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WANG ON GROUP LIMITED
(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2011

The board of directors (the "**Board**") of Wang On Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries and jointly-controlled entity (collectively the "**Group**") for the year ended 31 March 2011, together with the comparative figures for the previous years, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2011

	Notes	**2011** HK$'000	2010 HK$'000
REVENUE	4	**614,161**	575,016
Cost of sales		**(425,218)**	(403,983)
Gross profit		**188,943**	171,033
Other income and gains	4	**133,782**	63,477
Selling and distribution costs		**(4,494)**	(8,268)
Administrative expenses		**(84,216)**	(64,405)
Other expenses		**(70,426)**	(107,153)
Finance costs	6	**(14,014)**	(8,882)
Fair value gains on investment properties, net		**109,721**	105,978
Share of profits and losses of associates		**—**	(9,049)
PROFIT BEFORE TAX	5	**259,296**	142,731
Income tax expense	7	**(32,904)**	(34,659)
PROFIT FOR THE YEAR		**226,392**	108,072

* *For identification purpose only*

	Note	2011 HK$'000	2010 HK$'000
OTHER COMPREHENSIVE INCOME			
Available-for-sale investments:			
Changes in fair value		**(24,327)**	34,671
Impairment loss		**24,327**	21,184
Reclassification adjustment for gain on disposal included in profit or loss		**(55,855)**	—
		(55,855)	55,855
Other reserve:			
Share of other comprehensive income of an associate		**—**	5,608
Release upon disposal/deemed disposal of an associate		**(3,473)**	(10,621)
		(3,473)	(5,013)
Exchange fluctuation reserve:			
Translation of foreign operations		**3,964**	(3,055)
Release upon disposal of an associate		**(2,803)**	—
		1,161	(3,055)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(58,167)**	47,787
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**168,225**	155,859
Profit/(loss) attributable to:			
Owners of the parent		**226,194**	108,073
Non-controlling interests		**198**	(1)
		226,392	108,072
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**168,027**	155,860
Non-controlling interests		**198**	(1)
		168,225	155,859
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
			(Restated)
Basic and diluted		**HK15.27 cents**	HK45.93 cents

Details of dividends are disclosed in note 8 below.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2011

	Notes	31 March 2011 HK$'000	31 March 2010 HK$'000 (Restated)	1 April 2009 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**14,354**	15,463	20,105
Investment properties		**724,889**	749,704	536,136
Properties under development		**824,711**	383,882	—
Goodwill		**1,376**	1,376	1,376
Investments in associates		**—**	—	216,625
Held-to-maturity investments		**19,861**	28,912	4,114
Other intangible asset		**6,060**	12,120	18,180
Available-for-sale investments		**36,321**	92,532	—
Loans and interests receivable		**316,370**	142,371	281,241
Deposits paid		**76,984**	12,306	11,737
Deferred tax assets		**178**	377	555
Total non-current assets		**2,021,104**	1,439,043	1,090,069
CURRENT ASSETS				
Properties held for sale		**400,609**	604,309	262,272
Trade receivables	10	**8,278**	6,313	4,498
Prepayments, deposits and other receivables		**45,087**	223,468	46,635
Held-to-maturity investments		**8,482**	4,018	—
Financial assets at fair value through profit or loss		**108,896**	90,412	20,424
Tax recoverable		**4,078**	237	107
Cash and cash equivalents		**1,042,600**	484,026	483,707
		1,618,030	1,412,783	817,643
Non-current asset classified as held for sale		**—**	88,873	—
Total current assets		**1,618,030**	1,501,656	817,643
CURRENT LIABILITIES				
Trade payables	11	**12,951**	18,132	18,076
Other payables and accruals		**29,920**	26,424	20,542
Deposits received and receipts in advance		**75,269**	74,418	73,359
Interest-bearing bank loans		**239,924**	640,750	432,085
Provisions for onerous contracts		**240**	200	1,960
Tax payable		**17,048**	16,932	6,064
Total current liabilities		**375,352**	776,856	552,086
NET CURRENT ASSETS		**1,242,678**	724,800	265,557

