RICHLY FIELD

Richly Field China Development Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 313)

ANNUAL REPORT

2011

Contents

Corporate Information

Board of Directors

Executive Directors

HE Guang *(Chairman)*
WONG Kin Fai
YU Xing Bao
(resigned on 14 July 2010)

Non-executive Directors

HUANG Shao Xiong
(appointed on 13 August 2010)
WANG Yuan Xun
(appointed on 13 August 2010)
GUO Dong (resigned on 14 July 2010)

Independent Non-executive Directors

CHO Denise Yee Man
(appointed on 13 August 2010)
LIU Ming Fang
(appointed on 13 August 2010)
HE Chuan
CHAN Chi Yuen
(resigned on 13 August 2010)
DAI Chang Jiu
(resigned on 13 August 2010)

Audit Committee

CHO Denise Yee Man *(Chairman)*
LIU Ming Fang
HE Chuan

Remuneration Committee

HE Guang *(Chairman)*
CHO Denise Yee Man
LIU Ming Fang
HE Chuan

Company Secretary

LEE Pui Shan

Auditors

Pan-China (H.K.) CPA Limited

Legal Advisers

Bermuda Law
Appleby

Hong Kong Law
Iu, Lai & Li Solicitors & Notaries

Principal Registrar

Appleby Management (Bermuda) Limited
Argyle House
41 a Cedar Avenue
Hamilton HM12
Bermuda

Hong Kong Share Registrar and Transfer Office

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

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Place of Business

Unit 1208, 12/F
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Principal Bankers

The Bank of East Asia, Limited
China Construction Bank Corporation
China Merchants Bank
Industrial and Commercial Bank of China
Bank of China

Website

http://www.equitynet.com.hk/richlyfield

Stock Code

313

DEVELOPMENT AND INVESTMENT PROPERTIES-UNDER DEVELOPMENT

Number	Item Name	Location	Type of Property	Attributable Interest	Site Area	Gross Floor Area (included underground) *(Sq. m)* *(Note)*	Expected Completion Date	Lease Term
1	Wang Gua [2009] No. 6	Wangcheng County, Tengfei Village, Maqiaohe Village, Dongma Shequ	Residential, Commercial	50.75%	698.05 mu (465,363 sq. m) Net site area 610.3 mu	209,134.62		
1.1			Commercial		450.96 mu (300,652.6 sq. m)	168,100		Medium-term
			Phase 7			78,100	September 2011	
			Phase 8			90,000	December 2012	
1.2			Residential		159.35 mu (106,234.4 sq. m)	41,034.62		N/A
			Phase 4			4,708.19	March 2013	
			Phase 6			36,326.43	February 2015	
2	Wang Gua [2009] No. 16	Wangcheng County, Tengfei Village, Maqiaohe Village, Dongma Shequ	Residential, Commercial	50.75%	1,042.77 mu (695,179 sq.m) Net site area 977.5 mu	934,654.85		
2.1			Commercial		50.09 mu (33,393.3 sq. m)	9,830.64		Medium-term
			Phase 7			9,830.64	September 2011	
2.2			Residential		927.41 mu (618,272.6 sq. m)	924,824.21		N/A
			Phase 1			100,348.81	September 2011	
			Phase 2			130,009.56	August 2012	
			Phase 3			297,883.03	March 2014	
			Phase 4			76,789.79	March 2013	
			Phase 5			267,622.60	March 2016	
			Phase 6			52,170.42	February 2015	

Note: Due to the change of plan, the gross floor area figure disclosed for the Year was different from the last year.

Management Discussion and Analysis

The board of directors (the "Board") of Richly Field China Development Limited (the "Company") would like to announce the audited consolidated final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2011 (the "Year"), together with the comparative figures for the year ended 31 March 2010.

BUSINESS REVIEW

The main business activity of the Company is investment holding. Its main subsidiaries were in the building construction and maintenance industry including building work, design, construction and building maintenance, and property development. Their operations were located in the People's Republic of China (the "PRC").

