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XPRESS Group 特速集團

XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2013

RESULTS

The Board of Directors (the "Board") of Xpress Group Limited (the "Company") hereby announce the consolidated results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2013 together with the comparative figures as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2013

	Notes	**2013** **HK$'000**	2012 *HK$'000* (Restated)
Revenue	3	**50,110**	81,529
Cost of sales		**(5,957)**	(8,946)
Gross profit		**44,153**	72,583
Other operating income	3	**4,658**	4,408
Gain (loss) on disposal of financial assets at fair value through profit or loss		**6,524**	(12,892)
Fair value gain (loss) on financial assets at fair value through profit or loss		**10,727**	(9,044)
Fair value gain (loss) on revaluation of investment properties, net		**37,393**	(63,722)
Loss on disposal of investment properties		**(4,325)**	(9,034)
Administrative expenses		**(139,254)**	(144,875)
Gain on deemed disposal of subsidiaries		**44,962**	–
Gain on disposal of associates		**27,670**	–

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
Profit (loss) from operations		**32,508**	(162,576)
Finance costs		**(22,576)**	(23,317)
Share of results of associates		**(154)**	1,095
Profit (loss) before income tax		**9,778**	(184,798)
Income tax credits (expenses)	*5*	**20,226**	(3,488)
Profit (loss) for the year	*6*	**30,004**	(188,286)
Profit (loss) for the year attributable to:			
Owners of the Company		**33,375**	(188,271)
Non-controlling interests		**(3,371)**	(15)
		30,004	(188,286)
Earnings (loss) per share	*7*		
Basic		**0.99 cents**	(6.45) cents
Diluted		**0.96 cents**	(6.45) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Profit (loss) for the year	**30,004**	(188,286)
Other comprehensive expenses		
Exchange differences arising on translation of foreign operations	**(4,408)**	(3,133)
Release of translation reserve on deemed disposal of subsidiaries	**(8,630)**	–
Other comprehensive expenses for the year	**(13,038)**	(3,133)
Total comprehensive income (expenses) for the year	**16,966**	(191,419)
Total comprehensive income (expenses) attributable to:		
Owners of the Company	**22,172**	(191,345)
Non-controlling interests	**(5,206)**	(74)
	16,966	(191,419)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	31 March 2013 HK$'000	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment		**14,786**	57,703	59,930
Prepaid lease payments		**21,476**	21,953	22,430
Investment properties		**626,413**	908,383	1,159,931
Interests in associates		**2,873**	3,246	2,248
Available-for-sale financial assets		**2,089**	1,463	1,464
Goodwill		**10,544**	10,544	10,544
Pledged bank deposits		**6,714**	3,116	7,492
		684,895	1,006,408	1,264,039
Current assets				
Inventories		**181**	464	388
Properties under development for sale		**–**	1,099,541	138,403
Trade and other receivables, deposits and prepayments	9	**77,496**	18,837	32,742
Loan receivables		**612**	617	635
Financial assets at fair value through profit or loss		**59,055**	16,453	175,417
Amounts due from associates		**–**	185	172
Bank balances and cash		**353,385**	116,333	185,071
		490,729	1,252,430	532,828
Current liabilities				
Trade and other payables and accruals	10	**8,906**	87,328	34,627
Bank overdraft		**342**	515	86,486
Borrowings		**89,528**	155,543	216,763
Obligations under a finance lease		**–**	108	–
Tax payables		**1,961**	22,676	20,370
Amounts due to non-controlling interests		**–**	67,714	7,456
Amounts due to associates		**–**	478	515
Amount due to a director		**7,520**	28,294	–
Non-convertible bonds		**105,633**	–	–
		213,890	362,656	366,217

	31 March 2013 HK$'000	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
Net current assets	**276,839**	889,774	166,611
Total assets less current liabilities	**961,734**	1,896,182	1,430,650
Non-current liabilities			
Borrowings	**61,986**	863,944	327,279
Obligations under a finance lease	**–**	641	–
Deferred taxation	**–**	277	277
Convertible bonds	**–**	339	293
Non-convertible bonds	**–**	105,633	105,633
	61,986	970,834	433,482
Net assets	**899,748**	925,348	997,168
CAPITAL AND RESERVES			
Share capital	**35,281**	30,970	26,408
Reserves	**869,115**	789,070	936,277
Equity attributable to owners of the Company	**904,396**	820,040	962,685
Non-controlling interests	**(4,648)**	105,308	34,483
Total equity	**899,748**	925,348	997,168

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and Hong Kong Companies Ordinance. They have been prepared under the historical cost conversion, except for investment properties and certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

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

In the current year, the Group and the Company has applied the following new and revised HKFRSs and HKASs, issued by the HKICPA.