	31 March 2011	31 March 2010	1 April 2009
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES	**3,263,782**	2,163,843	1,355,626
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	**631,774**	192,210	—
Provisions for onerous contracts	**840**	—	250
Deferred tax liabilities	**30,201**	18,015	3,196
Total non-current liabilities	**662,815**	210,225	3,446
Net assets	**2,600,967**	1,953,618	1,352,180
EQUITY			
Equity attributable to owners of the parent			
Issued capital	**65,249**	163,123	3,776
Reserves	**2,535,124**	1,790,099	1,348,007
	2,600,373	1,953,222	1,351,783
Non-controlling interests	**594**	396	397
Total equity	**2,600,967**	1,953,618	1,352,180

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial assets, which have been measured at fair value. Non-current asset held for sale is stated at the lower of its carrying amount and fair value less costs to sell.

These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

Basis of consolidation from 1 April 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries and jointly controlled entity for the year ended 31 March 2011. The financial statements of the subsidiaries and jointly controlled entity are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The assets, liabilities, income and expenses of the jointly-controlled entity are proportionally consolidated from the date on which joint control was established and obtained by the Group, and continue to be proportionally consolidated until the date that such joint control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Basis of consolidation prior to 1 April 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests (formerly known as minority interests), prior to 1 April 2010, were accounted for using the parent entity extension method, whereby the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 April 2010 were not reallocated between non-controlling interest and the parent shareholders.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 April 2010 has not been restated.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation — Classification of Rights Issues*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*
HK(IFRIC) — Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations — Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009*, HK Interpretation 4 (Revised in December 2009) and HK Interpretation 5, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 April 2010.

(b) *Improvements to HKFRSs 2009* and HK Interpretation 4 Amendment

Improvements to HKFRSs 2009 issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

- HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

  Amendment to HK Interpretation 4 *Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases* included in *Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

  The Group has reassessed its leases in Hong Kong, previously classified as operating leases, upon the adoption of the amendments. As substantially all the risks and rewards associated with the leases in Hong Kong have been transferred to the Group, the leases in Hong Kong have been reclassified from operating leases under "prepaid land lease payments" to finance leases under "property, plant and equipment". The corresponding amortisation has also been reclassified to depreciation. The effects of the above changes are summarised below:

	2011	2010
	HK$'000	*HK$'000*
Consolidated statement of comprehensive income for the year ended 31 March		
Decrease in amortisation of prepaid land lease payments	**(85)**	(85)
Increase in depreciation of property, plant and equipment	**85**	85
	—	—
Consolidated statement of financial position at 31 March		
Decrease in prepaid land lease payments, net	**(3,086)**	(3,171)
Increase in property, plant and equipment, net	**3,086**	3,171
	—	—
Consolidated statement of financial position at 1 April 2009		
Decrease in prepaid land lease payments, net		(3,256)
Increase in property, plant and equipment, net		3,256
		—

Due to the retrospective application of the amendments which has resulted in the restatement of items in the consolidated statement of financial position, a consolidated statement of financial position as at 1 April 2009, and the related notes affected by the amendments have been presented in these financial statements.

(c) HK Interpretation 5: *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

HK Interpretation 5 requires that a loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement.

Prior to the adoption of this interpretation, the term loans of the Group and the Company were classified in the consolidated and company statements of financial position, respectively, separately as to the current and non-current liability portions based on the maturity dates of repayment. Upon the adoption of the interpretation, the term loans have been reclassified as current liabilities. The interpretation has been applied by the Group and the Company retrospectively and comparative amounts have been restated. In addition, as a result of this change and as required by HKAS 1 *Presentation of Financial Statements*, these financial statements also include consolidated and company statements of financial position as at 1 April 2009.

