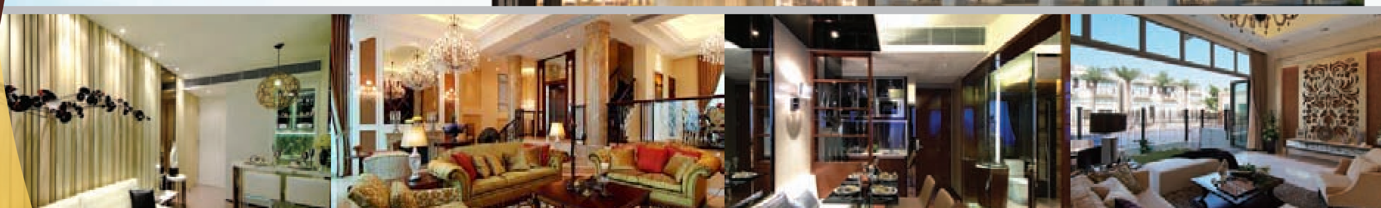
WANG ON GROUP LIMITED
宏安集團有限公司
(Incorporated in Bermuda with limited liability)
Stock Code: 1222

2013 Annual Report



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BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, JP, *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, *BBS, 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, *BBS, MBE, JP*
Mr. Siu Kam Chau

REMUNERATION COMMITTEE

Mr. Wong Chun, Justein, *BBS, 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, *JP*
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, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho, *JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

EXECUTIVE COMMITTEE

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

INVESTMENT COMMITTEE

Mr. Tang Ching Ho, *JP, Chairman*
Mr. Chan Chun Hong, Thomas
Mr. Siu Kam Chau

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

AUDITORS
Ernst & Young

LEGAL ADVISERS
DLA Piper Hong Kong
Gallant Y T Ho & Co

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

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA
Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG
Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

WEBSITE
http://www.wangon.com

BOARD LOT
20,000 shares

INVESTOR RELATIONS
Email: pr@wangon.com

STOCK CODE
1222

On behalf of the board of directors (the "Board" or the "Directors") of Wang On Group Limited (the "Company"), I am pleased to present the audited consolidated financial results of the Company, its subsidiaries and its jointly-controlled entity (collectively the "Group") for the year ended 31 March 2013.

Financial Results

Riding on modest growth in the Hong Kong economy and stable local consumption demand, the Group's unique business portfolio comprising property development and investment, as well as Chinese wet market management continued to reap satisfactory returns during the year. Revenue of the Group for the year under review amounted to approximately HK$761.5 million, representing an increase of approximately HK$350.7 million or approximately 85.4% over that of the previous financial year. Profit attributable to owners of the parent was approximately HK$409.5 million, representing an increase of approximately HK$14.3 million or approximately a 3.6% as compared to that of the previous financial year.

Proposed Final Dividend

The Board recommends the payment of a final dividend of HK0.5 cents per ordinary share for the year ended 31 March 2013, payable on or around Wednesday, 11 September 2013 subject to approval by the shareholders of the Company at the forthcoming annual general meeting to be held on Thursday, 22 August 2013. Together with the interim dividend of HK0.15 cents per ordinary share paid in December 2012, the total dividends per ordinary share for the year ended 31 March 2013 would be HK0.65 cents.

Business Review

During 2012, the Hong Kong property market continued to fluctuate. Lingering fears of a slowdown of the US economy and the deepening European debt crisis had prompted various countries to ease their monetary policies, in an attempt to stimulate economic recovery. Such measures drove the residential mortgage business of local banks, which began to launch a number of preferential mortgage plans, further fuelling demand for home purchases. The residential property market remained buoyant in the second and third quarters of 2012, with the number of sale and purchase agreements for residential units reaching its peak in October 2012. To curb speculation in the residential property market, the Hong Kong government then introduced a buyer's stamp duty and raised the rates and extended the holding period required to enjoy exemption from an existing special stamp duty. The cooling measures significantly slowed down the number of residential units which changed hands, although the price level stayed at roughly the same level. In face of the government's restrictive measures targeting the residential market, many investors shifted from luxury residential properties to office and retail properties. Driven by relatively good rental return and strong tourist spending, the property investment market in Hong Kong witnessed a largely upbeat performance at the end of 2012 and during the first quarter of 2013.

In light of continued growing demand for residential properties in urban districts of Hong Kong, the Group focused on the development of residential properties offering unique features for urban elites through "The Met." series of metropolitan prestige residence.

Following excellent sales performance of The Met.Focus at Pak Kung Street, Hung Hom last year, the Group launched another project of "The Met." series, The Met.Sublime at Kwai Heung Street, Sai Ying Pun in September 2012. Supported by a comprehensive transportation network and proximity to the future Sai Ying Pun MTR railway station, The Met.Sublime received positive response, with over 85% of residential units pre-sold to date. Construction of this superstructure work has been commenced.

Construction of The Met.Delight at Camp Street, Sham Shui Po was underway. This project will be redeveloped into a residential cum commercial complex. In response to increasing awareness of environmental protection, the project will be completed with a variety of low-carbon designs and glass curtain wall to increase the use of natural light. Pre-sale of the residential units is scheduled to be launched as and when appropriate.

Hoarding around the site at 13 and 15 Sze Shan Street, Yau Tong has been finished. The Group will continue to negotiate with the Hong Kong Government in respect of the finalisation of land premium.

Located in the heart of one of Hong Kong's popular shopping districts, the project on 724-726 Nathan Road, Mong Kok will be redeveloped into a Ginza-style commercial building. The project is scheduled to be completed by early 2014. While the retail areas on the ground level will be sold to potential purchaser as and when appropriate, all upper retail/office floor areas had been pre-sold.

The Group acquired a site on 575-575A Nathan Road, Mong Kok in March 2013 and planned to redevelop the existing 8-storey building into a commercial complex with a gross floor area of over 20,000 sq ft.

In addition, the Group was active in property investment, which generated profit through rental income and capital gains. During the year under review, the Group acquired a 9-storey shopping mall with two basements in Riviera Plaza, Tsuen Wan. Upon completion of the transaction in early July 2013, the Group will refurbish and reposition it as an urban outlet centre, featuring international brand names that offer discounts throughout the year. Not only will it provide exciting shopping experience to customers, but will also lead to capital appreciation in the long term with the retail traffic it tends to draw.

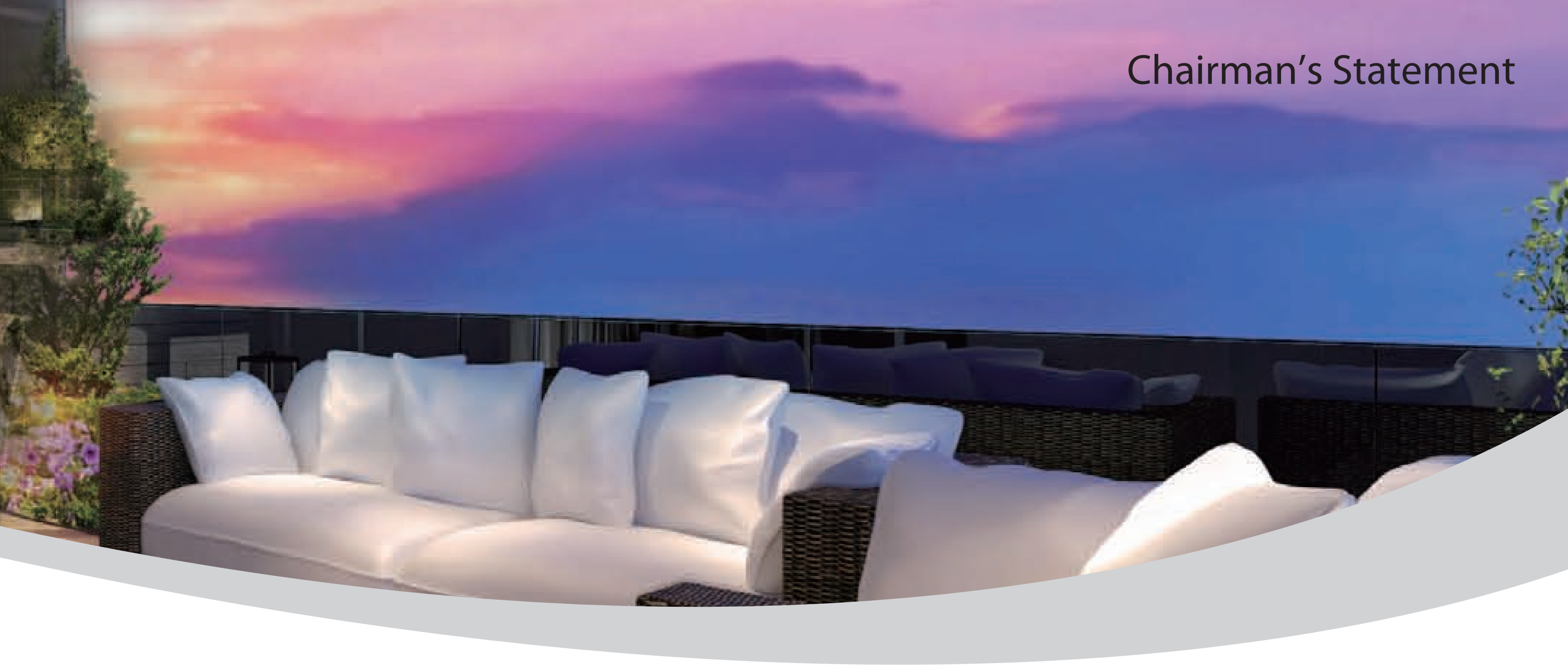
The Group also disposed of 31 units of the shopping centre of Grandeur Terrace in Tin Shui Wai, with an aggregate area of approximately 17,185 square feet and the transactions were completed during the year.

As the single largest operator of Chinese wet markets in Hong Kong, the Group is currently managing 790 stalls in 13 "Allmart" branded Chinese wet markets in Hong Kong following the cessation in management of two markets in Hau Tak, Tseung Kwun O and Heng Yiu, Ma On Shan. The Group also managed 17 "Huimin" branded Chinese wet markets in various districts in Shenzhen. These markets continued to generate steady cash flow to the Group. The Group will make every effort to increase its market share and improve the shopping environment by optimising stall operator mix and introducing new elements under our management.

Future Outlook

Property cooling measures launched by the Hong Kong Government and growing concern over the pace of the world's economic recovery will continue to cloud the outlook of the property market in Hong Kong. Falling residential prices in the secondary market have been accompanied by an obvious change in the sentiment and transaction volume in the residential market. On the other hand, the doubling of stamp duty effective from February this year will raise cost of property trading and thus will curb property investment. Nevertheless, end user demand for residential properties is expected to remain strong in the current low interest rate environment, while retail and office properties will likely become the preferred investment targets for many property investors.

The Group intends to have its property portfolio focused on district centres or areas where there are potential for high retail traffic. It is believed that the uncertainties in the property market, solid demand for smaller apartments from mid-income groups, and robust tourism spending will no doubt bring challenges as well as opportunities. In anticipation of strong housing demand by end users, the Group will adhere to its strategy of developing unique properties tailoring to the needs of specific market segments. The Group will continue to review and enhance its existing investment property portfolio and strive to maintain an optimum tenant composition. The continued strong tourist spending and shortage of retail space in prime shopping areas are expected to drive the rental rates of the Group's properties to a higher level. In addition, gain from disposal of additional 13 units in the shopping centre at Grandeur Terrace, Tin Shui Wai is expected to be booked in the next financial year. The Group will closely monitor the markets and identify suitable opportunities to increase its land bank as well as property investment portfolio, with an aim to develop into a major mid-tier property developer in Hong Kong.



Under a relatively volatile investment environment, the Group has strengthened its risk control, and adopted a prudent approach in financial management. Cash flow and capital outlay are under close scrutiny by the management to ensure the Group's smooth operation with optimum flexibility to respond to market uncertainties.

Appreciation

On behalf of the Board, I would like to express my heartfelt gratitude to our management and staff for their dedication and continued contribution towards the Group 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 term support and confidence in the Group.

Tang Ching Ho
Chairman

Hong Kong, 21 June 2013

Financial Results

For the financial year ended 31 March 2013, the Group's turnover and profit attributable to owners of the parent amounted to approximately HK$761.5 million (2012: approximately HK$410.8 million) and approximately HK$409.5 million (2012: approximately HK$395.2 million), respectively.

Dividends

The Board has recommended the payment of a final dividend of HK0.5 cents (2012: HK0.5 cents) per ordinary share for the year ended 31 March 2013 to shareholders whose names appear on the register of members of the Company as of Friday, 30 August 2013. The final dividend will be paid on or around Wednesday, 11 September 2013 subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Thursday, 22 August 2013. Together with the interim dividend of HK0.15 cents (2012: HK0.15 cents), the total dividends for the year ended 31 March 2013 will be HK0.65 cents (2012: HK0.65 cents) per ordinary share.

Closure of Register

The register of members of the Company will be closed for the following periods:

(a) *for determining eligibility to attend and vote at the 2013 annual general meeting:*

Latest time to lodge transfer documents for registration:	4:30 p.m., Monday, 19 August 2013
Closure of register of members:	Tuesday, 20 August 2013 to Thursday, 22 August 2013
Record Date:	Thursday, 22 August 2013

(b) *for determining entitlement to the proposed final dividend:*

Latest time to lodge transfer documents for registration:	4:30 p.m., Wednesday, 28 August 2013
Closure of register of members:	Thursday, 29 August 2013 to Friday, 30 August 2013
Record Date:	Friday, 30 August 2013

In order to be eligible to attend and vote at the 2013 annual general meeting and to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than the respective latest dates and times set out above.

Business Review

The Group's turnover for the year ended 31 March 2013 amounted to approximately HK$761.5 million (2012: approximately HK$410.8 million), representing an increase of approximately HK$350.7 million compared with last year. Profit attributable to owners of the parent for the year was approximately HK$409.5 million (2012: approximately HK$395.2 million). The Group continues to achieve favourable result this year which was mainly contributed by the partial disposal of the shops in Grandeur Terrace during the year.

Property Development

No revenue was recognised in this business segment during the year and revenue recognised for the same period last year was approximately HK$128.2 million.

"The Met.Focus" at Pak Kung Street, Hung Hom, being the first project under "The Met." series, all the residential units have already been pre-sold. Construction of the superstructure is about to complete and it is scheduled to handover to purchasers by the end of 2013. Revenue and profit from this project will be reflected in the financial statements for the year ended 31 March 2014.

Pre-sale of the residential units in "The Met.Sublime" at Kwai Heung Street, Sai Ying Pun was also launched during the year in September 2012. Market response was good and over 85% of the residential units have been sold. Construction of the superstructure has already commenced. Revenue and profit from this project will be recognised in the financial statements for the year ended 31 March 2015.

Construction of "The Met.Delight" at Camp Street, Sham Shui Po has also been underway and progressing well. In view of property market conditions, the Group has revised its strategy in this project and currently has no concrete schedule to launch pre-sale of the residential units in this project.

Pre-sale of commercial units at 724–726 Nathan Road, Mong Kok in January 2013 has received overwhelming responses. Except for the shops on the ground floor, all upper floor units had been sold with an aggregate consideration of HK$1,122.1 million. The project is anticipated to be completed in early 2014. Construction work at the site has also been progressing well.

The site at Sze Shan Street, Yau Tong has been vacant and hoarding work has been finished. The Group will continue to negotiate with the Hong Kong Government to finalise the amount of land premium required for redevelopment.

During the year, the Group has also acquired the property at 575–575A Nathan Road at a total consideration of approximately HK$475.8 million. The site is situated at prime area in Mong Kok, Kowloon and will strengthen the Group's land portfolio for future development. The Group is currently studying various proposals for redevelopment of this site.

As at 31 May 2013, the Group has a development land portfolio as follows:

Location	**Approximate Site Area** (square feet)	**Intended Usage**	**Anticipated Year of Completion**
2–8 Pak Kung Street, Hung Hom	4,000	Residential/Shops	2013
1–13 Kwai Heung Street, Sai Ying Pun	4,800	Residential/Shops	2014
724–726 Nathan Road, Mong Kok	3,000	Commercial	2014
140–146 Camp Street, Shum Shui Po	4,600	Residential/Shops	2015
575–575A Nathan Road, Mong Kok	2,100	Commercial	2015
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/Shopping Centre	2017

The Group will monitor closely the progress and costing of existing in-progress site to ensure their on-time completion in an efficient and quality manner. Besides, the Group will continue its effort in soliciting suitable residential and commercial development sites for development opportunities, and will also participate actively in the Hong Kong Government public tenders and the Urban Renewal Authority tenders with an aim to replenish its development land bank.

Property Investment

During the year, the Group received gross rental income of approximately HK$65.9 million (2012: approximately HK$61.1 million).

