, Positano's show flats received another prestigious design accolade – the Interior Beauté Residential Design and Home Products Brand Award 2015 ("show flat" category).

In a move to further improve facilities for residents, our subsidiary – Hong Kong Resort Company Limited – formulated upgrade plans for the Discovery Bay bus terminus and retail arcade. In addition, an application has been made to the Government of the HKSAR to build new residential developments in Discovery Bay over the long term.

The Group holds 50% interest in the Discovery Bay development.

La Cresta, Sha Tin

La Cresta is a 50:50 joint venture development between the Group and Nan Fung Development Limited and comprises three high-end residential towers and a number of villas. Total gross floor area ("GFA") is approximately 12,500 square metres. Site formation and foundation works were completed in May 2015, while project completion is expected in mid-2017.

2GETHER, Tuen Mun

2GETHER is a residential development project comprising a residential tower of premium apartment units cum retail podium with a total GFA of approximately 12,300 square metres. Completion is scheduled for 2017. The Group owns 75% interest in this development.

Kap Pin Long, Sai Kung

This is an idyllic garden house project with a GFA of approximately 350 square metres. Completion is expected in the second quarter of 2016.

DAN6, Tsuen Wan

DAN6, a 20-storey industrial building in Tsuen Wan, has been substantially sold.

DB Plaza and DB North Plaza, Discovery Bay

DB Plaza boasts a wide array of shops along with the D′Deck alfresco dining hotspot, while DB North Plaza offers multiple shopping and dining outlets, office space as well as an open piazza. As of 31 March 2016, DB Plaza and DB North Plaza achieved occupancy rates of 97% and 87% respectively and continues to generate stable rental income.

The Group holds 50% interest in both DB Plaza and DB North Plaza.

CDW Building, Tsuen Wan

CDW Building enjoys prime location in the centre of Tsuen Wan. The Group has obtained approval to convert the building from industrial to commercial use under government revitalisation policies. An office tower of approximately 66,400 square metres and a 25,000-square-metre retail mall known as "8½", which refurbishment works, in three phases, commenced in April 2015 and is expected to complete by early 2017. Pre-leasing is underway.

West Gate Tower, Cheung Sha Wan

During the year under review, West Gate Tower achieved an average occupancy rate of 94%, generating stable rental income.

Tuen Mun Central Square Public Carpark, Tuen Mun

The public car park consists of 325 parking spaces at Tuen Mun Central Square and generates a steady rental yield for the Group.

Mainland China, HKRI Taikoo Hui, Shanghai

HKRI Taikoo Hui located on Nanjing Xi Lu in Jing'an District, one of Shanghai's most prestigious retail and business hubs, will become a world-class mixed-use commercial complex. The project commands a planned GFA of approximately 322,000 square metres and comprises two premium Grade-A office towers (HKRI Centre One and HKRI Centre Two), three luxury hotels with serviced apartments, a high-end retail mall and ample parking.

HKRI Taikoo Hui will enjoy excellent connectivity via key metro lines including linkage to Shanghai's two airports and two recently completed lines. It also enjoys excellent connectivity to the Yan'an Expressway and North-South Elevated Highway. The new Nanjing Road West Station of Metro Line 13 opened in December 2015 and connects directly to the development's retail mall.

Pre-leasing has been positive, with two-thirds of retail and office space either committed to, or under active negotiation. Key anchor tenants include the largest CitySuper supermarket in Mainland China and the first Page One bookstore in Shanghai, along with the Space Cycle yoga, spinning and fitness operator. Secured food and beverage tenants include the popular Jade Garden and Din Tai Fung restaurant brands.

The project will be completed in phases from the second half of 2016 and is poised to become one of Shanghai's most sought-after commercial and leisure properties. Construction and fitting-out works for Phase 1 – retail mall and HKRI Centre One – are close to completion and the inspection process to obtain occupation permits is underway.

The Group holds 50% interest in HKRI Taikoo Hui.

City One, Jiaxing City, Zhejiang Province

This large-scale residential development is the first project undertaken in Jiaxing by a Hong Kong-based developer and is distinguished by state-of-the-art design and lavish clubhouse facilities unique to the area. City One comprises approximately 600 residential units with a total GFA of approximately 83,000 square metres. The project occupies a premium location in the centre of the international business district and is in the vicinity of a 53-hectare wetland park. All construction works were completed in November 2015 and units started to be handed over to buyers in January 2016.

Future Sci-Tech City Project, Hangzhou, Zhejiang Province

In June 2015, the Group acquired a low-density residential site of approximately 51,000 square metres in Hangzhou Future Sci-Tech City. A total of 400 units, including villas and apartments, are planned and the statutory submission stage approval process has been completed. Site foundation works have commenced in May 2016 and pre-sale is expected in late 2016 or early 2017.