Amendments to HKAS 12	*Deferred Tax: Recovery of Underlying Asset*
Amendments to HKFRS 7	*Financial Instruments: Disclosures – Transfers of Financial Assets*

Except as described below, the application of the new and revised HKFRSs and HKASs in the current year has had no material impact on the Group's and the Company's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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 entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group and the Company 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 (the "Directors") reviewed the Group and the Company's investment property portfolios and concluded that the Group and the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore the directors have determined that the "sale" presumption set out in the amendments to HKAS 12 is not rebutted.

The application of the amendments to HKAS 12 has resulted in the Group and the Company not recognising any deferred taxes on changes in fair values of the investment properties, as the Group and the Company is not subject to any income taxes on disposal of its investment properties. Previously, the Group and the Company recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use.

In the current year, the Group and the Company has applied the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 31 March 2013. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 April 2011 without the related notes.

Summary of the effects of application of amendments to HKAS 12

The effects of application of amendments to HKAS 12 on the results for the current and prior year by line items are as follow:

	2013	2012
	HK$'000	*HK$'000*
Consolidated Income Statement		
Decrease in income tax expenses/(increase) in income tax expenses	**4,892**	(30,959)
Increase in profit/(increase in loss) for the year	**4,892**	(30,959)
Increase in profit/(increase in loss) for the year attributable to owners of the Company	**4,892**	(31,850)
Decrease in loss for the year attributable to non-controlling interests	**–**	891

	2013	2012
	HK$'000	*HK$'000*
Consolidated Statement of Comprehensive Income		
Increase in total comprehensive income/(increase in total comprehensive expenses) for the year	**4,892**	(30,695)
Decrease in exchange differences arising on translating of foreign operations	**–**	264
Increase in total comprehensive income/(increase in total comprehensive expenses) attributable to owners of the Company	**4,892**	(31,589)
Decrease in total comprehensive expenses attributable to non-controlling interests	**–**	894

	As previously reported *HK$'000*	Adjustment *HK$'000*	As restated *HK$'000*
Consolidated Income Statement for the year ended 31 March 2012			
Income tax credits/(income tax expenses)	27,471	(30,959)	(3,488)
Loss for the year	(157,327)	(30,959)	(188,286)
Loss for the year attributable to owners of the Company	(156,421)	(31,850)	(188,271)
Loss for the year attributable to non-controlling interests	(906)	891	(15)

	As previously reported *HK$'000*	Adjustment *HK$'000*	As restated *HK$'000*
Consolidated Statement of Comprehensive Income for the year ended 31 March 2012			
Total comprehensive expenses for the year	(160,724)	(30,695)	(191,419)
Exchange differences arising on translating of foreign operations	(3,397)	264	(3,133)
Total comprehensive expenses attributable to owners of the Company	(159,756)	(31,589)	(191,345)
Total comprehensive expenses attributable to non-controlling interests	(968)	894	(74)

The effects of application of amendments to HKAS 12 on the financial position of the Group as at 1 April 2011 and 31 March 2012 is as follows:

Group

	As previously reported *HK$'000*	Adjustment *HK$'000*	As restated *HK$'000*
Statement of Financial Position as at 1 April 2011			
Deferred taxation, total effect on net assets	95,071	(94,794)	277
Translation reserve	83,843	10,273	94,116
Accumulated losses	(139,043)	82,807	(56,236)
Non-controlling interests	32,769	1,714	34,483
Total effect on equity	(22,431)	94,794	72,363

	As previously reported *HK$'000*	Adjustment *HK$'000*	As restated *HK$'000*
Statement of Financial Position as at 31 March 2012			
Deferred taxation, total effect on net assets	64,376	(64,099)	277
Other reserve	(3,763)	(111)	(3,874)
Translation reserve	80,508	10,534	91,042
Accumulated losses	(232,329)	50,957	(181,372)
Non-controlling interests	102,589	2,719	105,308
Total effect on equity	(52,995)	64,099	11,104

The effects of application of amendments to HKAS 12 on the Group's basic and diluted earnings (loss) per share for the current and prior year are as follows:

	2013 ***HK cents***	2012 *HK cents*
Impact on basic and diluted earnings (loss) per share		
Basic earnings (loss) per share before adjustments	**0.85**	(5.36)
Adjustments arising on the application of the amendments to HKAS 12	**0.14**	(1.09)
Reported basic earnings (loss) per share	**0.99**	(6.45)
Diluted earnings (loss) per share before adjustments	**0.82**	(5.36)
Adjustments arising on the application of the amendments to HKAS 12	**0.14**	(1.09)
Reported diluted earnings (loss) per share	**0.96**	(6.45)

The calculation of diluted loss per share for the year ended 31 March 2012 does not assume the conversion of the Company's outstanding share options since their exercise would result in a decrease in loss per share for the year.

