

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



田生集團有限公司

RICHFIELD GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2014

FINAL RESULTS

The board of directors (the "Board") of Richfield Group Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2014, together with the comparative figures for the year ended 30 June 2013:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Revenue	4	560,372	100,440
Cost of sales		(362,694)	(37,840)
Gross profit		197,678	62,600
Other income	5	108,948	20,883
Selling and distribution expenses		(3,871)	(8,472)
Administrative expenses and other operating expenses		(60,254)	(63,419)
Impairment loss recognised in respect of goodwill	10	(198,000)	(203,000)
Finance costs		(5)	(3)
Share of profit of associates		104	413
Share of profit of a joint venture		106	535
Profit/(Loss) before income tax	6	44,706	(190,463)
Income tax expense	7	(34,255)	(4,939)
Profit/(Loss) for the year		10,451	(195,402)
Profit/(Loss) for the year attributable to:			
Owners of the Company		10,502	(195,402)
Non-controlling interests		(51)	–
		10,451	(195,402)
Earnings/(Loss) per share for profit/(loss) attributable to owners of the Company during the year	9		
Basic and diluted		HK 0.30 cent	HK (5.62) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	2014 HK\$'000	2013 HK\$'000
Profit/(Loss) for the year	10,451	(195,402)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net fair value gain/(loss) on available-for-sale financial assets	2,147	(756)
Reclassified from equity to profit or loss on significant decline in fair value of available-for-sale financial assets	9,865	–
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	(8,667)	9
Exchange differences arising on translation of foreign operations	6,159	–
Other comprehensive income for the year, net of tax	9,504	(747)
Total comprehensive income for the year	19,955	(196,149)
Total comprehensive income for the year attributable to:		
Owners of the Company	20,006	(196,149)
Non-controlling interests	(51)	–
	19,955	(196,149)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	2014 HK\$'000	2013 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		128,489	133,502
Investment properties		249,000	190,000
Interests in associates		517	413
Amounts due from an associate		4,328	4,401
Interests in a joint venture		640	535
Amounts due from a joint venture		4,526	4,631
Goodwill	10	73,000	271,000
Available-for-sale financial assets		75,575	90,676
		536,075	695,158
Current assets			
Amounts due from associates		99,814	68,014
Available-for-sale financial assets		25,178	–
Properties held for trading		50,122	73,075
Properties under development		444,444	745,485
Trade receivables	11	16,054	58,673
Prepayments, deposits and other receivables		15,443	10,718
Financial assets at fair value through profit or loss		1,372	607
Cash and bank balances		734,053	242,013
Restricted bank deposits		111,022	112,095
		1,497,502	1,310,680
Current liabilities			
Accrued expenses and other payables		127,642	137,428
Borrowings		130,752	136,015
Finance lease liabilities		432	384
Amount due to non-controlling shareholder		218,603	–
Provision for income tax		36,051	3,113
		513,480	276,940
Net current assets		984,022	1,033,740
Total assets less current liabilities		1,520,097	1,728,898
Non-current liabilities			
Borrowings		–	234,000
Finance lease liabilities		1,404	1,836
Deferred tax liabilities		365	616
		1,769	236,452
Net assets		1,518,328	1,492,446
EQUITY			
Share capital		34,785	34,785
Reserves		1,483,602	1,457,661
Equity attributable to owners of the Company		1,518,387	1,492,446
Non-controlling interests		(59)	–
Total equity		1,518,328	1,492,446

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Equity attributable to owners of the Company										
	Share capital	Share premium account	Proposed final dividend	Translation reserve	Share-based payment reserve	Revaluation reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2012	34,785	1,274,759	9,983	-	8,094	5,892	-	361,560	1,695,073	-	1,695,073
2012 final dividend paid (note 8(b))	-	-	(9,983)	-	-	-	-	-	(9,983)	-	(9,983)
Equity-settled share-based payments	-	-	-	-	3,505	-	-	-	3,505	-	3,505
Cancellation of share options	-	-	-	-	(5,296)	-	-	5,296	-	-	-
Transactions with owners	-	-	(9,983)	-	(1,791)	-	-	5,296	(6,478)	-	(6,478)
Loss for the year	-	-	-	-	-	-	-	(195,402)	(195,402)	-	(195,402)
Other comprehensive income:											
Net fair value loss on available-for-sale financial assets	-	-	-	-	-	(756)	-	-	(756)	-	(756)
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	-	-	-	-	-	9	-	-	9	-	9
Total comprehensive income for the year	-	-	-	-	-	(747)	-	(195,402)	(196,149)	-	(196,149)
At 30 June 2013 and 1 July 2013	34,785	1,274,759	-	-	6,303	5,145	-	171,454	1,492,446	-	1,492,446