As at 31 March 2013, the portfolio of investment properties comprised of both commercial and residential units located in Hong Kong with a total carrying value of approximately HK$679.9 million (2012: approximately HK$719.8 million). During the year, the Group had disposed of 31 commercial units in Grandeur Terrace at an aggregate consideration of HK$458.0 million.

In addition, the Group had the following major disposals of its investment properties during the year:

(i) On 14 June 2012, the Group entered into a provisional sale and purchase agreement to dispose of an investment property located at Yuen Long, New Territories at a consideration of HK$82.8 million, details of which were set out in the Company's announcement dated 14 June 2012. Such disposal had been completed on 25 October 2012; and

(ii) On 20 July 2012, the Group entered into a provisional sale and purchase agreement to dispose of an investment property located at Shatin, New Territories at a consideration of HK$50.3 million, details of which were set out in the Company's announcement dated 23 July 2012. Such disposal had been completed on 30 November 2012.

Following the partial disposal of shops in Grandeur Terrace, the Group has been vigorously looking for investment opportunities in retail premises with an aim to further strengthening the overall rental income stream. As part of the regular review of its investment property portfolio, the Group will continue to optimise its tenant mix and achieve positive rental adjustments. On 20 November 2012, the Group successfully won the tender of Riviera Plaza, a shopping mall located in Tsuen Wan at a consideration of HK$508 million, details of which were set out in the Company's announcement dated 20 November 2012. The transaction will be completed by 2 July 2013. The Group is now setting out renovation and enhancement plan for the mall after handover from the vendor. The mall will be held as long term investment property and expected to strengthen the rental income stream of the Group.

Management and Sub-licensing of Chinese Wet Markets

For the year ended 31 March 2013, revenue recorded for this segment amounted to approximately HK$237.4 million (2012: approximately HK$230.7 million), representing an increase of approximately HK$6.7 million over last year. The improvement was mainly attributable to the increased licensing income arising from the renewal of license agreements with stall operators of the wet markets.

During the year, the Group managed a portfolio of approximately 960 stalls in 15 "Allmart" brand of Chinese wet markets in Hong Kong with a total gross floor area of over 350,000 square feet. On 28 February 2013, the licence for the Chinese wet market at Hau Tak Estate had expired and was returned to the landlord. In the People's Republic of China (the "**PRC**"), the Group managed a portfolio of approximately 1,100 stalls in 17 Chinese wet markets with a total gross floor area of over 283,000 square feet under "Huimin" brand in various districts of Shenzhen, Guangdong Province.

Since the first launch of "Allmart Club" membership in our managed Chinese wet market in Kai Tin, Lam Tin in October 2011, the Group has further extended this membership program to Choi Ming Estate in Tseung Kwan O, Tin Chak Estate in Tin Shui Wai, Fu Tung Estate in Tung Chung and Chung On Estate in Ma On Shan. The introduction of such membership program has not only improved the traffic flow of

the shoppers but also enhanced the overall business atmosphere of the Group's managed Chinese wet markets. As of today, over 11,000 members have been recruited for these five Chinese wet markets.

The introduction of "One Dollar Rental Scheme" has attracted tremendous enquires from the public. After studying ideas submitted by the public and interviewing the entrepreneurs, the Group has provided stall spaces for selected entrepreneurs to start up their businesses of fortune teller, retail of unique hand-made leather products, sale of antique products, etc. in our various managed Chinese wet markets. We believe that this provides an excellent opportunity for them to establish their businesses at a very minimal start-up capital. Besides, this new element can further upgrade the image of our managed Chinese wet markets.

The operation of Chinese wet markets has contributed stable stream of income for the Group. With our expertise and reputation developed in the wet market operations, the Group will actively pursue business opportunities in this segment both in Hong Kong and the PRC.

Investment in Pharmaceutical and Health Products Related Business

The Group's original 25% interest in Wai Yuen Tong Medicine Holdings Limited ("**WYTH**"), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") was diluted after WYTH's top up placing and subscription completed on 11 December 2012 and new issue placing completed on 7 January 2013. Following a series of on-market acquisition of 220 million shares of WYTH by the Group at an aggregate purchase price of approximately HK$43.9 million conducted between 21 January 2013 and 1 February 2013, and the subsequent placing of new shares by WYTH on 8 March 2013, the Group's equity interest in WYTH as at 31 March 2013 has become 24.87%.

For the year ended 31 March 2013, WYTH achieved a turnover of approximately HK$808.5 million (2012: approximately HK$752.1 million) and profit attributable to equity holders of approximately HK$148.4 million (2012: loss of approximately HK$220.8 million). The improvement in its results was mainly contributed by the gain on changes in fair value of investment properties, net realised and unrealised gain on held-for-trading investments and no impairment losses was recognised for the investment in an associate. The Group's share of profit of WYTH for the year ended 31 March 2013 amounted to approximately HK$179.4 million (2012: approximately HK$295.7 million) which comprised share of results of WYTH and a gain on bargain purchase generated from acquisition of additional interests in WYTH by the Group.

In light of the ever growing awareness of health and the strong demand for traditional Chinese medicines from both local and the PRC customers, the Group foresees that the business of WYTH will grow steadily in the coming years and expects that the investment will provide long term value to the Group.

Investment in and Loan Facilities Granted to PNG Resources Holdings Limited ("**PNG**")

PNG, a company listed on the main board of the Stock Exchange, is principally engaged in property development in the PRC, forestry and logging operations in Papua New Guinea and retailing of fresh pork meat and related produce in Hong Kong. During the year, the Group acquired 14.95% equity interest in PNG from an indirect wholly-owned subsidiary of WYTH at an aggregate consideration of HK$110.4 million, details of which were disclosed in the joint announcement published by the Company and WYTH on 22 November 2012. As at 31 March 2013, the Group held an aggregate of approximately 15.47% equity interest in PNG. The Group is optimistic about the prospects of PNG, especially with its property development projects in the PRC and it is expected that the investment in PNG will generate good return to the shareholders of the Group.

As at the date of this annual report, PNG is also indebted to the Group an aggregate outstanding principal amount of approximately HK$185.3 million at an interest rate of 8.0% per annum which will provide a higher return of interest income to the Group.

Loan Facility Granted to China Agri-Products Exchange Limited ("**China Agri-Products**")

During the year, the Group entered into a loan agreement dated 16 July 2012 (as amended by a supplemental agreement dated 31 July 2012) with China Agri-Products, pursuant to which, the Group agreed to grant to China Agri-Products a secured loan facility (the "**CAP Loan**") of a maximum of HK$670 million at an interest rate of 10.0% per annum which is repayable on or before 30 September 2014, details of which were disclosed in the Company's announcements dated 16 July 2012 and 31 July 2012 and the CAP Loan was approved by the shareholders of the Company at the special general meeting held on 20 August 2012. As at the end of the reporting period, the CAP Loan has been fully drawn down and China Agri-Products is indebted to the Group in an aggregate outstanding principal amount of HK$670 million. The Group considers that the CAP Loan can generate a higher and stable interest income to the Group.

Liquidity and Financial Resources

As at 31 March 2013, the Group's total assets less current liabilities were approximately HK$4,930.4 million (2012: approximately HK$3,793.2 million) and the current ratio changed from approximately 3.6 times as at 31 March 2012 to approximately 2.4 times as at 31 March 2013.

As at 31 March 2013, the Group had cash resources and short-term investments of approximately HK$808.1 million (2012: approximately HK$677.5 million). Aggregate borrowings as at 31 March 2013 amounted to approximately HK$1,629.8 million (2012: approximately HK$1,019.7 million). The gearing ratio was approximately 24.6% (2012: approximately 14.6%), calculated by reference to the Group's total borrowings net of cash and cash equivalents and the equity attributable to owners of the parent. As at 31 March 2013, the Group's investment properties, properties under development and properties held for sale, with carrying value of approximately HK$637.8 million, HK$1,834.3 million and HK$166.2 million (2012: approximately HK$687.3 million, HK$1,234.1 million and HK$363.4 million) were pledged to secure the Group's general banking facilities utilised for approximately HK$381.1 million, HK$1,155.1 million and HK$178.4 million (2012: approximately HK$378.0 million, HK$608.6 million and HK$202.0 million, respectively. The Group's capital commitment as at 31 March 2013 amounted to approximately HK$698.3 million (2012: approximately HK$128.4 million). The Group had no significant contingent liabilities as at the end of the reporting period.

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

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 activities.

Employees and Remuneration Policies

At the end of the reporting period, the Group had 202 (2012: 234) employees, of whom approximately 87.6% (2012: approximately 87.9%) 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 global economy has remained uncertain and challenging. Exceptionally low interest rates, strong demand from investors, expected inflation have been the major driving forces behind the soaring property market in Hong Kong during 2012. In response to the heated market, in October 2012, the Hong Kong Government introduced further cooling measures to curb buying activities in property market, including increasing the special stamp duty rate and extending its restriction period, as well as introducing the buyer's stamp duty. Although overall transaction volume dropped in the next two months, yet prices remained resilient and the market soon regained momentum. Later in February 2013, further measures like doubling the rates of ad valorem stamp duty and chargeability on agreement for sale and purchase for both residential and non-residential properties were also introduced. Further, the Hong Kong Monetary Authority had also issued directives to financial institutions imposing stricter requirements for mortgage financing. The vigorous measures in force have inevitably slowed down transaction activities in the property market of Hong Kong during the past few months.

With Japan's roll out of her aggressive monetary easing program recently, money supply has remained adequate across the world economy. Although the United States has just announced that the Federal Reserve may begin to pull back its stimulus program through the end of this year if the economy is strong enough, there is also no obvious indication that other countries may withdraw their credit easing policies in the near future. With no dramatic change in the fundamentals of the external economic environment, it is anticipated that land supply in the short to medium term by the Hong Kong Government would increase steadily, whilst local political disputes and policies in the PRC are also important influencing factors affecting the property market of Hong Kong. The Group will stay attuned to the market, actively explore favourable opportunities and take prompt actions when necessary. The Group will adopt a proactive yet prudent approach in developing our businesses.

Finally, as a major operator in Chinese wet markets in Hong Kong, the Group will continue to leverage its expertise and experience and make every effort to increase its market share and improve the operation environment by constantly optimising its stall operator mix and introducing new elements to its managed Chinese wet markets. The Group will also actively look for development opportunities in this business in other regions like the PRC.

Board of Directors

Executive Directors

Mr. Tang Ching Ho, *JP,* aged 51, is a co-founder of the Group (which was established in 1987), and the Chairman of the Company since November 1993. He is also an authorised representative, a member of the remuneration committee, the nomination committee, the investment committee and the executive 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 WYTH. Mr. Tang is the committee member of the 12th National Committee of the Chinese People's Political Consultative Conference and is also appointed as a standing committee member and convener of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and the president of Federation of Hong Kong Guangxi Community Organisations Limited 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. The salary of Mr. Tang will be increased from HK$389,340 per month to HK$1 million per month with effect from 1 July 2013. In addition, commencing from the year ended 31 March 2013, Mr. Tang is entitled to a year-end bonus per annum on the basis of one-month salary at the discretion of the Board and a yearly performance bonus on the basis of 3% of the audited consolidated net profit after taxation of the Group.

Ms. Yau Yuk Yin, aged 51, is a co-founder of the Group and the Deputy Chairman of the Company since November 1993. She is also a member of the remuneration committee, the nomination committee and the executive committee of the Company. Ms. Yau is responsible for the overall human resources and administration of the Group. She has over 20 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 49, 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 an authorised representative and a member of the remuneration committee, the nomination committee, the investment committee and the executive 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, the chairman of 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 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 73, joined the Group in November 1993 as an Independent Non-executive Director. He is a member of the remuneration committee and the chairman of the 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, ITE (Holdings) Limited and Playmates Holdings Limited, all of which are companies listed on the Stock Exchange. He resigned as an independent non-executive director of Sam Woo Holdings Limited (now known as Noble Century Investment Holdings Limited), VXL Capital Limited and Giordano International Limited on 29 April 2011, 28 September 2012 and 14 June 2013, respectively.

Mr. Wong Chun, Justein, *BBS, MBE, JP,* aged 59, joined the Group in November 1993 as an Independent Non-executive Director. He is a member of the audit committee and the 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. He is ex-official member of New Territories Heung Yee Kuk and is currently a member of Joint Committee of Student Finance, a member of Council on Professional Conduct in Education and a member of other government advisory bodies.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.,* aged 66, joined the Group in November 1993 as an Independent Non-executive Director. He is the chairman of the audit committee of the Company and a member of the nomination committee and the 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 48, joined the Group in September 2004 as an Independent Non-executive Director. He is a member of the audit committee, the nomination committee, the remuneration committee and the investment committee of the Company. Mr. Siu holds a Bachelor degree in Accountancy from The City University of Hong Kong. Mr. Siu is a Certified Public Accountant (Practising) and a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Siu has over 23 years of working experience in auditing, accounting, company secretarial and corporate finance. He is currently an executive director of Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) and an independent non-executive director of China New Economy Fund Limited, both companies are listed on the main board of the Stock Exchange. Mr. Siu was also appointed as an independent non-executive director of Oriental Unicom Agricultural Group Limited, a company listed on the GEM board of the Stock Exchange, on 24 May 2013.

Senior Management

Mr. Yeung Yiu Man joined the Group in March 2011 as the Head of projects, executive director of the Group's cost control division. Mr. Yeung holds a Master degree in Management from the Hong Kong Polytechnic University. He is a member of the Chartered Institute of Building and the Royal Institute of Chartered Surveyors. He possesses a wide spectrum of experience in property industry and has been active in property developments for more than 27 years. Prior to joining the Group, Mr. Yeung had been working for a major Hong Kong listed property developer for 11 years with comprehensive experience in project management, tender procurement and cost control.

Mr. Wong Ngar Ming joined the Group in June 2004 as the General Manager of the Group's commercial management division. He is currently the member of Hong Kong Institute of Housing and Registered Professional Housing Manager. Prior to joining the Group, he had over 20 years of experience in housing management and sales and marketing of the property industry in one of the Hong Kong leading management companies.

Mr. Chan Sai Yan joined the Group in November 2012 as the Financial Controller of the Group. Mr. Chan holds a Bachelor degree in Accountancy from The Hong Kong Polytechnic University, a Master degree in Business Administration and a Master of Arts degree in Philosophy from the Chinese University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of The Taxation Institute of Hong Kong and a Certified Tax Advisor (Hong Kong). He has over 16 years of experience in professional accounting and financial management. Prior to joining the Group, he has worked in several Hong Kong listed companies and served senior executive roles in finance and company secretarial functions.

Ms. Ching Tak Won, Teresa joined the Group in September 2008 and is the Acting Assistant General Manager of the Group's property development division. She holds a Bachelor degree in Business Administration from Hong Kong University of Science and Technology. She has more than 9 years of experience in sales and marketing of property industry.

Ms. Mak Yuen Ming, Anita, joined the Group in March 2007 and is the Company Secretary of the Company. Ms. Mak is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and holds a Master degree in Business Administration from University of Lincolnshire and Humberside. Ms. Mak has over 18 years of experience in company secretarial field. Prior to joining the Group, she served in a few Hong Kong listed groups.

Corporate Governance Practices

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

The Company has taken steps to apply the principles and comply with the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Board has reviewed periodically the compliance of the CG Code and is in the view that throughout the year ended 31 March 2013, the Company has complied with the code provisions of the CG Code.

Code for Securities Transactions by Directors and Relevant Employees

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 confirmed, following a specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year under review.

To comply with code provision A.6.4 of the CG Code, the Company also adopted a code of conduct on terms no less exacting than the Model Code for relevant employees of the Company or any of its subsidiaries who are considered likely to be in possession of unpublished inside information in relation to the securities of the Group. To the best knowledge and belief of the Directors, all relevant employees have complied with the required standard of such code.

Business Model and Strategy

The Group is principally engaged in the businesses of property development, property investment and management of Chinese wet markets, and has managed to maintain a steady business development. The Group's strategy for generating and preserving shareholder's value in the long run is to invest prudently in projects and opportunities which maximise return to the shareholders. With respect to property development, the Group actively explores opportunities and increases its land portfolio which forms the basis for generating gain in the property development. To cope with the varying and uncertain market conditions, the Group mainly focuses on projects with shorter development cycle in order to provide greater turnover cycle, flexibility and reduction of business risk. On the other hand, the Group continues to maintain a balanced portfolio of property investments, regularly review its tenant mix, with an aim to maximise rental yield and secure a stable stream of income to support the recurring operations of the Group. Management of Chinese wet markets provides another stable source of income stream to the Group, the Group continues to devote resources to enhance the facilities and image of existing market to increase rental yield. Overall, the Group adopts a proactive and prudent approach in developing its business.