New and revised HKFRSs and HKASs issued but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27(2011)	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC*) – Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 Effective for annual periods beginning on or after 1 January 2013.
2 Effective for annual periods beginning on or after 1 January 2014.
3 Effective for annual periods beginning on or after 1 January 2015.
4 Effective for annual periods beginning on or after 1 July 2012.
* *IFRIC represents the International Financial Reporting Interpretation Committee*

Annual Improvements to HKFRSs 2009–2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs *2009–2011 Cycle* include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include the amendments to HKAS 16 *Property, Plant and Equipment* and the amendments to HKAS 32 *Financial Instruments: Presentation*.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The Directors do not anticipate that the application of the amendments will have material effect on the Group's consolidated financial statements.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 *Income Taxes*. The Directors anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The Directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

HKFRS 9 Financial Instruments

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

Key requirements of HKFRS 9 are described as follows:

– HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* 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. 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.

– With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in fair value of financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The Directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's and the Company's financial assets and financial liabilities. Regarding the Group's and the Company's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

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

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK (SIC)-Int 12 *Consolidation – Special Purpose Entities* will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers* will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

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

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

The Directors anticipate that the application of these five standards would not have a significant impact on amounts reported in the consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 are effective for annual periods beginning on or after 1 January 2014, with early application permitted. The Directors anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors anticipate that the application of the new standard may affect certain amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

3. REVENUE AND OTHER OPERATING INCOME

Revenue, which is also the Group's turnover for the year, is analysed as follows:

	2013	2012
	HK$'000	*HK$'000*
Financial interest and service income	**108**	263
Dividend income	**414**	5,556
Interest income	**784**	1,022
Rental income	**21,770**	32,262
Income from hotel operations	**27,034**	42,426
	50,110	81,529

Other operating income

	2013	2012
	HK$'000	*HK$'000*
Other income	**1,847**	2,958
Exchange gain, net	**2,512**	802
Bad debt recovery on trade receivables	**189**	588
Interest income from duel currency units	**–**	60
Management fee received from an associate	**110**	–
	4,658	4,408

4. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Each of the Group's reportable segment represents a strategic business unit that offer products and services which are subject to risks and returns that are different from those of the other reportable segments. This is also the basis upon which the Group is organised and managed. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

Financing operations	–	provide financing to individuals and acquiring services for members
Securities trading and investment	–	trading of securities
Treasury investment	–	asset management and cash operations
Property investment and trading	–	letting properties and trading of properties
Hotel operations	–	hotel operations in Japan
Property development	–	development of properties

An analysis of the Group's revenue, contribution to the results from operations for the years ended 31 March 2013 and 2012 and certain assets, liabilities and expenditure information regarding reportable and operating segments are as follows:

Segment revenue and results
For the year ended 31 March 2013

	Financing operations *HK$'000*	Securities trading and investment *HK$'000*	Treasury investment *HK$'000*	Property investment and trading *HK$'000*	Hotel operations *HK$'000*	Property development *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue								
– External sales	108	414	784	21,770	27,034	–	–	50,110
– Inter-segment sales	–	–	11,342	–	–	–	(11,342)	–
Total	108	414	12,126	21,770	27,034	–	(11,342)	50,110
Segment results	(1,099)	16,045	515	46,357	(14,247)	(236)	–	47,335
Unallocated corporate revenue								9,135
Unallocated corporate expenses								(100,799)
Unallocated finance costs								(18,371)
Gain on deemed disposal of subsidiaries								44,962
Gain on disposal of associates								27,670
Share of results of associates								(154)
Profit before income tax								9,778
Income tax credits								20,226
Profit for the year								30,004
Segment assets	160	60,522	8,880	628,177	10,220	–	–	707,959
Interest in associates								2,873
Unallocated assets								464,792
Total assets								1,175,624
Segment liabilities	–	–	–	(152,148)	(645)	–	–	(152,793)
Unallocated liabilities								(123,083)
Total liabilities								(275,876)