New Residential Project, Jiaxing City, Zhejiang Province

In January 2016, the Group acquired a prime residential site of approximately 47,000 square metres adjacent to its existing City One residential project in Jiaxing City. The site will be developed into a luxury residential complex comprising approximately 700 low and high-rise apartment units. Pre-sale is scheduled in the second quarter of 2017.

The Exchange, Tianjin

The Exchange is the Group's 15%-owned investment property in Tianjin, comprising two Grade-A office towers, a retail mall and a five-star hotel. The property has maintained a healthy occupancy rate and generated stable rental income. Management of the mall was outsourced to China National Cereals, Oils and Foodstuffs Corporation Group Co Ltd in the second half of 2015. The property was renamed "Heping Joy City – Tianjin". This development is currently under renovation and is scheduled for reopening in late 2016.

Elite House, Shanghai

This 30-storey residential building in Shanghai's popular Changning District comprises 120 units in a total GFA of approximately 21,700 square metres. The property achieved an occupancy rate of more than 86% as of 31 March 2016, thereby continuing to generate stable rental income.

Thailand, The Sukhothai Residences, Bangkok

More than 90% of the 196-unit ultra-luxury condominium tower at Sathorn Road in Bangkok has been sold. This development continues to lead the high-end residential market in the Thai capital, both in terms of unit price and design excellence. Construction of Phase 2 is under active planning.

Wireless Road Project, Bangkok

The Group's freehold land at Wireless Road, Bangkok covers a site area of approximately 12,600 square metres and master planning is underway. The Group holds 49% interest in the Wireless Road project.

Rama 3 Road Project, Yannawa District, Bangkok

The Group acquired 10 plots of land at Rama 3 Road in December 2015. Development planning is in progress.

Japan, Proud Roppongi, Tokyo

The Group, together with Nomura Real Estate Development Co Ltd (who holds 49% interest) have developed the site at Roppongi 4 Chome in Tokyo to a premium residential project known as "Proud Roppongi". Sale of units in this development is scheduled to commence in June 2016.

Niseko Project, Hokkaido

The Group holds residential plots at Niseko, Hokkaido close to the popular Niseko Annupuri Ski Village, with a total site area of approximately 60,000 square metres as land bank.

Investment properties, Tokyo

As of 31 March 2016, the Group's two investment properties in Tokyo – Horizon Place Akasaka, a high-rise residential block in Akasaka, and Graphio Nishi-Shinjuku, an office building in central Shinjuku – achieved occupancy rates of 97% and 100% respectively. In September 2015, the Group acquired another Tokyo investment property, Souei Park Harajuku. This 22-unit en-bloc residential apartment building in Shibuya achieved an occupancy rate of 100% as of 31 March 2016.

SERVICES PROVIDED

The Group's four clubs in Discovery Bay – Discovery Bay Golf Club, Discovery Bay Marina Club, Discovery Bay Recreation Club and Club Siena, recorded moderate increases in turnover during the year, while facility upgrades continue to be made for the enjoyment and use of members. Discovery Bay Marina Club was awarded the "5 Gold Anchors Award" again by the Yacht Harbour Association.

Various modes of transport to and from Discovery Bay including ferry, land and tunnel services are provided by the Group. To enhance transportation service, six double-decker buses were acquired and deployed in August 2015. Four more buses will be procured in 2016/2017. Our property management service companies in Discovery Bay and other locations in Hong Kong continue to operate satisfactorily during the year.

The Group holds 50% interest in these Discovery Bay service providers.

HOSPITALITY

Hong Kong, Auberge Discovery Bay Hong Kong

Since opening in March 2013, Auberge Discovery Bay Hong Kong ("Auberge DB") resort hotel has continued to enhance its service offerings. The 325-room hotel recorded an improved average occupancy rate of approximately 75% during the year, despite a drop in overseas visitors to Hong Kong. The hotel mainly caters to leisure or long-stay travellers and remains a popular venue for events. This is largely due to the popularity of the unique seaside pavilion, The Bounty, a tall-ship and the European-style horse-drawn carriage.

The Group holds 50% interest in Auberge DB.

Thailand, The Sukhothai Bangkok

The Sukhothai Bangkok achieved improvement in average occupancy rate at 64% during the year and continues to be an award-winning property. It was the voted "second best hotel in Bangkok", "seventh best in Asia" and "23rd best in the world" by *Institutional Investor* magazine. *Condé Nast Traveler* placed The Sukhothai Bangkok on its "Top 10 Hotels in Bangkok" list and the property received a Certificate of Excellence 2015 from *TripAdvisor*. The Sukhothai Bangkok was also among the "Top 10

Best Luxury Hotels Voted by Chinese Tourists" in the Tourism Authority of Thailand's "The Best of Thailand Awards 2015". Various other media accolades were received for outstanding food and beverage services.