Equity attributable to owners of the Company

	Share capital	Share premium account	Proposed final dividend	Translation reserve	Share-based payment reserve	Revaluation reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2013	34,785	1,274,759	-	-	6,303	5,145	-	171,454	1,492,446	-	1,492,446
Equity-settled share-based payments	-	-	-	-	2,938	-	-	-	2,938	-	2,938
Disposal of interests in subsidiaries that does not result in loss of control	-	-	-	-	-	-	7,361	-	7,361	(8)	7,353
Expenses directly attributable to the disposal of interests in subsidiaries that does not result in loss of control	-	-	-	-	-	-	(4,364)	-	(4,364)	-	(4,364)
Transactions with owners	-	-	-	-	2,938	-	2,997	-	5,935	(8)	5,927
Profit for the year	-	-	-	-	-	-	-	10,502	10,502	(51)	10,451
Other comprehensive income:											
Net fair value gain on available-for-sale financial assets	-	-	-	-	-	2,147	-	-	2,147	-	2,147
Reclassified from equity to profit or loss on significant decline in fair value of available-for-sale financial assets	-	-	-	-	-	9,865	-	-	9,865	-	9,865
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	-	-	-	-	-	(8,667)	-	-	(8,667)	-	(8,667)
Exchange differences arising on translation of foreign operations	-	-	-	6,159	-	-	-	-	6,159	-	6,159
Total comprehensive income for the year	-	-	-	6,159	-	3,345	-	10,502	20,006	(51)	19,955
At 30 June 2014	34,785	1,274,759	-	6,159	9,241	8,490	2,997	181,956	1,518,387	(59)	1,518,328

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. GENERAL INFORMATION

Richfield Group Holdings Limited (the "Company") is an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit 1209, 12th Floor, Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Hong Kong. The Company's issued shares have been listed on the Main Board (the "Main Board") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 2 December 2010.

The principal activity of the Company is investment holding. Its subsidiaries (together with the Company referred to as the "Group") are principally engaged in the provision of property brokerage services, provision of schemes for property consolidation, assembly and redevelopment, property trading and property development. During the year, the Group set up a team for engaging in property investment and trading which management considers it is one of the ordinary activities of the Group and the revenue derived from this business is classified as revenue. Accordingly, certain comparative figures in segment information for the year ended 30 June 2013 have been restated. Other than this, there were no significant changes in the Group's operations during the year.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") unless otherwise stated.

2. ADOPTION OF NEW AND AMENDED HKFRSS

2.1 Adoption of new and amended HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "New HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 July 2013:

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement

Except as explained below, the adoption of these new and amended HKFRSs has no material impact on the Group's financial statements.

HKFRS 10, Consolidated Financial Statements

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and Separate Financial Statements relating to the preparation of consolidated financial statements and HK SIC Interpretation 12, Consolidation – Special Purpose Entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 July 2013.

HKFRS 11, Joint Arrangements

HKFRS 11, which replaces HKAS 31, Interests in Joint Ventures, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

HKFRS 12, Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

As the new standard affects only disclosure, there is no effect on the Group's financial position and performance.

HKFRS 13, Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements. Comparative disclosures have not been presented in accordance with the transitional provisions of the standard.

2.2 New and amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group. The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

HKFRS 9, Financial Instruments

This standard is effective for accounting periods beginning on or after 1 January 2018. Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15, Revenue from Contracts with Customers

This standard is effective for accounting periods beginning on or after 1 January 2017. HKFRS 15 establishes a single revenue recognition framework. 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.

Amendments to HKAS 32, Offsetting Financial Assets and Financial Liabilities

This standard is effective for accounting periods beginning on or after 1 January 2014. The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

The directors of the Company are in the process of making an assessment of the potential impact of new and amended HKFRSs but are not yet in a position to state whether they could have material financial impact on the Group's results and financial position.

3. SEGMENT INFORMATION

The executive directors have identified the Group's four product and service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

There was no inter-segment sale and transfer during the year (2013: Nil).

	Property Assembly and Brokerage Business		Property Development Business – Hong Kong		Property Development Business – the United Kingdom		Property Investment and Trading Business		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Reportable segment revenue:										
From external customers	63,356	100,440	-	-	491,747	-	5,269	6,050	560,372	106,490
Reportable segment profit/(loss)	(190,613)	(189,375)	(766)	(267)	156,326	4,045	39,113	5,939	4,060	(179,658)
Bank interest income	303	456	24	-	102	39	1	-	430	495
Depreciation	7,020	7,928	-	-	-	-	65	-	7,085	7,928
Reversal of write-down of properties held for trading to its net realisable value	-	(452)	-	-	-	-	-	-	-	(452)
Fair value gain on inventories reclassified as investment properties	1,047	-	-	-	-	-	-	-	1,047	-
Fair value gain on investment properties	-	-	-	-	-	-	35,000	-	35,000	-
Impairment loss in respect of goodwill	198,000	203,000	-	-	-	-	-	-	198,000	203,000
Reportable segment assets	417,120	676,586	445,784	446,569	11,189	314,419	259,523	191,509	1,133,616	1,629,083
Additions to non-current assets during the year	-	1,828	-	-	-	-	60,896	-	60,896	1,828
Reportable segment liabilities	171,972	183,970	218,985	234,236	34,532	2,630	88,590	92,420	514,079	513,256