The above change has had no effect on the reported profit or loss, total comprehensive income or equity of the Group and the Company for any period presented. The effect on the consolidated and company statements of financial position at 31 March is summarised as follows:

Group

	2011 ***HK$'000***	2010 *HK$'000*	At 1 April 2009 *HK$'000*
CURRENT LIABILITIES			
Increase in interest-bearing bank loans	**129,890**	532,089	310,137
NON-CURRENT LIABILITIES			
Decrease in interest-bearing bank loans	**(129,890)**	(532,089)	(310,137)

Company

	2011 ***HK$'000***	2010 *HK$'000*	At 1 April 2009 *HK$'000*
CURRENT LIABILITIES			
Increase in interest-bearing bank loans	—	85,475	160,175
NON-CURRENT LIABILITIES			
Decrease in interest-bearing bank loans	—	(85,475)	(160,175)

There was no impact on the net assets of the Group and the Company.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

(a) the property development segment engages in the development of properties;

(b) the property investment segment engages in investment and trading of industrial and commercial premises and residential units for rental or for sale;

(c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets;

(d) the shopping centres and car parks segment engages in the management and sub-licensing of shopping centres and car parks;

(e) the agricultural by-product wholesale markets segment engages in the operations and management of agricultural by-product wholesale markets; and

(f) the trading of agricultural by-products segment engages in the wholesale and retail of agricultural by-products.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, head office and corporate income and expenses and share of profits and losses of associates are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding these reportable segments, together with their related revised comparative information is presented below.

Reportable segment information

	Property development		Property investment		Chinese wet markets		Shopping centres and car parks		Agricultural by-products wholesale markets		Trading of agricultural by-products		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:														
Sales to external customers	**147,182**	225,575	**192,335**	43,042	**219,555**	207,725	**13,003**	13,317	**18,768**	21,765	**23,318**	63,592	**614,161**	575,016
Intersegment sales	**—**	—	**—**	—	**2,533**	—	**349**	240	**462**	—	**—**	—	**3,344**	240
Other revenue	**79**	187	**111,062**	116,013	**8,131**	2,240	**1,296**	636	**47**	138	**7,587**	5	**128,202**	119,219
Total	**147,261**	225,762	**303,397**	159,055	**230,219**	209,965	**14,648**	14,193	**19,277**	21,903	**30,905**	63,597	**745,707**	694,475
Elimination of intersegment sales													**(3,344)**	(240)
Corporate and unallocated revenue													**89,971**	30,435
Total													**832,334**	724,670
Segment results	**2,735**	54,026	**159,603**	149,356	**31,037**	21,945	**1,250**	1,587	**134**	2,947	**8,349**	(6,215)	**203,108**	223,646
Interest income													**25,330**	19,801
Finance costs													**(14,014)**	(8,882)
Corporate and unallocated income and expenses, net													**44,872**	(82,785)
Share of profits and losses of associates													**—**	(9,049)
Profit before tax													**259,296**	142,731
Income tax expense													**(32,904)**	(34,659)
Profit for the year													**226,392**	108,072

	Property development		Property investment		Chinese wet markets		Shopping centres and car parks		Agricultural by-products wholesale markets		Trading of agricultural by-products		Total of reportable segments		Corporate and others		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:																		
Depreciation and amortisation	**223**	226	**73**	73	**4,238**	5,769	**1**	1	**6,192**	6,193	**46**	69	**10,773**	12,331	**1,340**	1,089	**12,113**	13,420
Write-down of properties under development to net realisable value	**41,194**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**41,194**	—	**—**	—	**41,194**	—
Impairment/(write-back of impairment) of trade and other receivables, net	**—**	—	**—**	—	**114**	(122)	**—**	—	**—**	—	**—**	—	**114**	(122)	**—**	(265)	**114**	(387)
Impairment of an available-for-sale investment	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**24,327**	21,184	**24,327**	21,184
Capital expenditure	**482,023**	383,882	**66,092**	121,474	**2,435**	1,219	**2**	—	**—**	37	**—**	145	**550,552**	506,757	**2,350**	1,740	**552,902**	508,497
Fair value gains/(losses) on investment properties, net	**—**	—	**109,283**	108,738	**438**	(2,760)	**—**	—	**—**	—	**—**	—	**109,721**	105,978	**—**	—	**109,721**	105,978
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(4,746)**	18,645	**(4,746)**	18,645
Gain on disposal of a subsidiary	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**6,704**	—	**6,704**	—	**—**	—	**6,704**	—
Gain on disposal of an associate	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**39,880**	—	**39,880**	—
Investments in an associate	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	88,873	**—**	88,873
Share of profits and losses of associates	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	(9,049)	**—**	(9,049)

Geographical information

(a) Sales to external customers

	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**597,639**	559,246
Mainland China	**16,522**	15,770
	614,161	575,016

The revenue information above is based on the location of customers.