HEALTHCARE

The Philippines operations of GenRx Holdings Limited ("GenRx"), under the brand name Healthway Medical, saw significant improvement during the year in terms of net contribution to the Group. Healthway Medical was awarded the "Gold Award – Trusted Brand in the Ambulatory – Specialty Clinic Category" by *Reader's Digest* magazine in 2015, for the third consecutive year in recognition of its outstanding medical services in the Philippines. GenRx will continue to draw on a wealth of experience, expertise and an established network to explore secondary and tertiary healthcare development opportunities in the region. Meanwhile, business performance in the Hong Kong and Macau markets has been enhanced by sustained efforts to improve operational efficiency.

GenRx operates a comprehensive healthcare service network, comprising diabetic and cardiovascular centres, a cancer centre, imaging facility, dental clinics, Chinese-medicine outlets and multi-specialty outpatient centres in Hong Kong, Macau and Manila. GenRx is 100% owned by the Group save for dental clinics and diabetic and cardiovascular centres which are joint ventures with third party interests of 43% and 20% respectively.

OUTLOOK

In general, the Group is cautiously optimistic about 2016/2017, though this sentiment is tempered by an expectation of significant challenges ahead. "Unpredictability" and "change" are the watchwords we would apply to Hong Kong's property market against a backdrop of a slowing economy, supply pressures and the possibility of rate rises. On the positive side, however, the high end of the market should be less affected by vacillating sentiment. We therefore anticipate ongoing demand for residential properties. Accordingly, all new projects will forge ahead as planned.

Looking to the medium and long term – and with GDP growth in Mainland China predicted to remain below 7% in 2016 – the Group remains positive but vigilant. We believe the property market will stay relatively energetic in Shanghai, where a continuing hunger for premium commercial and retail premises is encouraging. Furthermore, progress on HKRI Taikoo Hui in Shanghai's Jing'an commercial and retail hub, completion of which is imminent, positions the Group perfectly to profit from long-term growth.

The Group will continue to pursue the strategy of splitting its business equally among the three geographical areas of Hong Kong, Mainland China and the rest of Asia. The Group is also mindful that the apparent slowing of the global economy will require us to adopt sound housekeeping practices in every aspect of our business.

Our property interests are subject to certain risks. These include but not limited to the cyclical nature of property markets, availability of land in Hong Kong for property development and investment, changes in general economic, business and credit conditions, changes in government policies or regulations affecting real estate, shortages in building and other raw materials, fluctuations in interest rates and the cost of labour and materials. The Group's property interests are also affected by the strength of the local economy.

As an increasing proportion of our turnover comes from property development and investment in Mainland China, the Group's performance will be subject to economic, political and legal developments in Mainland China, as well as other geographies in the region.

The Group will continue to seek investment opportunities in Hong Kong, Mainland China and other parts of Asia. We will invest in new technologies designed to boost efficiency, while proactively engaging stakeholders and the community via effective public relations and corporate social responsibility programmes. At the same time, we acknowledge the need to reduce costs and will implement initiatives accordingly.

FINANCIAL REVIEW

SHAREHOLDERS' FUNDS

As at 31 March 2016, the shareholders' funds of the Group decreased by HK$671.4 million to HK$16,056.3 million (2015: HK$16,727.7 million). The decrease was mainly due to the cessation of consolidation of Hanison group's financial results into the Group's consolidated financial statements upon completion of distribution of interim dividend by distribution in specie of all Hanison shares owned by the Group in November 2015. The gross profit margin of continuing operations for the Group was 32.5% (2015: 36.9% (restated)).

MAJOR INVESTING ACTIVITIES

In June 2015, the Group successfully acquired the land use right of a piece of land in Hangzhou, Zhejiang Province at a consideration of HK$678.8 million and completed the acquisition in March 2016.

In January 2016, the Group successfully acquired the land use right of another parcel of land in Jiaxing City, Zhejiang Province at a consideration of HK$352.0 million, of which HK$220.2 million was paid and the remaining balance has been settled in May 2016.

In December 2015, the Group entered into a sales and purchase agreement ("Agreement") to purchase 10 plots of land in Bangkok, Thailand for a consideration of HK$604.1 million. An initial 30% deposit of HK$181.2 million was paid upon signing of the Agreement and the remaining balance is expected to be paid in the second half of 2016.

During the year, the Group acquired a residential building in Japan at a consideration of HK$86.2 million.

