WANG ON GROUP LIMITED
宏 安 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

Stock Code: 1222

2011 Annual Report

WANG ON

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *Chairman*
Ms. Yau Yuk Yin, *Deputy Chairman*
Mr. Chan Chun Hong, Thomas, *Managing Director*

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

AUDIT COMMITTEE

Mr. Siu Yim Kwan, Sidney, *S.B.St.J., Chairman*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Kam Chau

REMUNERATION COMMITTEE

Mr. Wong Chun, Justein, *MBE, JP, Chairman*
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

NOMINATION COMMITTEE

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP, Chairman*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

LEGAL ADVISERS

DLA Piper Hong Kong
Gallant Y.T. Ho & Co.
K&L Gates
Morrison & Foerster

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of East Asia, Limited
China Construction Bank (Asia) Corporation Limited
China Construction Bank Corporation
DBS Bank (Hong Kong) Limited

AUDITORS

Ernst & Young

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

HOMEPAGE

http://www.wangon.com

STOCK CODE

1222

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board" or the "Director") of Wang On Group Limited (the "Company"), I am pleased to present the audited consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2011.

Financial Results

Benefiting from the rapid economic recovery in Hong Kong and the People's Republic of China (the "PRC"), the Group achieved a satisfactory performance during the year. For the year under review, the Group recorded a revenue of approximately HK$614.2 million, representing an increase of approximately HK$39.2 million or approximately 6.8% over that of the previous financial year. Furthermore, we achieved a historical breakthrough in profit attributable to equity owners of approximately HK$226.2 million, representing a 109.3% increase as compared to that of the previous financial year.

Proposed Final Dividend

The Board is pleased to recommend the payment of a final dividend of HK0.4 cents per ordinary share for the year ended 31 March 2011, payable on or around Thursday, 18 August 2011 subject to approval by the shareholders of the Company at the forthcoming annual general meeting to be held on Tuesday, 9 August 2011. Together with the interim dividend of HK1.5 cents per ordinary share paid in December 2010, the total dividend per ordinary share for the year ended 31 March 2011 would be HK1.9 cents.

Business Review

Reflecting the booming Hong Kong property market, the Group succeeded in selling three houses in our hi-end Godi residential project and generated an encouraging sale proceeds of approximately HK$139.8 million during the year ended 31 March 2011. In addition to the Yau Tong project acquired in the previous financial year, the Group continued during the year under review to expand its property development portfolio and replenish its land bank, including the acquisitions of sites at Pak Kung Street, Hunghom and Nathan Road, Mongkok for the development of residential and/or commercial properties. The Group will continue to replenish its land bank by acquisitions through public land auctions, tenders and private offers to assure the Company of a sustainable future growth and its stakeholders of satisfactory returns.

The Group continued to strengthen and enhance its investment property portfolio by locating prospective residential and commercial acquisition targets. During the year, the Group's investment properties enjoyed satisfactory occupancy, steady rental income and capital appreciation. The disposals of some of our investment properties also brought satisfactory return to the Group during the year under review. We continue to look for potential investment properties on the open market or by way of private offers to enlarge and balance our investment property portfolio and believe that this can continue to bring promising performance for the Group.

We are the single largest operator of Chinese wet markets in Hong Kong and currently manage approximately 1,100 stalls in 16 "Allmart" branded Chinese wet markets in Hong Kong. Leveraging on the knowledge and expertise gained from managing Chinese wet markets in Hong Kong, the Group expanded our business in this segment into the PRC some years ago and currently manages approximately 1,100 stalls in 17 "Humin" branded Chinese wet markets in the PRC. We continue to look for potential new management contracts in Hong Kong and the PRC in order to expand its Chinese wet market management portfolio.

The trading of agricultural by-products business for the year under review declined slightly due to the decrease in trading activities in the agricultural by-products wholesale market at Fanling and the disposal of our 50% equity interest in the Changzhou agricultural by-products market during the year.

Future Outlook

The current global financial situation remains complex and volatile and the new round of quantitative easing measures implemented by the United States government has introduced hot money to Hong Kong and further pushed up the property prices and rentals during for the year. However, we believe that the Hong Kong government will be able to introduce effective policies to curb property market speculation.

Looking ahead, the Board believes that the forthcoming financial year is full of challenges but will also present opportunities to the Group. Management will stay alert of the dynamic competitive market conditions and to follow our operational philosophy in developing high quality and high-end properties to meet market needs, seeking out attractive investment properties acquisition opportunities and identifying further Chinese wet market management contracts. The Group will deploy its resources carefully to maintain a balanced growth, so as to maximise stakeholder values and returns. Moreover, we will carry on with our prudent strategy of maintaining a healthy cash position to provide the Group with optimum flexibility to respond to market uncertainties.

Appreciation

On behalf of the Board, I would like to extend my heartfelt gratitude to our management and staff for their dedication and continued contribution towards the implementation of the Group's strategies during the past year. Also, I would like to take this opportunity to extend my sincere gratitude and appreciation to all of our institutional investors and other shareholders, customers and partners for their long run support and confidence in the Group.

Tang Ching Ho
Chairman

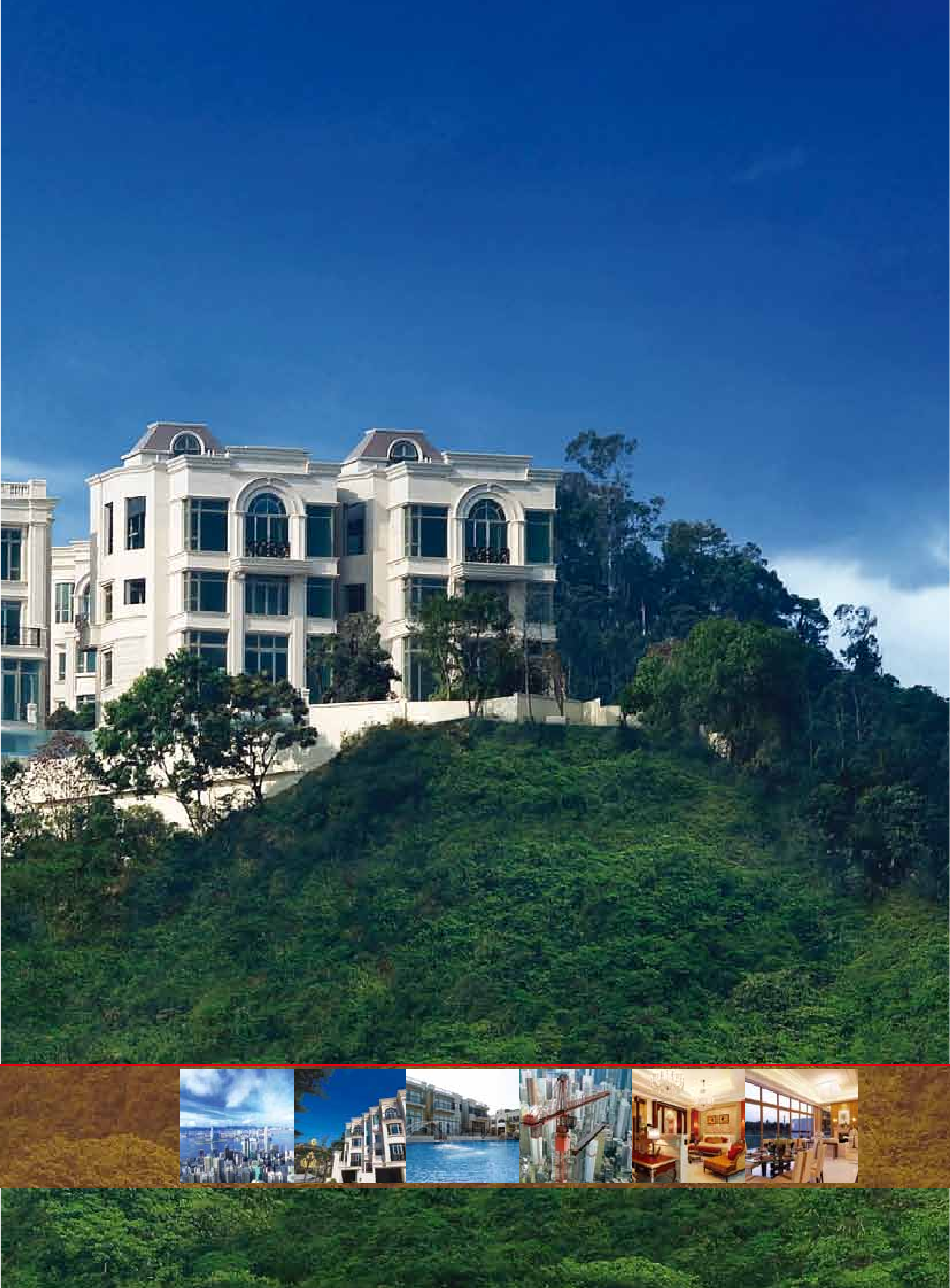
Hong Kong, 17 June 2011











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 utilised for 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.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Executive Directors

Mr. Tang Ching Ho, aged 49, is a co-founder of the Group (which was established in 1987), and the Chairman of the Company since November 1993. He is also a member of remuneration committee and nomination committee of the Company. Mr. Tang is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of Wai Yuen Tong Medicine Holdings Limited ("WYTH"), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Tang is also appointed as a standing committee member of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and a standing committee member of the third CPPCC Guangxi Yulin City Committee. He is the husband of Ms. Yau Yuk Yin, the Deputy Chairman of the Company.

Ms. Yau Yuk Yin, aged 49, is a co-founder of the Group and the Deputy Chairman of the Company since November 1993. She is also a member of remuneration committee and nomination committee of the Company. Ms. Yau is responsible for the overall human resources and administration of the Group. She has over 12 years of experience in human resources and administration management. She is the wife of Mr. Tang Ching Ho, the Chairman of the Company.

Mr. Chan Chun Hong, Thomas, aged 47, joined the Group in March 1997 as an executive Director and was re-designated as the Managing Director of the Company in September 2005. He is also a member of remuneration committee and nomination committee of the Company. Mr. Chan is currently responsible for managing the overall operations of the Group. He is also the managing director of WYTH, the chairman and managing director of PNG Resources Holdings Limited ("PNG Resources"), the chairman and chief executive officer of China Agri-Products Exchange Limited ("China Agri-Products") and an independent non-executive director of Shanghai Prime Machinery Company Limited, all of which are companies listed on the main board of the Stock Exchange. He graduated from the Hong Kong Polytechnic University (then known as the Hong Kong Polytechnic) with a bachelor's degree in accountancy and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Independent Non-Executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, aged 71, joined the Group in November 1993 as an independent non-executive Director. He is a member of remuneration committee and the chairman of nomination committee of the Company. Dr. Lee holds an honorary doctoral degree in engineering from The Hong Kong Polytechnic University and an honorary doctoral degree in laws from The Chinese University of Hong Kong. He is currently an independent non-executive director of AMS Public Transport Holdings Limited, Giordano International Limited, ITE (Holdings) Limited, Playmates Holdings Limited, Sam Woo Holdings Limited and VXL Capital Limited, all of which are companies listed on the Stock Exchange.

Mr. Wong Chun, Justein, *MBE, JP*, aged 57, joined the Group in November 1993 as an independent non-executive Director. He is a member of audit committee and nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Wong holds a bachelor's degree in Commerce and Computing Science from Simon Fraser University, Canada. He is a Fellow of Institute of Canadian Bankers. He was a member of the Fight Crime Committee, the Independent Police Complaints Council, the Legal Aid Services Council, chairman of Quality Education Fund Assessment and Monitoring Committee and is currently a member of Joint Committee of Student Finance and other government advisory bodies.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, aged 64, joined the Group in November 1993 as an independent non-executive Director. He is the chairman of audit committee of the Company and a member of nomination committee and remuneration committee of the Company. Mr. Siu is also an executive member of a number of charitable organisations and sports associations and an independent non-executive director of Unlimited Creativity Holdings Limited, a listed company in Hong Kong.

Mr. Siu Kam Chau, aged 46, joined the Group in September 2004 as an independent non-executive Director. Mr. Siu holds a bachelor's degree in accountancy from The City University of Hong Kong. He is a member of audit committee, nomination committee and remuneration committee of the Company. Mr. Siu is a Certified Public Accountant (Practising) and a fellow of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Siu is an independent non-executive director of China New Economy Fund Limited, a company listed on the Stock Exchange. He retired as an executive director of China Gogreen Assets Investment Limited (formerly known as Hong Kong Health Check and Laboratory Holdings Company Limited), a listed company in Hong Kong, after the conclusion of its 2009 annual general meeting held on 28 August 2009.

Senior Management

Mr. Cheung Wai Kai joined the Group in July 1998 and is the general manager of the Group's commercial management division. He had more than 15 years of experience in general management and 14 years of experience specialising in the market management. He is also an executive director of PNG Resources, a company listed on the main board of the Stock Exchange.

Mr. Leong Weng Kin joined the Group in July 2004 and is the group financial controller of the Group. He holds a Master degree in Business Administration from the Chinese University of Hong Kong. Prior to joining the Group, he had over 11 years of experience in key financial position in a Hong Kong listed Group and more than four years working experience in an international firm of Certified Public Accountants. He is also a director of China Agri-Products, a company listed on the main board of the Stock Exchange.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

The Board is committed to maintaining a high standard of corporate governance practices within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders' value.

In light of the requirements set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Board has reviewed regularly the corporate governance practices of the Company following the adoption to enhance various procedures and documentation. The Company has applied the principles of and complied with the code provisions of the CG Code throughout the year ended 31 March 2011.

Directors and Relevant Employees' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (as amended from time to time) (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year under review.

To comply with code provision A.5.4 of the CG Code, the Company also adopted a code of conduct regarding securities transactions on no less exacting terms than the Model Code by the relevant employees of the Company or any of its subsidiaries who are considered likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

The Board

The Board currently has seven Directors comprising three executive Directors and four independent non-executive Directors ("INEDs"). The Directors during the year and up to the date of this annual report were:

Executive Directors

Mr. Tang Ching Ho *(Chairman)*
Ms. Yau Yuk Yin *(Deputy Chairman)*
Mr. Chan Chun Hong, Thomas *(Managing Director)*

Independent non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

The brief biographical details of the Directors are set out on pages 12 to 14 of this annual report.

The Company has four INEDs representing more than one-third of the Board. The Board possesses a balance of skill and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the INEDs in the Board meetings facilitate the maintenance of good corporate governance practices. At least one INED has the appropriate professional qualification and/or accounting and audit experience expertise as required by Rules 3.10(1) and (2) of the Listing Rules. A balanced composition of executive and non-executive Directors also generates a strong independent element on the Board, which allows independent and objective decision making process for the best interests of the Company and its shareholders as a whole. The Company will review the composition of the Board regularly to ensure the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group business and to enhance the shareholders' value.

All INEDs are appointed with specific term and subject to retirement by rotation and, being eligible, offer themselves for re-election at the annual general meetings in accordance with the bye-laws of the Company.

All INEDs are free from any business or other relationship with the Company. The Company has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers the four INEDs to be independent.

The Board's primary functions are to set corporate policy and overall strategy for the Group and to provide effective oversight of the management of the Group's businesses and affairs. Apart from its statutory responsibilities, the Board also approves the strategic plans, key operational issues, investments and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or indirectly through committees established by the Board.