(b) Non-current assets

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**1,494,581**	1,087,943
Mainland China	**76,809**	74,602
	1,571,390	1,162,545

The non-current asset information above is based on the locations of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

For the year ended 31 March 2011, revenue of HK$122,301,000 was derived from sales by the property investment segment to a single customer. There was no revenue from any single external customer that attributed 10% or more of the total revenue for the year ended 31 March 2010.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents sub-licensing and management fee income received and receivable; the net invoiced value of goods sold, after allowances for returns and trade discounts; the invoiced value of services rendered; the gross rental income received and receivable from investment properties and proceeds from the sale of properties during the year.

An analysis of the Group's revenue, other income and gains is as follows:

	2011 *HK$'000*	2010 *HK$'000*
Revenue		
Sub-licensing fee income	**207,433**	193,294
Property management fee income	**10,294**	12,670
Sale of goods	**23,318**	63,592
Gross rental income	**95,894**	79,885
Sale of properties	**277,222**	225,575
	614,161	575,016
Other income		
Bank interest income	**908**	483
Interest income from financial investments	**4,455**	825
Interest income from loans receivable	**19,967**	18,493
Dividend income from listed securities	**3,034**	781
Management fee income	**5,038**	5,819
Government grant*	**2,795**	—
Others	**7,681**	10,118
	43,878	36,519
Gains		
Gain on disposal of an associate	**39,880**	—
Gain on disposal of a subsidiary	**6,704**	—
Gain on disposal of investment properties	**1,347**	5,720
Gain on disposal of financial assets at fair value through profit or loss, net	**5,532**	898
Fair value gains, net:		
Available-for-sale investments (transfer from equity on disposal)	**35,600**	—
Financial assets at fair value through profit or loss, net	**—**	18,645
Exchange gains, net	**841**	1,292
Recognition of a deferred gain	**—**	403
	89,904	26,958
Other income and gains	**133,782**	63,477

* Certain government grants have been received by certain Chinese wet markets operated by the Group's jointly-controlled entity in Shenzhen, in respect of the fulfillment of government initiatives implemented for wet market industry in the People's Republic of China (the "**PRC**"). There are no unfulfilled conditions or contingencies relating to these grants and these grants received have been recognised in other income in profit or loss of the consolidated statement of comprehensive income.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Cost of inventories sold	**23,355**	68,535
Cost of services provided	**194,013**	184,385
Cost of properties sold	**207,850**	151,063
Depreciation	**6,053**	7,360
Less: Government grants released#	**—**	(316)
	6,053	7,044
Minimum lease payments under operating leases in respect of land and buildings	**134,970**	131,393
Amortisation of other intangible asset	**6,060**	6,060
Auditors' remuneration	**2,100**	1,800
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**58,070**	54,644
Equity-settled share option expense	**847**	228
Pension scheme contributions	**1,470**	1,502
Less: Amount capitalised	**(593)**	—
	59,794	56,374
Gross rental income, net of business tax	**(95,984)**	(79,885)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**3,823**	4,674
	(92,161)	(75,211)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net*	**4,746**	(18,645)
Impairment of an available-for-sale investment*	**24,327**	21,184
Write-down of properties under development to net realisable value*	**41,194**	—
Loss on disposal and write-off of items of property, plant and equipment*	**45**	15
Loss on deemed disposal of an associate*	**—**	86,341
Amount provided/(released) for onerous contracts, net	**880**	(2,010)
Write-back of impairment of other receivable*	**—**	(265)
Impairment/(write-back of impairment) of trade receivables*	**114**	(122)

* These expenses are included in "Other expenses" on the face of the consolidated statement of comprehensive income.