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2014 HK\$'000	2013 HK\$'000 (Restated)
Reportable segment revenue	560,372	106,490
Rental income derived from new segment – Property Investment and Trading Business	–	(6,050)
Consolidated revenue	560,372	100,440
Reportable segment profit/(loss)	4,060	(179,658)
Renovation service income	41	24
Net fair value gain on financial assets at fair value through profit or loss	–	1,009
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	8,667	(9)
Reclassified from equity to profit or loss on significant decline in fair value of available-for-sale financial assets	(9,865)	–
Interest income	6,430	6,010
Dividend income	10,167	1,154
Share of profit of associates	104	413
Share of profit of a joint venture	106	535
Finance costs	–	(1)
Exchange gain/(loss), net	40,066	(5,966)
Equity-settled share-based payments	(2,938)	(3,505)
Corporate salaries and allowances	(3,929)	(3,380)
Depreciation on corporate property, plant and equipment	(733)	(441)
Corporate rent and rates	(4,301)	(3,560)
Unallocated corporate expenses	(3,169)	(3,088)
Profit/(Loss) before income tax	44,706	(190,463)
Reportable segment assets	1,133,616	1,629,083
Available-for-sale financial assets	100,753	90,676
Financial assets at fair value through profit or loss	1,372	607
Corporate cash and bank balances and short term deposits	685,361	205,152
Share of net assets of associates	517	413
Share of net assets of a joint venture	640	535
Amounts due from associates	104,142	72,415
Amounts due from a joint venture	4,526	4,631
Other corporate assets	2,650	2,326
Group assets	2,033,577	2,005,838
Reportable segment liabilities	514,079	513,256
Other corporate liabilities	1,170	136
Group liabilities	515,249	513,392

The following table provides an analysis of the Group's revenue from external customers.

	2014 HK\$'000	2013 HK\$'000 (Restated)
Hong Kong	68,625	106,490
United Kingdom	491,747	–
	560,372	106,490

Non-current assets are located in Hong Kong. The geographical location of customers is based on the location at which the services were provided and the goods were delivered. The geographical location of non-current assets is based on the physical location of the assets.

During the year, there was neither revenue from external customers attributable to the Cayman Islands (domicile) (2013: Nil) nor non-current assets were located in the Cayman Islands (2013: Nil). The country of domicile is the country where the Company was incorporated.

Revenue from the major customers is as follows:

	2014 HK\$'000	2013 HK\$'000
Customer A (note i)	59,100	72,187
Customer B (note i)	–	15,361
Customer C (note ii)	491,747	–
	550,847	87,548

Notes:

- (i) derived from the Property Assembly and Brokerage Business.
- (ii) derived from the Property Development Business.

4. REVENUE

The Group's principal activities are disclosed in note 1 to this result announcement. Revenue from the Group's principal activities recognised during the year is as follows:

	2014 HK\$'000	2013 HK\$'000
Commission income	61,554	99,283
Lease management services income	1,802	1,157
Rental income from investment properties	5,269	–
Sale of properties under development	491,747	–
	560,372	100,440

5. OTHER INCOME

	2014 HK\$'000	2013 HK\$'000
Interest income	6,860	6,505
Dividend income	10,167	1,154
Rental income from properties held for trading and properties under development	6,153	5,158
Rental income from investment properties	–	6,050
Renovation service income	41	24
Net fair value gain on financial assets at fair value through profit or loss	–	1,009
Fair value gain on inventories reclassified as investment properties	1,047	–
Fair value gain on investment properties	35,000	–
Gain on disposal of property, plant and equipment	–	3
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	8,667	–
Exchange gain, net	40,066	–
Sundry income	947	980
	108,948	20,883

6. PROFIT/(LOSS) BEFORE INCOME TAX

	2014 HK\$'000	2013 HK\$'000
Profit/(Loss) before income tax is arrived at after charging/(crediting) the following:		
Auditor's remuneration		
– current year provision	766	695
– under-provision in respect of previous years	106	8
Cost of inventories recognised as expense, including:		
– cost of properties sold	340,004	–
– reversal of write-down of properties held for trading to its net realisable value	–	(452)
Depreciation	7,818	8,369
Directors' remuneration	2,488	2,865
Equity-settled share-based payments	2,938	3,505
Exchange (gain)/loss, net	(40,066)	6,048
Minimum lease payments under operating lease rentals for land and buildings	5,653	5,221
Reclassified from equity to profit or loss on disposals of available-for-sale financial assets	(8,667)	9
Reclassified from equity to profit or loss on significant decline in fair value of available-for-sale financial assets	9,865	–

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Income tax in the consolidated income statement is as follows:

	2014 HK\$'000	2013 HK\$'000
Current tax – Hong Kong profits tax		
Provision for the year	1,756	3,209
(Over)/Under-provision in respect of prior years	(242)	286
	1,514	3,495
Current tax – Overseas		
Provision for the year	32,992	828
Deferred tax	(251)	616
Total income tax expense	34,255	4,939

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2014 HK\$'000	2013 HK\$'000
Profit/(Loss) before income tax	44,706	(190,463)
Notional tax on profit or loss before income tax, calculated at the rates applicable to profits/loss in the countries concerned	14,417	(31,268)
Tax effect of share of profit of associates and a joint venture	96	(156)
Tax effect of non-deductible expenses	34,005	37,761
Tax effect of non-taxable revenue	(15,829)	(1,789)
Tax effect of temporary difference not recognised	468	176
Tax effect of unused tax losses not recognised	1,340	76
Tax effect of prior year's unrecognised tax losses utilised this year	–	(147)
(Over)/Under-provision in prior years	(242)	286
Income tax expense	34,255	4,939

8. DIVIDENDS

- (a) The directors do not recommend the payment of final dividend for the year ended 30 June 2014 (2013: Nil).
- (b) Dividend attributable to the previous year approved and paid during the year:

	2014	2013
	HK\$'000	HK\$'000
Final dividend (2013: HK0.287 cent per share)	–	9,983

9. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the following data:

	2014	2013
Profit/(Loss) for the year, attributable to owners of the Company (HK\$'000)	10,502	(195,402)
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	3,478,500	3,478,500

There were no diluted potential ordinary shares for the years ended 30 June 2014 and 2013 as the outstanding share options were out of the money for the purpose of the diluted earnings/(loss) per share calculation.