	Financing operations *HK$'000*	Securities trading and investment *HK$'000*	Treasury investment *HK$'000*	Property investment and trading *HK$'000*	Hotel operations *HK$'000*	Property development *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other segment information:								
Capital expenditure	–	–	–	15,253	258	–	28,172	43,683
Depreciation	–	–	(227)	(626)	(1,316)	–	(517)	(2,686)
Amortisation of prepaid lease payments	–	–	–	(477)	–	–	–	(477)
Fair value gain on financial assets at fair value through profit or loss	–	10,727	–	–	–	–	–	10,727
Fair value gain on revaluation of investment properties, net	–	–	–	37,393	–	–	–	37,393
Gain on disposal of financial assets at fair value through profit or loss	–	6,524	–	–	–	–	–	6,524
Loss on disposal of property, plant and equipment	–	–	–	(33)	(5,413)	–	–	(5,446)
Loss on disposal of investment properties	–	–	–	(4,325)	–	–	–	(4,325)
Write-off the property, plant and equipment	–	–	–	(1,986)	–	–	–	(1,986)
Bad debts written-off	–	–	–	(31)	–	–	–	(31)
Bad debt recovery on trade receivables	189	–	–	–	–	–	–	189
Impairment loss recognised in respect of								
– trade receivables	(33)	–	–	–	–	–	–	(33)
– other receivables	–	–	–	–	(131)	–	(426)	(557)
– loan receivables	(5)	–	–	–	–	–	–	(5)

For the year ended 31 March 2012

	Financing operations *HK$'000*	Securities trading and investment *HK$'000*	Treasury investment *HK$'000*	Property investment and trading *HK$'000*	Hotel operations *HK$'000*	Property development *HK$'000*	Elimination *HK$'000*	Total *HK$'000* (Restated)
Revenue								
– External sales	263	5,556	1,022	32,262	42,426	–	–	81,529
– Inter-segment sales	–	–	11,197	–	–	–	(11,197)	–
Total	263	5,556	12,219	32,262	42,426	–	(11,197)	81,529
Segment results	(506)	(17,588)	729	(51,755)	(3,720)	(35)	–	(72,875)
Unallocated corporate revenue								3,820
Unallocated corporate expenses								(100,766)
Unallocated finance costs								(16,072)
Share of results of associates								1,095
Loss before income tax								(184,798)
Income tax expenses								(3,488)
Loss for the year								(188,286)
Segment assets	187	17,920	7,504	908,383	52,003	1,099,541	–	2,085,538
Interest in associates								3,246
Unallocated assets								170,054
Total assets								2,258,838
Segment liabilities	–	–	–	(317,826)	(11,759)	(836,322)	–	(1,165,907)
Unallocated liabilities								(167,583)
Total liabilities								(1,333,490)

	Financing operations *HK$'000*	Securities trading and investment *HK$'000*	Treasury investment *HK$'000*	Property investment and trading *HK$'000*	Hotel operations *HK$'000*	Property development *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other segment information:								
Capital expenditure	–	–	–	2,362	–	–	1,512	3,874
Depreciation	–	–	(287)	(2,073)	(1,759)	–	(265)	(4,384)
Amortisation of prepaid lease payments	–	–	–	(477)	–	–	–	(477)
Fair value loss on financial assets at fair value through profit or loss	–	(9,044)	–	–	–	–	–	(9,044)
Fair value loss on revaluation of investment properties, net	–	–	–	(63,722)	–	–	–	(63,722)
Loss on disposal of financial assets at fair value through profit or loss	–	(12,892)	–	–	–	–	–	(12,892)
Loss on disposal of investment properties	–	–	–	(9,034)	–	–	–	(9,034)
Write-off the property, plant and equipment	–	–	(6)	–	–	–	–	(6)
Bad debt recovery on trade receivables	588	–	–	–	–	–	–	588
Impairment loss recognised in respect of loan receivables	(16)	–	–	–	–	–	–	(16)

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to operating segments other than unallocated assets (mainly comprising certain property, plant and equipment, certain available-for-sale financial assets, certain other receivables, bank balances and cash, certain pledged bank deposits, amounts due from associates, prepaid lease payments and goodwill); and

– all liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising non-convertible bonds, certain other payables and accruals, tax payables, amounts due to non-controlling interests, amounts due to associates, amount due to a director, bank overdraft and certain borrowings).