Certain government grants have been received for renovating and upgrading certain Chinese wet markets operated by the Group's jointly-controlled entity in Shenzhen, the PRC. The government grants released have been deducted from the depreciation cost to which they relate. Government grants received for which related expenditure has not yet been undertaken are included in deferred income under other payables and accruals in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

	Group 2011 HK$'000	2010 HK$'000
Interest on bank loans:		
Wholly repayable within five years	**5,485**	2,470
Not wholly repayable within five years	**10,221**	6,760
	15,706	9,230
Less: Interest capitalised	**(1,692)**	(348)
	14,014	8,882

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements. For the years ended 31 March 2011 and 2010, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$10,320,000 and HK$6,771,000, respectively.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China.

	2011 HK$'000	2010 HK$'000
Group:		
Current — Hong Kong		
Charge for the year	**18,142**	18,507
Underprovision/(overprovision) in prior years	**(61)**	526
	18,081	19,033
Current — PRC		
Charge for the year	**2,438**	629
Deferred	**12,385**	14,997
Total tax charge for the year	**32,904**	34,659

8. DIVIDENDS

	2011 HK$'000	2010 HK$'000
Interim — HK1.5 cents (2010: HK1.5 cents) per ordinary share	**9,787**	8,156
Proposed final — HK0.4 cents (2010: HK3.0 cents) per ordinary share	**26,100**	19,575
	35,887	27,731

The final dividend proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The dividend per ordinary share amounts for prior year and the interim dividend per ordinary share amount for current year have been adjusted to reflect the five-to-one share consolidation taken place on 27 January 2011.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,481,061,256 (2010: 253,319,170) in issue during the year, as adjusted to reflect the consolidation of shares, the rights issue and the bonus issues associated with the rights issue during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares, as adjusted for the consolidation of shares, the rights issue and the bonus issues associated with the rights issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2011 and 2010 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

The calculations of basic and diluted earnings per share amounts are based on:

	2011	2010
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**226,194**	108,073

	Number of shares	
	2011	2010
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation*	**1,481,061,256**	235,319,170

* The weighted average numbers of ordinary shares in 2011 and 2010 have been retrospectively adjusted for the five-to-one share consolidation taken place on 27 January 2011 and the rights issue and its associated bonus issue taken place on 22 February 2011.

10. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**7,097**	6,065
91 days to 180 days	**847**	155
Over 180 days	**523**	212
	8,467	6,432
Less: Impairment	**(189)**	(119)
	8,278	6,313

The Group generally grants a 15 to 30 days credit period to customers for its sub-leasing business. The Group generally does not grant any credit to customers of other businesses.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The movements in provision for impairment of trade receivables are as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
At 1 April	**119**	271
Impairment losses recognised	**189**	—
Impairment losses reversed	**(75)**	(122)
Amount written off as uncollectible	**(44)**	(30)
At 31 March	**189**	119

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables relate to of HK$189,000 (2010: HK$119,000) with a carrying amount before provision of HK$711,000 (2010: HK$379,000).

The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Neither past due nor impaired	**5,089**	4,423
Less than 90 days past due	**1,531**	1,561
91 to 180 days past due	**1,136**	69
	7,756	6,053

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there were no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**12,951**	18,132

The trade payables are non-interest-bearing and have an average term of 30 days. The carrying amounts of the trade payables approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2011, the Group's turnover and profit attributable to owners of the parent amounted to approximately HK$614.2 million (2010: approximately HK$575.0 million) and approximately HK$226.2 million (2010: approximately HK$108.1 million), respectively.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.4 cents (2010: HK3.0 cents) per ordinary share for the year ended 31 March 2011 to shareholders on the register of members of the Company as of Tuesday, 9 August 2011. The final dividend will be paid on or around Thursday, 18 August 2011, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 9 August 2011. Together with the interim dividend of HK1.5 cents (30 September 2010: HK1.5 cents), the total dividend for the year ended 31 March 2011 will be HK1.9 cents (2010: HK4.5 cents) per ordinary share. For the year ended 31 March 2011, the total amount of dividend paid and payable are approximately HK$35.9 million and the retained earnings will be used for the Group's operation, development and expansion in the future.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Friday, 5 August 2011 to Tuesday, 9 August 2011, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the proposed final dividend and be qualified to attend and vote at the forthcoming annual general meeting, all shareholders are required to lodge their transfers with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration by no later than 4:00 p.m. on Thursday, 4 August 2011.