10. GOODWILL – GROUP

Goodwill arose from the acquisition of Richfield Realty Limited in 2007. The net carrying amount of HK\$73,000,000 (2013: HK\$271,000,000) as at 30 June 2014 is attributable to the Property Assembly and Brokerage Business.

The recoverable amounts of the cash generating unit (the "CGU") engaged in the Property Assembly and Brokerage Business were determined based on value-in-use calculations, using cash flow projections based on financial budgets covering a five-year period approved by management and valued by the independent professional valuers. For the year ended 30 June 2014, the cash flows beyond the five-year period (2013: five-year period) were extrapolated using an average growth rate of 2% (2013: 2%). The growth rates reflected the long-term average growth rates of this CGU. The discount rate applied to cash flow calculation was 12% (2013: 9%).

Management's key assumptions include profit margins, which are determined based on past performance, its expectations for market share after taking into consideration of published market forecast and research and its expectation on the cooling measures on the Hong Kong property market. Management believes that this is the best available input for forecasting the property market. The growth rates used are generally consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Apart from the considerations described above in determining the value-in-use of the CGUs, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

	2014 HK\$'000	2013 HK\$'000
Cost		
At 1 July and 30 June	474,000	474,000
Accumulated impairment loss		
At 1 July	203,000	–
Impairment loss recognised in the year	198,000	203,000
At 30 June	401,000	203,000
Net carrying amount	73,000	271,000

Given (i) various cooling measures of the Hong Kong Special Administration Region (the "HK Government") to manage the excess demand on housing and curb property prices for both residential and non-residential properties cause a sustainable impact on the property market and a much poor market sentiment for property assembly and brokerage business. It has further slowed down the transaction volume of properties during the year; (ii) the HK Government is keen on increasing the land supply so as to ensure the stable development of the property market. In February 2014, the Lands Department of the HK Government announced a new land sale program that 34 residential sites, i.e. 15,500 flats, are capable to be provided; and (iii) in June 2014, a new practice note of the "House" restrictions under the Government Leases has been circulated by the Lands Administration Office of the Lands Department in regards to a landmark judgement delivered by the Court of Final Appeal of Hong Kong in May 2013 and it may increase the cost of acquisition of land eventually, the property owners adopted a wait-and-see attitude towards the property market while the developers adopted a conservative purchasing strategy. As a result, some of the property assembly and brokerage projects of the Group were affected by the poor market sentiment and were temporarily suspended during the year.

As a result of these situations, which the directors have factored into their value-in-use calculations and forecast, the directors considered that there had been an impairment in goodwill of HK\$198,000,000 (2013: HK\$203,000,000) during the year.

11. TRADE RECEIVABLES – GROUP

The Group generally allows a credit period of 1 month (2013: 1 month) to its trade customers within Property Assembly and Brokerage Business, in accordance with the terms of the mutual agreements after individual negotiations.

Based on the invoice dates, ageing analysis of trade receivables is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 90 days	9,060	25,108
91 to 180 days	2,850	29,689
181 to 365 days	1,393	1,246
Over 365 days	2,751	2,630
	16,054	58,673

All trade receivables are subject to credit risk exposure. Impairment on trade receivables is recognised when the debts are identified to be irrecoverable.

Based on the due dates, ageing analysis of trade receivables is as follows:

	2014 HK\$'000	2013 HK\$'000
Neither past due nor impaired	9,060	25,108
Less than 90 days past due	2,850	29,689
Over 90 days past due	4,144	3,876
Trade receivables that are past due but not impaired	6,994	33,565
	16,054	58,673

As at 30 June 2014, there was no amount denominated in a currency other than the functional currency of the entity to which they relate (2013: Nil).

Receivables that were neither past due nor impaired were due from the reputable customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

The directors of the Company consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

12. MATERIAL RELATED PARTY TRANSACTIONS

12.1 The following transactions were carried out with the related parties:

	2014 HK\$'000	2013 HK\$'000
Equipment acquired from a related company controlled by one of the substantial shareholders of the Company	895	257
Printing fees paid to a related company in which one of the directors of the Company is a common director and controlled by one of the substantial shareholders of the Company	367	277
Rental expenses paid to a related company owned by a director of a subsidiary of the Company	886	953
Rental expenses paid to a related company owned by one of the substantial shareholders of the Company	3,840	3,190
Dividend income received from a related company in which one of the directors of the Company is a common director and controlled by one of the substantial shareholders of the Company	9,380	440
	15,368	5,117

These transactions were conducted at pre-determined prices in accordance with terms mutually agreed between the Group and these related parties. These transactions are conducted in the normal course of business.

12.2 Key management personnel compensation

	2014	2013
	HK\$'000	HK\$'000
Short-term employee benefits	9,760	13,137

13. LITIGATION

There was a litigation claim relating to labour dispute made against the Group. This claim concerned the former employee of the Group who made claim on account of alleged bonuses due in relation to the property assembly projects undertaken by the Group during their course of employment. The Labour Tribunal judged that the Group is liable to pay HK\$4,100,000 to the former employee. Accordingly, the provision for legal claim of HK\$4,100,000 has been provided in the financial statements for the year ended 30 June 2013. The Group appealed against the decision to the High Court. After the reporting date, by the judgment of Court of First Instance, the case was remitted to the Labour Tribunal for retrial in December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Richfield Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") is principally engaged in provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property investment and trading and property development. The Group is currently reviewing and analyzing the potential value and engaged in various property assembly projects, property investment and trading projects and redevelopment projects. Those projects that have been engaged are all residential and commercial properties which located in Hong Kong and London. In June 2014, a new practice note of the "House" restrictions under Government leases has been circulated by the Lands Administration Office of the Lands Department in regards to a landmark judgment delivered by the Court of Final Appeal of Hong Kong in May 2013. The Group is proceeding to evaluate the possible impact of the new practice note as well as the judgment on the engaged projects before deciding on the actions to be taken.