Regular Board meetings are held at least four times a year to approve annual and interim results, and to review the business operation and the internal control systems of the Group. Apart from these regular meetings, Board meetings are also held, as and when necessary, to approve major issues. At least 14 days' notice of each regular meeting is given to all Directors. All said minutes are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any Director.

During the year, four Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

Board members	Attendance
Executive Directors:	
Mr. Tang Ching Ho *(Chairman)*	4/4
Ms. Yau Yuk Yin *(Deputy Chairman)*	4/4
Mr. Chan Chun Hong, Thomas *(Managing Director)*	4/4
INEDs:	
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	3/4
Mr. Wong Chun, Justein, *MBE, JP*	4/4
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	4/4
Mr. Siu Kam Chau	4/4

Roles of Chairman and Managing Director

The roles of the Chairman and the managing director are separate to reinforce their respective independence and accountability. The Chairman of the Company is Mr. Tang Ching Ho, who is primarily responsible for the overall strategic planning and leadership of the Board and ensuring all Directors receive accurate and timely information, while the functions of a managing director are performed by Mr. Chan Chun Hong, Thomas, who is the managing Director, is responsible for the day-to-day management of the business of the Group. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board in September 2005.

Board Committee

The Board has established various committees, including the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee"), nomination committee (the "Nomination Committee") and executive committee, each of which has the specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees are kept by the company secretary and open for inspection at any reasonable time on reasonable notice by any Director. Each committee is required to report to the Board on its decision and recommendations, where appropriate.

Audit Committee

The Audit Committee was established in December 1999 in compliance with Rule 3.21 of the Listing Rules and currently comprises three INEDs, namely, Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau. The Audit Committee is chaired by Mr. Siu Yim Kwan, Sidney.

The functions of the Audit Committee is, among other things, to assist the Board to review the financial reporting, to supervise over the Group's internal controls and risk management, to monitor the internal and external audit functions and to make relevant recommendations to the Board to ensure effective and efficient operation and reliable reporting. The functions of the Audit Committee will be reviewed regularly by the Board and amended from time to time, as and when appropriate, in order to be in compliance with the CG Code. Its terms of reference were amended in March 2009 to ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff to implement the Group's accounting and financial reporting function.

The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

The Audit Committee meets at least twice a year. Two committee meetings were held during the year and the attendance of each member is set out as follows:

Audit Committee members	Attendance
Mr. Siu Yim Kwan, Sidney, *S.B.St.J. (Chairman)*	2/2
Mr. Wong Chun, Justein, *MBE, JP*	2/2
Mr. Siu Kam Chau	2/2

During the year under review, the Audit Committee's review covered the financial highlights and audit issue raised by external auditors, accounting principles and practices, amendments to the Listing Rules and accounting standards, internal controls, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting matters, including the consolidated financial statements for the six months period ended 30 September 2009 and for the year ended 31 March 2011.

Remuneration Committee

The Remuneration Committee was established in September 2005 with specific terms of reference in order to comply with code provision B.1.1 of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy, if considered necessary.

It currently consists of seven members, including Mr. Wong Chun, Justein, being elected as the chairman of the Remuneration Committee, Dr. Lee Peng Fei, Allen, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The role of Remuneration Committee is to make recommendations to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance while having regarded to the interests of shareholders. The principal duties of the Remuneration Committee include determining the specific remuneration packages of all executive Directors and senior management as well as reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time. No Director or any of his associates may be involved in making any decisions as to his own remuneration.

The Remuneration Committee meets at least once a year. One Remuneration Committee meeting was held during the financial year to review the remuneration packages of all Directors and senior management and the attendance of each member is set out as follows:

Remuneration Committee members	Attendance
Mr. Wong Chun, Justein, *MBE, JP (Chairman)*	1/1
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	1/1
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	1/1
Mr. Siu Kam Chau	1/1
Mr. Tang Ching Ho	1/1
Ms. Yau Yuk Yin	1/1
Mr. Chan Chun Hong, Thomas	1/1

The Remuneration Committee has discharged or will continue to discharge its major roles to, among other things, approve the terms of the service agreements of the Directors and the senior management, make recommendations with respect to the remuneration and policies of the Directors and senior management of the Company and to review the remuneration package and recommend salaries, bonuses, including the incentive awards for Directors and senior management.

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service agreements and the same was reviewed by the Remuneration Committee. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

Nomination Committee

The Nomination Committee was established in September 2005 in compliance with A.4.4 of the CG Code. It currently consists of seven members, including Dr. Lee Peng Fei, Allen, being elected as the chairman of the Nomination Committee, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The Nomination Committee has adopted a written nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee will continue to discharge its major roles and functions, including but not limited to, the following:

1. to review the structure, size and composition of the Board on a regular basis;

2. base on the criteria in the procedure (such as appropriate experience, personal skills and time commitment etc) to identify and recommend any proposed change and to identify individual suitably qualified to become the Board members; and

3. to access the independence of independent non-executive Directors and to make recommendations to the Board on relevant matters relating to the appointment or reappointment of Directors and succession planning for Directors.

During the year, the Nomination Committee did not hold any meeting.

External Auditors' Remuneration

The remuneration paid/payable to the Company's external auditors, Ernst & Young, for the year ended 31 March 2011, are set out as follows:

Services rendered for the Group	**Fees paid/payable to Ernst & Young** *HK$'000*
Audit services:	
— annual financial statements	2,100
Non-audit services:	
— high-level review of interim financial statements	180
— taxation and professional services	413
— other professional services	330
Total:	3,023

Internal Controls

The Board has overall responsibility for maintaining sound and effective internal control systems to safeguard the Company's assets and shareholders' interests, as well as for reviewing the effectiveness and efficiency of these systems. The Board is responsible for approving and reviewing internal control policy while the responsibility of day-to-day management of operational risk lies with the management.

The internal control system is designed to provide reasonable, but not absolute, assurance against material loss; and to manage rather than completely eliminate the risk of system failure. In addition, it should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant rules and regulations. For the year ended 31 March 2011, the Board reviewed with Audit Committee and internal auditors the effectiveness of the Group's internal control system, the adequacy of resources, the qualifications and experience of staff of the Company's accounting and financial reporting function and found they were in line with our policy.

Communication with Shareholders

The Board recognises the importance of good communication with shareholders of the Company. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include announcements, interim reports, annual reports and circulars.

The Company endeavours to maintain on-going communication with shareholders and also acknowledges that general meeting are valuable forums for the Board to communicate directly with the shareholders and members of the Board and committees are encouraged to attend and answer questions at the general meetings.

In order to let shareholders to make an informed decision at the special general meeting, sufficient notices with not less than 10 clear business days for every general meeting and 20 clear business days for every annual general meeting pursuant to E.1.3 of the CG Code, bye-laws and any other applicable laws.

At the commencement of every general meeting, the chairman has explained the detailed procedures for conducting a poll vote during the proceedings of meetings and answered all questions raised by shareholders. All votes at the general meetings held in this year were taken by way of a poll and poll results were published on the websites of the Stock Exchange and the Company on the date immediately following the holding of the general meetings.

To promote effective communication, the Company maintains websites at (http://www.wangon.com), where extensive information and updates on the Company's business development and operations, financial information and other information are posted as soon as practicable.

Responsibility for Preparation and Reporting of Accounts

The Directors acknowledge their responsibility for preparing the accounts which were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditors about their reporting responsibilities is set out on pages 33 of this annual report.

There are no uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.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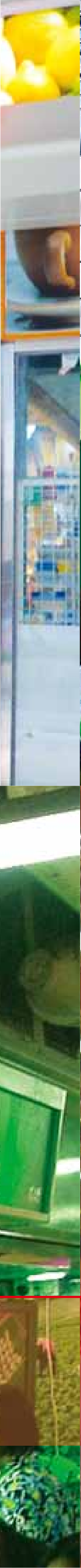

Report of the Directors

The Directors present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2011.

Principal Activities

The principal activity of the Company is investment holding. Principal activities of the principal subsidiaries, associates and jointly-controlled entity comprise property development, property investment, management and sub-licensing of Chinese wet markets and shopping centres, operations and management of agricultural by-products wholesale markets and trading of agricultural by-products, details of which are set out in notes 18, 19 and 20 to the financial statements, respectively. There were no significant changes in the nature of the Group's principal activities during the year.

Results and Dividends

The results of the Group for the year ended 31 March 2011 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 34 to 110.

The Group's revenue and net profit attributable to owners of the parent for the year ended 31 March 2011 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.

The Board has recommended the payment of a final divided of HK0.4 cent (2010: HK3.0 cents) per ordinary share for the year ended 31 March 2011 to shareholders on the register of members of the Company on 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 (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.

Five Year Financial Summary

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the Company's audited financial statements, is set out on page 116 of this annual report. This summary does not form part of the audited financial statements.

Property, Plant and Equipment, Investment Properties and Properties under Development

Details of movements in the property, plant and equipment of the Group, the investment properties and properties under development of the Group during the year are set out in notes 14, 15 and 16 to the financial statements, respectively.

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 34 and 35 to the financial statements, respectively.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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 ended 31 March 2011.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 36 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

At 31 March 2011, the Company's reserves available for distribution to equity holders of the parent, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK$827,057,000 (2010: approximately HK$728,707,000), of which approximately HK$26,100,000 has been proposed as a final dividend for the year ended 31 March 2011. In addition, the Company's share premium account, in the amount of approximately HK$1,462,363,000 (2010: approximately HK$1,013,448,000), may be distributed in the form of fully paid bonus shares.

Major Customers and Suppliers

For the year ended 31 March 2011, sales to the Group's five largest customers accounted for less than 35% (2010: 37%) of the total sales for the year and the sales to the largest customer included therein accounted to 8%. Purchases from the Group's five largest suppliers accounted for 40% of the total purchases for the year and purchases from the largest supplier included therein amounted to 26% of the total purchases for the year.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

Directors

The Directors of the Company during the year and up to the date of this annual report were:

Executive Directors

Mr. Tang Ching Ho
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

Independent Non-Executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

In accordance with bye-law 87 of the Company's bye-laws, Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Kam Chau will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau, and as at the date of this annual report still considers them to be independent.

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 12 to 14 of this annual report.

Report of the Directors

Directors' Service Contracts

No Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Contracts

Save as disclosed in notes 8 and 41 to the financial statements, no Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

Directors' Interests and Short Positions in Shares, Underlying Shares or Debentures of the Company and its Associated Corporations

As at 31 March 2011, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and/or the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, were as follows:

(i) Long positions in the Shares:

	Number of shares held, capacity and nature of interest					Approximate percentage of the Company's total issued share capital
Name of Director	Personal interest	Family interest	Corporate interest	Other interest	Total	(Note g) %
Tang Ching Ho	9,342,113	9,342,100 (Note a)	34,172,220 (Note b)	1,420,129,609 (Note c)	1,472,986,042	22.57
Yau Yuk Yin	9,342,100	43,514,330 (Note d)		1,420,129,609 (Note e)	1,472,986,042	22.57

(ii) Long positions in underlying shares of share options of the Company

Name of Director	Date of grant	Exercise price per Share HK$	Number of share options outstanding	Exercisable period (Note f)	Number of underlying shares	Number of total underlying shares	Approximate percentage of the Company's total issued share capital (Note g) %
Chan Chun Hong, Thomas	2.1.2008	2.4082	90,146	2.1.2009 to 1.1.2013	90,146		
	8.1.2009	0.3893	180,295	8.1.2010 to 7.1.2019	180,295	270,441	0.01

Notes:

(a) Mr. Tang was taken to be interested in those shares in which his spouse, Ms. Yau, was interested.

(b) Mr. Tang was taken to be interested in those shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.

(c) Mr. Tang was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

(d) Ms. Yau was taken to be interested in those shares in which her spouse, Mr. Tang, was interested.

(e) Ms. Yau was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.

(f) These shares represent such shares which may fall to be issued upon the exercise of the share options by Mr. Chan Chun Hong, Thomas during the period from 2 January 2009 to 7 January 2019, which number and exercise prices thereof are subject to adjustment in accordance with the share option scheme adopted by the Company on 3 May 2002.

The exercisable period of the above share options beneficially held by Mr. Chan Chun Hong, Thomas was vested as follows:

On 1st anniversary of the date of grant	30% vest
On 2nd anniversary of the date of grant	Further 30% vest
On 3rd anniversary of the date of grant	Remaining 40% vest

(g) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2011 of 6,524,935,021 Shares.

Save as disclosed above, as at 31 March 2011, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and/or the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the headings "Directors' interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" above, "Share Option Scheme" below and in the share option scheme disclosures in note 35 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Share Option Scheme

On 3 May 2002, the Company adopted a share option scheme (the "Scheme") for the primary purpose of providing incentives to eligible participants who contribute to the success of the Group. During the year under review, 16,300,000 share options were granted, excluding 3,000,000 share options and 1,400,000 share options which have not been accepted by an executive Director and an employee. No share options was exercised and 5,040,175 share options lapsed during the year. Details of the movements of the share options under the Scheme during the year were as follows:

Movements in share options under the Scheme during the year ended 31 March 2011

Name or category	Date of grant	Outstanding as at 1 April 2010	Granted during the year	Adjustments due to the 2011 Capital Reorganisation and the 2011 Rights Issue during the year**	Exercised during the year	Lapsed or cancelled during the year	Outstanding as at 31 March 2011	Exercisable period of share options	Exercise price per share HK$	Closing price per share immediately before the grant date HK$
Director										
Mr. Chan Chun Hong, Thomas	2-1-2008	124,323	—	(34,177)	—	—	90,146	2/1/2009–1/1/2013*	2.4082##	—
	8-1-2009	248,654	—	(68,359)	—	—	180,295	8/1/2010–7/1/2019*	0.3893###	—
		372,977	—	(102,536)	—	—	270,441			
Other employees	1-3-2007	31,942,181	—	(7,729,816)	—	(3,825,411)	20,386,954	1/3/2007–28/2/2017	2.0549#	—
	2-1-2008	559,469	—	(143,295)	—	(38,254)	377,920	2/1/2009–1/1/2013*	2.4082##	—
	8-1-2009	1,300,640	—	(336,536)	—	(76,510)	887,594	8/1/2010–7/1/2019*	0.3893###	—
	12-5-2010	—	16,300,000	(4,178,759)	—	(1,100,000)	11,021,241	12/5/2011–11/5/2020*	0.2234####	0.158
		33,802,290	16,300,000	(12,388,406)	—	(5,040,175)	32,673,709			
TOTAL		34,175,267	16,300,000	(12,490,942)	—	(5,040,175)	32,944,150			

Notes:

* The options granted under the Scheme vest as follows:

On 1st Anniversary:	30% vest
On 2nd Anniversary:	further 30% vest
On 3rd Anniversary:	further 40% vest

** Adjustments made due to completion of capital reorganisation (the "2011 Capital Reorganisation") and the rights issue (and bonus issue) (the "2011 Rights Issue"), as detailed in the Company's circular dated 4 January 2011, took place on 27 January 2011 and 22 February 2011, respectively.

\# As a result of the 2011 Capital Reorganisation and the 2011 Rights Issue, the exercise price of the share options was adjusted from HK$1.4900 per share to HK$7.4500 and HK$2.0549, respectively.

\## As a result of the 2011 Capital Reorganisation and the 2011 Rights Issue, the exercise price of the share options was adjusted from HK$1.7462 per share to HK$8.7310 and HK$2.4082, respectively.