MAJOR OPERATING ACTIVITIES

During the year, sales proceeds from disposal of certain development properties in Hong Kong, Thailand and the PRC amounted to HK$722.2 million, HK$92.9 million and HK$304.8 million respectively.

FINANCIAL LIQUIDITY

As at 31 March 2016, the Group had total cash and securities investment of HK$5,019.9 million (2015: HK$5,931.8 million) whilst total bank borrowings, bonds and other loans were HK$6,966.1 million (2015: HK$5,830.0 million).

GEARING

The Group's gearing ratio was 14.0% (2015: 1.4%) as calculated by the Group's consolidated net borrowings to the shareholders' funds as at 31 March 2016.

BANKING FACILITIES AND OTHER LOANS

The Group closely monitors its liquidity requirements and arranges financing for its development projects and operations as and when appropriate. In September 2015, the Group arranged a 5-year revolving credit and term loan facility of HK$8.0 billion to refinance the previous HK$5.0 billion syndicated loan upon its maturity and to fund the Group's general working capital requirements.

As at 31 March 2016, the unutilised credit facilities were approximately HK$7,260.5 million (2015: HK$5,043.7 million) which increased by HK$2,216.8 million mainly due to the new HK$8.0 billion syndicated loan arranged in September 2015.

The maturity profile of bank borrowings, bonds and other loans were 5.0% (2015: 41.7%) falling within one year, 10.8% (2015: 2.6%) falling between one and two years, 84.2% (2015: 42.1%) falling between two and five years and nil (2015: 13.6%) falling more than five years as at 31 March 2016.

TREASURY POLICY

The Group has centralised treasury functions and adopted a conservative approach for its treasury management. With majority of assets and liabilities denominated in HK dollars and US dollars, the Group has limited exposure to foreign currencies. To manage foreign currency exposure in certain overseas investments, the Group maintains naturally hedged positions and will make any swap/future arrangements as appropriate. The Group's banking facilities are principally on floating rate basis and interest rate swaps will be employed to manage interest rate risk for its short to medium-term borrowings when appropriate and necessary.

It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

PLEDGE OF ASSETS

As at 31 March 2016, certain bank loans of the Group were secured by certain investment properties, leasehold land and building and properties held for sale, at the total carrying value of HK$1,036.2 million (2015: HK$2,007.7 million).

As at 31 March 2016, the Group has not pledged any bank deposits (2015: HK$83.7 million) to secure banking facilities.

CONTINGENT LIABILITIES

The Group had contingent liabilities relating to a corporate guarantee on the Group's proportionate share to the extent of HK$132.0 million (2015: HK$164.9 million) as at 31 March 2016 given to banks in respect of banking facilities granted to an investee company and a joint venture. The Group's interest in such investee company is classified under other non-current assets.

In addition, a subsidiary of the Company provided guarantees amounting to HK$142.2 million (2015: HK$19.6 million) as at 31 March 2016 in respect of mortgage facilities granted to purchasers of the Group's properties.

Save as disclosed above, the Group did not have other significant contingent liabilities as at 31 March 2016.

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

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

CORPORATE GOVERNANCE

The Company has fully complied with the Corporate Governance Code (the "CG Code") and Corporate Governance Report as set out in Appendix 14 to the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31 March 2016 save for two (2) deviations: (1) A.4.1 (Non-Executive Directors be appointed for a specific term); and (2) E.1.2 (Chairman of the Board's attendance at the Annual General Meeting). The reasons for deviations are set out in the Corporate Governance Report contained in the Annual Report 2015/2016 of the Company which will be published shortly. Since the publication of the Company's interim report for the six months ended 30 September 2015, there has been no other deviation from the CG Code.

REVIEW OF THE FINAL RESULTS BY AUDIT COMMITTEE

The final results of the Group for the year ended 31 March 2016 has been reviewed by the Audit Committee of the Company. In addition, the figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2016 as set out in this announcement have been agreed by the Group's auditor.

By order of the Board
HKR International Limited
CHA Mou Zing Victor
Deputy Chairman & Managing Director

Hong Kong, 17 June 2016

As at the date of this announcement, the Directors of the Company are:

Chairman
Mr CHA Mou Sing Payson

Deputy Chairman & Managing Director
Mr CHA Mou Zing Victor

Executive Directors
Mr CHUNG Sam Tin Abraham
Mr TANG Moon Wah

Non-executive Directors
The Honourable Ronald Joseph ARCULLI
Mr CHA Mou Daid Johnson
Ms WONG CHA May Lung Madeline

Independent Non-executive Directors
Dr CHENG Kar Shun Henry
Mr CHEUNG Wing Lam Linus
Ms HO Pak Ching Loretta
Mr TANG Kwai Chang