During the year, the Group has disposed of part of the equity interests in a redevelopment project in Hong Kong and its entire interests in the property in London to the independent third parties, which would not only strengthen the cash flow of the Group but also allow the Group to reallocate its resources for future development.

FINANCIAL PERFORMANCE

The Group recorded a turnover of approximately HK\$560,372,000 in the year under review, representing an increase of approximately 458% comparing with the previous financial year of approximately HK\$100,440,000. The significant increase in turnover was mainly attributable to the increase in revenue of the property development business. The property development business generated a turnover of approximately HK\$491,747,000 in the year under review, while there was no turnover for the previous fiscal year. The property assembly and brokerage business recorded a turnover of approximately HK\$63,356,000 in the year, representing a decrease of approximately 37% comparing with the previous fiscal year of approximately HK\$100,440,000.

Profit before income tax of the Group for the year under review was approximately HK\$44,706,000, while a loss before income tax of approximately HK\$190,463,000 was recorded for the previous financial year. The profit for the year under review was mainly attributable to the gain on disposal of the property in London, despite of the impairment of goodwill of HK\$198,000,000. Thus, the profit attributable to owners of the Company for the year was approximately HK\$10,502,000 when compared with the loss attributable to the owners of the Company of approximately HK\$195,402,000 for the last financial year.

BUSINESS OVERVIEW

Property Assembly and Brokerage Business

The growth of Hong Kong economy remained moderate in the first quarter of 2014, by 2.5% in real terms over a year earlier.

Globally, the United States Federal Reserve gradually tapered the asset purchase in January 2014 in which weakened the Hong Kong residential property market. Besides, many of the property buyers were sitting on the sidelines, which made the transaction volume further contracted during the year.

Various cooling measures of the Hong Kong Government to manage the excess demand on housing and curb property prices for both residential and non-residential properties have been passed by the Legislative Council in the year after their introduction in year 2012 and 2013. Furthermore, the Government is keen on increasing the land supply so as to ensure the stable development of the property market. In February 2014, the Lands Department of the Government announced a new land sale program that 34 residential sites, i.e. 15,500 flats, are capable to be provided. As a result, property owners kept sitting on the sideline and awaiting further changes and tendency of the market while developers adopted a conservative purchasing strategy. Although the acquisition costs were declined mildly during the year, the cooling measures of Government continued to affect the redevelopment plans of developers. Hence, some of the property assembly and brokerage projects of the Group were affected by the poor market sentiment and were temporarily suspended during the year.

During the financial year, the turnover from the property assembly and brokerage business recorded a decrease to approximately HK\$63,356,000, down by 37% from the last financial year of approximately HK\$100,440,000. The operating loss for the property assembly and brokerage business was approximately HK\$190,613,000 which has increased by approximately 0.65% when compared with the loss of approximately HK\$189,375,000 for the last financial year. The unfavorable result for the year was mainly attributable to the decrease in number of property assembly projects completed. The uncertain economic prospects as well as the Government demand management measures were the key factors of the deterioration in number of property assembly projects completed.

For the year ended 30 June 2014, the Group has completed 3 major assembly projects, which are mainly located in Kowloon, including Jordon, Tai Kok Tsui and Kowloon City etc. Those projects are mainly located along the metro line in the city. The total contract sum of the major completed projects and the total revenue for the major completed projects recorded for the year are approximately HK\$450,400,000 and HK\$27,707,000, respectively, while the total accumulated contract sum for those major completed projects since their commencement is approximately HK\$1,755,900,000. The revenue received for the year from those projects completed in previous year is approximately HK\$21,802,000 and the revenue received for the year from other incomplete project is approximately HK\$13,847,000.

As at 30 June 2014, the Group was reviewing, monitoring and engaging in various property assembly projects which are mainly located in Hong Kong Island and Kowloon. The projects located in Hong Kong Island are mainly in Sheung Wan, Causeway Bay, Western District, Quarry Bay and Aberdeen, etc. while the projects located in Kowloon are mainly in Mong Kok, Sham Shui Po, Tai Kok Tsui, Ho Man Tin, Kwun Tong, To Kwa Wan, Hung Hom and Kowloon City etc.

Property Development Business

During the year, the Group kept on expanding its property development business, but also continued to take a conservative strategy on investment in new projects in view of the uncertainties in the global scene. Various cooling measures by the Hong Kong Government on property market of Hong Kong and the gradual reduction on the asset purchases of the United States Federal Reserve, the overall residential flat prices in Hong Kong marked a slight decline during the year and the transaction volume was further contracted.

During the year under review, the Group was engaged in 3 property development projects, which are located in Hong Kong and London. A shareholder's agreement with a wholly owned subsidiary of Phoenix Asia Real Estate Investment, a client of the Group for establishing an associate for a property development project at Nos. 18-32 Junction Road, Kowloon, Hong Kong ("Junction Road Property"), which the Group has 30% equity interests, has been proceeded in 2011. The project has a site area of approximately 10,200 square feet and a gross floor area of approximately 84,000 square feet. The project will be developed into a composite residential and commercial building. The development work has been commenced in 2011 and is expected to be completed by the end of 2014.