\### As a result of the 2011 Capital Reorganisation and the 2011 Rights Issue, the exercise price of the share options was adjusted from HK$0.2823 per share to HK$1.4115 and HK$0.3893, respectively.

\#### As a result of the 2011 Capital Reorganisation and the 2011 Rights Issue, the exercise price of the share options was adjusted from HK$0.1620 per share to HK$0.8100 and HK$0.2234, respectively.

As at the date of this annual report, the total outstanding share options under the Scheme was 32,944,150, representing 0.5% of the Company's total issued share capital and the total number of shares available for issue under the Scheme was 65,249,350, representing 1.0% of the share capital of the Company in issue at the date of this annual report.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other details of the Scheme are set out in note 35 to the financial statements.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 31 March 2011, to the best knowledge of the Directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders, had notified the Company of relevant interests and short positions in the shares and underlying shares of the Company:

Long positions in the shares of the Company:

Name of shareholders	Capacity	Number of shares	Approximate percentage of the Company's total issued share capital (Note 1) %
Accord Power Limited (Note 2)	Beneficial owner	1,420,129,609	21.76
Trustcorp Limited (Note 2)	Interest of controlled corporation	1,420,129,609	21.76
Newcorp Ltd. (Note 2)	Interest of controlled corporation	1,420,129,609	21.76

Notes:

(1) Accord Power Limited is wholly owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust. Accordingly, Trustcorp Limited was taken to be interested in those shares held by Accord Power Limited.

(2) Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd. and, accordingly, Newcorp Ltd. was taken to be interested in those Shares in which Trustcorp Limited was interested.

(3) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2011 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2011, no persons, other than Directors, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Donations

During the year, the Group made charitable and other donations totaling approximately HK$3.1 million (2010: approximately HK$2.5 million).

Emolument Policy

The Group's emolument policy for its employees is set up and approved by the Remuneration Committee and the Board on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee and the Board, as authorised by the shareholders at the annual general meeting, having regarded to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the share option scheme are set out in note 35 to the financial statements.

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 18 to 23 of this annual report.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient prescribed amount of public float as required under the Listing Rules throughout the financial year under review and up to the date of this annual report.

Audit Committee

The Company established the Audit Committee in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's consolidated financial reporting process and internal controls. The Audit Committee has reviewed the audited consolidated financial statements for the year ended 31 March 2011 of the Group with the management and the external auditors. The Audit Committee comprises Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, all are INEDs. The Audit Committee is chaired by Mr. Siu Yim Kwan, Sidney.

Events after the Reporting Period

Details of the significant post balance sheet events of the Group are set out in note 44 to the financial statements.

Auditors

The consolidated financial statements for the year ended 31 March 2011 have been audited by Messrs. Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Tang Ching Ho
Chairman

Hong Kong, 17 June 2011

INDEPENDENT AUDITORS' REPORT

ERNST & YOUNG
安 永

To the shareholders of Wang On Group Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wang On Group Limited (the "Company") and its subsidiaries and jointly-controlled entity (together, the "Group") set out on pages 34 to 110, which comprise the consolidated and company statements of financial position as at 31 March 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
18/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

17 June 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
REVENUE	5	614,161	575,016
Cost of sales		(425,218)	(403,983)
Gross profit		188,943	171,033
Other income and gains	5	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	7	(14,014)	(8,882)
Fair value gains on investment properties, net	15	109,721	105,978
Share of profits and losses of associates		—	(9,049)
PROFIT BEFORE TAX	6	259,296	142,731
Income tax expense	10	(32,904)	(34,659)
PROFIT FOR THE YEAR		226,392	108,072
OTHER COMPREHENSIVE INCOME			
Available-for-sale investments:			
Changes in fair value		(24,327)	34,671
Reclassification adjustment for gain/loss included in profit or loss			
— Gain on disposal		(55,855)	—
— Impairment loss		24,327	21,184
		(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	11	226,194	108,073
Non-controlling interests		198	(1)
		226,392	108,072
Total comprehensive income/(loss) attributable to:			
Owners of the parent	11	168,027	155,860
Non-controlling interests		198	(1)
		168,225	155,859
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		(Restated)
Basic and diluted		HK15.27 cents	HK45.93 cents

Details of dividends are disclosed in note 12 to the financial statements.

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	14,354	15,463	20,105
Investment properties	15	724,889	749,704	536,136
Properties under development	16	824,711	383,882	—
Goodwill	17	1,376	1,376	1,376
Investments in associates	19	—	—	216,625
Held-to-maturity investments	21	19,861	28,912	4,114
Other intangible asset	22	6,060	12,120	18,180
Available-for-sale investments	23	36,321	92,532	—
Loans and interests receivable	26	316,370	142,371	281,241
Deposits paid	26	76,984	12,306	11,737
Deferred tax assets	33	178	377	555
Total non-current assets		2,021,104	1,439,043	1,090,069
CURRENT ASSETS				
Properties held for sale	24	400,609	604,309	262,272
Trade receivables	25	8,278	6,313	4,498
Prepayments, deposits and other receivables	26	45,087	223,468	46,635
Held-to-maturity investments	21	8,482	4,018	—
Financial assets at fair value through profit or loss	27	108,896	90,412	20,424
Tax recoverable		4,078	237	107
Cash and cash equivalents	28	1,042,600	484,026	483,707
		1,618,030	1,412,783	817,643
Non-current asset classified as held-for-sale	19	—	88,873	—
Total current assets		1,618,030	1,501,656	817,643
CURRENT LIABILITIES				
Trade payables	29	12,951	18,132	18,076
Other payables and accruals	30	29,920	26,424	20,542
Deposits received and receipts in advance		75,269	74,418	73,359
Interest-bearing bank loans	31	239,924	640,750	432,085
Provisions for onerous contracts	32	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

	Notes	31 March 2011 HK$'000	31 March 2010 HK$'000 (Restated)	1 April 2009 HK$'000 (Restated)
NET CURRENT ASSETS		1,242,678	724,800	265,557
TOTAL ASSETS LESS CURRENT LIABILITIES		3,263,782	2,163,843	1,355,626
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	31	631,774	192,210	—
Provisions for onerous contracts	32	840	—	250
Deferred tax liabilities	33	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	34	65,249	163,123	3,776
Reserves	36(a)	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

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2011

		Attributable to owners of the parent										
	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000	Exchange fluctuation reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2009		3,776	707,959	149,755	—	7,922	11,364	9,925	461,082	1,351,783	397	1,352,180
Profit for the year		—	—	—	—	—	—	—	108,073	108,073	(1)	108,072
Other comprehensive income/(loss) for the year:												
Changes in fair value of available-for-sale investments		—	—	—	34,671	—	—	—	—	34,671	—	34,671
Impairment loss of an available-for-sale investment		—	—	—	21,184	—	—	—	—	21,184	—	21,184
Share of other comprehensive income of an associate		—	—	—	—	—	—	5,608	—	5,608	—	5,608
Release upon deemed disposal of an associate		—	—	—	—	—	—	(10,621)	—	(10,621)	—	(10,621)
Exchange differences on translation of foreign operations		—	—	—	—	—	(3,055)	—	—	(3,055)	—	(3,055)
Total comprehensive income/(loss) for the year		—	—	—	55,855	—	(3,055)	(5,013)	108,073	155,860	(1)	155,859
Open offer and the associated bonus issue	34	18,881	94,405	—	—	—	—	—	—	113,286	—	113,286
Placement of new shares	34	4,530	58,890	—	—	—	—	—	—	63,420	—	63,420
Rights issue and the associated bonus issue	34	135,936	165,843	—	—	—	—	—	—	301,779	—	301,779
Share issue expenses	34	—	(13,649)	—	—	—	—	—	—	(13,649)	—	(13,649)
Final 2009 dividend declared		—	—	—	—	—	—	—	(11,329)	(11,329)	—	(11,329)
Interim 2010 dividend	12	—	—	—	—	—	—	—	(8,156)	(8,156)	—	(8,156)
Equity-settled share option arrangements	35	—	—	—	—	228	—	—	—	228	—	228
At 31 March 2010		163,123	1,013,448*	149,755*	55,855*	8,150*	8,309*	4,912*	549,670*	1,953,222	396	1,953,618

	Notes	Attributable to owners of the parent										
		Issued capital	Share premium account	Contributed surplus	Available-for-sale investment revaluation reserve	Share option reserve	Exchange fluctuation 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 April 2010		163,123	1,013,448*	149,755*	55,855*	8,150*	8,309*	4,912*	549,670*	1,953,222	396	1,953,618
Profit for the year		—	—	—	—	—	—	—	226,194	226,194	198	226,392
Other comprehensive income/(loss) for the year:												
Changes in fair value of available-for-sale investments		—	—	—	(24,327)	—	—	—	—	(24,327)	—	(24,327)
Impairment loss of an available-for-sale investment		—	—	—	24,327	—	—	—	—	24,327	—	24,327
Reclassification adjustment for gain on disposal of available-for-sale investments		—	—	—	(55,855)	—	—	—	—	(55,855)	—	(55,855)
Release upon disposal of an associate		—	—	—	—	—	(2,803)	(3,473)	—	(6,276)	—	(6,276)
Exchange differences on translation of foreign operations		—	—	—	—	—	3,964	—	—	3,964	—	3,964
Total comprehensive income/(loss) for the year		—	—	—	(55,855)	—	1,161	(3,473)	226,194	168,027	198	168,225
Capital reduction	34(b)	(156,598)	—	156,598	—	—	—	—	—	—	—	—
Rights issue and the associated bonus issue	34(c)	58,724	463,271	—	—	—	—	—	—	521,995	—	521,995
Share issue expenses	34	—	(14,356)	—	—	—	—	—	—	(14,356)	—	(14,356)
Final 2010 dividend declared	12	—	—	—	—	—	—	—	(19,575)	(19,575)	—	(19,575)
Interim 2011 dividend	12	—	—	—	—	—	—	—	(9,787)	(9,787)	—	(9,787)
Equity-settled share option arrangements	35	—	—	—	—	847	—	—	—	847	—	847
Share options lapsed during the year	35	—	—	—	—	(940)	—	—	940	—	—	—
At 31 March 2011		65,249	1,462,363*	306,353*	—*	8,057*	9,470*	1,439*	747,442*	2,600,373	594	2,600,967

* These reserve accounts comprise the consolidated reserves of HK$2,535,124,000 (2010: HK$1,790,099,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		259,296	142,731
Adjustments for:			
Finance costs	7	14,014	8,882
Share of profits and losses of associates		—	9,049
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	6	4,746	(18,645)
Bank interest income and interest income from financial investments and loans receivable		(25,330)	(19,801)
Dividend income from listed securities	5	(3,034)	(781)
Gain on disposal of financial assets at fair value through profit or loss, net	5	(5,532)	(898)
Gain on disposal of available-for-sale investments, net	5	(35,600)	—
Gain on disposal of a subsidiary	5	(6,704)	—
Gain on disposal of an associate	5	(39,880)	—
Loss on deemed disposal of an associate	6	—	86,341
Gain on disposal of investment properties, net	5	(1,347)	(5,720)
Recognition of a deferred gain	5	—	(403)
Depreciation	6	6,053	7,044
Amortisation of other intangible asset	6	6,060	6,060
Amount provided/(released) for onerous contracts, net	6	880	(2,010)
Loss on disposal and write-off of items of property, plant and equipment	6	45	15
Impairment of an available-for-sale investment	6	24,327	21,184
Write-back of impairment of other receivable	6	—	(265)
Impairment/(write-back of impairment) of trade receivables, net	6	114	(122)
Fair value gains on investment properties, net	15	(109,721)	(105,978)
Equity-settled share option expense	6	847	228
Write-down of properties under development to net realisable value	6	41,194	—
		130,428	126,911
Decrease/(increase) in properties held for sale		203,700	(342,037)
Increase in properties under development		(482,023)	(383,882)
Increase in trade receivables, prepayments, deposits and other receivables		(73,391)	(671)
Increase in trade payables		2,657	56
Increase in other payables and accruals		5,890	5,122
Increase in deposits received and receipts in advance		851	1,058
Cash used in operations		(211,888)	(593,443)
Profits tax paid		(24,096)	(8,924)
Net cash flows used in operating activities		(235,984)	(602,367)

	Notes	2011 HK$'000	2010 HK$'000
Net cash flows used in operating activities		(235,984)	(602,367)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		20,631	14,634
Dividend income from listed securities		3,034	781
Decrease/(increase) in amounts due from an associate		8,553	(8,553)
Decrease/(increase) in loans receivable, net		13,200	(34,628)
Acquisition of additional interest in an associate		—	(16,759)
Proceeds from disposal of an associate		115,198	—
Purchases of investment properties		(66,035)	(121,868)
Purchases of items of property, plant and equipment		(4,843)	(2,747)
Purchases of available-for-sale investments		(28,501)	(1,510)
Purchases of held-to-maturity investments		(3,628)	(28,313)
Purchases of financial assets at fair value through profit or loss		(81,855)	(69,387)
Proceeds from disposal of investment properties		204,803	20,520
Proceeds from disposal of items of property, plant and equipment		13	50
Proceeds from disposal of held-to-maturity investments		8,215	—
Proceeds from disposal of an available-for-sale investment		40,130	—
Proceeds from disposal of financial assets at fair value through profit or loss		64,157	16,718
Disposal of a subsidiary	37	(1,013)	—
Net cash flows from/(used in) investing activities		292,059	(231,062)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(14,014)	(8,447)
Dividends paid		(29,362)	(19,485)
Proceeds from placement of new shares	34	—	63,420
Proceeds from the open offer and the associated bonus issue	34	—	113,286
Proceeds from the rights issue and the associated bonus issue	34	521,995	301,779
Share issue expenses	34	(14,356)	(13,649)
Repayment of bank loans		(278,862)	(158,661)
New bank loans		317,600	559,536
Net cash flows from financing activities		503,001	837,779
NET INCREASE IN CASH AND CASH EQUIVALENTS		559,076	4,350
Cash and cash equivalents at beginning of year		484,026	483,707
Effect of foreign exchange rate changes, net		(502)	(4,031)
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,042,600	484,026
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	878,895	349,313
Non-pledged time deposits with original maturity of less than three months when acquired	28	163,705	134,713
		1,042,600	484,026

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				
Investments in subsidiaries	18	1,622,049	1,762,518	1,313,955
Held-to-maturity investments	21	19,861	28,912	4,114
Total non-current assets		1,641,910	1,791,430	1,318,069
CURRENT ASSETS				
Prepayments, deposits and other receivables	26	1,767	1,897	2,225
Held-to-maturity investments	21	8,482	4,018	—
Financial assets at fair value through profit or loss	27	19,519	15,237	3,569
Cash and cash equivalents	28	751,915	242,007	376,201
Total current assets		781,683	263,159	381,995
CURRENT LIABILITIES				
Other payables and accruals	30	879	3,186	3,698
Interest-bearing bank loans	31	26,428	137,975	265,475
Total current liabilities		27,307	141,161	269,173
NET CURRENT ASSETS		754,376	121,998	112,822
TOTAL ASSETS LESS CURRENT LIABILITIES		2,396,286	1,913,428	1,430,891
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	31	33,560	—	—
Net assets		2,362,726	1,913,428	1,430,891
EQUITY				
Issued capital	34	65,249	163,123	3,776
Reserves	36(b)	2,297,477	1,750,305	1,427,115
Total equity		2,362,726	1,913,428	1,430,891

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

NOTES TO FINANCIAL STATEMENTS

31 March 2011

1. CORPORATE INFORMATION

Wang On Group Limited (the "Company") is a limited liability company incorporated in Bermuda, and its head office and principal place of business are both located at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

During the year, the Company, its subsidiaries and jointly-controlled entity (collectively referred to as the "Group") were involved in the following principal activities:

- property development
- property investment
- management and sub-licensing of Chinese wet markets, shopping centres and car parks
- operations and management of agricultural by-product wholesale markets
- trading of agricultural by-products

2.1 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. The non-current asset held for sale is stated at the lower of its carrying amount and fair value less costs to sell as further explained in note 2.4.