The accounting policies of the operating segments are the same as the Group's accounting policies described in the consolidated financial statements. Segment result represents the profit earned from (loss from) each segment without allocation of certain items, mainly comprising other operating income, gain on deemed disposal of subsidiaries, gain on disposal of associates, share of results of associates, depreciation, certain administrative expenses, directors' and chief executives' salaries and certain finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market prices.

Geographical information

The Group's operations are located in four (2012: four) main geographical areas. The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods and services.

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**6,227**	11,520
North America	**3,617**	4,331
Singapore	**13,232**	23,252
Japan	**27,034**	42,426
	50,110	81,529

The following is an analysis of the non-current assets (other than the financial instruments) of the Group, analysed by the geographical areas in which the assets are located.

Segment assets

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**105,332**	151,536
North America	**10,075**	5,425
Singapore	**490,444**	717,600
Japan	**70,241**	127,268
	676,092	1,001,829

Capital expenditure

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**36**	292
North America	**14,293**	–
Singapore	**29,096**	3,582
Japan	**258**	–
	43,683	3,874

Information about major customers

For the years ended 31 March 2013 and 2012, no individual customer of the Group contributed over 10% of the total revenue of the Group.

5. INCOME TAX (CREDITS) EXPENSES

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Current tax		
– Hong Kong	**–**	1,717
– Overseas	**233**	1,442
(Over) under-provision in prior years	**(20,182)**	329
Deferred tax	**(277)**	–
	(20,226)	3,488

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

During the year ended 31 March 2013, no tax is payable on the profit for the year arising in Hong Kong since the assessable profit is wholly absorbed by tax loss bought forward.

According to the relevant Singapore tax regulations, certain Singapore subsidiaries of the Group enjoy the partial tax exemption and corporate income tax rebate during the years ended 31 March 2013 and 2012.

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

The income tax (credits) expenses for the year can be reconciled to the profit (loss) before income tax per the consolidated income statement as follows:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Profit (loss) before income tax	**9,778**	(184,798)
Tax at Hong Kong profits tax rate of 16.5% (2012: 16.5%)	**1,613**	(30,492)
Tax effect of expenses not deductible for tax purpose	**7,102**	34,202
Tax effect of income not taxable for tax purpose	**(16,540)**	(12,271)
Tax effect of unused tax losses not recognised	**14,169**	16,024
Utilisation of tax losses previously not recognised	**(864)**	(1,236)
Utilisation of deductible temporary differences previously not recognised	**(277)**	–
(Over) under-provision in prior years	**(20,182)**	329
Tax effect of share of results of associates	**(25)**	180
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(4,959)**	(5,109)
Effect of tax exemption granted to Singapore subsidiaries	**(263)**	(381)
Balancing charge on disposal of investment property	**–**	2,242
Income tax (credits) expenses for the year	**(20,226)**	3,488

6. PROFIT (LOSS) FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Profit (loss) for the year is arrived at after charging (crediting):		
Operating lease charges on land and buildings	**850**	1,248
Depreciation of property, plant and equipment	**2,686**	4,384
Amortisation of prepaid lease payments	**477**	477
Impairment loss recognised in respect of		
– trade receivables	**33**	–
– other receivables	**557**	–
– loan receivables	**5**	16
Bad debts written-off	**31**	–
Loss on disposal of property, plant and equipment	**5,446**	–
Write-off the property, plant and equipment	**1,986**	6
Auditor's remuneration	**805**	780
Staff costs including directors' and chief executive's emoluments	**91,115**	91,935
Rental income from investment properties less outgoings of HK$9,928,000 (2012: HK$12,092,000)	**(11,842)**	(20,170)
Cost of inventories recognised as an expense	**5,957**	8,946

7. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the earnings for the year attributable to owners of the Company of approximately HK$33,375,000 (2012 (restated): loss of approximately HK$188,271,000) and on the weighted average number of approximately 3,379,952,000 (2012: 2,917,996,000) ordinary shares in issue during the year.

The calculation of diluted loss per share for the year ended 31 March 2012 does not assume the conversion of the Company's outstanding share options since their exercise would result in a decrease in loss per share for the year.