In addition, the Group has acquired all the property units of another project at Nos. 142-154 Carpenter Road, Kowloon ("Carpenter Road Property") in June 2012. It has a site area of approximately 9,100 square feet. The Group held 100% equity interests of the project. On 17 January 2014, the Group has entered into a provisional agreement for sale and purchase to dispose 49% equity interests in those wholly owned subsidiaries which holds the Carpenter Road Property. The transaction was completed on 17 March 2014. The disposal represents a good opportunity for realization of the Group's investment in the Carpenter Road Property whilst allows the Group to maintain its interests in the redevelopment of the Carpenter Road Property.

Since there was a landmark judgment delivered by the Court of Final Appeal ("CFA") of Hong Kong in May 2013 for the definition of "House", these two projects were restricted under the relevant lease. On 25 June 2014, a new practice note for the "House" restrictions under Government leases has been circulated by the Lands Administration Office of the Lands Department in regards to the landmark judgment delivered by CFA. The applications regarding the redevelopment of the projects are still subject to review by the relevant government departments. At the same time, the Group is proceeding to evaluate the possible impact of the new practice note and the CFA Judgment on the redevelopment of the above two projects at this stage. In the meantime, the Group will co-operate with its joint venture partners to assess the possible impact of the new practice note and the CFA Judgment before deciding on the actions to be taken.

Apart from the two local property development projects, the Group had acquired another redevelopment project in central London at Nos. 119-122 Bayswater Road, London, United Kingdom in 2012. The property is located on Bayswater Road, which is directly opposite to Hyde Park. It is well served by London public transport with Underground Station located within one minute walking distance. During the year, the Group submitted an improved development planning to the City of Westminster and the new planning has been approved in March 2014. On 15 April 2014, the Group entered into a sales contract with an independent third party to dispose the entire interests in the property. The disposal was completed on 17 June 2014 with a gain of approximately HK\$151,743,000 and would strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development.

The Group will continue to explore the best possible business development proposal as well as to enhance the benefit of the shareholders while overcoming the challenges ahead.

Property Investment and Trading Business

Due to the cooling measure of the Government, the revenue of property assembly and brokerage business has decreased significantly over the past few years. The Group has commenced to explore potential property investment and trading opportunities with a view to provide steady income source to the Group. The Group has acquired two potential commercial properties for investment purpose in previous years, which are located in Hong Kong Island and Kowloon.

Ground Floor Shop at Kimberley Road, Tsim Sha Tsui

The property is located at the ground floor of Wing Lee Building at No. 27–31C Kimberley Road, Tsim Sha Tsui, Kowloon with approximately 3,340 square feet. It is currently leased by a local style restaurant. Being benefited by the appreciable growth of inbound tourism, the Group believes that this property could generate stable rental income for the Group.

Roof of Block C of Sea View Estate, North Point

The other property is located at the front portion of the roof of Sea View Estate in North Point, which is facing the South of Victoria Harbour in Hong Kong Island. The Group believes that it can be converted into an eye-catching rooftop advertising signage with approximately 300 square meters. The construction work of the advertising signage is in progress and it is expected to be completed in December 2014.

During the financial year, the property investment and trading business recorded a gross rental income of approximately HK\$5,269,000. The operating profit for the property investment and trading business was approximately HK\$39,113,000 including a net gain on fair value of approximately 35,000,000. It is expected to provide a steady income source to the Group.

Human Resources

The Group employed approximately 56 (as at 30 Jun 2014) staff for the real estate team in the year. The Group understands that well-trained and experienced team members are essential to maintain a sustainable property assembly and brokerage business. Therefore, the Group constantly organized internal trainings and invited qualified guests to hold seminars in order to reinforce skills of the staff as well as to update the market information. The Group believes that comprehensive staff is the foundation of being a sustainable corporate.

Corporate Social Responsibilities

The Group concerns education and learning of the youngsters. They would be the foundation of our society in the future. Therefore, the Group has set up a "Richfield Group Scholarship" with local University for students studying the subject "Planning and Development" in Bachelor of Science in Property Management programme since 2012. The subject covers knowledge on urban planning in which the Group believes that it is an essential and important issue for the society. During the year, the nominated candidates of the academic year 2013-2014 have been awarded the scholarship according to their academic performance.

Besides, the Group also concerns about people living in old districts. During the process of property assembly, the Group often comes across people, including the elderly, tenants and underprivileged groups, who live in old districts and dilapidated buildings. Most of them are indeed lack of assistance. The Group has donated a total of HK\$10 million to the local non-government organization (the "NGO"), Po Leung Kuk (the "PLK"), to set up a charity fund since 2011. The fund is managed and operated by the PLK independently. The aim of the fund is to help the needy, who generally lack information about assistance and measures provided by the Government and NGOs.

In addition, the Group also sponsored various local charitable activities, such as sponsoring a musical organized by the "Spring-Time Experimental Theatre" and "Boom Theatre" for enriching the experience of a group of youngsters; forming staff teams to participate in a charitable competition of hiking organized by "Green Power" for promoting environmental protection etc.