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.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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.

2.2 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.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

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.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

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

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 HK$'000	2010 HK$'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.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

(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.

Further details of the loans are disclosed in note 31 to the financial statements.

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.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [3]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets* [3]
HKFRS 9	*Financial Instruments* [5]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes: Deferred Tax — Recovery of Underlying Assets* [4]
HKAS 24 (Revised)	*Related Party Disclosures* [2]
HK(IFRIC) — Int 14 Amendments	Amendments to HK(IFRIC) — Int 14 *Prepayments of a Minimum Funding Requirement* [2]
HK(IFRIC) — Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [1]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC) — Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 July 2010
2 Effective for annual periods beginning on or after 1 January 2011
3 Effective for annual periods beginning on or after 1 July 2011
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 January 2013

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 April 2013.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 12 were issued in December 2010 which introduce a rebuttable presumption that deferred tax on investment property measured using the fair value model in HKAS 40 should be determined on the basis that its carrying amount will be recovered through sale. The amendments also require that deferred tax on non-depreciable assets measured using the revaluation model in HKAS 16 should always be measured on a sale basis. As a result of the amendments, HK(SIC) — 21 *Income Taxes — Recovery of Revalued Non-depreciable Assets*, will be superseded once the amendments become effective. The Group expects to adopt the Amendments to HKAS 12 retrospectively from 1 April 2012. The Group has previously provided deferred tax on the fair value gains on its investment properties assuming that the carrying amount of these properties will be recovered through use. The Group expects the adoption of these amendments will result in changes in the accounting policy and the Group's deferred tax liabilities and income tax charges will be reduced respectively.

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. The Group expects to adopt HKAS 24 (Revised) from 1 April 2011 and the comparative related party disclosures will be amended accordingly.

While the adoption of the revised standard will result in changes in the accounting policy, the revised standard is unlikely to have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 April 2011. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

(a) HKFRS 3 *Business Combinations*: Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

    In addition, the amendments limit the measurement choice of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS. The amendments also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

(b) HKAS 1 *Presentation of Financial Statements*: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.

(c) HKAS 27 *Consolidated and Separate Financial Statements*: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

(a) a subsidiary, if the Group/Company has unilateral control, directly or indirectly, over the joint venture;

(b) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;

(c) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or

(d) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

Jointly-controlled entity

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's investments in its jointly-controlled entity are accounted for by the proportionate consolidation method, which involves recognising its share of the jointly-controlled entity's assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line-by-line basis. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entity are eliminated to the extent of the Group's investments in the jointly-controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred.

Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in profit or loss of the consolidated statement of comprehensive income and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates (continued)

The results of associates are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

Deferred gain represents the unrealised profit resulting from downstream transactions with an associate eliminated to the extent of the Group's investment in that associate. Deferred gain is recognised in the consolidated statement of financial position as part of the Group's investments in associates.

Business combinations and goodwill

Business combinations from 1 April 2010

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Business combinations prior to 1 April 2010 but after 1 April 2005

In comparison to the above-mentioned requirements which were applied on a prospective basis, the following differences applied to business combinations prior to 1 April 2010:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, financial assets, investment properties, goodwill and non-current assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss of the consolidated statement of comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss of the consolidated statement of comprehensive income in the period in which it arises.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Marketplace operating right

Purchased marketplace operating right is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

Related parties

A party is considered to be related to the Group if:

(a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

(b) the party is an associate;

(c) the party is a jointly-controlled entity;

(d) the party is a member of the key management personnel of the Group or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss of the statement of comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land under finance leases	Over the lease terms
Leasehold improvements	15% to 33% or over the lease term
Plant and machinery	15% to 50%
Furniture, fixtures and office equipment	15% to 50%
Motor vehicles	20%
Computer equipment	15% to 33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss of the consolidated statement of comprehensive income in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss of the consolidated statement of comprehensive income in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss of the consolidated statement of comprehensive income in the year of the retirement or disposal.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than investment properties, deferred tax assets, and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss of the consolidated statement of comprehensive income so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss of the consolidated statement of comprehensive income on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases net of any incentives received from the lessor are charged to profit or loss of the consolidated statement of comprehensive income on the straight-line basis over the lease terms.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees, payments for land use rights and other costs directly attributable to such properties incurred during the development period.

Properties under development which have been intended for sale and which are not expected to be completed within 12 months from the end of the reporting period are classified as non-current assets, whereas properties under development which have been intended for sale and which are expected to be completed within 12 months from the end of the reporting period are classified as current assets. On completion, the properties are transferred to properties held for sale.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices on an individual property basis.

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and bank balances, deposits and trade and other receivables, loans receivable and quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss of the consolidated statement of comprehensive income. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" below.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial investments or held-to-maturity investments depends on the nature of the assets. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in profit or loss of the consolidated statement of comprehensive income. The loss arising from impairment is recognised in profit or loss of the consolidated statement of comprehensive income in other expenses.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in profit or loss of the consolidated statement of comprehensive income. The loss arising from impairment is recognised in profit or loss of the consolidated statement of comprehensive income in other expenses.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed equity securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment valuation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss of the consolidated statement of comprehensive income in other income, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in profit or loss of the consolidated statement of comprehensive income in other expenses and removed from the available-for-sale investment valuation reserve. Dividends earned are reported as dividend income and are recognised in profit or loss of the consolidated statement of comprehensive income as other income in accordance with the policies set out for "Revenue recognition" below.

The Group evaluates its available-for-sale financial assets whether the ability and intention to sell them in the near term are still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss of the statement of comprehensive income.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss of the consolidated statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other expenses in profit or loss of the consolidated statement of comprehensive income.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss of the consolidated statement of comprehensive income, is removed from other comprehensive income and recognised in profit or loss of the consolidated statement of comprehensive income.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is "significant" or "prolonged" requires judgement. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss of the consolidated statement of comprehensive income — is removed from other comprehensive income and recognised in profit or loss of the consolidated statement of comprehensive income. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss of the consolidated statement of comprehensive income. Increases in their fair value after impairment are recognised directly in other comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals, financial guarantee contracts and interest-bearing bank loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss of the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Loans and borrowings (continued)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss of the consolidated statement of comprehensive income.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss of the consolidated statement of comprehensive income.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial positions, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss of the consolidated statement of comprehensive income.

Provision for onerous contracts represents provision for lease contracts for certain Hong Kong properties and projects where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them. Provisions for onerous contracts are recognised based on the difference between the rental payments receivable by the Group and those unavoidable rental payments payable by the Group under the contracts, together with any compensation or penalties arising from the failure to fulfill the contracts, discounted to their present value as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss of the consolidated statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) rental and sub-licensing fee income, on a time proportion basis over the lease terms;

(b) from the provision of services, when the services are rendered;

(c) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(d) from the sale of properties, when the sale agreement becomes unconditional;

(e) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;

(f) from the sale of listed securities, on the trade dates; and

(g) dividend income, where the shareholders' right to receive payment has been established.

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 35 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss of the consolidated statement of comprehensive income for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss of the consolidated statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries and jointly-controlled entity in Mainland China are required to participate in a central pension scheme (the "PRC Pension Scheme") operated by the local municipal government. These subsidiaries and jointly-controlled entity are required to contribute certain percentage of their payroll costs to the PRC Pension Scheme. The only obligation of the Group with respect to the PRC Pension Scheme is to pay the ongoing contributions under the PRC Pension Scheme. The contributions are charged to profit or loss of the consolidated statement of comprehensive income as they become payable in accordance with the rules of the PRC Pension Scheme.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing funds.

Dividends

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded to the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to profit or loss of the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries, jointly-controlled entity and an associate are currency other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss of the consolidated statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries and the jointly-controlled entity are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and the jointly-controlled entity which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rate for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for these portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Classification between investment properties and properties held for sale

The Group develops or acquires properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage or at acquisition of the related properties.

During the course of construction, the related properties under construction are accounted for as properties under development if the properties are intended for sale after its completion, whereas, the properties are accounted for as investment properties under construction included in investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale and are stated at cost, while the properties held to earn rentals and/or for capital appreciation are transferred to completed investment properties. Investment properties, both under construction and completed, are subject to revaluation at the end of each reporting period.

Operating lease commitments — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are continued in note 33 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details are given in note 17.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment of all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. The cost of each unit in each phase of development is determined using the weighted average method. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost of completion (if any), which are estimated based on the best available information.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and properties held for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

For the year ended 31 March 2011, a write-down of properties under development to net realisable value amounting to HK$41,194,000 (2010: Nil) was recognised in other expenses in profit or loss of the consolidated statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location or subject to different leases or other contracts, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and its competitor's actions. Management will increase the depreciation charge where useful lives are less than previously estimates, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to sell and value in use, the calculations of which involve the use of estimates.

Impairment of available-for-sale investments

The Group classifies certain assets as available-for-sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss of the consolidated statement of comprehensive income. At 31 March 2011, an impairment loss of HK$24,327,000 (2010: HK$21,184,000) was recognised for available-for-sale investments.

Allowance on trade and other receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectibility and the aged analysis of the outstanding receivables and on management's estimation.

A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

PRC corporate income tax ("CIT")

The Group is subject to income taxes in the People's Republic of China (the "PRC"). As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

4. 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.

4. OPERATING SEGMENT INFORMATION (continued)

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 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'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

4. OPERATING SEGMENT INFORMATION (continued)

Reportable segment information (continued)

	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 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'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)

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Sales to external customers

	2011 HK$'000	2010 HK$'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 HK$'000	2010 HK$'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.

5. 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:

		Group	
		2011	2010
	Note	HK$'000	HK$'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 grants#		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	37	6,704	—
Gain on disposal of investment properties, net		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		—	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, the PRC, in respect of the fulfillment of government initiatives implemented for wet market industry in 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.

6. PROFIT BEFORE TAX

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

		Group	
	Notes	2011 HK$'000	2010 HK$'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	14	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	22	6,060	6,060
Auditors' remuneration		2,100	1,800
Employee benefit expense (including directors' remuneration — note 8):			
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		(95,894)	(79,885)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		3,823	4,674
		(92,071)	(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*	16	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	32	880	(2,010)
Write-back of impairment of other receivable*		—	(265)
Impairment/(write-back of impairment) of trade receivables, net*		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.

7. FINANCE COSTS

	Group	
	2011	2010
	HK$'000	HK$'000
Interest on bank loans:		
Wholly repayable within five years	5,485	2,470
Not wholly repayable within five years (Note)	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.

Note:

For the years ended 31 March 2011 and 2010, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$6,526,000 and HK$4,650,000, respectively.

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2011	2010
	HK$'000	HK$'000
Fees	771	771
Other emoluments for executive directors:		
Salaries, allowances and benefits in kind	10,082	9,862
Performance-related bonuses*	3,032	2,087
Equity-settled share option expense	18	39
Pension scheme contributions	89	86
	13,221	12,074
	13,992	12,845

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Group's operating results, individual performance of the directors and comparable market statistics during the year.

In prior years, share options were granted to these directors, in respect of their services to the Group, further details of which are set out in note 35 to the financial statements. The fair value of such options, which has been recognised in profit or loss of the consolidated statement of comprehensive income over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. DIRECTORS' REMUNERATION (continued)

Executive directors and independent non-executive directors

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance-related bonuses HK$'000	Equity-settled share option benefits HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2011						
Executive directors:						
Mr. Tang Ching Ho	—	4,254	355	—	12	4,621
Ms. Yau Yuk Yin	—	4,094	253	—	12	4,359
Mr. Chan Chun Hong, Thomas	—	1,734	2,424	18	65	4,241
	—	10,082	3,032	18	89	13,221
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	—	—	—	—	297
Mr. Wong Chun, Justein, *MBE, JP*	217	—	—	—	—	217
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	117	—	—	—	—	117
Mr. Siu Kam Chau	140	—	—	—	—	140
	771	—	—	—	—	771
	771	10,082	3,032	18	89	13,992

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance-related bonuses HK$'000	Equity-settled share option benefits HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2010						
Executive directors:						
Mr. Tang Ching Ho	—	4,151	346	—	12	4,509
Ms. Yau Yuk Yin	—	4,019	247	—	12	4,278
Mr. Chan Chun Hong, Thomas	—	1,692	1,494	39	62	3,287
	—	9,862	2,087	39	86	12,074
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	—	—	—	—	297
Mr. Wong Chun, Justein, *MBE, JP*	217	—	—	—	—	217
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	117	—	—	—	—	117
Mr. Siu Kam Chau	140	—	—	—	—	140
	771	—	—	—	—	771
	771	9,862	2,087	39	86	12,845

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2010: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration of the remaining two (2010: two) non-directors, highest paid employees for the year are as follows:

	Group	
	2011	2010
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	2,484	1,903
Performance-related bonuses	638	402
Equity-settled share option expense	5	24
Pension scheme contributions	25	56
	3,152	2,385

In prior years, share options were granted to these non-directors, highest paid employees, in respect of their services to the Group, further details of which are set out in note 35 to the financial statements. The fair value of such options, which has been recognised in profit or loss of the consolidated statement of comprehensive income over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above non-director, highest paid employees' remuneration disclosures.

The number of non-director, highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees	
	2011	2010
HK$1,000,001 to HK$1,500,000	1	2
HK$1,500,001 to HK$2,000,000	1	—

10. 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 (note 33)	12,385	14,997
Total tax charge for the year	32,904	34,659

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company, its subsidiaries and jointly-controlled entity are domiciled to the tax expense at the effective tax rate is as follows:

	Group	
	2011 HK$'000	2010 HK$'000
Profit before tax	259,296	142,731
Tax at the statutory tax rates of different jurisdictions	43,107	23,879
Lower tax rate for specific provinces or enacted by local authority	(240)	(72)
Adjustments in respect of current tax of previous periods	(61)	526
Profits and losses attributable to associates	—	1,493
Income not subject to tax	(14,986)	(19,351)
Expenses not deductible for tax	14,032	34,596
Tax losses utilised from previous periods	(2,899)	(4,673)
Tax losses not recognised	1,534	2,613
PRC capital gain tax arising from disposal of an associate	1,025	—
Others	(8,608)	(4,352)
Tax charge at the Group's effective rate	32,904	34,659

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2011 includes a loss of HK$29,826,000 (2010: profit of HK$36,958,000) which has been dealt with in the financial statements of the Company (note 36(b)).

12. 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 the 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.

13. 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: 235,319,170) 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 HK$'000	2010 HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	226,194	108,073

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

	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.