In short-term, the Group continuously reviews and updates its strategies to provide better clarity on direction and business models. The Group takes active and prompt measures to meet market changes through adjustment of business strategy and control over costs. Further, the Group strives to maintain a healthy financing structure and devotes effort to securing banking facilities which is regarded as an important element for supporting continuous business development of the Group.

The Board

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

Executive Directors

Mr. Tang Ching Ho, *JP* *(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, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

The biographical details of the Directors are set out on pages 20 to 21 of this annual report.

The Board has four INEDs, representing more than one-third of the Board. The Board possesses a mix and balance of skills and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the INEDs in Board meetings facilitate the maintenance of good corporate governance practices. At least one of the INEDs 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 ensures a strong independent element on the Board, which allows for an independent and objective decision making process for the best interests of the Company and its shareholders. The Company will review the composition of the Board from time to time to ensure that the Board possesses the appropriate and necessary expertise, skills, diversity of perspective and experience to meet the needs of the Group's business and to enhance the shareholders' value.

All INEDs are appointed with specific term of not more than three years and all Directors are appointed with letters of appointment who are 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 (the "**Bye-laws**").

All INEDs are free from any daily 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 continues to consider the four INEDs to be independent.

The Board is accountable to stakeholders for the activities and performance of the Group and its primary functions are, among others, to formulate corporate and financial policies and overall business strategy for the Group and to provide effective oversight of the management of the Group's business 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 various committees established by the Board, with respective functions set out in its terms of reference.

Regular Board meetings are held at least four times a year to approve, among others, annual and interim results and to review the business operations, the effectiveness of internal control systems and corporate governance function of the Group. Apart from these regular meetings, Board meetings are also held, as and when necessary, to consider other major issues. At least 14 days notice for each regular meeting is given to all Directors. All such 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. Apart from the regular board meetings, the chairman also met with the INEDs without the presence of executive Directors during the year.

The Company has arranged for appropriate directors and officers liability insurance to indemnify its Directors against liabilities arising out of legal action on corporate activities. Such insurance coverage is reviewed and renewed on an annual basis.

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 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.

Board Committees

The Board has established various committees, including the executive committee (the "**Executive Committee**"), audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**"), nomination committee (the "**Nomination Committee**") and investment committee (the "**Investment Committee**"), each of which has the specific written terms of reference that will be reviewed and updated periodically or where necessary. Copies of minutes of all meetings and resolutions of the committees are kept by the company secretary and are 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.

Executive Committee

The Executive Committee was established in 2005 with specific written terms of reference with authority delegated by the Board and is responsible for general management and control of activities of the Group, formulating the business strategies for the Board's adoption, implementation of various policies, monitoring the daily operation and performance of the Group. The Executive Committee comprises three members, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas and Mr. Tang Ching Ho takes the chair of the Executive Committee.

Audit Committee

The Audit Committee was established in December 1999 with specific written terms of reference stipulating its authorities and duties in compliance with Rule 3.21 of the Listing Rules, which are available on the websites of the Company and HKExnews. Currently, the Audit Committee 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 others, to assist the Board to review the financial reporting, including interim and final results, to supervise over the Group's internal controls, risk management and 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 code provision of the CG Code (as amended from time to time). Its terms of reference were reviewed and updated in March 2012 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.

During the year under review, the Audit Committee met twice times with the Group senior management and the external auditors to discuss and review, among others, the following matters:

(a) the interim results for the six-month ended 30 September 2012 and the annual results for the year ended 31 March 2013 to ensure the full, complete and accurate disclosure in the aforesaid financial statements pursuant to the accounting standards and other legal requirement for presenting the same to the Board for approval;

(b) the term and remuneration for the appointment of external auditors to perform audit services, other special corporate projects and review the overall significant control system;

(c) the independence of the external auditors especially for those non-audit services;

(d) the overall effectiveness of internal controls; and

(e) the adequacy of resources, qualifications and experience of staff and the accounting and financial reporting matters.

Remuneration Committee

The Board established the Remuneration Committee in September 2005 with specific written terms of reference, as revised from time to time, stipulating its authorities and duties, which are available on the websites of the Company and HKExnews. 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 roles and functions of the Remuneration Committee are as follows:

(a) to make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy;

(b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including, but not limited to, benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment;

(d) to make recommendations to the Board on the remuneration of non-executive directors;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(f) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and

(g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

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.

During the year under review, the Remuneration Committee held one meeting. It reviewed the existing remuneration policies by reference with the market research, communicated with the chairman, managing Director and/or management and recommended amendments to the existing remuneration policies and performance-based bonus and approved the remuneration package and performance-based bonus paid to other Directors and senior management of the Company. No Director took part in any discussion about his own remuneration.

The Remuneration Committee has discharged or will continue to discharge its major roles to, among others, 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 the Directors and senior management including the recommendation to the amendments to the service agreement of Mr. Tang Ching Ho having taken into consideration of the performance of Mr. Tang and the Group, the remuneration package offered by comparable companies and time commitment.

Details of the Directors' remuneration are set out in note 8 to the financial statements. In addition, pursuant to the code provision B.1.5, the annual remuneration of other members of the senior management by bands for the year ended 31 March 2013 is set out below:

Remuneration bands	**Number of individual**
HK$500,000 or below	1
HK$500,001 to HK$1,000,000	2
HK$1,000,001 or above	2

Nomination Committee

The Nomination Committee has been established since September 2005 with specific written terms of reference, as revised from time to time, stipulating its authorities and duties, which are available on the websites of the Company and HKExnews stipulating its authorities and duties. 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 role and function of the Nomination Committee are as follows:

(a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(c) to assess the independence of INEDs ;

(d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;

(e) where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent; and

(f) the chairman or another member of the Committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the Committee's activities and responsibilities.

The Nomination 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.

During the year under review, the Nomination Committee held one meeting, in which it determined the criteria and procedures for nomination of independent non-executive Director, reviewed the structure, size and composition of the Board taking into consideration the amendments to the Listing Rules in 2012. The Nomination Committee also recommended the re-election of all the retiring Directors, namely Mr. Chan Chun Hong, Thomas, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, at the forthcoming annual general meeting.

In June 2013, the Board has reviewed and amended the terms of reference of the Nomination Committee for the inclusion of the diversity of perspective, says, age, gender, ethnicity and culture, in consideration of the composition of the Board, so as to enhance the effectiveness of the Board and promote the development of higher corporate governance. The revised terms of reference of the Nomination Committee are made available on the websites of the Company and HKExnews.

Corporate Governance Function

The Board has undertaken and adopted the responsibility for performing the corporate governance duties pursuant to the CG Code and is committed to ensuring that an effective governance structure is in place to continuously review, monitor and improve the corporate governance practices within the Group with regard to the prevailing legal and regulatory requirements.

During the year, the Board has reviewed various policies and practices on the Group's corporate governance, developing a code of conduct applicable to the Directors and employees, monitoring the Company's legal and regulatory compliance and training and continuing professional development of Directors and reviewing the Company's compliance with the CG Code and the disclosure in this annual report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

Investment Committee

The Investment Committee was established in June 2012 with specific terms of reference for purposes of effectively determining the investment strategy and plan, monitoring the risk factors, execution of investment strategy and adjusting the investment strategy. The Investment Committee comprises three members, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Kam Chau. The Investment Committee is chaired by Mr. Tang Ching Ho.

Attendance of Directors at various meetings

Details of the attendance of individual Directors at Board meetings, committee meetings and shareholder meetings held during the year ended 31 March 2013 are as follows:

	Number of meetings attended/held						
Name of directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Investment Committee**	**Annual general meeting**	**Special general meetings**
Mr. Tang Ching Ho	4/4	N/A	1/1	1/1	1/1	1/1	0/2
Ms. Yau Yuk Yin	4/4	N/A	1/1	1/1	N/A	1/1	2/2
Mr. Chan Chun Hong, Thomas	4/4	N/A	1/1	1/1	1/1	1/1	0/2
Dr. Lee Peng Fei, Allen	3/4	N/A	0/1	0/1	N/A	1/1	0/2
Mr. Wong Chun, Justein	4/4	2/2	1/1	1/1	N/A	1/1	0/2
Mr. Siu Yim Kwan, Sidney	4/4	2/2	1/1	1/1	N/A	1/1	0/2
Mr. Siu Kam Chau	4/4	2/2	1/1	1/1	1/1	1/1	0/2

External Auditors' Remuneration

The remuneration paid/payable to the Company's external auditors, Ernst & Young, for the year ended 31 March 2013, which has been reviewed and approved by the Audit Committee, is set out as follows:

Services rendered for the Group	**Fees paid/ payable to Ernst & Young** HK$'000
Audit services	
— annual financial statements	2,250
Non-audit services:	
— high-level review of interim financial statements	220
— taxation services	1,059
— other professional services	680
Total:	4,209

Accountability and Audit

The Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, statutory requirements and other regulatory requirements. As at 31 March 2013, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

A statement by the auditors about their reporting responsibilities is set out on page 50 of this annual report. There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Internal Controls

The Board has undertaken the overall responsibility for maintaining sound and effective internal control systems to safeguard the Company's assets and shareholders' interests, as well as, with the Audit Committee, for reviewing the effectiveness of these systems. The business analysis department is delegated to ensuring and maintaining sound internal control functions by monitoring such internal control systems and procedures constantly so as to ensure that they can provide reasonable assurance against misstatement or loss and to manage risks of failure in the Group's operational systems. In addition, the Company will engage independent consultants to conduct review of the internal control system and risk management of the Group as and when necessary. The Board is responsible for approving and overall reviewing internal control policy while the responsibility of day-to-day management of operational risks 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 and fair accounting records and assist in the compliance with relevant rules and regulations. During the financial year ended 31 March 2013, the Board reviewed all material internal control, including financial, operational and compliance control and risk management function. It also reviewed with Audit Committee and the reports from business analysis department the effectiveness of the Group's internal control system, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and satisfied that they were effective and in compliance with our policies.

Continuous Professional Development

All Directors are encouraged to participate in continuous professional development so as to develop and refresh Directors' knowledge and skills and to ensure that their contribution to the Board remains informed and relevant. The company secretary of the Company regularly circulates details of training information which may be of interest to Directors.

The Company provides and circulates the Directors with monthly and regular updates relating to the Group's business, financial position and business environment, in which the Group operates. All Directors have complied with the code provisions in relation to continuous professional development which has involved various forms of activities including reading materials relevant to the Company's business, director's duties and responsibilities and so forth. Mr. Chan Chun Hong, Thomas, Dr. Lee Peng Fei, Allen and Mr. Siu Kam Chau also attended and/or gave presentation in seminars/forums.

The Company continuously updates Directors constantly on the latest developments regarding the Group's business, the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

All Directors have provided to the Company with their training records on a regular basis, and such records have been maintained by the Company for accurate and comprehensive record keeping.

Investor Relations and Communications with Shareholders

The Company aims at promoting and maintaining effective communications with shareholders and investors (both individuals and institutions) (collectively the "**Stakeholders**") to ensure that the Group's information is disseminated to Stakeholders in a timely manner and enable them to have a clear assessment of the enterprise performance. A shareholders communication policy has been adopted by the Company and the same is available on the website of the Company.

Disclosures in Corporate Website

Extensive information on the Group's activities and financial position will be disclosed in the annual reports, interim reports, announcements, circulars and other corporate communications which will be sent to shareholders and/or published on the websites of HKExnews (www.hkexnews.hk) and the Company (http://www.wangon.com). Other inside information is released by way of formal public announcements as required by the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

General Meeting with Shareholders

The Company also acknowledges that annual general meetings and various general meetings are valuable forums for the Board to communicate directly with the shareholders and members of the Board and the members of various committees are encouraged to attend and answer questions at such general meetings.

In order to let shareholders to make an informed decision at the general meetings, sufficient notices with not less than 10 clear business days for every general meeting and 20 clear business days for every annual general meeting were given to the shareholders of the Company pursuant to E.1.3 of the CG Code, the Bye-laws and any other applicable laws. The chairman will explain the detailed procedures for conducting a poll vote during the proceedings of meetings and answered questions raised by shareholders. All resolutions put to vote at general meetings are taken by poll and the poll results are posted on the websites of the Company and HKExnews immediately following the holding of the general meetings.

Investor Relations

The Group also has a proactive investor relations programme that keeps investors and shareholders abreast the Group's latest development and discloses relevant information to the public in a timely manner. During the year, we held various conferences with investors to introduce the business of the Group.

Shareholders' Rights Convening a Special General Meeting

Pursuant to Section 74 of the Bermuda Companies Act 1981 (the "**Companies Act**") and bye-law 58 of the Bye-laws, the Board whenever it thinks fit call special general meetings and shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary of the Company to require a special general meeting ("**SGM**") to be called by the Board. The written requisition (i) must state the purposes of the SGM, and (ii) must be signed by the requisitionists and deposited at the Company's principal place of business in Hong Kong for attention of the Board or the company secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such meeting shall be held within two (2) months after the deposit of such requisition.

Such requisitions will be verified by the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will inform the Board to convene a SGM by serving sufficient notice to all shareholders of the Company. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them may convene a SGM in accordance with the provisions of Section 74(3) of the Companies Act, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. A SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Companies Act, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the principal place of business in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong or the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Proposing a Person for Election as a Director

The procedures for proposing candidate(s) for election as director(s) at a general meeting are published in the "Corporate Governance" under section headed under "Corporate Profile" on the website of the Group at http://www.wangon.com.

Enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board in writing by email to pr@wangon.com or by addressing their enquiries, together with their contact details in the following manners:

In respect of the corporate affairs:
The Board/Company Secretary/PR Manager
Wang On Group Limited
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong
Telephone Number: (852) 2312-8288
Facsimile Number: (852) 2787-3526

In respect of the other shareholding/entitlement affairs:
Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong
Telephone Number: (852) 2810-8185
Facsimile Number: (852) 2980-1333

Whistleblowing Policy

The Company has adopted a whistleblowing policy to facilitate the achieving of high possible standards of openness, probity and accountability. Procedures are formulated to assist individual employees to disclose internally and at a high level, information which the individual believes that it shows malpractice or impropriety within the Group. Such policy is made available on the website of the Company.

Company Secretary

Ms. Mak Yuen Ming, Anita, who was appointed as a full-time company secretary of the Company, reports to the Board and is responsible for, inter alia, providing updated information to all Directors from time to time.

During the year ended 31 March 2013, Ms. Mak has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

Corporate Social Responsibility

The Group is conscious of its role as a socially responsible group of companies. It has made donations for community wellbeing from time to time, supports the communities and encourages its employees to participate in any charitable events and caring services.

Constitutional Document

Pursuant to a special resolution passed by the shareholders at the annual general meeting held on 21 August 2012 to approve the amendments to the Bye-laws to conform to the provisions of the amended Listing Rule and the Companies Amendment (No. 2) Act 2011 of Bermuda, which received assent and became operative on 18 December 2011, the amended and restated Bye-laws were adopted. Save as disclosed above, during the year ended 31 March 2013, there was no other change in the constitutional document.

The Memorandum of Association and the amended and restated Bye-laws are available on the websites of the Stock Exchange and the Company.

Conclusion

Going ahead, the Group will continue to review regularly its corporate governance practices to maintain high level of transparency, to enhance the Company's competitiveness and operating efficiency and to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

The Directors present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2013.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries and jointly-controlled entity comprise property development and property investment in Hong Kong and management and sub-licensing of Chinese wet markets in Hong Kong and Mainland China, details of which are set out in notes 19 and 21 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 2013 and the state of affairs of the Company and of the Group at that date are set out in the consolidated financial statements on pages 51 to 139.

The Group's revenue and net profit attributable to owners of the parent for the year ended 31 March 2013 amounted to approximately HK$761.5 million (2012: approximately HK$410.8 million) and approximately HK$409.5 million (2012: HK$395.2 million), respectively.

The Board has recommended the payment of a final divided of HK0.5 cents (2012: HK0.5 cents) per ordinary share for the year ended 31 March 2013 to shareholders whose names appear on the register of members of the Company on Friday, 30 August 2013. The final dividend will be paid on or around Wednesday, 11 September 2013, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Thursday, 22 August 2013. Together with the interim dividend of HK0.15 cents (2012: HK0.15 cents), the total dividend for the year ended 31 March 2013 will be HK0.65 cents (2012: HK0.65 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 pages 141 to 142 of this annual report. This summary does not form part of the audited consolidated financial statements.

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

Details of movements in the property, plant and equipment, the investment properties and properties under development of the Group during the year are set out in notes 15, 16 and 17 to the financial statements, respectively.

Share Capital and Share Option Scheme

Details of movements in the Company's share capital and share option scheme during the year, together with the reasons therefore, 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 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 its existing shareholders.

Purchase, Sale or Redemption of Listed Securities

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 2013.