BUSINESS REVIEW

The Group's turnover for the year ended 31 March 2011 amounted to approximately HK$614.2 million (2010: approximately HK$575.0 million), representing an increase of approximately HK$39.2 million. Profit attributable to the Company's shareholders was approximately HK$226.2 million (2010: approximately HK$108.1 million). The significant improvement was mainly accounted for by the gain on disposal of investments and fair value changes on investment properties.

Property Development

For the year ended 31 March 2011, total revenue from property sales was approximately HK$147.2 million (2010: approximately HK$225.6 million), representing a decrease of approximately HK$78.4 million. The Group sold a total of 4 houses in our "Godi" residential project during the year, one of which will be delivered in June 2011.

The Group maintains the following land portfolio for property development:

Location	Approximate Site Area (Sq. ft.)	Intended Usage	Anticipated Completion
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/Shopping Centre	2014
2–8 Pak Kung Street, Hung Hom	4,000	Residential/Shops	2013
724, 724A and 746 Nathan Road, Mongkok	3,000	Commercial	2013
	48,000		

The Group continues to actively seek opportunities to replenish and add to its land bank through acquisitions at public auctions and by private agreements.

Property Investment

Turnover for this division comprises sales of properties and rental income generated from leasing. The Group's gross rental income for the year ended 31 March 2011 amounted to approximately HK$54.9 million (2010: approximately HK$43.0 million).

As at 31 March 2011, the Group maintained an investment property portfolio comprising retail and residential premises in Hong Kong with a total carrying value of approximately HK$649.8 million (2010: approximately HK$677.9 million).

The Group regularly reviews its existing tenant composition and seeks to enhance its optimum mix. The Group also continues to replenish its investment property portfolio by selecting and locating prospective retail acquisition targets. The Group believes that a well-balanced portfolio provides a steady rental income and a good potential for capital appreciation in the long run.

Management and Sub-licensing of Chinese Wet Markets

Revenue for this division for the year ended 31 March 2011 amounted to approximately HK$219.6 million (2010: approximately HK$207.7 million), representing an increase of approximately HK$11.9 million. This was chiefly contributed by the additional revenue generated from the management of a new Chinese wet market at Heng On Estate.

The Group currently manages a portfolio of approximately 1,100 stalls operated at 16 "Allmart" brand Chinese wet markets in Hong Kong with a gross floor area of over 350,000 square feet. The Group also manages a portfolio of approximately 1,100 stalls occupying a total gross floor area of over 273,000 square feet in 17 "Humin" brand Chinese wet markets in various districts in Shenzhen.

The Group continues to look for opportunities to manage more Chinese wet markets both in Hong Kong and the PRC.

Agricultural By-products Wholesale Markets

The turnover for this division for the year ended 31 March 2011 amounted to approximately HK$18.8 million (2010: approximately HK$21.8 million), representing a decrease of approximately HK$3.0 million compared to the same period last year. This was mainly due to the slight decline of trading activities in the agricultural by-products wholesale market at Fanling.

During the year, the Group had disposed of its entire 50% interest in an agricultural by-products wholesale market at Changzhou.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2011, the Group's total assets less current liabilities were approximately HK$3.3 billion (2010: approximately HK$2.2 billion) and the current ratio increased from approximately 1.93 times as at 31 March 2010 to approximately 4.31 times as at 31 March 2011.

As at 31 March 2011, the Group had cash resources and short-term investments of approximately HK$1,151.5 million (2010: approximately HK$574.4 million). Aggregate borrowings as at 31 March 2011 amounted to approximately HK$871.7 million (2010: approximately HK$833.0 million). The gearing ratio was nil (2010: approximately 17.8%), calculated by reference to the Group's total borrowings net of cash and cash equivalents and the equity attributable to equity holders of the Company.