PROSPECT

The growth of Hong Kong economy remained moderate in the year. The Government sustains its effort of raising flat supply through land sale program and other terms of land supply sources. For the land sale program in 2014-2015, 34 residential sites that capable of providing a total of about 15,500 flats are included. Besides, since the Government introduced further demand management measures to curb property prices for both residential and non-residential properties in February 2013, the transaction volume of properties slowed down notably during the year. The number of short-term resale fell further to record low of 77 cases per month in the first quarter of 2014. Yet the property market is still under a fluctuated condition, property owners and developers stayed on the sideline and awaiting for further changes and tendency of the market.

Although the Government lowered the compulsory auction sales threshold of old building from 90% to 80% since 1 April 2010, it also stimulated the growth of the overall acquisition price of old buildings by landlords and owners. It became a new kind of worthwhile investment by purchasing old tenement buildings for redevelopment in these years. The increment of land supply of the Government, the high acquisition price as well as the demand management measures of the Government also affects the plans of developers, in which seriously challenging the property assembly and brokerage business of the Group. The Group will focus on the property assembly projects in various prime locations around the metro area. Besides, the Group will regularly review and manage the project mix to maintain and maximize the profitability.

In order to diversify the business scope, the Group has been engaging in property developments and property investment and trading so as to broaden the revenue base which benefit the Company and the shareholders as a whole in the long run. The Group has been exploring the business opportunities both locally and internationally. During the year, the Group has engaged in two local property development projects in Hong Kong. The experience of the Group obtained in those projects can be applicable to our future property development projects.

Since the demand and needs of urban residential property of Hong Kong was growing continuously, the Group would monitor the market situation closely while dedicated to develop strategically in the property assembly, brokerage and development business for driving considerable growth of the Group. The Group is conscious to monitor and analyze the impact of the local and global economy so as to make cautious business decisions and to adjust our development plan if necessary so as to maximize the return to the shareholders of the Company.

The Group has been committed to conducting the property assembly business since 2007. Apart from seeking business opportunities, the Group has also expanded its endeavours of improving the environment of the urban old districts as well as the quality of life among the neighbourhoods over the years.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2014, the Group had net current assets of approximately HK\$984,022,000 (2013: approximately HK\$1,033,740,000) including cash and bank balances of approximately HK\$734,053,000 (2013: approximately HK\$242,013,000).

The gearing ratio was 6.5% as at 30 June 2014 (2013: 18.56%). The gearing ratio is derived by dividing the total of borrowings and finance lease liabilities by total assets. The gearing ratio has decreased for the financial year under review when compared to 30 June 2013 due to the repayment of bank borrowings for the properties under development, investment properties and leasehold properties for the year.

During the year, the Group financed its operations with its own working capital and bank borrowings. As at 30 June 2014, total unsecured and secured bank borrowings of the Group amounted to approximately HK\$130,752,000 (2013: approximately HK\$370,015,000), which are repayable within a period of not exceeding 5 years. Total other borrowings of the Group amounted to approximately HK\$1,836,000 (2013: approximately HK\$2,220,000), which are repayable within a period of not exceeding 5 years.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in this announcement, there were no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the year and there is no plan for material investments or capital assets as at the date of this announcement.

PLEDGE OF ASSETS

As at 30 June 2014, properties under development, investment properties and leasehold properties of the Group with a carrying value of approximately HK\$0, HK\$225,000,000 and HK\$98,237,000 (30 June 2013: approximately HK\$435,901,000, HK\$190,000,000 and HK\$100,618,000), respectively were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 30 June 2014, the Company had given guarantees of HK\$238,000,000 (2013: HK\$728,000,000) in respect of the banking facilities of the associate for the property development projects at Nos. 18-32 Junction Road, Kowloon, Hong Kong and the investment properties for those shops in Wing Lee Building, Kowloon, Hong Kong.

LEASE AND CONTRACTED COMMITMENTS

The Group leases a number of properties under operating leases. The leases run for an initial period of two years (2013: two years), with an option to renew the lease and renegotiated the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. As at 30 June 2014 and 2013, none of the leases included contingent rentals.

At 30 June 2014, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	2014 HK\$'000	2013 HK\$'000
Within one year	1,173	3,931
In the second to fifth years	–	1,105
	1,173	5,036

CAPITAL COMMITMENTS

	Group		Company	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Contracted but not provided for:				
Available-for-sale financial assets	3,320	8,844	3,320	8,844
Reconstruction of investment properties	3,515	–	–	–
	6,835	8,844	3,320	8,844

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the year were denominated in United States dollars ("US\$"), British Pound ("GBP"), HK dollars ("HK\$") and Renminbi ("RMB"), and most of the assets and liabilities as at 30 June 2014 were denominated in US\$, GBP, HK\$ and RMB. Accordingly, the Board is of the view that, to a certain extent, the Group is exposed to foreign currency exchange risk. For the US\$ foreign exchange exposure, the Board believes the exposure is small as the exchange rate of US\$ to HK\$ is comparatively stable. However, the Group is exposed to RMB and GBP foreign exchange exposure and fluctuation of exchange rates of RMB and GBP against HK\$ could affect the Group's results of operations. During the year, no hedging transaction or arrangement was made since the exchange rate of RMB and GBP to HK\$ is also fairly stable.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SEGMENT INFORMATION

The analysis of the principal activities and geographical locations of the operations of the Group are set out in note 3 to this result announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2014, the Group had 105 (2013: 133) employees, including the directors of the Company ("Directors"). Total staff costs (including Directors' emoluments) were approximately HK\$39,441,000 for the year as compared to approximately HK\$67,992,000 in last year. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and share option scheme.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2014 (2013: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 13 November 2014 to Tuesday, 18 November 2014, both days inclusive, during which period no transfer of shares will be registered. In order to attend the AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 November 2014.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report to the Appendix 14 (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company has complied with all CG Code during the year ended 30 June 2014 except for the code provisions A.2.1 and A.2.7 of the CG Code.