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 2013, the Company's reserves available for distribution to equity holders of the parent, calculated in accordance with the Companies Act, amounted to approximately HK$793,866,000 (2012: approximately HK$782,814,000), of which approximately HK$32,625,000 has been proposed as a final dividend for the year ended 31 March 2013. In addition, the Company's share premium account, in the amount of approximately HK$1,462,363,000 (2012: approximately HK$1,462,363,000), may be distributed in the form of fully paid bonus shares.

Major Customers and Suppliers

For the year ended 31 March 2013, sales to the Group's five largest customers accounted for less than 22% (2012: 34%) of the total sales for the year and the sales to the largest customer included therein accounted for 5%. Purchases from the Group's five largest suppliers accounted for 95% (2012: 45%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 66%.

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

Executive Directors

Mr. Tang Ching Ho, *JP*
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, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

In accordance with bye-law 87 of the Bye-laws, Mr. Chan Chun Hong, Thomas, Mr. Wong Chun, Justein 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 20 to 22 of this annual report.

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 2013, 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 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 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 of the Company:

Name of Director	Number of shares held, capacity and nature of interest					Approximate percentage of the Company's total issued share capital
	Personal interest	Family interest	Corporate interest	Other interest	Total	(Note g) %
Mr. Tang Ching Ho	9,342,113	9,342,100 (Note a)	34,172,220 (Note b)	1,663,309,609 (Note c)	1,716,166,042	26.30
Ms. Yau Yuk Yin	9,342,100	43,514,333 (Note d)	–	1,663,309,609 (Note e)	1,716,166,042	26.30

(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	Approximate percentage of the Company's total issued share capital (Note g) %
Mr. Chan Chun Hong, Thomas	8.1.2009	0.3893	180,295	8.1.2010 to 7.1.2019	180,295	0.003

Notes:

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

(b) Mr. Tang was taken to be interested in these 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 these 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 these shares in which her spouse, Mr. Tang, was interested.

(e) Ms. Yau was taken to be interested in these shares by virtue of being a beneficiary of the 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 8 January 2010 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 2013 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2013, 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 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, or underlying 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 "**2002 Scheme**") for the primary purpose of providing incentives to eligible participants who contribute to the success of the Group. During the year under review, no share option was granted, exercised and cancelled, and 9,031,799 share options lapsed under the 2002 Scheme. The 2002 Scheme expired at the close of business on 2 May 2012, no further share option will be granted under it but the share options granted prior to such expiry will continue to be valid and exercisable during the prescribed exercisable period in accordance with the 2002 Scheme.

Details of the movements of the share options under the 2002 Scheme during the year ended 31 March 2013 were as follows:

Name or Category	Date of grant	Number of share options: Outstanding as at 1 April 2012	Granted during the year	Exercised during the year	Lapsed/or cancelled during the year	Outstanding as at 31 March 2013	Exercise period of share options	Exercise price per share HK$
Directors								
Mr. Chan Chun Hong, Thomas	2-1-2008	90,146	–	–	(90,146)	–	2/1/2009–1/1/2013*	2.4082
	8-1-2009	180,295	–	–	–	180,295	8/1/2010 – 7/1/2019*	0.3893
		270,441	–	–	(90,146)	180,295		
Other employees	1-3-2007	20,386,954	–	–	(5,824,846)	14,562,108	1/3/2007 – 28/2/2017	2.0549
	2-1-2008	377,920	–	–	(377,920)	–	2/1/2009 – 1/1/2013*	2.4082
	8-1-2009	887,594	–	–	(201,101)	686,493	8/1/2010 – 7/1/2019*	0.3893
	12-5-2010	11,021,241	–	–	(2,537,786)	8,483,455	12/5/2011 – 11/5/2020*	0.2234
		32,673,709	–	–	(8,941,653)	23,732,056		
TOTAL		32,944,150	–	–	(9,031,799)	23,912,351		

Note:

* The options granted under the 2002 Scheme vest 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

The Company adopted a new share option scheme at the annual general meeting of the Company held on 21 August 2012 (the "**2012 Scheme**") for the primary purpose of providing incentives or rewards for the eligible persons for their contribution or potential contribution to the development and the growth of the Group. During the year under review, no share option was granted, exercised, lapsed or cancelled under the 2012 Scheme.

Under the 2012 Scheme, share options may be granted to any Director or proposed Director (whether executive or non-executive, including INEDs), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member 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 "**Participants**").

The 2012 Scheme became effective on 21 August 2012 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date. Under the 2012 Scheme, the Board may grant share options to the Participants to subscribe for shares of the Company for a consideration of HK$1.00 for each lot of share options granted which must be accepted within 30 days from the date offer. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Pursuant to the 2012 Scheme, the maximum number of share options that may be granted under the 2012 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 2012 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 2012 Scheme limit or as refreshed from time to time.

The maximum number of shares issuable under share options to each Participant (except for a substantial shareholder or an INED or any of their respective associates) under the 2012 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 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 INEDs (excluding any INED who is the grantee of the option). Where any grant of share options to a substantial shareholder or an INED (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 2012 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 INED (or any of their respective associates) is also required to be approved by shareholders.

The exercise price must be at least the higher of (i) the official closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange on the offer date which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company.

At the end of the reporting period, the Company had 23,912,351 share options outstanding under the 2002 Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 23,912,351 additional ordinary shares of the Company and additional share capital of approximately HK$239,123.51 and share premium of HK$31,917,196.63 (before issue expenses).

As at the date of this annual report, the Company had 23,912,351 share options outstanding under the 2002 Scheme, which represented approximately 0.4% of the Company's shares in issue as at that date.

As at the date of this annual report, the total number of shares available for issue under the 2012 Scheme is 652,493,502 shares, representing 10% of the issued share capital of the Company, and there was no share option outstanding under the 2012 Scheme.

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 2002 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 2013, 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 and the Stock Exchange 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 4)
Accord Power Limited (Note 1)	Beneficial owner	1,663,309,609	25.49
Fiducia Suisse SA (Note 1)	Interest of controlled corporation	1,663,309,609	25.49
David Henry Christopher Hill (Note 2)	Interest of controlled corporation	1,663,309,609	25.49
Rebecca Ann Hill (Note 3)	Family interest	1,663,309,609	25.49

Notes:

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

(2) Mr. David Henry Christopher Hill owned 100% interest in the issued share capital of Fiducia Suisse SA and was therefore taken to be interested in the shares in which Fiducia Suisse SA was interested.

(3) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the shares in which Mr. David Henry Christopher Hill was interested.

(4) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2013 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2013, no persons had registered any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Disclosures Pursuant to Rule 13.20 of the Listing Rules

Pursuant to a loan agreement dated 16 July 2012 entered into between True Noble Limited ("**True Noble**"), an indirectly wholly-owned subsidiary of the Company, and China Agri-Products (as supplemented on 31 July 2012) and with the approval by the shareholders of the Company at a special general meeting held on 20 August 2012, True Noble agreed to provide a secured loan facility of HK$670 million to China Agri-Products for a period up to 30 September 2014 at an interest rate of 10% per annum (the "**Loan Facility**"). The Loan Facility is secured by share charges over equity interests of certain subsidiaries of China Agri-Products (the "**Relevant Subsidiaries**") and floating charges over assets of the Relevant Subsidiaries and a loan assignment by way of a charge executed by China Agri-Products over the loans owed or to be owed by the Relevant Subsidiaries to China Agri-Products. Further details of the Loan Facility were disclosed in the Company's announcements dated 16 July 2012 and 31 July 2012 and the Company's circular dated 3 August 2012.

The Group has advanced an aggregate of HK$670 million to China Agri-Products under the Loan Facility which remained outstanding as at the end of the reporting period.

Donations

During the year, the Group made charitable and other donations totaling approximately HK$3.2 million (2012: approximately HK$5.9 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 in the interest of the Company and its shareholders as a whole.

In the opinion of the Directors, the Company has complied with the code provisions under the CG Code contained in Appendix 14 to the Listing Rules throughout the financial year under review. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 24 to 34 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 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 2013 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 of the Company, and is chaired by Mr. Siu Yim Kwan, Sidney.

Events After the Reporting Period

Details of significant events after the reporting period of the Group are set out in note 44 to the financial statements.

Auditors

The consolidated financial statements for the year ended 31 March 2013 have been audited by Messrs. Ernst & Young, who 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, 21 June 2013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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 51 to 139, which comprise the consolidated and company statements of financial position as at 31 March 2013, 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 2013, 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
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

21 June 2013

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	5	**761,462**	410,785
Cost of sales		**(385,027)**	(246,772)
Gross profit		**376,435**	164,013
Other income and gains	5	**85,580**	74,253
Selling and distribution expenses		**(40,716)**	(12,101)
Administrative expenses		**(100,622)**	(87,350)
Other expenses		**(145,713)**	(63,072)
Finance costs	7	**(11,228)**	(10,909)
Fair value losses of financial assets at fair value through profit or loss, net		**(383)**	(51,612)
Fair value gains on investment properties, net	16	**108,360**	115,612
Share of profits and losses of an associate		**179,379**	295,704
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	**451,092**	424,538
Income tax expense	10	**(41,558)**	(31,051)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**409,534**	393,487
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	12	**–**	1,809
PROFIT FOR THE YEAR		**409,534**	395,296
OTHER COMPREHENSIVE INCOME			
Changes in fair value of available-for-sale investments		**205,890**	–
Other reserves:			
Release upon deemed partial disposals of an associate		**(1,085)**	–
Share of other comprehensive income of an associate		**984**	1,212
		(101)	1,212

Consolidated Statement of Comprehensive Income

Year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
Exchange differences on translation of foreign operations		**3,574**	3,433
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**209,363**	4,645
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**618,897**	399,941
Profit attributable to:			
Owners of the parent	11	**409,536**	395,228
Non-controlling interests		**(2)**	68
		409,534	395,296
Total comprehensive income attributable to:			
Owners of the parent		**618,899**	399,873
Non-controlling interests		**(2)**	68
		618,897	399,941
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14		
For the year			
Basic and diluted		**HK6.28 cents**	HK6.06 cents
From continuing operations			
Basic and diluted		**HK6.28 cents**	HK6.03 cents

Details of dividends are disclosed in note 13 to the financial statements.

	Notes	**31 March 2013 HK$'000**	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	15	**5,570**	8,477	14,354
Investment properties	16	**757,017**	797,442	724,889
Properties under development	17	**1,249,162**	1,264,114	824,711
Goodwill	18	**1,376**	1,376	1,376
Investment in an associate	20	**480,327**	361,968	–
Held-to-maturity investments		**–**	–	19,861
Other intangible asset		**–**	–	6,060
Available-for-sale investments	22	**334,529**	–	36,321
Loans and interests receivable	25	**881,054**	255,805	316,370
Deposits paid	26	**117,916**	15,072	76,984
Deferred tax assets	33	**817**	570	178
Total non-current assets		**3,827,768**	2,704,824	2,021,104
CURRENT ASSETS				
Properties under development	17	**585,118**	–	–
Properties held for sale	23	**167,346**	364,514	400,609
Trade receivables	24	**4,652**	5,649	8,278
Loans and interests receivable	25	**35,139**	410,395	23,006
Prepayments, deposits and other receivables	26	**288,072**	50,685	22,081
Held-to-maturity investments		**–**	–	8,482
Financial assets at fair value through profit or loss	27	**55,989**	75,446	108,896
Tax recoverable		**1,024**	2,454	4,078
Time deposits with original maturity over three months	28	**–**	20,000	–
Pledged deposits	28	**500**	–	–
Cash and cash equivalents	28	**752,151**	582,095	1,042,600
Total current assets		**1,889,991**	1,511,238	1,618,030
CURRENT LIABILITIES				
Trade payables	29	**38,473**	22,687	12,951
Other payables and accruals	30	**49,286**	31,177	29,920
Deposits received and receipts in advance		**370,227**	109,731	75,269
Interest-bearing bank loans	31	**284,122**	229,483	239,924
Provisions for onerous contracts	32	**880**	770	240
Tax payable		**44,322**	28,989	17,048
Total current liabilities		**787,310**	422,837	375,352
NET CURRENT ASSETS		**1,102,681**	1,088,401	1,242,678

Consolidated Statement of Financial Position

31 March 2013

	Notes	**31 March 2013 HK$'000**	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,930,449**	3,793,225	3,263,782
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	31	**1,345,697**	790,171	631,774
Provisions for onerous contracts	32	**2,369**	2,687	840
Deferred tax liabilities	33	**10,123**	8,972	4,305
Other payables	30	**4,264**	–	–
Total non-current liabilities		**1,362,453**	801,830	636,919
Net assets		**3,567,996**	2,991,395	2,626,863
EQUITY				
Equity attributable to owners of the parent				
Issued capital	34	**65,249**	65,249	65,249
Reserves	36(a)	**3,502,282**	2,925,679	2,561,020
		3,567,531	2,990,928	2,626,269
Non-controlling interests		**465**	467	594
Total equity		**3,567,996**	2,991,395	2,626,863

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

	Notes	Attributable to owners of the parent										
		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 reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2011												
As previously reported		65,249	1,462,363	306,353	–	8,057	8,803	2,106	747,442	2,600,373	594	2,600,967
Prior year adjustments	2.2	–	–	–	–	–	–	–	25,896	25,896	–	25,896
As restated		65,249	1,462,363	306,353	–	8,057	8,803	2,106	773,338	2,626,269	594	2,626,863
Profit for the year (as restated)		–	–	–	–	–	–	–	395,228	395,228	68	395,296
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations		–	–	–	–	–	3,433	–	–	3,433	–	3,433
Share of other comprehensive income of an associate		–	–	–	–	–	–	1,212	–	1,212	–	1,212
Total comprehensive income for the year		–	–	–	–	–	3,433	1,212	395,228	399,873	68	399,941
Acquisition of a non-controlling interest		–	–	–	–	–	–	–	195	195	(195)	–
Equity-settled share option arrangements	35	–	–	–	–	478	–	–	–	478	–	478
Final 2011 dividend declared		–	–	–	–	–	–	–	(26,100)	(26,100)	–	(26,100)
Interim 2012 dividend	13	–	–	–	–	–	–	–	(9,787)	(9,787)	–	(9,787)
Transfer to statutory reserve		–	–	–	–	–	–	543	(543)	–	–	–
At 31 March 2012		65,249	1,462,363*	306,353*	–*	8,535*	12,236*	3,861*	1,132,331*	2,990,928	467	2,991,395

Consolidated Statement of Changes in Equity

Year ended 31 March 2013

	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 reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
		Attributable to owners of the parent										
At 1 April 2012												
As previously reported		65,249	1,462,363	306,353	–	8,535	12,236	3,861	1,089,874	2,948,471	467	2,948,938
Prior year adjustments	2.2	–	–	–	–	–	–	–	42,457	42,457	–	42,457
As restated		65,249	1,462,363	306,353	–	8,535	12,236	3,861	1,132,331	2,990,928	467	2,991,395
Profit for the year		–	–	–	–	–	–	–	409,536	409,536	(2)	409,534
Other comprehensive income for the year:												
Change in fair value of available-for-sale investments	22	–	–	–	205,890	–	–	–	–	205,890	–	205,890
Exchange differences on translation of foreign operations		–	–	–	–	–	3,574	–	–	3,574	–	3,574
Release upon deemed partial disposals of an associate		–	–	–	–	–	–	(1,085)	–	(1,085)	–	(1,085)
Share of other comprehensive income of an associate		–	–	–	–	–	–	984	–	984	–	984
Total comprehensive income for the year		–	–	–	205,890	–	3,574	(101)	409,536	618,899	(2)	618,897
Transfer of share option reserve upon the forfeiture or expiry of share options		–	–	–	–	(2,554)	–	–	2,554	–	–	–
Equity-settled share option arrangements	35	–	–	–	–	116	–	–	–	116	–	116
Final 2012 dividend declared	13	–	–	–	–	–	–	–	(32,625)	(32,625)	–	(32,625)
Interim 2013 dividend	13	–	–	–	–	–	–	–	(9,787)	(9,787)	–	(9,787)
Transfer to statutory reserve		–	–	–	–	–	–	309	(309)	–	–	–
At 31 March 2013		65,249	1,462,363*	306,353*	205,890*	6,097*	15,810*	4,069*	1,501,700*	3,567,531	465	3,567,996

* These reserve accounts comprise the consolidated reserves of HK$3,502,282,000 (2012: HK$2,925,679,000) in the consolidated statement of financial position.