The calculation of the basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Profit (loss) for the year attributable to owners of the Company, used in the basic and diluted earnings (loss) per share calculation	**33,375**	(188,271)

Number of shares

	2013	2012
	'000	*'000*
Weighted average number of ordinary shares for the purpose of the basic earnings (loss) per share	**3,379,952**	2,917,996
Effect of dilutive potential ordinary shares:		
Share options	**113,939**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**3,493,891**	2,917,996

8. DIVIDENDS

No dividend was paid or proposed for the year ended 31 March 2013, nor has any dividend been proposed since the end of the reporting period (2012: Nil).

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**18,029**	19,108
Less: Allowance for doubtful debts	**(10,056)**	(10,023)
Trade receivables, net of allowance for doubtful debts	**7,973**	9,085
Other receivables, deposits and prepayments *(Note)*	**81,627**	21,657
Less: Allowance for doubtful debts	**(12,581)**	(12,382)
Other receivables, deposits and prepayments, net of allowance for doubtful debts	**69,046**	9,275
Prepaid lease payments	**477**	477
	77,496	18,837

Note: At 31 March 2013, included in other receivables, deposits and prepayments are mainly the money kept in broker's account regarding the sale of SingHaiyi shares amounted to approximately HK$63,463,000 (equivalent to approximately SGD10,132,000).

The Directors considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity period on their inception.

The Group allows an average credit period to its trade customers are as follows:

Hotel operations	60 days
Financing operations	30 days

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on invoices dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	2013	2012
	HK$'000	*HK$'000*
0–60 days	**256**	2,330
61–90 days	**57**	50
Over 90 days	**7,660**	6,705
	7,973	9,085

The aging of trade receivables which are past due but not impaired at the end of the reporting period is as follows:

	2013	2012
	HK$'000	*HK$'000*
0–60 days	**57**	50
61–90 days	**–**	–
Over 90 days	**7,660**	6,705
	7,717	6,755

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired related to a customer with long business relationship. Based on past experience, management believes that no additional provision for impairment is necessary as there is no significant change in credit quality and the balances are considered to be fully recoverable.

The Group has fully impaired all receivables that are determined not recoverable. Based on past experience, the management believed that no impairment allowance is necessary in respect of the remaining balances as there had not been a significant change in credit quality and the balances were considered fully recoverable. The Group has hold collaterals over these balances.

Movement in the allowance for doubtful debts for trade receivables

	2013 *HK$'000*	2012 *HK$'000*
1 April	**10,023**	10,023
Impairment losses recognised	**33**	–
31 March	**10,056**	10,023

At the end of the reporting period, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties.

Movement in the allowance for doubtful debts for other receivables

	2013 *HK$'000*	2012 *HK$'000*
1 April	**12,382**	14,094
Bad debts written-off	**(187)**	(1,704)
Exchange realignment	**(171)**	(8)
Impairment losses recognised	**557**	–
31 March	**12,581**	12,382

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2013 *HK$'000*	2012 *HK$'000*
Trade payables	**169**	778
Accrued interests on non-convertible bonds	**1,924**	868
Other payables and accrued expenses *(Note)*	**6,813**	85,682
	8,906	87,328

The Group was granted by its suppliers credit periods ranging from 30 to 60 days (2012: 30 to 60 days). The following is an aged analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	2013 *HK$'000*	2012 *HK$'000*
0–60 days	**166**	754
61–90 days	**–**	–
Over 90 days	**3**	24
	169	778

Note: At 31 March 2012, included in other payables and accrued expenses are mainly deposits received from customers regarding the sale of properties amounted to HK$67,971,000 (equivalents to approximately SGD11,008,000).

DIVIDEND

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2013 (2012: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company (the "Annual General Meeting") to be held on 28 August 2013, the register of members of the Company will be closed from Monday, 26 August 2013 to Wednesday, 28 August 2013, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the Annual General Meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's Share Registrar, Tricor Friendly Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 August 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a turnover of approximately HK$50.1 million for the year ended 31 March 2013, representing a decrease of approximately 39% as compared to the year ended 31 March 2012. The decrease in turnover was mainly due to the decrease in turnover of the hotels and hospitality division and decrease in rental income during the year. The profit attributable to owners of the Company for the year ended 31 March 2013 was approximately HK$33.4 million as compared to the loss of HK$188.3 million in 2012.

The basic earnings per share for the year was HK0.99 cents when compared with the basic loss per share of HK6.45 cents in the previous year.