As at 31 March 2011, the Group's investment properties, with a total carrying value of approximately HK$587.6 million (2010: approximately HK$651.9 million), were pledged to secure the Group's general banking facilities totalling approximately HK$232.9 million (2010: approximately HK$349.4 million).

The Group's capital commitment as at 31 March 2011 amounted to approximately HK$275.5 million (2010: approximately HK$7.0 million). The Group had no significant contingent liabilities as at the end of the reporting period.

Management is of the opinion that the Group's existing financial resources are sufficient for the Group's needs in the foreseeable future.

CAPITAL STRUCTURE

The Company underwent a capital reorganisation which became effective on 27 January 2011 (the "**2011 Capital Reorganisation**") comprising, among others, (i) the consolidation of every 5 shares of HK$0.05 each then in issue into one consolidated share of HK$0.25 and the subdivision of every one authorised but unissued shares of HK$0.05 each into five authorised but unissued adjusted share of HK$0.01 each; and (ii) the capital reduction of the nominal value of each issued consolidated share from HK$0.25 to HK$0.01, details of which were disclosed in the Company's announcement dated 13 December 2010 and circular dated 4 January 2011, respectively.

FUND RAISING ACTIVITIES

For the purpose of strengthening the capital base and raising funds for future development of the core businesses of the Group and for taking advantage of any other potential investment opportunities, immediately following the 2011 Capital Reorganisation becoming effectively on 27 January 2011 and as announced by the Company earlier on 13 December 2010, the Company issued and allotted 5,219,948,064 rights shares and 652,493,449 bonus shares of HK$0.01 each on 22 February 2011 pursuant to a rights issue (with bonus issue) on the basis of eight rights shares for every one share (as adjusted by the 2011 Capital Reorganisation) held by the shareholders, with a bonus issue on the basis of one bonus share for every eight rights shares taken up under the rights issue at the price of HK$0.1 per rights share. Net proceeds of approximately HK$507.6 million were raised and were intended to be applied towards the Group's property development business, repayment of interest bearing debts and general working capital of the Group.

FOREIGN EXCHANGE

The Board is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore does not engage in any hedging contracts.

EMPLOYEES AND REMUNERATION POLICIES

At the end of the reporting period, the Group had 234 (2010: 250) employees, of whom approximately 89.3% were located in Hong Kong and the rest were located in the PRC. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's performance as well as the individual's performance. Other benefits such as medical and retirement benefits and structured training programs are also provided.

PROSPECTS

The property market in Hong Kong has been stable in the first half of 2011. The public land auctions in May were well attended by major property developers. The bidding process was swift and the final bid prices were on the high side compared to general expectations. With the improving labour market conditions, continuity inflation, limited supply of new residential units in the next few years and solid support from market demand, the prospects of the Hong Kong residential property market remain promising.

The Group continues to be the leading manager of the Chinese wet markets in Hong Kong and aims to secure more Chinese wet market management contracts in both private and public sectors in Hong Kong. Additional efforts and resources will be allocated to the PRC market so as to increase our presence in more cities and enjoy the benefit derived from economies of scale.

Given our concrete expertise and experience in the Hong Kong property market and in Chinese wet market management, the Group is cautiously optimistic about its future growth in the coming years.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company had complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") throughout the financial year ended 31 March 2011.

Further details of the Company's corporate governance practices are set out in the corporate governance report to be contained in the Company's 2011 annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in securities of the Company by its directors. Having made specific enquiries of all directors, the Company confirmed that all directors had complied with the required standard set out in the Model Code throughout the financial year under review.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**"), in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The Audit Committee, comprising three independent non-executive directors, namely Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, has reviewed with the management and the auditors the consolidated financial statements for the year ended 31 March 2011. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

ANNUAL GENERAL MEETING

The 2011 annual general meeting of the shareholders of the Company will be held at the Palace Rooms, B1, The Royal Garden, 69 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 9 August 2011 at 11:00 a.m. and the notice convening such meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at (*www.hkex.com.hk*) and the Company at (*www.wangon.com*). The 2011 annual report containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman

Hong Kong, 17 June 2011

As at the date of this announcement, the Board comprises three executive directors of the Company, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive directors of the Company, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

* *For identification purpose only*