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:			
From continuing operations		**451,092**	424,538
From discontinued operations	12	**–**	1,904
Adjustments for:			
Finance costs		**11,228**	10,909
Share of profits and losses of an associate		**(179,379)**	(295,704)
Loss on deemed partial disposals of an associate	6	**104,917**	–
Bank interest income and interest income from financial investments and loans receivable	5	**(66,830)**	(48,343)
Dividend income from listed securities	5	**(787)**	(2,061)
Loss on disposal of financial assets at fair value through profit or loss, net	6	**4,530**	18,733
Gain on disposal of held-to-maturity investments	5	**–**	(737)
Gain on disposal of investment properties, net	5	**(5,354)**	(7,207)
Gain on disposal and write-off of items of property, plant and equipment	5	**(14)**	(2,663)
Fair value gains on investment properties, net	16	**(108,360)**	(115,612)
Fair value losses on financial assets at fair value through profit or loss, net		**383**	51,612
Depreciation	15	**5,375**	5,937
Amortisation of other intangible asset	6	**–**	6,060
Amount provided/(utilised) for onerous contracts, net	6	**(208)**	2,377
Impairment of an available-for-sale investment	6	**–**	13,587
Write-down of properties under development to net realisable value, net	6	**36,049**	29,369
Write-back of impairment of trade receivables, net	6	**(7)**	(28)
Impairment of other receivables	6	**–**	1,411
Accrued rent-free rental income	16	**(438)**	(198)
Equity-settled share option expense	6	**116**	478
		252,313	94,362
Decrease in properties held for sale		**197,168**	58,195
Increase in properties under development		**(117,638)**	(188,893)
Decrease/(increase) in trade receivables, prepayments, deposits and other receivables		**(236,928)**	33,068
Increase in trade payables		**15,786**	9,736
Increase in other payables and accruals		**21,185**	458
Increase in deposits received and receipts in advance		**260,496**	34,462
Cash generated from operations		**392,382**	41,388
Profits tax paid		**(24,369)**	(12,515)
Net cash flows from operating activities		**368,013**	28,873

Consolidated Statement of Cash Flows

Year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary that is not a business	37	**(475,613)**	(272,985)
Interest received		**46,794**	20,267
Dividend income from listed securities		**787**	2,061
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		**20,000**	(20,000)
Increase in pledged time deposits		**(500)**	–
Increase in loans receivable		**(229,957)**	(299,651)
Investment in an associate		**(43,998)**	(42,317)
Deposit paid for acquisition of investment properties		**(101,600)**	–
Additions to investment properties		**(981)**	(29,644)
Purchases of items of property, plant and equipment		**(2,609)**	(3,565)
Purchases of available-for-sale investments		**(124,079)**	–
Purchases of financial assets at fair value through profit or loss		**(6,910)**	(88,212)
Proceeds from disposal of investment properties		**156,534**	60,807
Proceeds from disposal of items of property, plant and equipment		**169**	6,226
Proceeds from disposal of held-to-maturity investments		**–**	29,080
Proceeds from disposal of financial assets at fair value through profit or loss		**16,894**	51,317
Net cash flows used in investing activities		**(745,069)**	(586,616)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(25,102)**	(17,004)
Dividends paid		**(42,412)**	(35,887)
Repayment of bank loans		**(200,560)**	(88,440)
New bank loans		**814,000**	236,396
Net cash flows from financing activities		**545,926**	95,065
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**168,870**	(462,678)
Cash and cash equivalents at beginning of year		**582,095**	1,042,600
Effect of foreign exchange rate changes, net		**1,186**	2,173
CASH AND CASH EQUIVALENTS AT END OF YEAR		**752,151**	582,095
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	**359,581**	268,489
Non-pledged time deposits with original maturity of less than three months when acquired	28	**392,570**	313,606
		752,151	582,095

	Notes	2013 HK$'000	2012 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	19	**1,876,873**	1,960,659
CURRENT ASSETS			
Prepayments, deposits and other receivables	26	**1,280**	1,371
Financial assets at fair value through profit or loss	27	**10,322**	14,827
Pledged deposits	28	**500**	–
Time deposits with original maturity over three months	28	**–**	20,000
Cash and cash equivalents	28	**490,017**	367,659
Total current assets		**502,119**	403,857
CURRENT LIABILITIES			
Other payables and accruals	30	**17,910**	1,995
Interest-bearing bank loans	31	**16,053**	20,053
Total current liabilities		**33,963**	22,048
NET CURRENT ASSETS		**468,156**	381,809
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,345,029**	2,342,468
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	31	**17,454**	23,507
Net assets		**2,327,575**	2,318,961
EQUITY			
Issued capital	34	**65,249**	65,249
Reserves	36(b)	**2,262,326**	2,253,712
Total equity		**2,327,575**	2,318,961

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

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 and 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

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 ("**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 equity investments, which have been measured at fair value. 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

The consolidated financial statements include the financial statements of the Company and its subsidiaries and jointly-controlled entity for the year ended 31 March 2013. 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.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it 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.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

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*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of amendments to HKAS 12, the adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

The HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes — Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. Prior to the adoption of the amendments, deferred tax with respect to the Group's investment properties was provided on the basis that the carrying amount will be recovered through use, and accordingly the profits tax rate had been applied to the calculation of deferred tax arising on the revaluation of the Group's investment properties. Upon the adoption of HKAS 12 Amendments, deferred tax in respect of the Group's investment properties in Hong Kong is provided on the presumption that the carrying amount will be recovered through sale.

In Mainland China, the tax consequences of a sale of the investment property or of the entity owning the investment property may be different. The Group's business model is that the entity owning the investment property situated in Mainland China will recover the value through use and on this basis the presumption of sales has been rebutted. Consequently, the Group has continued to recognise deferred taxes on the basis that the value of its investment properties in Mainland China are recovered through use.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

The effects of the above change are summarised below:

	2013 **HK$'000**	2012 HK$'000
Consolidated statement of comprehensive income for the year ended 31 March		
Decrease in income tax expense	**11,446**	11,549
Increase in share of profits and losses of an associate	**2,963**	5,012
Increase in profit for the year	**14,409**	16,561
Increase in basic and diluted earnings per share *(HK cents)*	**0.22**	0.25
Consolidated statement of financial position at 31 March		
Increase in investment in an associate and total non-current assets	**7,975**	5,012
Decrease in deferred tax liabilities and total non-current liabilities	**48,891**	37,445
Increase in net assets and reserves	**56,866**	42,457

	2011 HK$'000
Consolidated statement of financial position at 1 April	
Decrease in deferred tax liabilities and total non-current liabilities	25,896
Increase in net assets and reserves	25,896

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 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — *Transition Guidance*[2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — *Investment Entities*[3]
HKFRS 13	*Fair Value Measurement*[2]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*[1]
HKAS 19 (2011)	*Employee Benefits*[2]
HKAS 27 (2011)	*Separate Financial Statements*[2]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*[3]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

(a) The HKFRS 7 Amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral arrangements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with HKAS 32. The Group expects to adopt the amendments from 1 April 2013.

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

(b) 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 2015. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

(c) HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in HK(SIC)-Int 12. Based on the preliminary analyses performed, HKFRS 10 is not expected to have any impact on the currently held investments of the Group.

(d) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The Group currently uses proportionate consolidation to account its joint venture. By removing the option of proportionate consolidation, the adoption of HKFRS 11 is expected to have significant financial effect on the Group's consolidated financial statements.

(e) HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures*, and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

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

(f) In July 2012, the HKICPA issued amendments to HKFRS 10, HKFRS 11 and HKFRS 12 which clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

The amendments to HKFRS 10 issued in December 2012 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (2011), HKAS 28 (2011), and the subsequent amendments to these standards issued in July and December 2012 from 1 April 2013.

(g) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 April 2013.

(h) The HKAS 1 Amendments change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments will affect presentation only and have no impact on the financial position or performance. The Group expects to adopt the amendments from 1 April 2013.

(i) The HKAS 32 Amendments clarify the meaning of "**currently has a legally enforceable right to set off**" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2014.

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

(j) The *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 April 2013. 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:

(i) HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassification, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

(ii) HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distribution to equity holders.

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 profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint ventures (continued)

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/Company 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 investment in its jointly-controlled entity is 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 investment in the jointly-controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Associate

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 investment in an associate is 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. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and reserves of an associate is included in consolidated profit or loss and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of an associate is included as part of the Group's investment in an associate and is not individually tested for impairment.

The results of an associate are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investment in an associate is treated as a non-current asset and is stated at cost less any impairment losses.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

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 Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related 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 acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for 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 identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets 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 has been allocated to a cash-generating unit (or 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 the disposal. Goodwill disposed in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and goodwill), 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 in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an 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 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 in the period in which it arises.

Related parties

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

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 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 depreciates them accordingly.

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 method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including 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 in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 in the year of the retirement or disposal.

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 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 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 on the straight-line basis over the lease terms.

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 are classified as current assets unless the construction of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Sales deposits/instalments received and receivable from purchasers in respect of pre-sale of properties under development prior to completion of the development are included in current liabilities.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

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.

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 positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the 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 policies set out for "**Revenue recognition**" below.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under HKAS 39 are satisfied.

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, in rare circumstances, 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 them. 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, as these instruments cannot be reclassified after initial recognition.

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 other income and gains in the statement of comprehensive income. The loss arising from impairment is recognised in the statement of comprehensive income in finance costs for loans and in other expenses for receivables.

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 them to maturity. Held-to-maturity investments 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 fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of comprehensive income. The loss arising from impairment is recognised in the 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 investments and debt 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 revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of comprehensive income in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of comprehensive income in other expenses. Dividends earned whilst holding the available-for-sale financial investments are reported as dividend income and are recognised in the statement of comprehensive income as other income in accordance with the policies set out for "**Revenue recognition**" below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, 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. 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 Group has the ability and intent to hold until the maturity date of the financial asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and 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 maturity amount 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.

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, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it 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 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

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. 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.

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 write-off is later recovered, the recovery is credited to other expenses in the 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, is removed from other comprehensive income and recognised in profit or loss.

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 — is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, net of directly attributable transaction costs.

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

Subsequent measurement

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 when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

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 the statement of comprehensive income.

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

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 the 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

- when the deferred tax liability arises from the initial recognition of goodwill or 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, associate and joint venture, when 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, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when 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, associate 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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 over the expected life of the financial instrument or a shorter period, when appropriate, 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 payments

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 payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

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 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 transactions 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 that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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.

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 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 which operate 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 a certain percentage of their payroll costs to the PRC Pension Scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the PRC Pension Scheme.

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.

Final dividends are recognised as a liability when they have been approved by the shareholders.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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 gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and its jointly-controlled entity are currencies 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 prevailing at the end of the reporting period and their profits or losses 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.

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 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 their accompanying disclosures, and the disclosure of contingent liabilities. 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.

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.

Whether the presumption that investment properties stated at fair value are recovered through sale is rebutted in determining deferred tax

The Group has investment properties located in Mainland China which are measured at fair value. Investment property is property held to earn rentals or for capital appreciation or both. In considering whether the presumption in HKAS 12 *Income Taxes* that an investment property measured at fair value will be recovered through sale is rebutted in determining deferred tax, the Group has developed certain criteria in making that judgement, such as whether an investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time or through sale. The presumption is rebutted only in the circumstance that there are sufficient evidences such as historical transaction, future development plan and management's intention to demonstrate the investment property is held with the objective to consume substantially all of the economic benefits over time, rather than through sale. Continuous assessments on the presumption will be made by management at each reporting date.

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 described 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 is 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 on the assessment of goodwill impairment are given in note 18.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for 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 on deferred tax assets are included in note 33 to the financial statements.

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 2013, a write-down of properties under development to net realisable value amounting to HK$36,049,000 (2012: HK$29,369,000) was recognised in other expenses in profit or loss.

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties (continued)

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. The carrying amount of investment properties at 31 March 2013 was HK$757,017,000 (2012: HK$797,442,000).

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. At 31 March 2012, impairment loss of HK$13,587,000 had been recognised for available-for-sale investments and charged to profit or loss for the year ended 31 March 2012. The carrying amount of available-for-sale assets was HK$334,529,000 (2012: Nil).

Allowance on trade and other receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability 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 engages in investment and the 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 (discontinued during the year ended 31 March 2012 (note 12));

(e) the agricultural by-product wholesale markets segment engages in the operations and management of agricultural by-product wholesale markets (discontinued during the year ended 31 March 2012 (note 12)); and

(f) the trading of agricultural by-products segment engages in the wholesale and retail of agricultural by-products (discontinued during the year ended 31 March 2012 (note 12)).

Management monitors the results of the Group's 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 from continuing operations. The adjusted profit/(loss) before tax from continuing operations 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 an associate 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)

Year ended 31 March 2013

	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Total HK$'000
Segment revenue:				
Sales to external customers	–	524,040	237,422	761,462
Other revenue	6	115,811	6,518	122,335
Total	6	639,851	243,940	883,797
Segment results	(71,769)	379,644	28,098	335,973
Reconciliation				
Interest income				66,830
Finance costs				(11,228)
Corporate and unallocated income				4,775
Corporate and unallocated expenses				(124,637)
Share of profits and losses of an associate				179,379
Profit before tax				451,092
Income tax expense				(41,558)
Profit for the year				409,534

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March 2012

	Continuing operations				Discontinued operations				
	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Total continuing operations HK$'000 (Restated)	Shopping centres and car parks HK$'000	Agricultural by-products wholesale markets HK$'000	Trading of agricultural by-products HK$'000	Total discontinued operations HK$'000	Total Group HK$'000 (Restated)
Segment revenue:									
Sales to external customers	128,175	51,954	230,656	410,785	11,741	17,506	18,872	48,119	458,904
Intersegment sales	–	–	354	354	78	357	–	435	789
Other revenue	4,923	124,383	5,158	134,464	1,597	157	422	2,176	136,640
Total	133,098	176,337	236,168	545,603	13,416	18,020	19,294	50,730	596,333
Elimination of intersegment sales									(789)
Total									595,544
Segment results	9,455	160,884	23,810	194,149	835	1,184	256	2,275	196,424
Interest income				48,343				–	48,343
Finance costs				(10,909)				(371)	(11,280)
Corporate and unallocated income				7,058				–	7,058
Corporate and unallocated expenses				(109,807)				–	(109,807)
Share of profits and losses of an associate				295,704				–	295,704
Profit before tax				424,538				1,904	426,442
Income tax expense				(31,051)				(95)	(31,146)
Profit for the year				393,487				1,809	395,296

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March 2013

	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Corporate and others HK$'000	Total HK$'000
Other segment information:					
Depreciation	**53**	**110**	**3,743**	**1,469**	**5,375**
Write-down of properties under development to net realisable value, net	**36,049**	**–**	**–**	**–**	**36,049**
Write-back of impairment of trade receivables, net	**–**	**–**	**(7)**	**–**	**(7)**
Capital expenditure	**606,215**	**1,089**	**1,122**	**1,379**	**609,805**
Fair value losses/(gains) on investment properties, net	**–**	**(109,871)**	**1,511**	**–**	**(108,360)**
Fair value losses on financial assets at fair value through profit or loss, net	**–**	**–**	**–**	**383**	**383**
Investment in an associate	**–**	**–**	**–**	**480,327**	**480,327**
Share of profits and losses of an associate	**–**	**–**	**–**	**(179,379)**	**(179,379)**

Year ended 31 March 2012

	Continuing operations				Discontinued operations						
	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Total continuing operations HK$'000	Shopping centres and car parks HK$'000	Agricultural by-products wholesale markets HK$'000	Trading of agricultural by-products HK$'000	Total discontinued operations HK$'000	Total of reportable segments HK$'000	Corporate and others HK$'000 (Restated)	Total Group HK$'000 (Restated)
Other segment information:											
Depreciation	86	70	4,115	4,271	2	127	33	162	4,433	1,504	5,937
Amortisation of other intangible asset	–	–	–	–	–	6,060	–	6,060	6,060	–	6,060
Write-down of properties under development to net realisable value, net	29,369	–	–	29,369	–	–	–	–	29,369	–	29,369
Write-back of impairment of trade receivables, net	–	–	(28)	(28)	–	–	–	–	(28)	–	(28)
Impairment of an available-for-sale investment	–	–	–	–	–	–	–	–	–	13,587	13,587
Capital expenditure	468,983	29,647	1,598	500,228	–	–	–	–	500,228	1,805	502,033
Fair value losses/(gains) on investment properties, net	–	(116,096)	484	(115,612)	–	–	–	–	(115,612)	–	(115,612)
Fair value losses on financial assets at fair value through profit or loss, net	–	–	–	–	–	–	–	–	–	51,612	51,612
Investment in an associate	–	–	–	–	–	–	–	–	–	361,968	361,968
Share of profits and losses of an associate	–	–	–	–	–	–	–	–	–	(295,704)	(295,704)

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) *Sales to external customers from continuing operations*

	2013	2012
	HK$'000	HK$'000
Hong Kong	**743,272**	393,154
Mainland China	**18,190**	17,631
	761,462	410,785

The revenue information of continuing operations above is based on the locations of the customers.