(a) Property development

During the year, SingHaiyi Group Ltd. (formerly known as SingXpress Land Ltd.) ("SingHaiyi"), the property development arm of the Group, issued SGD94.4 million cumulative non-redeemable convertible non-voting perpetual preference shares ("CCPS") to Haiyi Holdings Pte Ltd ("Haiyi") and the CCPSs were fully converted into ordinary shares of SingHaiyi ("Conversion") in December 2012. Following the Conversion, the SingHaiyi shares retained by the Group has been diluted from 52.4% to 19.8% and SingHaiyi has ceased to be a subsidiary of the Company.

In January 2013, the Group entered into a placing agreement with the placing agent to place out its entire interest in SingHaiyi. The Group will continue to identify new development projects with attractive investment opportunities and is evaluating the feasibility of redeveloping certain old properties within its investment portfolio, so as to facilitate long-term development growth.

(b) Hotels and Hospitality Division

The turnover of the hotels and hospitality division for the year ended 31 March 2013 was approximately HK$27.0 million, representing a decrease of 36.3% from last year. The segment loss was approximately HK$14.2 million, representing an increase of 283% as compared to last year which was mainly due to the disposal of Hotel Plaza Miyazaki and the related closure costs incurred during the year.

(c) Securities Trading

During the year under review, the Group's securities business recorded an operating profit of approximately HK$16.0 million as compared to a loss of HK$17.6 million for 2012.

(d) Property Investments and Trading

The property investments and trading division contributed revenues of approximately HK$21.8 million (2012: HK$32.3 million) and operating profit of approximately HK$46.4 million (2012: loss of HK$51.8 million) to the Group, including a fair value gain on revaluation of investment properties of approximately HK$37.4 million compared to a fair value loss of approximately HK$63.7 million in 2012.

(e) Other Investments

As at 31 March 2013, the Group held 29.2% of the issued share capital in RSI International Systems Inc. ("RSI"), a company listed on the TSX Venture Exchange of Canada. During the year, the Group shared a loss of approximately HK$0.2 million of RSI.

Liquidity and Capital Resources

As at 31 March 2013, the total equity of the Group was approximately HK$899.7 million (31 March 2012: HK$925.3 million (as restated)).

As at 31 March 2013, the Group had bank balances and cash and pledged bank deposits amounted to approximately HK$360.1 million (31 March 2012: HK$119.4 million) mainly denominated in US dollars, Hong Kong dollars, Singapore dollars and Japanese Yen. Total borrowings decreased to approximately HK$257.5 million (31 March 2012: HK$1,126.7 million) mainly due to the disposal of SingHaiyi. The borrowings were mainly denominated in Hong Kong dollars, Singapore dollars and Japanese Yen. As at 31 March 2013, the Group's current ratio was 2.3 (31 March 2012: 3.5) and had net cash position of HK$102.6 million (31 March 2012: gearing ratio of 44.6%, defined as the ratio of total borrowings less bank balances and cash and pledged bank deposits to total assets).

Material Acquisitions and Disposals for Material Investments

(a) During the year, the Group entered into sale and purchase agreements to dispose three investment properties situated in Singapore for an aggregate consideration of SGD24.4 million, a property situated in Canada for a consideration of approximately CAD0.9 million and a property situated in Hong Kong for a consideration of approximately HK$2.1 million.

(b) During the year, SingHaiyi ceased to be a subsidiary of the Company following the full conversion of the CCPSs by Haiyi in November 2012 and the Group disposed its entire equity interest in SingHaiyi.

Capital Commitments

As at 31 March 2013, the Group had not made any capital commitments (31 March 2012: HK$600.7 million) as a result of disposal of SingHaiyi during the year.

Events After the Reporting Period

(a) In March 2013, the Company announced that it would redeem all outstanding bonds with an aggregate principal amount of approximately HK$105.6 million. The aggregate early redemption amount was approximately HK$108.9 million and has been paid to the bondholders on 30 April 2013. Details of which was disclosed in the announcement of the Company dated 28 March 2013.

(b) In May 2013, the Group entered into an agreement to purchase a property in Singapore situated at 36 North Canal Road Singapore 059292 at a consideration of SGD6.8 million. The transaction will be completed in August 2013.

Contingent Liabilities

(1) Actions were brought by Pricerite Stores Limited and CASH Retail Management Group Limited (together referred to as "Pricerite") respectively claiming that a subsidiary of the Company has, among others, divulged confidential information of Pricerite in breach of agreement for damages which are not quantified. The litigation was due to the acquisition of such subsidiary by the Group in 2000. In the opinion of the Directors, it is not practicable at this stage to determine with certainty the outcome of the litigation. Further details of the litigation is set out in section headed "The Compromise Agreement" in the Letter from the Board in the circular of the Company dated 8 July 2002. The litigation has been standstill for more than 9 years.