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Land HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Total HK$'000
31 March 2011							
At 31 March 2010 and at 1 April 2010:							
Cost	3,342	64,280	1,149	33,595	2,839	5,284	110,489
Accumulated depreciation	(171)	(55,449)	(663)	(33,081)	(1,934)	(3,728)	(95,026)
Net carrying amount (restated)	3,171	8,831	486	514	905	1,556	15,463
At 1 April 2010, net of accumulated depreciation (restated)	3,171	8,831	486	514	905	1,556	15,463
Additions	—	2,096	198	366	1,689	494	4,843
Disposals and write-off	—	—	(4)	(9)	—	(45)	(58)
Depreciation provided during the year	(85)	(3,910)	(294)	(315)	(673)	(776)	(6,053)
Exchange realignment	—	35	2	107	13	2	159
At 31 March 2011, net of accumulated depreciation	3,086	7,052	388	663	1,934	1,231	14,354
At 31 March 2011:							
Cost	3,342	66,438	1,337	33,975	4,248	5,734	115,074
Accumulated depreciation	(256)	(59,386)	(949)	(33,312)	(2,314)	(4,503)	(100,720)
Net carrying amount	3,086	7,052	388	663	1,934	1,231	14,354

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

	Land HK$'000 (Restated)	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Total HK$'000 (Restated)
31 March 2010							
At 1 April 2009:							
Cost	3,342	63,741	1,042	33,388	2,828	3,571	107,912
Accumulated depreciation	(86)	(49,998)	(481)	(32,817)	(1,450)	(2,975)	(87,807)
Net carrying amount	3,256	13,743	561	571	1,378	596	20,105
At 1 April 2009, net of accumulated depreciation	3,256	13,743	561	571	1,378	596	20,105
Additions	—	686	111	236	—	1,714	2,747
Disposals and write-off	—	(55)	(2)	(7)	—	(1)	(65)
Depreciation provided during the year	(85)	(5,552)	(185)	(301)	(484)	(753)	(7,360)
Exchange realignment	—	9	1	15	11	—	36
At 31 March 2010, net of accumulated depreciation	3,171	8,831	486	514	905	1,556	15,463
At 31 March 2010:							
Cost	3,342	64,280	1,149	33,595	2,839	5,284	110,489
Accumulated depreciation	(171)	(55,449)	(663)	(33,081)	(1,934)	(3,728)	(95,026)
Net carrying amount	3,171	8,831	486	514	905	1,556	15,463

The Group's land included in property, plant and equipment with a net carrying amount of HK$3,086,000 (2010: HK$3,171,000) is situated in Hong Kong and is held under a medium term lease.

15. INVESTMENT PROPERTIES

	Group	
	2011	2010
	HK$'000	HK$'000
Carrying amount at 1 April	749,704	536,136
Additions	66,035	121,868
Disposals	(203,456)	(14,800)
Net profits from fair value adjustments	109,721	105,978
Exchange realignment	2,885	522
Carrying amount at 31 March	724,889	749,704

The Group's investment properties are situated in Hong Kong and Mainland China and are held under the following lease terms:

	Group	
	2011	2010
	HK$'000	HK$'000
Long term leases:		
— Hong Kong	226,310	179,680
Medium term leases:		
— Hong Kong	423,440	498,231
— Mainland China	75,139	71,793
	498,579	570,024
	724,889	749,704

The Group's investment properties were revalued on 31 March 2011 by Savills Valuation and Professional Services Limited and Vigers Appraisal and Consulting Limited, independent professional qualified valuers, at HK$724,889,000, on an open market, existing use basis. The investment properties are leased to third parties and a director of the Company under operating leases, further details of which are included in notes 39 and 41 to the financial statements.

At 31 March 2011, the Group's investment properties with an aggregate carrying value of HK$587,572,000 (2010: HK$651,910,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities, of which approximately HK$232,876,000 (2010: HK$349,355,000) had been utilised as at 31 March 2011 (note 31).

Further particulars of the Group's investment properties are included on pages 111 to 115.

16. PROPERTIES UNDER DEVELOPMENT

	Group	
	2011	2010
	HK$'000	HK$'000
Carrying amount at 1 April	383,882	—
Additions (including development cost and capitalised interest)	482,023	383,882
Write-down to net realisable value	(41,194)	—
Carrying amount at 31 March	824,711	383,882

At 31 March 2011, the Group's properties under development with an aggregate carrying value of HK$824,711,000 (2010: HK$383,882,000) were pledged to secure the Group's general banking facilities, of which HK$390,075,000 (2010: HK$282,050,000) had been utilised as at 31 March 2011 (note 31).

17. GOODWILL

Group

	Goodwill arising on acquisition of a jointly-controlled entity HK$'000
At 31 March 2010 and 2011:	
Cost	1,376
Accumulated impairment	—
Net carrying amount	1,376

The Group applied the transitional provisions of SSAP 30 that permitted goodwill and negative goodwill in respect of acquisitions which occurred prior to the adoption of the standard, to remain eliminated against consolidated reserves or credited to the capital reserve, respectively.

The amount of goodwill remaining in the consolidated reserves, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, was HK$21,775,000 (2010: HK$21,775,000) as at 31 March 2011.

Impairment testing of goodwill

Goodwill arising from the acquisition of a jointly-controlled entity has been allocated to the Shenzhen traditional wet markets cash-generating unit for impairment testing.

The recoverable amount of the Shenzhen traditional wet markets cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets conversing a five-year period approved by senior management. The discount rate applied to cash flow projections is 12% (2010: 12%).

Management has determined the budgeted gross margins based on past performance and its expectation for market development. The discount rate used is before tax and reflects specific risks relating to the relevant unit.

18. INVESTMENTS IN SUBSIDIARIES

	Company 2011 HK$'000	Company 2010 HK$'000
Unlisted shares, at cost	71,000	71,000
Due from subsidiaries — Note (i)	1,774,180	2,065,701
Loans to subsidiaries — Note (ii)	517,596	109,286
Due to subsidiaries — Note (i)	(608,256)	(393,355)
	1,754,520	1,852,632
Impairment — Note (iii)	(132,471)	(90,114)
	1,622,049	1,762,518

Notes:

(i) The amounts are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.

(ii) The amounts are unsecured, bear interest at the Hong Kong prime rate as quoted by The Hong Kong and Shanghai Banking Corporation Limited (2010: 5% per annum), and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.

(iii) The impairment relates primarily to amounts due from subsidiaries and loans to subsidiaries that had suffered losses for years or ceased operations.

Particulars of the principal subsidiaries at the end of the reporting period are as follows:

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Allied Victory Investment Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Allied Wide Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Antic Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Champford Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Charter Golden Design & Contracting Limited	Hong Kong	Ordinary HK$2	—	100	Property development
China Tech Limited	Hong Kong	Ordinary HK$1	—	100	Property development
City Global Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
City Target Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Double Bright Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Easy Kingdom Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Easytex Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Everlong Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
East Run Investments Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
Extra Power Limited	Hong Kong	Ordinary HK$1	—	100	Money lending
Fly Star Limited	Hong Kong	Ordinary HK$1	—	100	Property investment

18. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries at the end of the reporting period are as follows: (continued)

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Fulling Limited	Hong Kong	Ordinary HK$100	—	100	Money lending and securities investment
Fully Finance Limited	British Virgin Islands	Ordinary US$1	—	100	Money lending
First World Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Goldbo Investment Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Good Excellent Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Goodtech Management Limited	Hong Kong	Ordinary HK$2,800,100	—	100	Management of shopping centres
Honland Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Hovan Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Kartix Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property development
King Channel Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Kingtex Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Lica Parking Company Limited	Hong Kong	Ordinary HK$25,500,000	—	99	Management and sub-licensing of car parks
Lanbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Longable Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Mailful Investments Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
Majorluck Limited	Hong Kong	Ordinary HK$10,000	—	100	Management and sub-licensing of Chinese wet markets
More Action Investments Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
New Golden Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Newbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
New Sino Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Poly Talent Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Regal Smart Investments Limited	Hong Kong	Ordinary HK$1	—	100	Investment holding
Ready Leader Limited	British Virgin Islands	Ordinary US$1	—	100	Money lending
Richly Gold Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Rich Time Strategy Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
Samrich Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Shiny World Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Sunbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Topbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
True Noble Limited	British Virgin Islands	Ordinary US$1	—	100	Money lending

18. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries at the end of the reporting period are as follows: (continued)

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Wang On Agricultural Wholesale (HK) Limited	Hong Kong	Ordinary HK$1	—	100	Wholesale of agricultural products
Wang On Commercial Management Limited	British Virgin Islands	Ordinary US$2	—	100	Investment holding
Wang On Management Limited	Hong Kong	Ordinary HK$2	—	100	Management and sub-letting of properties
Wang On Shopping Centre Management Limited	Hong Kong	Ordinary HK$2	—	100	Management and sub-licensing of shopping centres
Wang On Enterprises (BVI) Limited	British Virgin Islands	Ordinary US$1	100	—	Investment holding
Wang On Majorluck Limited	Hong Kong	Ordinary HK$1,000	—	100	Management and sub-licensing of Chinese wet markets
Wang To Investments Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Wang To Vegetables Wholesale Company Limited	Hong Kong	Ordinary HK$100	—	51	Wholesale of agricultural products
WEH Investments Limited	Hong Kong	Ordinary HK$477 Non-voting deferred (Note 2) HK$1,262,523	—	100	Property investment
Winhero Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Win Regent Limited	Hong Kong	Ordinary HK$1	—	100	Property investment

Notes:

(1) The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

(2) The non-voting deferred shares carry no voting rights or rights to dividends. On the winding-up of the company, the holders of non-voting deferred shares have a right to repayment in proportion to the amounts of all paid-up ordinary and deferred shares after the first HK$1,000,000,000,000 thereof has been distributed among the holders of the ordinary shares.

In October 2010, the Group entered into a disposal agreement (the "Disposal Agreement") with Wai Yuen Tong Medicine Holdings Limited ("WYTH"), a listed company with certain common directors of the Company for disposal of the entire equity interest in five wholly-owned subsidiaries, at an aggregate consideration of HK$117,767,000. Up to the date of disposal, these five subsidiaries have not carried out any significant business activities except for holding certain investment properties and properties held for sale in Hong Kong. Therefore, these disposals are accounted for by the Group as disposal of investment properties and sale of properties, respectively. The Disposal Agreement was completed in October 2010 and the Group recognised an aggregate loss on disposal of investment properties of HK$4,799,000 and a gross profit on sale of properties of HK$4,585,000.

19. INVESTMENTS IN AN ASSOCIATE

	Notes	Group 2011 HK$'000	2010 HK$'000
Share of net assets		—	80,320
Due from an associate	(i)	—	8,553
		—	88,873
Classified as held for sale	(ii)	—	(88,873)
		—	—

Notes:

(i) At 31 March 2010, the amount was unsecured, interest-free, and had no fixed term of repayment. The carrying amount of this amount approximated to its fair value.

(ii) On 15 April 2010, the Group entered into two share transfer agreements (the "Disposal Agreements") with other shareholders of Changzhou Lin Jia Tang Hong-Jin Logistic Development Company Limited ("Changzhou Logistics") to dispose of its 50% equity interest in Changzhou Logistic for a total consideration of approximately RMB103,000,000 (equivalent to HK$115,198,000). For the year ended 31 March 2011, the Group recognised a gain on disposal of an associate of HK$39,880,000.

As the Group has committed to the disposal plan before 31 March 2010, the Group's interest in Changzhou Logistics as at 31 March 2010 was classified as a non-current asset held for sale and included as a current asset on the consolidated statement of financial position.

At 31 March 2010, particulars of the associate were as follows:

Name	Particulars of issued shares/registered capital	Place of registration/ operations	Percentage of ownership interest attributable to the Group 2011	2010	Principal activities
Changzhou Lin Jia Tang Hong-Jin Logistic Development Company Limited	Paid-up capital of US$20,000,000	PRC	—	50	Development and management of agricultural by-product wholesale market

The following table illustrates the summarised financial information of the Group's associate extracted from its financial statements:

	2011 HK$'000	2010 HK$'000
Assets	—	168,713
Liabilities	—	(9,259)
Revenue	—	—
Profit	—	2,822

20. INVESTMENTS IN A JOINTLY-CONTROLLED ENTITY

Particulars of the jointly-controlled entity are as follows:

Name	Paid-up registered capital	Place of registration/ incorporation	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
Shenzhen Jimao Market Co., Limited	RMB31,225,000	PRC	50	50	50	Management and sub-licensing of Chinese wet markets

The amounts of the assets, liabilities, revenue and expenses of the Group's jointly-controlled entity attributable to the Group are as follows:

	2011 HK$'000	2010 HK$'000
Non-current assets	76,030	72,198
Current assets	14,577	11,124
Non-current liabilities	(415)	—
Current liabilities	(5,457)	(4,306)
Net assets	84,735	79,016
Total revenue	19,535	15,132
Total expenses	(11,778)	(13,788)
Profit for the year	7,757	1,344

21. HELD-TO-MATURITY INVESTMENTS

	Group and Company 2011 HK$'000	Group and Company 2010 HK$'000
Unlisted debt investments, at amortised cost	28,343	32,930
Less: Unlisted debt investments classified as current asset	(8,482)	(4,018)
	19,861	28,912

22. OTHER INTANGIBLE ASSET

	Group Marketplace operating right 2011 HK$'000	Group Marketplace operating right 2010 HK$'000
Carrying amount at 1 April	12,120	18,180
Amortisation for the year	(6,060)	(6,060)
Carrying amount at 31 March	6,060	12,120

23. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2011 HK$'000	2010 HK$'000
Listed equity investments in Hong Kong, at fair value	36,321	92,532

During the year, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$24,327,000 (2010: gross gain of HK$34,671,000), of which a net gain of HK$31,528,000 (2010: a net loss of HK$21,184,000) was reclassified from other comprehensive income in the consolidated statement of comprehensive income to profit or loss of the consolidated statement of comprehensive income for the year.

The above investments consist of investments in equity securities which were designated as available-for-sale investments and have no fixed maturity date or coupon rate.

The fair values of listed equity securities held as available-for-sale investments are based on quoted prices in the market.

There has been a significant decline in the market value of a listed equity investment during the year. The directors consider that such a decline indicates that the listed equity investment has been impaired and an impairment loss of HK$24,327,000 (2010: HK$21,184,000), has been recognised in profit or loss of the consolidated statement of comprehensive income.

The market value of the Group's listed available-for-sale equity investments at the date of approval of these financial statements was approximately HK$29,988,000.

24. PROPERTIES HELD FOR SALE

	Group	
	2011 HK$'000	2010 HK$'000
Carrying amount at 1 April	604,309	262,272
Additions	2,370	486,312
Properties sold during the year	(206,070)	(144,275)
Carrying amount at 31 March	400,609	604,309

At 31 March 2011, the Group's properties held for sale with an aggregate carrying value of HK$392,502,000 (2010: HK$596,202,000) were pledged to secure the Group's general banking facilities and of which approximately HK$204,746,000 (2010: HK$398,504,000) had been utilised as at 31 March 2011 (note 31).

Further particulars of the Group's properties held for sale are included on page 115.

25. 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 HK$'000	2010 HK$'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 HK$'000	2010 HK$'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 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.

25. TRADE RECEIVABLES (continued)

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

	Group	
	2011 HK$'000	2010 HK$'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.