(b) *Non-current assets*

	2013	2012
	HK$'000	HK$'000
		(Restated)
Hong Kong	**2,415,241**	2,353,961
Mainland China	**78,211**	79,416
	2,493,452	2,433,377

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

Information about a major customer

For the year ended 31 March 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

For the year ended 31 March 2012, revenue from continuing operations of HK$106,200,000 was derived from sales by the property development segment to a single customer.

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 invoiced value of services rendered; 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 from continuing operations is as follows:

	Group	
	2013	2012
	HK$'000	HK$'000
Revenue		
Sub-licensing fee income	**220,265**	216,793
Property management fee income	**6,129**	5,842
Gross rental income	**65,885**	61,070
Sale of properties	**469,183**	127,080
	761,462	410,785
Other income		
Bank interest income	**2,928**	3,121
Interest income from financial investments	**712**	1,737
Interest income from loans receivable	**63,190**	43,485
Dividend income from listed securities	**787**	2,061
Management fee income	**4,247**	3,150
Others	**8,348**	9,616
	80,212	63,170
Gains		
Gain on disposal of investment properties, net	**5,354**	7,207
Gain on disposal of held-to-maturity investments	**–**	737
Gain on disposal and write-off of items of property, plant and equipment	**14**	2,663
Exchange gains, net	**–**	476
	5,368	11,083
Other income and gains	**85,580**	74,253

6. PROFIT BEFORE TAX

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

	Notes	Group 2013 HK$'000	Group 2012 HK$'000 (Restated)
Cost of services provided		**186,166**	181,547
Cost of properties sold		**198,861**	65,225
Depreciation		**5,375**	5,775
Amortisation of other intangible asset		**–**	6,060
Minimum lease payments under operating leases in respect of land and buildings		**126,982**	128,990
Auditors' remuneration		**2,250**	2,200
Employee benefit expense (including directors' remuneration (note 8)):			
Wages and salaries		**77,869**	52,490
Equity-settled share option expense		**116**	478
Pension scheme contributions		**1,364**	1,185
Less: Amount capitalised		**(5,532)**	(2,535)
		73,817	51,618
Gross rental income, net of business tax		**(65,885)**	(61,070)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**4,178**	3,804
		(61,707)	(57,266)
Impairment of an available-for-sale investment*		**–**	13,587
Loss on disposal of financial assets at fair value through profit or loss, net*		**4,530**	18,733
Loss on deemed partial disposals of an associate*	20	**104,917**	–
Write-down of properties under development to net realisable value, net*	17	**36,049**	29,369
Amount provided/(utilised) for onerous contracts, net	32	**(208)**	2,377
Write-back of impairment of trade receivables, net*	24	**(7)**	(28)
Impairment of other receivables*		**–**	1,411
Exchange losses, net*		**224**	–

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

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Group	
	2013	2012
	HK$'000	HK$'000
Interest on bank loans:		
Wholly repayable within five years	**13,470**	7,912
Repayable beyond five years (Note)	**9,481**	9,621
	22,951	17,533
Less: Interest capitalised	**(11,723)**	(6,624)
	11,228	10,909

The above 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:

Included interests of HK$5,464,000 (2012: HK$5,342,000) on bank borrowings which contain a repayment on demand clause.

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	
	2013	2012
	HK$'000	HK$'000
Fees	**771**	771
Other emoluments:		
Salaries, allowances and benefits in kind	**10,276**	10,452
Performance-related bonuses*	**23,983**	5,442
Equity-settled share option expense	**–**	3
Pension scheme contributions	**100**	92
	34,359	15,989
	35,130	16,760

* 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.

8. DIRECTORS' REMUNERATION (continued)

In prior years, share options were granted to these directors, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 35 to the financial statements. The fair value of these options, which has been recognised in profit or loss 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.

Executive directors and independent non-executive directors:

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance-related bonuses HK$'000	Equity-settled share option expense HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2013						
Executive directors:						
Mr. Tang Ching Ho, *JP*	–	4,536	13,172	–	15	17,723
Ms. Yau Yuk Yin	–	4,327	271	–	15	4,613
Mr. Chan Chun Hong, Thomas	–	1,413	10,540	–	70	12,023
	–	10,276	23,983	–	100	34,359
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	–	–	–	–	297
Mr. Wong Chun, Justein, *BBS, MBE, JP*	217	–	–	–	–	217
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	117	–	–	–	–	117
Mr. Siu Kam Chau	140	–	–	–	–	140
	771	–	–	–	–	771
	771	10,276	23,983	–	100	35,130
2012						
Executive directors:						
Mr. Tang Ching Ho, *JP*	–	4,416	368	–	12	4,796
Ms. Yau Yuk Yin	–	4,234	263	–	12	4,509
Mr. Chan Chun Hong, Thomas	–	1,802	4,811	3	68	6,684
	–	10,452	5,442	3	92	15,989
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	–	–	–	–	297
Mr. Wong Chun, Justein, *BBS, MBE, JP*	217	–	–	–	–	217
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	117	–	–	–	–	117
Mr. Siu Kam Chau	140	–	–	–	–	140
	771	–	–	–	–	771
	771	10,452	5,442	3	92	16,760

There were no other emoluments payable to the independent non-executive directors during the year (2012: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2012: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration for the year of the remaining two (2012: two) non-directors, highest paid employees are as follows:

	Group	
	2013	2012
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**2,238**	2,369
Performance-related bonuses	**842**	507
Equity-settled share option expense	**–**	43
Pension scheme contributions	**29**	25
	3,109	2,944

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

	Number of employees	
	2013	2012
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	1

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 these options, which has been recognised in profit or loss 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.

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 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.

	2013	2012
	HK$'000	HK$'000
		(Restated)
Group:		
Current — Hong Kong		
Charge for the year	**31,459**	19,201
Overprovision in prior years	**(1,407)**	(459)
	30,052	18,742
Current — Mainland China		
Charge for the year	**11,080**	8,034
Deferred (note 33)	**426**	4,275
Total tax charge for the year from continuing operations	**41,558**	31,051

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

	Group	
	2013	2012
	HK$'000	HK$'000
		(Restated)
Profit before tax from continuing operations	**451,092**	424,538
Tax at the statutory tax rates of different jurisdictions	**75,017**	70,818
Effect of withholding tax at 10% on the distributable profits of the Group's PRC jointly-controlled entity	**305**	1,331
Adjustments in respect of current tax of previous periods	**(1,407)**	(459)
Profits and losses attributable to an associate	**(29,597)**	(48,791)
Income not subject to tax	**(30,496)**	(15,051)
Expenses not deductible for tax	**27,840**	12,798
Tax losses utilised from previous periods	**(3,709)**	(2,439)
Tax losses not recognised	**5,895**	12,511
Other tax	**–**	5,318
Others	**(2,290)**	(4,985)
Tax charge at the Group's effective rate	**41,558**	31,051

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2013 includes a loss of HK$9,595,000 (2012: HK$4,868,000) which has been dealt with in the financial statements of the Company (note 36(b)).

12. DISCONTINUED OPERATIONS

In June 2010 and February 2012, the Group's management and sub-licensing of car parks and shopping centres businesses were ceased due to the expiration of the tenancy agreements with Yue Kee Restaurant Limited and The Link Management Limited, respectively. The Group also ceased its trading of agricultural by-products and the operation and management of agricultural by-product wholesale markets businesses in March 2012 due to the expiration of the contract. As such, these operation segments were classified as discontinued operations in the prior year.

The results of the discontinued operations for the prior year are presented below:

	2012 HK$'000
Revenue	48,119
Cost of sales	(40,731)
Gross profit	7,388
Other income and gains	2,176
Administrative expenses	(7,289)
Finance costs	(371)
Profit before tax from the discontinued operations	1,904
Income tax expense	(95)
Profit for the year from the discontinued operations	1,809
Attributable to:	
Owners of the parent	1,815
Non-controlling interests	(6)
	1,809

12. DISCONTINUED OPERATIONS (continued)

The net cash flows incurred by the discontinued operations are as follows:

	2012 HK$'000
Operating activities	(4,903)
Investing activities	–
Financing activities	5,333
Net cash inflow	430

Basic and diluted earnings per share from the discontinued operations	HK0.03 cents

The calculations of basic and diluted earnings per share from the discontinued operations are based on:

	2012
Profit attributable to ordinary equity holders of the parent from the discontinued operations (note 14)	HK$1,815,000
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation (note 14)	6,524,935,021

13. DIVIDENDS

	2013 **HK$'000**	2012 HK$'000
Interim — HK0.15 cents (2012: HK0.15 cents) per ordinary share	**9,787**	9,787
Proposed final — HK0.5 cents (2012: HK0.5 cents) per ordinary share	**32,625**	32,625
	42,412	42,412

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.

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

The calculation of basic earnings per share amounts 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 6,524,935,021 in issue during the year.

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. 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.

The Group had no potentially dilutive ordinary shares in issue during those years.

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

	2013 **HK$'000**	2012 HK$'000 (Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**409,536**	393,413
From discontinued operations (note 12)	**–**	1,815
	409,536	395,228

	Number of shares	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**6,524,935,021**	6,524,935,021

15. PROPERTY, PLANT AND EQUIPMENT

Group

	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 2013						
At 31 March 2012 and at 1 April 2012:						
Cost	66,312	1,347	9,316	3,566	6,400	86,941
Accumulated depreciation	(61,583)	(1,148)	(8,909)	(1,684)	(5,140)	(78,464)
Net carrying amount	4,729	199	407	1,882	1,260	8,477
At 1 April 2012, net of accumulated depreciation	4,729	199	407	1,882	1,260	8,477
Additions	733	431	247	325	873	2,609
Disposals and write-off	(151)	–	(4)	–	–	(155)
Depreciation provided during the year	(3,454)	(407)	(212)	(537)	(765)	(5,375)
Exchange realignment	10	–	3	1	–	14
At 31 March 2013, net of accumulated depreciation	1,867	223	441	1,671	1,368	5,570
At 31 March 2013:						
Cost	52,860	870	9,506	3,627	7,273	74,136
Accumulated depreciation	(50,993)	(647)	(9,065)	(1,956)	(5,905)	(68,566)
Net carrying amount	1,867	223	441	1,671	1,368	5,570

15. PROPERTY, PLANT AND EQUIPMENT (continued)

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 2012							
At 31 March 2011 and at 1 April 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
At 1 April 2011, net of accumulated depreciation	3,086	7,052	388	663	1,934	1,231	14,354
Additions	–	1,639	10	119	914	883	3,565
Disposals and write-off	(3,086)	(105)	–	(85)	(286)	(1)	(3,563)
Depreciation provided during the year	–	(3,898)	(199)	(305)	(682)	(853)	(5,937)
Exchange realignment	–	41	–	15	2	–	58
At 31 March 2012, net of accumulated depreciation	–	4,729	199	407	1,882	1,260	8,477
At 31 March 2012:							
Cost	–	66,312	1,347	9,316	3,566	6,400	86,941
Accumulated depreciation	–	(61,583)	(1,148)	(8,909)	(1,684)	(5,140)	(78,464)
Net carrying amount	–	4,729	199	407	1,882	1,260	8,477

16. INVESTMENT PROPERTIES

		Group	
	Note	**2013 HK$'000**	2012 HK$'000
Carrying amount at 1 April		**797,442**	724,889
Additions		**981**	29,644
Disposals		**(151,180)**	(53,600)
Transfer to properties held for sale	23	**–**	(22,100)
Accrued rent-free rental income		**438**	198
Net gains from fair value adjustments		**108,360**	115,612
Exchange realignment		**976**	2,799
Carrying amount at 31 March		**757,017**	797,442

16. INVESTMENT PROPERTIES (continued)

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

	Group	
	2013	2012
	HK$'000	HK$'000
Long term leases:		
— Hong Kong	**332,060**	290,130
Medium term leases:		
— Hong Kong	**347,840**	429,660
— Mainland China	**73,914**	74,316
	421,754	503,976
Short term leases:		
— Mainland China	**3,203**	3,336
	757,017	797,442

The Group's investment properties were revalued on 31 March 2013 by Savills Valuation and Professional Services Limited, Vigers Appraisal and Consulting Limited and Asset Appraisal Limited, independent professionally qualified valuers, at HK$757,017,000 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 2013, the Group's investment properties with an aggregate carrying value of HK$637,790,000 (2012: HK$687,310,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities, of which approximately HK$381,094,000 (2012: HK$377,952,000) had been utilised as at 31 March 2013 (note 31).

Further particulars of the Group's investment properties are included on page 140.

17. PROPERTIES UNDER DEVELOPMENT

	Group	
	2013	2012
	HK$'000	HK$'000
Carrying amount at 1 April	**1,264,114**	824,711
Additions (including development cost and capitalised interest)	**129,362**	195,517
Acquisition of a subsidiary (note 37)	**476,853**	273,255
Write-down to net realisable value, net	**(36,049)**	(29,369)
Carrying amount at 31 March	**1,834,280**	1,264,114

17. PROPERTIES UNDER DEVELOPMENT (continued)

Properties under development expected to be completed within normal operating cycle and recovered:

	Group	
	2013	2012
	HK$'000	HK$'000
Beyond normal operating cycle of 3 years included under non-current assets	**1,249,162**	1,264,114
Within normal operating cycle of 3 years included under current assets	**585,118**	–
	1,834,280	1,264,114

Properties under development expected to be completed within normal operating cycle and recovered:

	Group	
	2013	2012
	HK$'000	HK$'000
Within one year	**585,118**	–

At 31 March 2013, the Group's properties under development with an aggregate carrying value of HK$1,834,280,000 (2012: HK$1,234,071,000) were pledged to secure the Group's general banking facilities, of which HK$1,155,128,000 (2012: HK$608,635,000) had been utilised as at 31 March 2013 (note 31).

The Group's properties under development are situated in Hong Kong and are held under the following leases:

	Group	
	2013	2012
	HK$'000	HK$'000
Long term leases	**891,427**	749,423
Medium term leases	**942,853**	514,691
	1,834,280	1,264,114

18. GOODWILL

Group

	Goodwill arising on acquisition of a jointly-controlled entity HK$'000
At 31 March 2012 and 2013:	
Cost	1,376
Accumulated impairment	–
Net carrying amount	1,376

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 covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 12% (2012: 13%).

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.

19. INVESTMENTS IN SUBSIDIARIES

		Company	
	Notes	**2013 HK$'000**	2012 HK$'000
Unlisted shares, at cost		**71,000**	71,000
Due from subsidiaries	(i)	**3,101,717**	2,532,123
Loans to subsidiaries	(ii)	**404,768**	412,781
Due to subsidiaries	(i)	**(1,605,656)**	(911,369)
		1,971,829	2,104,535
Impairment	(iii)	**(94,956)**	(143,876)
		1,876,873	1,960,659

19. INVESTMENTS IN SUBSIDIARIES (continued)

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 2% (2012: 2%) 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 are as follows:

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
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
China Tech Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Cititeam Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
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
Double Vantage 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

19. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Ever Task Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Fly Star Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
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
Kingtex Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
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

19. INVESTMENTS IN SUBSIDIARIES (continued)

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
More Action Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
New Earth Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
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
Regal Smart Investment Limited	Hong Kong	Ordinary HK$1	–	100	Investment holding
Richly Gold Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Rich System Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property development
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
Vincent Investments Limited	Hong Kong	Ordinary HK$2	–	100	Property development
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

19. INVESTMENTS IN SUBSIDIARIES (continued)

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
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
Winhero Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Win Regent Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
World Way Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment

Note:

During the year, the Group acquired Vincent Investments Limited from an independent third party. Further details of this acquisition are included in note 37 to the financial statements.

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.

20. INVESTMENT IN AN ASSOCIATE

	Group 2013 HK$'000	Group 2012 HK$'000 (Restated)
Share of net assets	**480,327**	361,968
Market value of listed shares	**153,099**	57,013

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ operation	Percentage of ownership interest attributable to the Group 2013 (Note a)	Percentage of ownership interest attributable to the Group 2012 (Note b)	Principal activities
Wai Yuen Tong Medicine Holdings Limited ("**WYTH**")*	Ordinary shares of HK$0.01 each	Bermuda/ Hong Kong	24.87	25	Production and sale of traditional Chinese and Western pharmaceutical products, health food products and property investment

* Listed on The Main Board of the Stock Exchange of Hong Kong Limited

Notes:

(a) The Group acquired on-market an aggregate of 220,000,000 shares of WYTH during the year through a series of transactions between 21 January 2013 and 1 February 2013 at an aggregate purchase price of approximately HK$44 million. A gain on bargain purchase amounting to approximately HK$146.7 million, which represented the excess of the Group's additional interests in the fair value of the net identifiable assets of WYTH over the aggregate purchase price, was recognised for the year ended 31 March 2013 and included in "**Share of profits and losses of an associate**" on the face of the consolidated statement of comprehensive income.