    Save as aforesaid, neither the Company nor any of its subsidiaries is engaged in litigation or arbitration of material importance and so far as the directors are aware, no litigation or claims of material importance are pending or threatened by or against the Company or any of its subsidiaries.

(2) Corporate guarantee was given by the Company to a bank in connection with banking facilities granted to Corporate Residence Pte Limited, a company which is owned as to 90% by SingHaiyi and 10% by the Group. The extent of the facilities utilised as at 31 March 2013 amounted to SGD14.7 million. After 31 March 2013, the guarantee was released and replaced by another banking facility in which the Company has provided its proportionate guarantee of SGD2.1 million.

Foreign Exchange Exposure

Substantially all the revenues, expenses, assets and liabilities of the Company are denominated in Singapore dollars, Hong Kong dollars, US dollars, Canadian dollars and Japanese Yen. Due to the currency peg of the Hong Kong dollar to the US dollar, the exchange rate between these two currencies has remained stable and thus no hedging or other alternatives have been implemented by the Group. Going forward, the Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety in our exposure of foreign exchange risk in transactions, assets and liabilities involving Japanese yen and Singapore dollars.

Human Resources

Remuneration packages are generally structured by reference to prevailing market terms and individual qualifications. Salaries and wages of the Company's employees are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance related bonus. At the end of the reporting period, there were approximately 30 employees employed by the Group. Share options may also be granted to eligible employees and persons of the Group.

Pledge of Assets

As at 31 March 2013, the Group's borrowings of approximately HK$151.5 million were mainly secured by the investment properties, land and buildings, prepaid lease payments and bank deposits of the Group with an aggregate carrying value of approximately HK$541.4 million.

OUTLOOK

Looking ahead, the global economy will continue to face challenges and uncertainties. Our overall objectives are to exploit business opportunities especially the real estate investments in the United States and Japan.

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

During the year ended 31 March 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with Directors, all the Directors confirmed that they have fully complied with the Model Code during the year ended 31 March 2013.

AUDIT COMMITTEE

The company has established an audit committee (the "Audit Committee") with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the group. The Audit Committee comprises a total of three independent non-executive Directors. The annual results of the Group for the year ended 31 March 2013 have been reviewed by the Audit Committee, who are of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

SCOPE OF WORK OF MESSRS. ZHONGLEI (HK) CPA COMPANY LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2013 as set out in this preliminary announcement have been agreed by the Group's auditors, Messrs. ZHONGLEI (HK) CPA Company Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2013. The works performed by Messrs. ZHONGLEI (HK) CPA Company Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. ZHONGLEI (HK) CPA Company Limited on this preliminary announcement.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2013, the Company has complied with all the provisions of the Code on Corporate Governance Practices/Corporate Governance Code (the "Code Provision") from time to time as set out in Appendix 14 to the Listing Rules (except Code Provision A.4.1 and A.6.7 as stated below) and with most of the recommended best practices contained therein.

i. None of the non-executive Directors has been appointed for a specific term, which is a deviation from the requirement under Code A.4.1 of the Code Provision. However, as the Directors are subject to the retirement by rotation provisions under the bye-laws of the Company, the Board considers that sufficient measures are in place to ensure that the Company's corporate governance practices are no less exacting than the Code Provision.

ii. Pursuant to Code A.6.7 of the Code Provision, independent non-executive Directors and other non-executive Directors should attend the general meetings of the Company. Mr. Fong Kwok Jen, the non-executive Director, was unable to attend the annual general meeting of the Company held on 28 August 2012 as he was not in Hong Kong at that time.

PUBLIC FLOAT

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 28 August 2013 and the notice of the Annual General Meeting will be published and despatched in the manner as required by the Listing Rules and the Company's articles of association in due course.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S AND COMPANY'S WEBSITE

The Company's annual report for the year ended 31 March 2013 will be despatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Latest Listed Company Information" and on the website of the Company at http://www.xpressgroup.com under "Investor Relations" in due course.

By Order of the Board
Xpress Group Limited
Chan Tong Wan
Managing Director

Hong Kong, 28 June 2013

As at the date of this announcement, the executive Directors are Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow; the non-executive Director is Mr. Fong Kwok Jen and the independent non-executive Directors are Mr. Wong Dor Luk, Peter, Mr. Wong Tat Keung and Mr. Chan King Fai.