26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group		Company	
	Notes	2011 HK$'000	2010 HK$'000 (Restated)	2011 HK$'000	2010 HK$'000
Prepayments		3,867	4,216	861	633
Deposits		87,331	21,905	82	82
Other receivables		19,510	10,513	824	1,182
Loans to PNG Resources	(i)	135,000	135,000	—	—
Loans to Super Treasure	(ii)	140,000	203,200	—	—
Loan to China Agri-Products	(iii)	30,000	—	—	—
Loans receivable, secured	(iv)	20,678	678	—	—
Loans receivable, unsecured	(iv)	7,705	8,283	—	—
		444,091	383,795	1,767	1,897
Less: Impairment	(v)	(5,650)	(5,650)	—	—
		438,441	378,145	1,767	1,897
Less: Loans and interests receivable classified as non-current assets		(316,370)	(142,371)	—	—
Deposits classified as non-current assets		(76,984)	(12,306)	—	—
		45,087	223,468	1,767	1,897

26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Notes:

(i) PNG Resources Holdings Limited ("PNG Resources", formerly known as LeRoi Holdings Limited), which has an executive director in common with the Company.

The loans are unsecured, bear interest at rates ranging from 6% to 8% per annum, and are repayable within two to three years.

(ii) Super Treasure Holdings Limited ("Super Treasure") is a wholly-owned subsidiary of China Agri-Products Exchange Limited ("China Agri-Products"), which is a material investment of PNG Resources and has an executive director in common with the Company.

The loans bear interest at 6% per annum and are repayable within 18 to 24 months from the date of loan agreements, and are secured by a share charge in respect of the equity interest of a subsidiary of China Agri-Products and a corporate guarantee granted by China Agri-Products in favour of the Group.

(iii) The loan is unsecured, bears interest at rates 6% per annum and is repayable on the date falling 18 months from date of the loan agreement.

(iv) These loans receivable are stated at amortised cost at effective interest rates ranging from 4% to 12% and the credit terms of which range from 1 year to 14 years. As these loans receivable relate to a number of different borrowers, the directors are of the opinion that there is no concentration of credit risk over these loans receivable. The carrying amounts of these loans receivable approximate to their fair values.

The loans are secured by share charges in respect of the equity interest of certain subsidiaries and unlisted equity investments of the respective borrowers.

(v) Included in the above provision for impairment of other receivables and loans receivable are provision for individually impaired receivables of HK$5,650,000 (2010: HK$5,650,000) with an aggregate carrying amount of HK$5,650,000 (2010: HK$5,650,000).

Other than the aforementioned impaired other receivables, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to the receivables for which there was no recent history of default.

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000
Unlisted debt securities, at fair value	21,853	—	—	—
Listed equity investments, at market value:				
Hong Kong	87,043	87,078	19,519	15,237
Elsewhere	—	3,334	—	—
	108,896	90,412	19,519	15,237

The above financial instruments at 31 March 2010 and 2011 were classified as held for trading.

The market values of the Group's and the Company's financial instruments at the date of approval of these financial statements were HK$90,286,000 and HK$16,891,000, respectively.

28. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000
Cash and bank balances	878,895	349,313	616,414	131,749
Time deposits	163,705	134,713	135,501	110,258
Cash and cash equivalents	1,042,600	484,026	751,915	242,007

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$147,317,000 (2010: HK$19,419,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

29. 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 HK$'000	2010 HK$'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.

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000
Deferred income	6,112	—	—	—
Other payables	12,490	13,681	634	2,030
Accruals	11,318	12,743	245	1,156
	29,920	26,424	879	3,186

Other payables are non-interest-bearing and there are generally no credit terms. The carrying amounts of the above other payables approximate to their fair values.

31. INTEREST-BEARING BANK LOANS

Group

	At 31 March 2011 Contractual interest rate (%)	At 31 March 2011 Maturity	At 31 March 2011 HK$'000	At 31 March 2010 (Restated) Contractual interest rate (%)	At 31 March 2010 (Restated) Maturity	At 31 March 2010 (Restated) HK$'000	At 1 April 2009 (Restated) Maturity	At 1 April 2009 (Restated) HK$'000
Current:								
Portion of term loans from banks due for repayment within one year								
— secured	HIBOR+(0.85–1.8) Prime rate–(3–3.1)	2012 or on demand	102,034	HIBOR+(0.85–2.25) Prime rate–(2.6–3.15)	2011 or on demand	108,661	On demand	121,948
— unsecured	HIBOR+1.5	2012 or on demand	8,000			—		—
Portion of term loans from banks due for repayment after one year which contain repayment on demand clause (Note)								
— secured	HIBOR+(0.85–1.8)/ Prime rate–(3–3.1)	On demand	103,890	HIBOR+(0.85–2.25)/ Prime rate–(3–3.1)	On demand	532,089	On demand	310,137
— unsecured	HIBOR+1.5	On demand	26,000			—		—
			239,924			640,750		432,085
Non-current:								
Bank loans — secured	HIBOR+(1.28–1.75)	2012–2024	631,774	HIBOR+1.65	2011–2024	192,210		—
			871,698			832,960		432,085

Company

	At 31 March 2011 Contractual interest rate (%)	At 31 March 2011 Maturity	At 31 March 2011 HK$'000	At 31 March 2010 (Restated) Contractual interest rate (%)	At 31 March 2010 (Restated) Maturity	At 31 March 2010 (Restated) HK$'000	At 1 April 2009 (Restated) Maturity	At 1 April 2009 (Restated) HK$'000
Current:								
Portion of term loans from banks due for repayment within one year								
— secured	HIBOR+(1.35–1.45)	2012 or on demand	26,428	HIBOR+(1–1.75)	On demand	52,500	On demand	105,300
Portion of term loans from banks due for repayment after one year which contain repayment on demand clause (Note)								
— secured			—	HIBOR+(1–1.75)	On demand	85,475	On demand	160,175
			26,428			137,975		265,475
Non-current:								
Bank loan — secured	HIBOR+1.45	2012–2013	33,560			—		—
			59,988			137,975		265,475

Note: As further explained in notes 2.2 and 43 to the financial statements, due to the adoption of HK Interpretation 5 in the current year, certain term loans of the Group and the Company containing an on-demand clause have been reclassified as current liabilities.

31. INTEREST-BEARING BANK LOANS (continued)

At the end of the reporting period, the maturity profile of interest-bearing bank loans based on the scheduled repayment dates set out in the loan agreements is as follows:

	Group		Company	
	2011 HK$'000	2010 HK$'000	2011 HK$'000	2010 HK$'000
Bank loans repayable:				
Within one year or on demand	110,034	108,661	26,428	52,500
In the second year	67,412	97,716	10,053	30,875
In the third to fifth years, inclusive	400,202	193,336	10,160	24,000
Beyond five years	294,050	433,247	13,347	30,600
	871,698	832,960	59,988	137,975

Notes:

(a) Certain bank loans of the Group and the Company are secured by the Group's investment properties and certain rental income generated therefrom (note 15), properties under development (note 16) and properties held for sale (note 24).

In addition, the Company has guaranteed certain of the Group's bank loans up to HK$1,166,246,000 (2010: HK$723,461,000) as at the end of the reporting period.

(b) All bank loans of the Group and the Company bear interest at floating interest rates.

(c) The carrying amounts of the bank loans of the Group and of the Company approximate to their fair values.

32. PROVISIONS FOR ONEROUS CONTRACTS

	Group	
	2011 HK$'000	2010 HK$'000
Carrying amount at 1 April	200	2,210
Provided for the year	1,080	—
Amount utilised during the year	(200)	(2,010)
Carrying amount at 31 March	1,080	200
Less: portion classified as current liabilities	(240)	(200)
Long term portion	840	—

33. DEFERRED TAX

The components of deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group

	Depreciation allowance in excess of related depreciation HK$'000	Revaluation gain of investment properties HK$'000	Withholding tax HK$'000	Total HK$'000
At 1 April 2009	492	2,421	283	3,196
Deferred tax charged to the profit or loss of the consolidated statement of comprehensive income during the year (note 10)	3,061	11,758	—	14,819
At 31 March and 1 April 2010	3,553	14,179	283	18,015
Deferred tax charged to the profit or loss of the consolidated statement of comprehensive income during the year (note 10)	1,495	10,691	—	12,186
At 31 March 2011	5,048	24,870	283	30,201

33. DEFERRED TAX (continued)

Deferred tax assets

Group

	Depreciation in excess of related depreciation allowance HK$'000	Provision for onerous contracts HK$'000	Revaluation loss of investment properties HK$'000	Total HK$'000
At 1 April 2009	—	365	190	555
Deferred tax credited/(charged) to profit or loss of the consolidated statement of comprehensive income during the year (note 10)	84	(72)	(190)	(178)
At 31 March and 1 April 2010	84	293	—	377
Deferred tax charged to profit or loss of the consolidated statement of comprehensive income during the year (note 10)	(84)	(115)	—	(199)
At 31 March 2011	—	178	—	178

The Group has tax losses arising in Hong Kong of approximately HK$56,863,000 (2010: HK$65,133,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by its jointly-controlled entity established in the PRC in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

34. SHARE CAPITAL

Shares

	2011 HK$'000	2010 HK$'000
Authorised:		
40,000,000,000 (2010: 4,000,000,000) ordinary shares of HK$0.01 (2010: HK$0.05) each	400,000	200,000
Issued and fully paid:		
6,524,935,021 (2010: 3,262,467,540) ordinary shares of HK$0.01 (2010: HK$0.05) each	65,249	163,123

34. SHARE CAPITAL (continued)

Shares (continued)

During the year, the movements in share capital were as follows:

(a) Share consolidation

Pursuant to the special resolution passed on 27 January 2011, every five issued ordinary shares of the Company of HK$0.05 each were consolidated into one issued share of HK$0.25 each and every one authorised but unissued ordinary shares of the Company of HK$0.05 each were sub-divided into five authorised but unissued share of HK$0.01 each.

(b) Capital reduction

Pursuant to the same special resolution passed on 27 January 2011, the par value of each issued consolidated share of the Company was reduced from HK$0.25 each to HK$0.01 by cancelling HK$0.24 of the paid-up capital on each issued consolidated share. The credit arising from this capital reduction was credited to the contributed surplus account of the Company.

(c) Rights issue and the associated bonus issue

Pursuant to the ordinary resolutions passed on 27 January 2011, the Company made a rights issue (the "Rights Issue") of 5,219,948,064 rights shares at a subscription price of HK$0.10 per rights share on the basis of eight rights shares for every one consolidated ordinary share (after the share consolidation in (a) above), together with a bonus issue of 652,493,449 bonus share of HK$0.01 each on the basis of one bonus share for every eight rights shares taken up under the Rights Issue (the "Bonus Issue").

The Rights Issue and the Bonus Issue became unconditional on 22 February 2011 and the Company raised a total of HK$521,995,000 (before expenses).

A summary of the transactions during the year with reference to the above movements in the Company's issued ordinary share capital is as follows:

	Number of shares in issue	Issued capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 April 2009	377,620,545	3,776	707,959	711,735
Open offer and the bonus issue	1,888,102,725	18,881	94,405	113,286
Placement of new shares	453,000,000	4,530	58,890	63,420
Rights issue and the associated bonus issue	2,718,722,886	135,936	165,843	301,779
Consolidation of shares	(2,174,978,616)	—	—	—
Share issue expenses	—	—	(13,649)	(13,649)
At 31 March and 1 April 2010	3,262,467,540	163,123	1,013,448	1,176,571
Consolidation of shares (a)	(2,609,974,032)	—	—	—
Capital reduction (b)	—	(156,598)	—	(156,598)
Rights Issue and the Bonus Issue (c)	5,872,441,513	58,724	463,271	521,995
Share issue expenses	—	—	(14,356)	(14,356)
At 31 March 2011	6,524,935,021	65,249	1,462,363	1,527,612

Share options

Details of the Company's share option scheme are set out in note 35 to the financial statements.

35. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") which was adopted on 3 May 2002. Under the Scheme, share options may be granted any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any business or joint venture partner, contractor, agent or representative, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to the Group, any supplier, producer or licensor of goods or services to the Group, any customer, licensee (including any sub-licensee) or distributor of goods or services of the Group, or any landlord or tenant (including any sub-tenant) of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Scheme became effective on 3 May 2002 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

Purpose

The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Maximum number of shares available for subscription

Pursuant to the Scheme, the maximum number of share options that may be granted under the Scheme and any other share option schemes of the Company is an amount, upon their exercise, not in aggregate exceeding 30% of the issued share capital of the Company from time to time, excluding any shares issued on the exercise of share options. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes shall not in aggregate exceed 10% of the number of shares in issue, as at the date of approval of the Scheme limit.

Maximum entitlement of each participant

The maximum number of shares issuable under share options to each eligible participant (except for a substantial shareholder or an independent non-executive director or any of their respective associates) under the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of such limit must be separately approved by shareholders with such eligible participant and his associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option). Where any grant of share options to a substantial shareholder or an independent non-executive director (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of share options already granted and to be granted to such person under the Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue, and having an aggregate value, based on the closing price of the Company's shares at each date of grant, in excess of HK$5 million, such further grant of share options is required to be approved by shareholders in a general meeting in accordance with the Listing Rules. Any change in the terms of a share option granted to a substantial shareholder or an independent non-executive director (or any of their respective associates) is also required to be approved by shareholders.

35. SHARE OPTION SCHEME (continued)

Basis of determining the exercise price

The option price per share payable on the exercise of an option is determined by the directors, provided that it shall be at least the higher of:

(i) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange at the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of a share option is accepted by the eligible person), which must be a business day; and

(ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of grant, provided that the option price per share shall in no event be less than the nominal amount of one share.

An offer for the grant of share options must be accepted within 30 days from the date on which such offer was made. The amount payable by the grantee of a share option to the Company on acceptance of the offer of the grant is HK$1.00.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

	2011		2010	
	Weighted average exercise price HK$ per share	Number of options '000	Weighted average exercise price HK$ per share	Number of options '000
At 1 April	1.4407	34,175	3.4502	15,926
Adjustment arising from the open offer and the associated bonus issue	—	—	—	38,382
Adjustment arising from the rights issue and the associated bonus issue	—	23,857	—	24,427
Adjustment arising from share consolidation	—	(36,348)	—	(38,994)
Lapsed during the year	1.6326	(5,040)	1.4663	(5,566)
Granted during the year	0.2234	16,300	—	—
At 31 March	1.3932	32,944	1.4407	34,175

There was no share options exercised during the year ended 31 March 2011 and 2010. The exercise period of the share options granted is determined by the board of directors, and commences after a vesting period up to three year.

35. SHARE OPTION SCHEME (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2011

Number of options '000	Exercise price* HK$ per share	Exercise period
20,387	2.0549	1/3/2007 to 28/2/2017
468	2.4082	2/1/2009 to 1/1/2013
1,068	0.3893	8/1/2010 to 7/1/2019
11,021	0.2234	12/5/2011 to 11/5/2020
32,944		

2010

Number of options '000	Exercise price* HK$ per share	Exercise period
31,942	1.4900	1/3/2007 to 28/2/2017
684	1.7642	2/1/2009 to 1/1/2013
1,549	0.2823	8/1/2010 to 7/1/2019
34,175		

* The exercise price of the share options is subject to adjustment in case of open offer, rights or bonus issue, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year was HK$1,690,000 (2010: Nil) and the Group recognised a share option expense of HK$847,000 (2010: HK$228,000) during the year ended 31 March 2011.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used.

	2011
Expected dividend yield (%)	Nil
Expected volatility (%)	77.00
Risk-free interest rate (%)	2.76

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 32,944,000 (2010: 34,175,000) share options outstanding under the Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 32,944,000 (2010: 34,175,000) additional ordinary shares of the Company and additional share capital of HK$329,000 (2010: HK$1,709,000) and share premium of HK$45,570,000 (2010: HK$47,592,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 32,944,000 share options outstanding under the Scheme, which represented approximately 0.50% of the Company's shares in issue as at that date.

36. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 37 and 38 of the financial statements.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against consolidated reserves, as explained in note 17 to the financial statements.

(b) Company

	Notes	Share premium account HK$'000	Contributed surplus (Note) HK$'000	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2009		707,959	164,790	7,922	546,444	1,427,115
Total comprehensive income for the year		—	—	—	36,958	36,958
Open offer and the associated bonus issue	34	94,405	—	—	—	94,405
Placement of new shares	34	58,890	—	—	—	58,890
Rights issue and the associated bonus issue	34	165,843	—	—	—	165,843
Share issue expenses	34	(13,649)	—	—	—	(13,649)
Final 2009 dividend declared		—	—	—	(11,329)	(11,329)
2010 interim dividend	12	—	—	—	(8,156)	(8,156)
Equity-settled share option arrangements	35	—	—	228	—	228
At 31 March and 1 April 2010		1,013,448	164,790	8,150	563,917	1,750,305
Total comprehensive loss for the year		—	—	—	(29,826)	(29,826)
Capital reduction	34(b)	—	156,598	—	—	156,598
Rights Issue and the Bonus Issue	34(c)	463,271	—	—	—	463,271
Share issue expenses	34	(14,356)	—	—	—	(14,356)
Final 2010 dividend declared	12	—	—	—	(19,575)	(19,575)
2011 interim dividend	12	—	—	—	(9,787)	(9,787)
Equity-settled share option arrangements	35	—	—	847	—	847
Share options lapsed during the year	35	—	—	(940)	940	—
At 31 March 2011		1,462,363	321,388	8,057	505,669	2,297,477

Note:

The contributed surplus of the Company originally derived from the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the Group's reorganisation on 6 February 1995 and the par value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders under certain circumstances.

37. DISPOSAL OF A SUBSIDIARY

Year ended 31 March 2011

On 20 July 2010, the Group disposed of the entire equity interest in Wang Hing Vegetables Wholesale Co. Ltd. ("Wang Hing"), a 51%-owned subsidiary of the Group, and the assignment of the amount advanced by the Group to Wang Hing, for a consideration of HK$1.

Details of the net assets disposed and financial impact are summarised below:

	HK$'000
Net assets disposed of:	
Trade receivables	1,905
Prepayments, deposits and other receivables	610
Cash and bank balances	1,013
Trade payables	(7,838)
Other payables and accruals	(2,394)
	(6,704)
Gain on disposal of a subsidiary (note 5)	6,704
Satisfied by:	
Cash	—

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of this subsidiary is as follows:

	Total HK$'000
Cash consideration	—
Cash and cash equivalents disposed of	(1,013)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(1,013)

38. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

(a) Company

	2011 HK$'000	2010 HK$'000
Guarantees given to financial institutions in connection with facilities granted to subsidiaries	1,166,246	723,461

(b) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount payable of HK$786,000 (2010: HK$798,000) as at 31 March 2011, as further explained under the heading "Other employee benefits" in note 2.4 to the financial statements. The contingent liability has arisen because, at the end of the reporting period, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

39. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15), sub-leases Chinese wet markets, shopping centres and car parks under operating lease arrangements, with leases negotiated for terms ranging from one month to six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2011 HK$'000	2010 HK$'000
Within one year	200,791	224,237
In the second to fifth years, inclusive	165,917	201,019
After five years	—	1,744
	366,708	427,000

(b) As lessee

The Group leases certain Chinese wet markets, shopping centres, car parks and certain of its office properties under operating lease arrangements. Leases are negotiated for terms ranging from two to eight years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2011 HK$'000	2010 HK$'000
Within one year	99,206	117,263
In the second to fifth years, inclusive	201,325	238,967
After five years	—	14,335
	300,531	370,565

40. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	Group	
	2011 HK$'000	2010 HK$'000
Contracted, but not provided for:		
Properties held for sale	2,880	6,991
Properties under development	254,331	—
Investment property	18,252	—
	275,463	6,991

At the end of the reporting period, the Company did not have any significant commitments.

41. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

(a) Transactions with related parties

	Notes	2011 HK$'000	2010 HK$'000
Rental income received from a director	(i)	984	984
Income from WYTH:			
Management fee	(ii)	900	996
Interest	(iii)	—	744
Rental	(ii)	2,629	3,104
Management fee income from PNG Resources	(ii)	960	960
Sub-licensing fee income from a subsidiary of PNG Resources	(ii)	—	6,771
Management fee income from China Agri-Products	(ii)	960	720
Rental expenses paid to WYTH	(ii)	1,908	1,740
Interest income from PNG Resources	(iv)	9,449	4,662
Interest income from Super Treasure	(iv)	10,166	12,322
Purchase of products from WYTH	(v)	3,696	—
Sales of certain investment properties and property held for sale to WYTH	(vi)	117,767	—

Notes:

(i) Certain investment properties of the Group were leased to a director at an agreed monthly rental of HK$82,000 (2010: HK$82,000). The rental was determined with reference to the prevailing market rates.

(ii) The transactions were based on terms mutually agreed between the Group and the related parties.

(iii) Interest was charged by the Group on loans advanced to WYTH at Hong Kong prime rate as quoted by The Hongkong and Shanghai Banking Corporation Limited.

(iv) Interest was charged by the Group on loans advanced to PNG Resources and Super Treasure and details of the terms of the relevant loans are set out in notes 26(i) and 26(ii), respectively, to the financial statements.

(v) The purchases from WYTH were made according to the published prices and conditions it offered to customers.

(vi) Certain investment properties and property held for sale were sold to WYTH at an agreed price which was determined with reference to the market value.

(b) Details of the Group's balances with an associate as at 31 March 2010 are disclosed in note 19 to the financial statements.

(c) Compensation of key management personnel of the Group

	2011 HK$'000	2010 HK$'000
Short term employment benefits	2,917	3,128
Post-employment benefits	35	68
	2,952	3,196

The above compensation of key management personnel excludes the directors' remuneration, details of which are set out in note 8 to the financial statements.

42. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Assets measured at fair value:

Group

As at 31 March 2011

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Available-for-sale investments	36,321	—	—	36,321
Financial assets at fair value through profit or loss	108,896	—	—	108,896
	145,217	—	—	145,217

As at 31 March 2010

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Available-for-sale investments	92,532	—	—	92,532
Financial assets at fair value through profit or loss	90,412	—	—	90,412
	182,944	—	—	182,944

Company

As at 31 March 2011

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss	19,519	—	—	19,519

As at 31 March 2010

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss	15,237	—	—	15,237

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2010: Nil).

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include equity investments, debt securities, available-for-sale investments, trade and other receivables, trade and other payables, cash and bank balances, bank borrowings and short term deposits.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to changes in market interest rates relates primarily to the Group's bank loans with floating interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in Hong Kong dollar interest rate, with all other variables held constant, of the Group's profit before tax. There is no material impact on other components of the Group's equity.

	Group	
	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK$'000
2011		
HK$	100	(8,717)
HK$	(100)	8,717
2010		
HK$	100	(8,330)
HK$	(100)	8,330

Foreign currency risk

The Group has minimal transactional currency exposure arising from sales or purchases by operating units in currencies other than the units' functional currencies, and hence it does not have any foreign currency hedging policies.

Part of the Group's turnover and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries and jointly-controlled entity to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under the PRC existing foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration for Foreign Exchange Bureau by complying with certain procedural requirements. However, approval from appropriate PRC governmental authorities is required where RMB is to be converted into a foreign currency and remitted out of Mainland China to pay capital account items, such as the repayment of bank loans denominated in foreign currencies.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

Currently, the Group's PRC subsidiaries and jointly-controlled entity may purchase foreign exchange for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration for Foreign Exchange Bureau. The Group's PRC subsidiaries and jointly-controlled entity may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration for Foreign Exchange Bureau, this could affect the Group's subsidiaries and jointly-controlled entity's ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Group.

There are limited hedging instruments available in the PRC to reduce the Group's exposure to exchange rate fluctuations between RMB and other currencies. To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risks. While the Group may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Group may not be able to hedge the Group's exposure successfully, or at all.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Euro, Pound Sterling ("GBP") and RMB exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Group	
	Increase/ (decrease) in exchange rate	Increase/ (decrease) in profit before tax
	%	HK$'000
2011		
If Euro strengthens against HK$	12.741	1,191
If Euro weakens against HK$	(12.741)	(1,191)
If GBP strengthens against HK$	10.180	1,315
If GBP weakens against HK$	(10.180)	(1,315)
If HK$ strengthens against RMB	4.235	(5,038)
If HK$ weakens against RMB	(4.235)	5,038
2010		
If Euro strengthens against HK$	13.432	1,242
If Euro weakens against HK$	(13.432)	(1,242)
If GBP strengthens against HK$	13.012	1,624
If GBP weakens against HK$	(13.012)	(1,624)
If HK$ strengthens against RMB	0.281	(65)
If HK$ weakens against RMB	(0.281)	65

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, loans and interests receivable and debt securities. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. The maximum exposure of these financial assets equals to the carrying amounts of these instruments.

In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables are mainly rental related and are normally due within 15 to 30 days and the Group obtains rental deposits from its tenants.

In respect of loans and interests receivables, individual credit evaluations are performed on all borrowers requiring credit over a certain amount. These evaluations focus on the borrowers' past history of making payments when due and current ability to pay, and take into account information specific to the borrowers. Certain of these loans and interests receivables are secured by share charges in respect of the equity interest of certain subsidiaries and unlisted equity investments of the respective borrowers.

The credit risk of debt securities mainly arises from the risk that the issuer might default on a payment or go into liquidation. Debt securities by different types of issuers are generally subject to different degrees of credit risk. The management regularly reviews the credit exposure and does not expect any investment counterparty to fail to meet its obligations.

The credit risk of the Group's other financial assets, which comprises cash and cash equivalents and certain listed equity securities, with the maximum exposure equal to the carrying amounts of these instruments.

The Company is also exposed to credit risk through the granting of financial guarantees to certain subsidiaries, further details of which are disclosed in note 38 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables (note 25 and 26), loans and interests receivable (note 26), debt securities classified as held-to-maturity investments (note 21) and financial assets at fair value thought profit or loss (note 27) are disclosed in the corresponding notes to the financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual and undiscounted payments, was as follows:

Group

	2011					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	193,451	54,642	478,197	48,164	137,846	912,300
Trade payables (note 29)	—	12,951	—	—	—	12,951
Other payables (note 30)	—	12,490	—	—	—	12,490
	193,451	80,083	478,197	48,164	137,846	937,741

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Group (continued)

	2010					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	628,121	16,048	16,055	44,150	157,915	862,289
Trade payables (note 29)	—	18,132	—	—	—	18,132
Other payables (note 30)	—	13,681	—	—	—	13,681
	628,121	47,861	16,055	44,150	157,915	894,102

The maturity profile of the Company's financial liabilities as at the end of the reporting period, based on the contractual payments, was as follows:

Company

	2011					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	16,375	10,799	33,990	—	—	61,164
Other payables (note 30)	—	634	—	—	—	634
Due to subsidiaries (note 18)	—	—	—	—	608,256	608,256
	16,375	11,433	33,990	—	608,256	670,054
Financial guarantees issued: Guarantees given to bank in connection with facilities granted to subsidiaries (note 38(a))	—	1,166,246	—	—	—	1,166,246

	2010					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	137,975	—	—	—	—	137,975
Other payables (note 30)	—	2,030	—	—	—	2,030
Due to subsidiaries (note 18)	—	—	—	—	393,355	393,355
	137,975	2,030	—	—	393,355	533,360
Financial guarantees issued: Guarantees given to bank in connection with facilities granted to subsidiaries (note 38(a))	—	723,461	—	—	—	723,461

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Note: Included in interest-bearing bank loans of the Group are term loans with an aggregate principal amounting to HK$193,451,000 (2010: HK$628,121,000) of which the respective loan agreements contain a repayment on-demand clause giving the bank the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand". The Company's term loans which contained a repayment on-demand clause with an aggregate principal amounting to HK$16,375,000 (2010: HK$137,975,000) are classified as "on demand" accordingly.

Notwithstanding the above clause, the Directors do not believe that these loans will be called in their entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the respective loan agreements. This evaluation was made considering: the financial position of the Group and the Company at the date of approval of the financial statements; the Group's and the Company's compliance with the loan covenants; the lack of events of default, and the fact that the Group and the Company have made all previously scheduled repayments on time. In accordance with the terms of the loans, the contractual undiscounted payments are as follows:

Group

	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
31 March 2011	66,027	21,873	58,363	59,002	205,265
31 March 2010	106,142	93,144	172,310	311,847	683,443

Company

	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
31 March 2011	16,651	—	—	—	16,651
31 March 2010	54,360	32,018	25,917	32,176	144,471

Price risk

Price risk is the risk that the fair values of financial investments decrease as a result of changes in the levels of equity indices and the value of individual debt securities. The Group was exposed to price risk arising from individual financial investments classified as available-for-sale investments (note 23) and financial assets at fair value through profit or loss (note 27) as at 31 March 2011.

The Group's unlisted debt securities are traded in the over-the-counter market and are valued at fair value at each year end date with reference to the trading prices quoted in the market. The Group's listed equity investments are listed on the Hong Kong and Paris and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 March 2011	High/low 2011	31 March 2010	High/low 2010
Hong Kong — Hang Seng Index	23,528	23,528/19,765	21,239	21,873/15,521
Paris — CAC 40 Index	3,989	4,070/3,443	3,974	3,974/3,140

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk (continued)

The Group manages its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these financial investments.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the financial investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	Carrying amount of financial investments HK$'000	Increase/ (decrease) in price %	Increase/ (decrease) in profit before tax HK$'000	Change in equity# HK$'000
2011				
Equity securities listed in Hong Kong:				
Held-for-trading	87,043	19.04	16,572	—
Held-for-trading	87,043	(19.04)	(16,572)	—
Available-for-sale investments	36,321	19.04	—	6,916
Available-for-sale investments	36,321	(19.04)	—	(6,916)
Unlisted debt securities:				
Held-for-trading	21,853	15.87	3,469	—
Held-for-trading	21,853	(15.87)	(3,469)	—

	Carrying amount of financial investments HK$'000	Increase/ (decrease) in price %	Increase/ (decrease) in profit before tax HK$'000	Change in equity# HK$'000
2010				
Equity securities listed in Hong Kong:				
Held-for-trading	87,078	40.92	35,634	—
Held-for-trading	87,078	(40.92)	(35,634)	—
Available-for-sale investments	92,532	40.92	—	37,864
Available-for-sale investments	92,532	(40.92)	—	(37,864)
Equity securities listed in Paris:				
Held-for-trading	3,334	26.54	885	—
Held-for-trading	3,334	(26.54)	(885)	—

Excluding retained profit

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2011 and 31 March 2010.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a net gearing ratio, which is net debt divided by equity attributable to owners of the parent. Net debt is calculated as a total of interest-bearing bank loans, less cash and cash equivalents and time deposits. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2011 HK$'000	2010 HK$'000
Interest-bearing bank loans (note 31)	871,698	832,960
Less: Cash and cash equivalents (note 28)	(1,042,600)	(484,026)
Net debt/(cash)	(170,902)	348,934
Equity attributable to owners	2,600,373	1,953,222
Gearing ratio	N/A	17.86%

44. EVENTS AFTER THE REPORTING PERIOD

(a) On 11 March 2011, Fully Finance Limited ("Fully Finance"), a wholly-owned subsidiary of the Company, entered into a loan agreement with PNG Resources, pursuant to which Fully Finance agreed to grant to PNG Resources an unsecured loan facility of not exceeding HK$35,000,000 at an interest rate of 8% per annum for a term of three years. On 13 April 2011, HK$35,000,000 was fully drawn down by PNG Resources.