In addition, WYTH issued an aggregate of 895,800,000 ordinary shares to certain placees during the year. Consequently, the Group's equity interests in WYTH were diluted and an aggregate loss of about HK$104.9 million on deemed partial disposals of WYTH was recognised during the year and included in "**Other expenses**" on the face of the consolidated statement of comprehensive income.

20. INVESTMENT IN AN ASSOCIATE (continued)

Notes: (continued)

(b) The Group acquired on-market an aggregate of 322,780,000 shares of WYTH during the year ended 31 March 2012 through a series of transactions between 17 November 2011 and 19 December 2011 at an aggregate purchase price of approximately HK$42.2 million. The acquisition was completed on 19 December 2011 and a gain on bargain purchase amounting to HK$288.8 million, which arose mainly from the excess of the Group's interests in the fair value of the net identifiable assets of WYTH attributable to shareholders of WYTH over the aggregate purchase price, was recognised for the year ended 31 March 2012 and included in "**Share of profits and losses of an associate**" on the face of the consolidated statement of comprehensive income.

The Group's shareholding in WYTH comprises equity shares held through a wholly-owned subsidiary of the Company.

The financial year of the Group's associate is coterminous with that of the Group.

The Group's associate has been accounted for using the equity method in these financial statements.

The following table illustrates the summarised financial information of the Group's associate extracted from its financial statements, and has been adjusted to reflect the fair value of identifiable assets and liabilities of the associate at the completion dates of acquisitions by the Group:

	2013 **HK$'000**	2012 HK$'000 (Restated)
Assets	**2,310,087**	1,687,567
Liabilities	**(372,534)**	(239,697)
Revenue	**808,517**	750,072
Profit/(loss)	**153,323**	(219,216)

21. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

Particulars of the jointly-controlled entity are as follows:

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

The above jointly-controlled entity is unlisted and is indirectly held by the Company.

21. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY (continued)

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

	2013	2012
	HK$'000	HK$'000
Non-current assets	**77,934**	78,548
Current assets	**19,312**	16,423
Non-current liabilities	**–**	(309)
Current liabilities	**(5,184)**	(5,581)
Net assets	**92,062**	89,081
Revenue	**17,393**	17,022
Other income	**461**	87
Total expenses	**(10,903)**	(10,826)
Tax	**(532)**	(1,385)
Profit for the year	**6,419**	4,898

22. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2013	2012
	HK$'000	HK$'000
Listed equity investments in Hong Kong, at fair value	**321,300**	–
Listed debt securities, at fair value:		
Hong Kong	**6,182**	–
Elsewhere	**7,047**	–
	13,229	–
	334,529	–

During the year, the Group acquired 1,150,000,000 ordinary shares of PNG Resources Holdings Limited ("**PNG Resources**") from WYTH at an aggregate consideration of HK$110,400,000. The acquisition was completed on 27 December 2012 and the Group's interest in PNG Resources increased from 0.52% to 15.47%.

During the year, the net gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$205,890,000 (2012: Nil).

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

23. PROPERTIES HELD FOR SALE

	Note	Group 2013 HK$'000	2012 HK$'000
Carrying amount at 1 April		**364,514**	400,609
Additions		**–**	52
Transfer from investment properties	16	**–**	22,100
Properties sold during the year		**(197,168)**	(58,247)
Carrying amount at 31 March		**167,346**	364,514

At 31 March 2013, the Group's properties held for sale with an aggregate carrying value of HK$166,226,000 (2012: HK$363,394,000) were pledged to secure the Group's general banking facilities and of which approximately HK$178,412,000 (2012: HK$201,971,000) had been utilised as at 31 March 2013 (note 31).

The Group's completed properties held for sale are situated in Hong Kong and are held under medium term leases.

Further particulars of the Group's properties held for sale are included on page 140.

24. 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 2013 HK$'000	2012 HK$'000
Within 90 days	**4,438**	5,390
91 days to 180 days	**120**	96
Over 180 days	**248**	324
	4,806	5,810
Less: Impairment	**(154)**	(161)
	4,652	5,649

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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

24. TRADE RECEIVABLES (continued)

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

	Group	
	2013	2012
	HK$'000	HK$'000
At 1 April	**161**	189
Impairment losses reversed	**(7)**	(28)
At 31 March	**154**	161

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$154,000 (2012: HK$161,000) with a carrying amount before provision of HK$247,000 (2012: HK$231,000).

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

	Group	
	2013	2012
	HK$'000	HK$'000
Neither past due nor impaired	**3,714**	5,323
Less than 90 days past due	**614**	82
91 to 180 days past due	**231**	174
	4,559	5,579

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was 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.

25. LOANS AND INTERESTS RECEIVABLE

		Group	
	Notes	**2013** **HK$'000**	2012 HK$'000
Loans and interests receivable from PNG Resources	(i)/(vi)	**209,852**	330,701
Loan to Shiney Day	(ii)/(vi)	**–**	90,000
Loans and interests receivable from China Agri-Products	(iii)/(vi)	**704,754**	243,545
Loans and interests receivable, secured	(iv)	**905**	905
Loans and interests receivable, unsecured	(iv)	**6,526**	7,603
		922,037	672,754
Less: Impairment	(v)	**(5,844)**	(6,554)
		916,193	666,200
Less: Loans and interests receivable classified as non-current assets		**(881,054)**	(255,805)
		35,139	410,395

Notes:

(i) PNG Resources is an associate of WYTH.

The loans are unsecured, except for a principal amount of HK$135 million which is secured by share charges in respect of the equity interests of three subsidiaries of PNG Resources. The loans bear interest at 8% (2012: ranging from 6% to 8%) per annum, and are repayable within two years.

(ii) Shiney Day Investment Limited ("**Shiney Day**") is a subsidiary of China Agri-Products Exchange Limited ("**China Agri-Products**"), which is an associate of PNG Resources.

The loan bears interest at 6% per annum and is repayable within 38 months from the date of the loan agreement, and is secured by a share charge in respect of the equity interest of Shiney Day and a corporate guarantee granted by China Agri-Products in favour of the Group.

(iii) The loan bears interest at 10% (2012: ranging from 6% to 8%) per annum and is repayable on or before 30 September 2014. The loan is secured by (i) share charges in respect of the equity interests of three subsidiaries of China Agri-Products; (ii) floating charges of assets of the aforesaid three subsidiaries; and (iii) a loan assignment by way of charge executed by China Agri-Products on loans owned by the aforesaid three subsidiaries to it.

(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.

(v) Included in the above provision for impairment of loans and interests receivable are provision for individually impaired receivables of HK$5,844,000 (2012: HK$6,554,000) with an aggregate carrying amount of HK$5,844,000 (2012: HK$6,554,000).

(vi) The aggregate fair value of the loans receivable was HK$876,875,000 as at 31 March 2013 (2012: HK$616,097,000). The fair values have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

Other than the aforementioned impaired loans and interests receivable, 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.

26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	Group 2013 HK$'000	Group 2012 HK$'000	Company 2013 HK$'000	Company 2012 HK$'000
Prepayments		**12,979**	2,586	**887**	766
Deposits		**123,802**	23,823	**82**	82
Other receivables		**269,754**	39,855	**311**	523
		406,535	66,264	**1,280**	1,371
Less: Impairment	(i)	**(547)**	(507)	**–**	–
		405,988	65,757	**1,280**	1,371
Less: Deposits classified as non-current assets	(ii)	**(117,916)**	(15,072)	**–**	–
		288,072	50,685	**1,280**	1,371

Notes:

(i) Included in the above provision for impairment of other receivables is a provision for individually impaired receivables of HK$547,000 (2012: HK$507,000) with an aggregate carrying amount of HK$947,000 (2012: HK$907,000).

(ii) During the year ended 31 March 2013, a deposit of HK$101,600,000 was paid to independent third parties for the acquisition of a shopping mall in Hong Kong for rental-earning purpose, at an aggregate consideration of HK$508,000,000. The remaining balance of the consideration shall be paid in full on or before 2 July 2013.

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 2013 HK$'000	Group 2012 HK$'000	Company 2013 HK$'000	Company 2012 HK$'000
Unlisted equity investments, at fair value:	**8,904**	16,519	**–**	–
Listed equity investments, at market value:				
Hong Kong	**47,085**	58,927	**10,322**	14,827
	55,989	75,446	**10,322**	14,827

The above financial instruments at 31 March 2013 and 2012 were classified as held for trading and were, upon initial recognition designated by the Group as financial assets at fair value through profit or loss.

The market values of the Group's and the Company's listed equity investments at the date of approval of these financial statements were HK$48,944,000 and HK$12,012,000, respectively.

28. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash and bank balances	**359,581**	268,489	**108,913**	75,264
Time deposits	**393,070**	333,606	**381,604**	312,395
Less: Time deposits with original maturity over three months	**–**	(20,000)	**–**	(20,000)
Pledged for bank facilities	**(500)**	–	**(500)**	–
Cash and cash equivalents	**752,151**	582,095	**490,017**	367,659

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to HK$75,994,000 (2012: HK$86,869,000). 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	
	2013	2012
	HK$'000	HK$'000
Within 90 days	**38,473**	22,687

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	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Deferred income	**6,112**	6,112	**–**	–
Other payables	**17,181**	10,825	**735**	1,832
Accruals	**30,257**	14,240	**17,175**	163
	53,550	31,177	**17,910**	1,995
Less: Other payables classified as non-current liabilities	**(4,264)**	–	**–**	–
	49,286	31,177	**17,910**	1,995

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

	2013 Contractual interest rate (%)	2013 Maturity	2013 HK$'000	2012 Contractual interest rate (%)	2012 Maturity	2012 HK$'000
Current:						
Bank loans — secured	**HIBOR+ (0.85–3.05)/ Prime rate – 2.75**	**2014 or on demand**	**84,871**	HIBOR+ (0.85–1.8)/ Prime rate – (2.75–3.1)	2013 or on demand	85,667
Bank loans — unsecured	**HIBOR+1.5**	**On demand**	**8,000**	HIBOR+1.5	On demand	8,000
Long term bank loans repayable on demand — secured	**HIBOR+ (0.85–1.8)/ Prime rate – 2.75**	**On demand**	**181,251**	HIBOR+ (0.85–1.8)/ Prime rate – (2.75–3.1)	On demand	109,816
Long term bank loans repayable on demand — unsecured	**HIBOR+1.5**	**On demand**	**10,000**	HIBOR+1.5	On demand	26,000
			284,122			229,483
Non-current:						
Bank loans — secured	**HIBOR+ (1.25–3.05)**	**2014–2025**	**1,345,697**	HIBOR+ (1.28–3.05)	2013–2025	790,171
			1,629,819			1,019,654

Company

	2013 Contractual interest rate (%)	2013 Maturity	2013 HK$'000	2012 Contractual interest rate (%)	2012 Maturity	2012 HK$'000
Current:						
Bank loans — secured	**HIBOR+ (1.35–1.45)**	**2014 or on demand**	**16,053**	HIBOR+ (1.35–1.45)	2013 or on demand	20,053
Non-current:						
Bank loans — secured	**HIBOR+1.45**	**2014–2022**	**17,454**	HIBOR+1.45	2013–2022	23,507
			33,507			43,560

31. INTEREST-BEARING BANK LOANS (continued)

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Analysed into:				
Bank Loans repayable:				
Within one year or on demand (note)	**284,122**	229,483	**16,053**	20,053
In the second year	**1,111,737**	423,329	**17,454**	23,507
In the third to fifth years, inclusive	**114,455**	167,984	**–**	–
Beyond five years	**119,505**	198,858	**–**	–
	1,629,819	1,019,654	**33,507**	43,560

Note: As further explained in note 43 to the financial statements, the Group's term loans with an aggregate amount of HK$249,779,000 (2012: HK$172,684,000) containing an on-demand clause have been classified as current liabilities. For the purpose of the above analysis, the loans are included within current interest-bearing bank loans and analysed into bank loans repayable within one year or on demand.

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

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans repayable:				
Within one year or on demand	**92,871**	93,667	**16,053**	20,053
In the second year	**1,012,960**	425,918	**2,054**	6,053
In the third to fifth years, inclusive	**243,885**	206,907	**6,160**	6,160
Beyond five years	**280,103**	293,162	**9,240**	11,294
	1,629,819	1,019,654	**33,507**	43,560

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 16), properties under development (note 17), properties held for sale (note 23) and share charges in respect of the entire equity interests of five wholly-owned subsidiaries of the Company, which are engaged in properties development. In addition, sales proceeds from the pre-sale of properties under development with an aggregate carrying amount of HK$229,726,000 (2012: HK$32,244,000) are pledged for certain bank loans of the Group.

The Company has guaranteed certain of the Group's bank loans up to HK$2,383,130,000 (2012: HK$1,528,201,000) 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	
	2013	2012
	HK$'000	HK$'000
Carrying amount at 1 April	**3,457**	1,080
Provided for the year	**–**	2,520
Amount utilised during the year	**(208)**	(143)
Carrying amount at 31 March	**3,249**	3,457
Less: Portion classified as current liabilities	**(880)**	(770)
Long term portion	**2,369**	2,687

33. DEFERRED TAX

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

Deferred tax liabilities

Group

	Notes	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 2011, as previously reported		5,048	27,029	283	32,360
Change in Accounting policy — Adoption of HKAS 12 Amendments	2.2	–	(25,896)	–	(25,896)
At 1 April 2011, as restated		5,048	1,133	283	6,464
Deferred tax charged to profit or loss during the year (restated)		1,837	2,308	–	4,145
At 31 March and 1 April 2012		**6,885**	**3,441**	**283**	**10,609**
Acquisition of a subsidiary	37	**478**	**–**	**–**	**478**
Deferred tax charged/(credited) to profit or loss during the year		**(1,646)**	**2,122**	**–**	**476**
At 31 March 2013		**5,717**	**5,563**	**283**	**11,563**

33. DEFERRED TAX (continued)

Deferred tax assets

Group

	Losses available for offsetting against future taxable profits HK$'000	Depreciation in excess of related depreciation allowance HK$'000	Provision for onerous contracts HK$'000	Total HK$'000
At 1 April 2011	2,159	–	178	2,337
Deferred tax credited/(charged) to profit or loss during the year	(522)	–	392	(130)
At 31 March and 1 April 2012	**1,637**	**–**	**570**	**2,207**
Deferred tax credited/(charged) to profit or loss during the year	**(197)**	**281**	**(34)**	**50**
At 31 March 2013	**1,440**	**281**	**536**	**2,257**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2013 HK$'000	2012 HK$'000 (Restated)
Net deferred tax assets recognised in the consolidated statement of financial position	**817**	570
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(10,123)**	(8,972)
	(9,306)	(8,402)

The Group has tax losses arising in Hong Kong of approximately HK$172,633,000 (2012: HK$134,231,000), subject to the agreement of the Inland Revenue Department, 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.

33. DEFERRED TAX (continued)

Deferred tax assets (continued)

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

	2013 **HK$'000**	2012 HK$'000
Authorised:		
40,000,000,000 ordinary shares of HK$0.01 each	**400,000**	400,000
Issued and fully paid:		
6,524,935,021 ordinary shares of HK$0.01 each	**65,249**	65,249

There was no movement in the Company's share capital during the year.

35. SHARE OPTION SCHEME

On 2 May 2012, the share option scheme adopted by the Company on 3 May 2002 (the "**2002 Scheme**") was expired and a new share option scheme (the "**2012 Scheme**") was adopted by the shareholders of the Company on 21 August 2012. As a result, the Company can no longer grant any further options under the 2002 Scheme. However, all options granted prior to the termination of the 2002 Scheme will remain in full force and effect. During the year ended 31 March 2013, no share option was granted, exercised, lapsed or cancelled under the 2012 Scheme.

Under the 2012 Scheme, share options may be granted to 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 person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member 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 2012 Scheme became effective on 21 August 2012 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 2012 Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations.

35. SHARE OPTION SCHEME (continued)

Maximum number of shares available for subscription

Pursuant to the 2012 Scheme, the maximum number of share options that may be granted under the 2012 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 2012 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 2012 Scheme limit or as refreshed from time to time.

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 associate) under the 2012 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 2012 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 associate) is also required to be approved by shareholders.

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 of Hong Kong Limited (the "**Hong Kong 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.

35. SHARE OPTION SCHEME (continued)

Basis of determining the exercise price (continued)

The following share options were outstanding under the 2002 Scheme during the year:

	2013 Weighted average exercise price HK$ per share	2013 Number of options '000	2012 Weighted average exercise price HK$ per share	2012 Number of options '000
At 1 April	**1.3932**	**32,944**	1.3932	32,944
Forfeited during the year	**1.4779**	**(8,609)**	–	–
Expired during the year	**2.4082**	**(423)**	–	–
At 31 March	**1.3448**	**23,912**	1.3932	32,944

There was no share option exercised during the years ended 31 March 2013 and 2012. The exercise period of the share options granted is determined by the board of directors, and commences after a vesting period up to three years.