Code provision A.2.1 of the CG Code specifies that the roles of chairman and chief executive officer (chief executive for the CG Code) should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer (chief executive for the CG Code) should be clearly established and set out in writing.

Code provision A.2.7 of the CG Code specifies that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. However, the post of chairman of the Company (the "Chairman") has been vacant since the resignation of Mr. Pong Wai San, Wilson ("Mr. Pong") as the Chairman with effect from 5 February 2008 and therefore no meeting of the Chairman and non-executive Directors has been held during the year ended 30 June 2014. If candidate with suitable skills and experience is identified within or outside the Group, the Company will make necessary arrangement for the new appointment at appropriate time.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the year.

REMUNERATION COMMITTEE

According to the Listing Rules, the Company has to set up a remuneration committee comprising a majority of independent non-executive Directors. The remuneration committee of the Company (the "Remuneration Committee") was established on 23 March 2007 with written terms of reference which were revised on 28 February 2011 and 30 March 2012 respectively. As at the date of this announcement, the Remuneration Committee consists of three members, of which all are independent non-executive Directors, namely Mr. Koo Fook Sun, Louis ("Mr. Koo"), Mr. Lung Hung Cheuk ("Mr. Lung") and Ms. Yeung Wing Yan ("Ms. Yeung"), which schedules to meet at least once a year. The chairman of the Remuneration Committee is Mr. Lung and the quorum necessary for the transaction of business is two.

The revised terms of reference of the Remuneration Committee are posted on the websites of the Stock Exchange and the Company.

The roles and functions of the Remuneration Committee include to make recommendation to the Board on the remuneration packages of individual executive Directors, which include benefits in kind, pension rights and compensation payments, including any compensation payable for loss and termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors.

The Remuneration Committee held 2 meetings during the year to review the remuneration packages of all the Directors and senior management of the Company.

NOMINATION COMMITTEE

According to code provision A.5 of the CG Code, the Company has to set up a nomination committee comprising a majority of independent non-executive Directors. The nomination committee of the Company (the "Nomination Committee") was established on 12 November 2007 with written terms of reference which were revised on 28 February 2011 and 30 March 2012 respectively. As at the date of this announcement, the Nomination Committee consists of three members, of which all are independent non-executive Directors, namely Mr. Koo, Mr. Lung and Ms. Yeung, which schedules to meet at least once a year. The chairwoman of the Nomination Committee is Ms. Yeung and the quorum necessary for the transaction of business is two.

The revised terms of reference of the Nomination Committee are posted on the websites of both the Stock Exchange and the Company.

The roles and functions of the Nomination Committee include nomination of the potential candidates for directorship, reviewing the nomination of the Directors, making recommendations to the Board for ensuring that all nominations are fair and transparent, reviewing and monitoring the implementation of the policy of diversity of the Board (the "Board Diversity Policy").

The Nomination Committee formulated the Board Diversity Policy. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee also monitors the implementation of the Board Diversity Policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under the Board Diversity Policy.

The Nomination Committee held 4 meetings during the year to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, make recommendations to the Board relating to the renewal services of non-executive Director and independent non-executive Directors and to consider the set up of the Board Diversity Policy.

AUDIT COMMITTEE

According to the Listing Rules, the Company has to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The audit committee of the Company (the "Audit Committee") was established on 23 March 2007 with written terms of reference which were revised on 28 February 2011 and 30 March 2012 respectively. During the year, the Audit Committee was chaired by Mr. Koo and as at the date of this announcement, all Audit Committee members are independent non-executive Directors, namely Mr. Koo, Mr. Lung and Ms. Yeung.

The revised terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group and provide advice and comments on the Company's draft annual reports and accounts, half year reports and quarterly reports to Directors.

The Audit Committee held 4 meetings during the year and had reviewed the audited consolidated financial statements for the year ended 30 June 2013 and the unaudited consolidated financial statements for the three months ended 30 September 2013, six months ended 31 December 2013 and nine months ended 31 March 2014 respectively, with the recommendations to the Board for approval; and to review the accounting principles and policies adopted by the Group and its financial reporting functions and internal control system. During the year, the Audit Committee met the Company's auditor twice.

The Group's unaudited consolidated quarterly, interim results and audited consolidated annual results for the year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee has also reviewed the audited consolidated financial statement for the year ended 30 June 2014.

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

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

APPRECIATION

I would like to take this opportunity to express my appreciation to the shareholders of the Company for their support, to the management and staff for their dedicated efforts to the Group and to our clients, consultants and partners for all their valuable assistance offered during this past year.

By order of the Board

LEE WING YIN

Executive Director

Hong Kong, 23 September 2014

As at the date of this announcement, the Company's executive directors are Mr. Lee Wing Yin and Mr. Ngan Man Ho, the Company's non-executive director is Mr. Lai Hin Wing, Henry and the Company's independent non-executive directors are Mr. Koo Fook Sun, Louis, Ms. Yeung Wing Yan, Wendy and Mr. Lung Hung Cheuk respectively.