(b) On 28 March 2011, True Noble Limited ("True Noble"), a wholly-owned subsidiary of the Company, entered into a loan agreement with China Agri-Products, pursuant to which True Noble agreed to grant to China Agri-Products an unsecured loan facility of not exceeding HK$200,000,000 at an interest rate of 8% per annum for a period up to 30 September 2012. On 17 May 2011 and 8 June 2011, HK$100,000,000 each was drawn down respectively.

(c) On 7 June 2011, Fully Finance entered into a loan agreement with PNG Resources, pursuant to which Fully Finance agreed to grant to PNG Resources a secured loan facility of not exceeding HK$135,000,000 at an interest rate of 8% per annum, exclusively for subscription of rights share in China Agri-Products. The loan facility is subject to the approval of the shareholders of the Company and as at the date of approval of these financial statements, no loan was drawn down by PNG Resources.

45. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of new and revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment, and a third consolidated statement of financial position as at 1 April 2009 has been presented.

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 17 June 2011.

Particulars of Properties

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
House 2 and Car Parking Spaces 3 & 4, Winners Lodge, Nos. 9, 11, 13 and 15 Ma Yeung Path, Shatin, New Territories	Residential premises for rental	Medium term lease	100%
Shop C on Ground Floor, Tsuen Fung Building, Nos. 39–43A Tsuen Wan Market Street, Tsuen Wan, New Territories	Commercial premises for rental	Medium term lease	100%
Shop 6 on Ground Floor, Grandeur Garden, Nos. 14–18 Chik Fai Street, Nos. 55–65 Tai Wai Road, Shatin, New Territories	Commercial premises for rental	Medium term lease	100%
Ground Floor, 170 Castle Peak Road Yuen Long, New Territories	Commercial premises for rental	Medium term lease	100%
Shop B, Ground Floor, 106–108 Shau Kei Wan Road, Sai Wan Ho, Hong Kong	Commercial premises for rental	Long term lease	100%
Front Portion, G/F, Nathan Apartments, 510 Nathan Road, Kowloon	Commercial premises for rental	Medium term lease	100%
Flat E, 27th Floor, Block 2, Royal Ascot, 1 Tsun King Road, Shatin, New Territories	Residential premises for rental	Medium term lease	100%
Shop 4 and 5, Ground Floor, Mongkok Building, 93, 95 and 99 Mongkok Road, Mongkok, Kowloon	Commercial premises for rental	Long term lease	100%
Flat E, 21st Floor, Block 8, Royal Ascot, 1 Tsun King Road, Shatin, New Territories	Residential premises for rental	Medium term lease	100%
Various wet markets located at Shenzhen, Guangdong Province, the PRC	Commercial premises for rental	Medium term lease	50%
Flat F, 8th Floor, Block 9, Royal Ascot, 1 Tsun King Road, Shatin, New Territories	Residential premises for rental	Medium term lease	100%
Shop 23 on G/F, Grandway Garden, No. 16 Mei Tin Road and Nos. 15 & 35 Tsuen Nam Road, Shatin, New Territories	Commercial premises for rental	Medium term lease	100%
8th Floor, Kingsun Computer Industrial Building, No. 40 Shek Pai Wan Road, Hong Kong	Commercial premises for rental	Long term lease	100%
Ground Floor with the Cockloft, No. 60A Yen Chow Street, Kowloon	Commercial premises for rental	Medium term lease	100%
Shop 3 on Level 1, Jade Plaza, No. 3 On Chee Road, Tai Po, New Territories	Commercial premises for rental	Medium term lease	100%
7th Floor, No. 33 Wong Chuk Street, Kowloon	Residential premises for rental	Medium term lease	100%
9th Floor, No. 10 Shek Kip Mei Street, Kowloon	Residential premises for rental	Medium term lease	100%
8th Floor, No. 253 Tai Nan Street, Kowloon	Residential premises for rental	Medium term lease	100%
8th Floor, Kwok Chai Building, No.137 Sai Yee Street, Kowloon	Residential premises for rental	Long term lease	100%

INVESTMENT PROPERTIES (continued)

Location	Use	Tenure	Attributable interest of the Group
7th Floor, Kwok Chai Building, No.137 Sai Yee Street, Kowloon	Residential premises for rental	Long term lease	100%
Flat A6, 3rd Floor, Block A, Lockhart House, No. 441 Lockhart Road, Hong Kong	Residential premises for rental	Long term lease	100%
Flat F, 4th Floor, Wing Ming Building, Nos. 34/42 Yen Chow Street, Kowloon	Residential premises for rental	Medium term lease	100%
7th Floor, Dun Tak Mansion, No. 127 Portland Street, Kowloon	Residential premises for rental	Medium term lease	100%
2nd Floor, No. 675 Shanghai Street, Kowloon	Residential premises for rental	Medium term lease	100%
5th Floor, No. 524 Jaffe Road, Hong Kong	Residential premises for rental	Medium term lease	100%
Front Portion, 4th Floor, Hing Yip Building, No. 60 Castle Peak Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat B, 5th Floor, Po Tai Building, No. 180 Nam Cheong Street, Kowloon	Residential premises for rental	Medium term lease	100%
Flat A, 8th Floor, East South Building, Nos. 479 & 481 Hennessy Road, No. 29 Percival Street, Hong Kong	Residential premises for rental	Long term lease	100%
Flat A, 11th Floor, May Ming Mansion, No. 312 Nathan Road, Kowloon	Residential premises for rental	Long term lease	100%
1st Floor, No. 23C Fuk Wing Street, Kowloon	Residential premises for rental	Medium term lease	100%
Flat B, 6th Floor, No. 117–123 Hennessy Road, Hong Kong	Residential premises for rental	Long term lease	100%
5th Floor, Block F, No. 89 Chung On Street, Tsuen Wan, New Territories	Residential premises for rental	Medium term lease	100%
Flat D, 6th Floor, Po Cheong Building, Nos. 148–154 Nam Cheong Street, Kowloon	Residential premises for rental	Medium term lease	100%
Flat C, 6th Floor, Rex House, No. 648, 650 & 652 Nathan Road, Kowloon	Residential premises for rental	Long term lease	100%
Flat A, 6th Floor, Wellcome Mansion, Nos. 233, 233A, 235, 237 & 239 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat C, 2nd Floor, Tsang Cheng House, Nos. 444, 444A, 446 & 446A Nathan Road, Kowloon	Residential premises for rental	Long term lease	100%
Flat C, 8th Floor, Pak Lok Building, Nos. 322-326A Nathan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat F, 10th Floor, Thai Kong Building, No. 482 Hennessy Road, Hong Kong	Residential premises for rental	Medium term lease	100%

INVESTMENT PROPERTIES (continued)

Location	Use	Tenure	Attributable interest of the Group
7th Floor, No. 3 Un Chau Street, Kowloon	Residential premises for rental	Medium term lease	100%
Unit A, 6th Floor, Parkes Building, 17–23 Parkes Street, Kowloon	Residential premises for rental	Medium term lease	100%
2nd Floor, 30D Fuk Wing Street, Kowloon	Residential premises for rental	Medium term lease	100%
Unit A, 4th Floor, & Flat Roof, Parkes Building, 17–23 Parkes Street, Hong Kong	Residential premises for rental	Medium term lease	100%
5th Floor, Tai Wah Building, 132A Electric Road, North Point, Hong Kong	Residential premises for rental	Long term lease	100%
Flat 413, 4th Floor, Sincere House, 83 Argyle Street, Kowloon	Residential premises for rental	Long term lease	100%
Flat B, 11st Floor, Wen Pang Building, 270–272 Lai Chi Kok Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat P, 7th Floor, Wing Lung Building, 220–240 Castle Peak Road, Kowloon	Residential premises for rental	Medium term lease	100%
Unit B, 4th Floor & Roof, Parkes Building, 17–23 Parkes Street, Hong Kong	Residential premises for rental	Medium term lease	100%
7th Floor, 64 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat No. 5, 1st Floor, Tai Yue Mansion, 133 Sai Yee Street, Kowloon	Residential premises for rental	Long term lease	100%
Flat G, 7th Floor, Lung Wa Building, 22 Fuk Wa Street, Kowloon	Residential premises for rental	Medium term lease	100%
Flat 1, 1st & Flat Floor, 174 Jockey Club Road, North, New Territories	Residential premises for rental	Medium term lease	100%
Flat M, 4th Floor, Lung Wa Building, 22 Fuk Wa Street, Kowloon	Residential premises for rental	Medium term lease	100%
Unit B, 6th Floor, Parkes Building, 17–23 Parkes Street, Kowloon	Residential premises for rental	Medium term lease	100%
2nd Floor, Golden Jubilee House, 399 Lockhart Road, Hong Kong	Residential premises for rental	Long term lease	100%
11st Floor, 501 Nathan Road, Kowloon	Residential premises for rental	Medium term lease	100%
3rd Floor, 192 Tai Nan Street, Kowloon	Residential premises for rental	Medium term lease	100%
9th Floor, Wing Hon House, 13 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%

INVESTMENT PROPERTIES (continued)

Location	Use	Tenure	Attributable interest of the Group
Flat A, 6th Floor, Lockhart Road, Hong Kong	Residential premises for rental	Long term lease	100%
Unit A, 8th Floor, Parkes Building, 17–23 Parkes Street, Kowloon	Residential premises for rental	Medium term lease	100%
7th Floor, Wing Wah Building, No. 109 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
5th Floor, Block H, Golden Horse Mansion, 27 Mansion Street, Hong Kong	Residential premises for rental	Long term lease	100%
1st Floor, Rear Portion, 1 San Lok Street, Shek Wu Hui, Sheung Shui, New Territories	Residential premises for rental	Medium term lease	100%
6th Floor & its interior Wall, 463 Hennessy Road, Hong Kong	Residential premises for rental	Long term lease	100%
Unit B, 8th Floor, Parkes Building, 17–23 Parkes Street, Kowloon	Residential premises for rental	Medium term lease	100%
7th Floor, 250A Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Unit A, 10th Floor, Parkes Building, 17–23 Parkes Street, Kowloon	Residential premises for rental	Medium term lease	100%
Unit B, 10th Floor, Parkes Building, 17–23 Parkes Street, Kowloon	Residential premises for rental	Medium term lease	100%
6th Floor, No. 250 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat F on Sixth Floor, Po Cheong Building, Nos. 148–154 Nam Cheong Street, Kowloon	Residential premises for rental	Medium term lease	100%
3rd Floor, Vico Mansion, No. 3 Nanking Street, Kowloon	Residential premises for rental	Long term lease	100%
Sixth Floor, No. 385 Ki Lung Street, Kowloon	Residential premises for rental	Medium term lease	100%
Flat A on 6th Floor, Pao Hing House, Nos. 240–244 Lai Chi Kok Road, Kowloon	Residential premises for rental	Medium term lease	100%
13th Floor, No. 113 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
5th Floor, No. 501 Nathan Road, Kowloon	Residential premises for rental	Medium term lease	100%
7th Floor, Man On Building, No. 83 Tai Po Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat C on 12th Floor, Lee Wai Building, Nos. 654–658 Nathan Road, Kowloon	Residential premises for rental	Medium term lease	100%

INVESTMENT PROPERTIES (continued)

Location	Use	Tenure	Attributable interest of the Group
Flat F on 11th Floor, No. 78 Un Chau Street, Kowloon	Residential premises for rental	Medium term lease	100%
6th Floor, No. 692 Shanghai Street, Hing Fat Building, Kowloon	Residential premises for rental	Medium term lease	100%
3th Floor, No. 109 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat D, 8th Floor, Fuk Sing House, Nos. No. 63, 65, 65A, 67, 69 & 69A, Fuk Wing Street, Kowloon	Residential premises for rental	Medium term lease	100%
8th Floor, No. 113 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat E, 8th Floor, Diamond Building, No. 199 Nam Cheong Street, Kowloon	Residential premises for rental	Long term lease	100%
6th Floor, No. 252 Cheung Sha Wan Road, Kowloon	Residential premises for rental	Medium term lease	100%
Flat D, 2nd Floor, Shu Tak Building, Nos. 74–76 Tai Wai Road, Tai Wai, New Territories	Residential premises for rental	Medium term lease	100%

PROPERTIES HELD FOR SALE

Property name	Location	Approximate site area	Estimated approximate gross floor area	Use	Stage of completion	Estimated completion date	Attributable interest of the Group
GODI XI	8 Shatin Height Road, Shatin	43,809	4,242	Residential	Completed	Existing	100%
Meister House	1 Fairview Park, Boulevard, Yuen Long	3,219	2,697	Residential and commercial	Completed	Existing	100%
Grandeur Terrace	88 Tin Shui Road, Yuen Long, New Territories	46,715	36,479	Commercial	Completed	Existing	100%
The Dawning Place	92A–92G Yeung Uk Tsuen, Shap Pat Heung, Yuen Long, New Territories	5,802	2,783	Residential and commercial	Completed	Existing	100%

PROPERTIES UNDER DEVELOPMENT

Location	Approximate site area	Estimated approximate gross floor area	Use	Estimated completion date	Attributable interest of the Group
Nos. 13 & 15, Sze Shan Street, Yau Tong, Kowloon	41,080	272,196	Residential and Commercial	2014	100%
Nos. 2, 4, 6 and 8 Pak Kung Street, Hung Hom	4,050	36,460	Residential and Commercial	2013	100%
Nos. 724 and 726 Nathan Road, Mongkok, Kowloon	3,070	38,671	Commercial	2013	100%

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

RESULTS

	Year ended 31 March				
	2011 HK$'000	2010 HK$'000	2009 HK$'000	2008 HK$'000	2007 HK$'000
REVENUE	614,161	575,016	459,459	545,882	499,488
PROFIT AFTER FINANCE COSTS	259,296	151,780	146,857	94,934	91,854
Share of profits and losses of associates	—	(9,049)	(55,227)	27,643	4,578
PROFIT BEFORE TAX	259,296	142,731	91,630	122,577	96,432
Income tax expense	(32,904)	(34,659)	(11,480)	(25,963)	(13,254)
PROFIT FOR THE YEAR	226,392	108,072	80,150	96,614	83,178
Attributable to:					
Owners of the parent	226,194	108,073	55,409	96,089	83,170
Non-controlling interests	198	(1)	24,741	525	8
	226,392	108,072	80,150	96,614	83,178

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 March				
	2011 HK$'000	2010 HK$'000	2009 HK$'000	2008 HK$'000	2007 HK$'000
TOTAL ASSETS	3,639,134	2,940,699	1,907,712	2,031,974	1,734,214
TOTAL LIABILITIES	(1,038,167)	(987,081)	(555,532)	(791,759)	(691,908)
NON-CONTROLLING INTERESTS	(594)	(396)	(397)	(57,646)	(472)
	2,600,373	1,953,222	1,351,783	1,182,569	1,041,834