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

2013

Number of options '000	Exercise price* HK$ per share	Exercise period
14,562	**2.0549**	**1/3/2007 to 28/2/2017**
867	**0.3893**	**8/1/2010 to 7/1/2019**
8,483	**0.2234**	**12/5/2011 to 11/5/2020**
23,912		

2012

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		

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

35. SHARE OPTION SCHEME (continued)

The Group recognised a share option expense of HK$116,000 (2012: HK$478,000) during the year ended 31 March 2013.

At the end of the reporting period, the Company had 23,912,000 (2012: 32,944,000) share options outstanding under the 2002 Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 23,912,000 (2012: 32,944,000) additional ordinary shares of the Company and additional share capital of HK$239,000 (2012: HK$329,000) and share premium of HK$31,917,000 (2012: HK$45,570,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 23,912,000 share options outstanding under the 2002 Scheme, which represented approximately 0.4% 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 55 and 56 of 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 2011		1,462,363	321,388	8,057	505,669	2,297,477
Total comprehensive loss for the year		–	–	–	(8,356)	(8,356)
Final 2011 dividend declared		–	–	–	(26,100)	(26,100)
Interim 2012 dividend	13	–	–	–	(9,787)	(9,787)
Equity-settled share option arrangements	35	–	–	478	–	478
At 31 March and 1 April 2012		**1,462,363**	**321,388**	**8,535**	**461,426**	**2,253,712**
Total comprehensive income for the year					**50,910**	**50,910**
Transfer of share option reserve upon the forfeiture or expiry of share options		**–**	**–**	**(2,554)**	**2,554**	**–**
Final 2012 dividend declared	13	**–**	**–**	**–**	**(32,625)**	**(32,625)**
Interim 2013 dividend	13	**–**	**–**	**–**	**(9,787)**	**(9,787)**
Equity-settled share option arrangements	35	**–**	**–**	**116**	**–**	**116**
At 31 March 2013		**1,462,363**	**321,388**	**6,097**	**472,478**	**2,262,326**

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. ACQUISITION OF A SUBSIDIARY THAT IS NOT A BUSINESS

Year ended 31 March 2013

On 8 February 2013, the Group entered into a sale and purchase agreement with Woomera International Limited, an independent third party, to acquire the entire equity interests in Vincent Investments Limited ("**Vincent Investments**") and the shareholder's loan owed by Vincent Investments to its then shareholder, at a cash consideration of HK$475,771,000. Vincent Investments is principally engaged in property development in Hong Kong and up to the date of acquisition, Vincent Investments has not carried out any significant business transaction except for holding certain properties in Hong Kong.

The above acquisition has been accounted for by the Group as an acquisition of assets as the entity acquired by the Group does not constitute a business.

The net assets acquired by the Group in the above transaction are as follows:

	HK$'000
Net assets acquired:	
Properties held for development	476,853
Bank balances	158
Deposits received	(613)
Accruals	(149)
Deferred tax liabilities	(478)
	475,771
Satisfied by:	
Cash	475,771

An analysis of the cash flows in respect of the acquisition of Vincent Investments is as follows:

	HK$'000
Cash consideration	(475,771)
Bank balances acquired	158
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	(475,613)
Transaction costs of the acquisition included in cash flows from operating activities	(1,013)
	(476,626)

37. ACQUISITION OF A SUBSIDIARY THAT IS NOT A BUSINESS (continued)

Year ended 31 March 2012

On 16 March 2011, the Group entered into a sale and purchase agreement with Strike Zone Profits Limited, an independent third party, to acquire the entire equity interests in Double Vantage Limited ("**Double Vantage**") and the shareholder's loan owed by Double Vantage to its then shareholder, at a cash consideration of HK$273,000,000. Double Vantage is principally engaged in property development in Hong Kong and up to the date of acquisition, Double Vantage has not carried out any significant business transaction except for holding certain properties in Hong Kong.

The above acquisition has been accounted for by the Group as an acquisition of assets as the entity acquired by the Group does not constitute a business.

The net assets acquired by the Group in the above transaction are as follows:

	HK$'000
Net assets acquired:	
Properties held for development	273,255
Bank balances	15
Accruals	(270)
	273,000
Satisfied by:	
Cash	273,000

An analysis of the cash flows in respect of the acquisition of Double Vantage is as follows:

	HK$'000
Cash consideration	(273,000)
Bank balances acquired	15
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	(272,985)
Transaction costs of the acquisition included in cash flows from operating activities	(2,626)
	(275,611)

38. CONTINGENT LIABILITIES

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

(a) Company

	2013 HK$'000	2012 HK$'000
Guarantees given to financial institutions in connection with facilities granted to subsidiaries	**2,424,573**	1,528,201

(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$1,415,000 (2012: HK$1,476,000) as at 31 March 2013, as further explained under the heading "**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 16), sub-leases Chinese wet markets, shopping centres and car parks under operating lease arrangements, with leases negotiated for terms ranging from two months 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 31 March 2013, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2013 HK$'000	2012 HK$'000
Within one year	**217,733**	253,389
In the second to fifth years, inclusive	**200,800**	218,266
	418,533	471,655

39. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases certain Chinese wet markets and certain of its office properties under operating lease arrangements. Leases are negotiated for terms ranging from two to six years.

At 31 March 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2013	2012
	HK$'000	HK$'000
Within one year	**108,285**	125,588
In the second to fifth years, inclusive	**104,135**	178,933
	212,420	304,521

40. COMMITMENTS

In addition to the operating lease commitments detailed in note 39(b) above, the Group had the following capital commitments at the end of the reporting period:

	Group	
	2013	2012
	HK$'000	HK$'000
Contracted, but not provided for:		
Property, plant and equipment	**–**	210
Properties under development	**291,932**	128,150
Investment properties	**406,400**	–
	698,332	128,360

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

41. RELATED PARTY TRANSACTIONS

In addition to the transactions 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	2013 HK$'000	2012 HK$'000
Rental income received from a director	(i)	**996**	996
Transactions with WYTH:			
Management fee income	(ii)	**960**	840
Rental income	(ii)	**1,470**	2,215
Rental expenses paid to WYTH	(ii)	**1,950**	1,824
Purchases of products from WYTH	(iii)	**889**	2,908

Notes:

(i) Certain investment properties of the Group were leased to a director at an agreed monthly rental of HK$83,000 (2012: HK$83,000). 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 party.

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

(b) Other transaction with a related party

During the year, the Group acquired 1,150,000,000 ordinary shares of PNG Resources from WYTH at the price of HK$0.096 per share, being approximately 14.95% equity interest in PNG Resources, at a consideration of HK$110,400,000. Further details of the transaction are included in note 22 to the financial statements.

(c) Compensation of key management personnel of the Group

	2013 HK$'000	2012 HK$'000
Short term employment benefits	**5,785**	4,891
Post-employment benefits	**74**	49
Equity-settled share option expense	**31**	86
Total compensation paid to key management personnel	**5,890**	5,026

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 values 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 2013

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Available-for-sale investments	**334,529**	**–**	**–**	**334,529**
Financial assets at fair value through profit or loss	**47,085**	**8,904**	**–**	**55,989**
	381,614	**8,904**	**–**	**390,518**

As at 31 March 2012

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss	64,437	11,009	–	75,446

Company

As at 31 March 2013

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Financial assets at fair value through profit or loss	**10,322**	**–**	**–**	**10,322**

As at 31 March 2012

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss	14,827	–	–	14,827

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 (2012: 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, loans and interest receivables, deposits, trade and other payables, accruals, deposits received, 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 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$'000
2013		
HK$	**100**	**(16,298)**
HK$	**(100)**	**16,298**
2012		
HK$	100	(10,197)
HK$	(100)	10,197

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$'000
2013		
If Euro strengthens against HK$	**10.428**	**10**
If Euro weakens against HK$	**(10.428)**	**(10)**
If GBP strengthens against HK$	**7.052**	**755**
If GBP weakens against HK$	**(7.052)**	**(755)**
If HK$ strengthens against RMB	**2.504**	**1,256**
If HK$ weakens against RMB	**(2.504)**	**(1,256)**
2012		
If Euro strengthens against HK$	10.913	11
If Euro weakens against HK$	(10.913)	(11)
If GBP strengthens against HK$	5.648	322
If GBP weakens against HK$	(5.648)	(322)
If HK$ strengthens against RMB	3.302	2,186
If HK$ weakens against RMB	(3.302)	(2,186)

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 is equal to the carrying amounts of these instruments.

In respect of trade and other receivable, 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 receivable 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 available-for-sale investments (note 22), trade and other receivables (notes 24 and 26), loans and interests receivable (note 25) 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.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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

	2013					
	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)	**249,779**	**57,043**	**1,142,682**	**128,734**	**134,697**	**1,712,935**
Trade payables (note 29)	**–**	**38,473**	**–**	**–**	**–**	**38,473**
Other payables and accruals (note 30)	**–**	**43,174**	**4,264**	**–**	**–**	**47,438**
	249,779	**138,690**	**1,146,946**	**128,734**	**134,697**	**1,798,846**

	2012					
	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)	172,684	73,013	437,466	185,649	201,830	1,070,642
Trade payables (note 29)	–	22,687	–	–	–	22,687
Other payables and accruals (note 30)	–	25,065	–	–	–	25,065
	172,684	120,765	437,466	185,649	201,830	1,118,394

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Company

	2013					
	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)	**14,000**	**2,411**	**17,773**	**–**	**–**	**34,184**
Other payables and accruals (note 30)	**–**	**17,910**	**–**	**–**	**–**	**17,910**
Due to subsidiaries (note 19)	**–**	**–**	**–**	**–**	**1,605,656**	**1,605,656**
	14,000	**20,321**	**17,773**	**–**	**1,605,656**	**1,657,750**
Financial guarantees issued: Guarantees given to bank in connection with facilities granted to subsidiaries (note 38(a))	**–**	**2,424,573**	**–**	**–**	**–**	**2,424,573**

	2012					
	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)	22,000	2,434	19,851	–	–	44,285
Other payables and accruals (note 30)	–	1,995	–	–	–	1,995
Due to subsidiaries (note 19)	–	–	–	–	911,369	911,369
	22,000	4,429	19,851	–	911,369	957,649
Financial guarantees issued: Guarantees given to bank in connection with facilities granted to subsidiaries (note 38(a))	–	1,528,201	–	–	–	1,528,201

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$249,779,000 (2012: HK$172,684,000) 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**".

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 at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has 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 2013	**59,450**	**30,036**	**63,516**	**101,034**	**254,036**
31 March 2012	24,712	24,414	52,391	78,621	180,138

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 2013	**14,222**	**–**	**–**	**–**	**14,222**
31 March 2012	18,378	4,071	–	–	22,449

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 22) and financial assets at fair value through profit or loss (note 27) as at 31 March 2013.

The Group's 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 Stock Exchange and are valued at quoted market prices at the end of the reporting period.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk (continued)

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 2013	High/low 2013	31 March 2012	High/low 2012
Hong Kong — Hang Seng Index	**22,300**	**23,730/18,630**	20,556	23,806/17,592

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
2013			
Equity securities listed in Hong Kong:			
Held-for-trading	**47,085**	**27.38**	**12,892**
Held-for-trading	**47,085**	**(27.38)**	**(12,892)**
Equity securities listed in Hong Kong:			
Available-for-sale	**321,300**	**27.38**	**87,972**
Available-for-sale	**321,300**	**(27.38)**	**(87,972)**
Equity securities unlisted in Hong Kong:			
Held-for-trading	**8,904**	**27.38**	**2,438**
Held-for-trading	**8,904**	**(27.38)**	**(2,438)**
Debt securities listed in Hong Kong:			
Available-for-sale	**6,182**	**27.38**	**1,693**
Available-for-sale	**6,182**	**(27.38)**	**(1,693)**
Debt securities listed in Luxemburg:			
Available-for-sale	**7,047**	**18.42**	**1,298**
Available-for-sale	**7,047**	**(18.42)**	**(1,298)**

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk (continued)

	Carrying amount of financial investments HK$'000	Increase/ (decrease) in price %	Increase/ (decrease) in profit before tax HK$'000
2012			
Equity securities listed in Hong Kong:			
Held-for-trading	58,927	26.10	15,380
Held-for-trading	58,927	(26.10)	(15,380)
Unlisted debt securities in Hong Kong:			
Held-for-trading	16,519	16.12	2,663
Held-for-trading	16,519	(16.12)	(2,663)

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 year ended 31 March 2013.

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. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2013 HK$'000	2012 HK$'000 (Restated)
Interest-bearing bank loans (note 31)	**1,629,819**	1,019,654
Less: Cash and cash equivalents (note 28)	**(752,151)**	(582,095)
Net debt	**877,668**	437,559
Equity attributable to owners of the parent	**3,567,531**	2,990,928
Gearing ratio	**24.60%**	14.63%

44. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group entered into certain provisional sale and purchase agreements with independent third parties to dispose of certain of its properties held for sale at an aggregate consideration of HK$396,620,000. The disposals are expected to be completed between July and November of 2013 and the gains on disposals before tax are expected to be approximately HK$277,642,000.

45. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of 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 prior year adjustments have been made, certain comparative amounts have been restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1 April 2011 has been presented.

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 21 June 2013.

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 6, G/F, 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%
Shop 4 & 5, Ground Floor, Mong Kok Building, Nos. 93, 95 and 99 Mong Kok Road, Mong Kok, Kowloon	Commercial premises for rental	Long term lease	100%
Ground Floor including Cockloft, Foon Shing Building, No. 732 Nathan Road, Kowloon	Commercial premises for rental	Long term lease	100%
Various wet markets located at Shenzhen, Guangdong Province, the PRC	Commercial premises for rental	Medium term lease	100%

PROPERTIES HELD FOR SALE

Property name	Location	Approximate site area (sq ft)	Estimated approximate gross floor area (sq ft)	Use	Stage of completion	Estimated completion	Attributable interest of the Group
Grandeur Terrace	88 Tin Shui Road, Yuen Long, New Territories	29,530	23,059	Commercial	Completed	Existing	100%

PROPERTIES UNDER DEVELOPMENT

Location	Approximate site area (sq ft)	Estimated approximate gross floor area (sq ft)	Use	Estimated completion date	Attributable interest of the Group
Nos. 13 & 15, Sze Shan Sheet, Yau Tong, Kowloon	41,000	272,000	Residential & commercial	2017	100%
Nos. 2, 4, 6 and 8, Pak Kung Street, Hung Hom, Kowloon	4,000	36,000	Residential & commercial	2013	100%
Nos. 724 and 726, Nathan Road, Mong Kok, Kowloon	3,000	45,000	Commercial	2014	100%
Nos. 140, 142, 144 & 146, Camp Street, Shum Shui Po, Kowloon	4,600	43,000	Residential & commercial	2015	100%
Nos. 1, 3, 5, 7, 9 & 13, Kwai Heung Street, Sai Ying Pun, Hong Kong	4,800	39,000	Residential & commercial	2014	100%
Nos. 575 & 575A, Nathan Road, Mong Kok, Kowloon	2,100	20,000	Commercial	2015	100%

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 and reclassified as appropriate is set out below. The amounts for each year in the five year financial summary have been adjusted for the effects of the retrospective changes in the accounting policy affecting deferred tax on investment properties, as detailed in note 2.2 to the financial statements.

RESULTS

	Year ended 31 March				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
CONTINUING OPERATIONS					
REVENUE	**761,462**	410,785	559,300	524,884	417,954
PROFIT AFTER FINANCE COSTS	**271,713**	128,834	249,750	146,345	139,101
Share of profits and losses of an associate	**179,379**	295,704	–	(9,049)	(55,227)
PROFIT BEFORE TAX	**451,092**	424,538	249,750	137,296	83,874
Income tax expense	**(41,558)**	(31,051)	(18,592)	(24,429)	(10,800)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**409,534**	393,487	231,158	112,867	73,074
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	**–**	1,809	9,281	4,620	6,677
PROFIT FOR THE YEAR	**409,534**	395,296	240,439	117,487	79,751
Attributable to:					
Owners of the parent	**409,536**	395,228	240,241	117,488	55,010
Non-controlling interests	**(2)**	68	198	(1)	24,741
	409,534	395,296	240,439	117,487	79,751

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 March				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
TOTAL ASSETS	**5,717,759**	4,216,062	3,639,134	2,940,699	1,907,712
TOTAL LIABILITIES	**(2,149,763)**	(1,224,667)	(1,012,271)	(974,962)	(552,828)
NON-CONTROLLING INTERESTS	**(465)**	(467)	(594)	(396)	(397)
	3,567,531	2,990,928	2,626,269	1,965,341	1,354,487