Acquisition and Disposal of Subsidiaries

During the Year, the Group was committed to developing the Changsha Outlets and its ancillary residential project, which has been developing by the Group's subsidiary Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"). On 10 November 2010, an indirect wholly-owned subsidiary of the Company and the direct controlling company of Hunan Richly Field, Globe Outlets City Holdings Limited ("Globe Outlets"), entered into a joint venture agreement with a third party, Zhongrong International Trust Company Limited ("Zhongrong Trust"). Pursuant to the joint venture agreement, the total registered capital of Hunan Richly Field, a subsidiary of Globe Outlets, will be increased from HK$238,000,000 to HK$469,000,000, and Zhongrong Trust conditionally agreed to subscribe for additional registered capital of HK$231,000,000 at a cash consideration of RMB200,000,000 (equivalent to approximately HK$231,000,000). This can provide the Group with a good opportunity in securing development funds at commercially reasonable and favourable terms by virtue of the financial strength of Zhongrong Trust while still enjoying the major part of economic benefit brought by the Changsha project. As of the end of the Year, the main construction of phase 1 of Changsha project was nearly completed whereas the marketing and promotion work has been commenced in a well-ordered way. The residential part is proposed to be launched in July 2011 and the commercial part of Outlets will come into operation in October 2011. At such time, in view of the joint development and mutual promotion of residential properties and commercial apartments of Outlets, the Group is able to get a substantial return from the Changsha project, strongly improving the Group's image and competitiveness. For further details, please refer to the announcement dated 10 November 2010 and the circular of the Company dated 26 November 2010.

During the Year, the Group adhered to the active and stable business expansion. On 1 November 2010, the Company entered into an agreement with a third party to acquire 100% equity interest of Cosmos View Holdings Limited ("Cosmos View"), together with the shareholder's loan, at the total consideration of HK$46,842,640. This acquisition allows the Group to get access into the property market in Nanchang, Jiangxi province successfully. For further details, please refer to the announcement dated 1 November 2010.

Subsequently, considering the objective fact that the PRC government imposes a series of tightening measure for real estate market, on 15 November 2010, the Company entered into an agreement and a deed with a third party who is equipped with similar developing strategy and financing ability to dispose 50% equity interest and 50% of the shareholder's loan of Cosmos View respectively, at the total consideration of US$3,002,782.34, for the purpose of grasping the golden investment opportunity for the commercial and residential market in Jiangxi province by the synergy effect creating from the cooperation. Currently, the Group has focused on the preliminary preparation work for Jiangxi Globe Outlets City project. For further details, please refer to the announcement dated 15 November 2010.

During the Year, the Group actively expanded its business in addition to the continuous optimization of business structure. On 3 August 2010, a conditional agreement was entered into between an independent third party (the "Purchaser") and the Company in respect of the disposal of the entire issued share capital and the shareholder's loan of Wealthy Field Development Holdings Limited and its fellow subsidiaries (collectively "Wealthy Field Development Group") at the consideration of US$45,000,000. At first, the Group intended to seek investment opportunity in Fuzhou, Fujian province. However, the market situation in Fuzhou was changed so that the property investment in Fuzhou might violate the steady development and investment strategy of the Group. Thus, the Group decided prudently to terminate the project in Fuachou. The details were disclosed in the announcement of the Company dated 3 August 2010 and the circular of the Company dated 12 August 2010.

Developing New Business

Besides endeavoring to consolidate the primary business model of developing commercial properties and ancillary residential properties, the Group also actively seeks business opportunity based on the considerable experience of property development to extend its business and improves the Group's overall efficiency and competitiveness by enjoying the mutual complement effect created by diversified businesses. 懷來大一葡萄酒莊園有限公司, a indirect wholly-owned subsidiary of the Company intends to develop a private wine chateau in Huailai county after carrying out detailed research and analysis on the investment environment and development potential in Huailai county, Heibei province. Currently, such project is on the preparation stage.

Winding up a Subsidiary

During the Year, for the purpose of optimizing resource allocation for the Group's subsidiary and strengthening the operation efficiency and competitiveness, the Board passed a resolution to wind up 德信建工(廣東)有限公司 (Dickson Construction Engineering (Guangdong) Limited).

FINANCIAL REVIEW

Results

Turnover for the year ended 31 March 2011 amounted to approximately HK$nil and the corresponding last year was HK$25,843,000. Profit attributable to equity holders for the Year was approximately HK$33,617,000 compared with a loss approximately of HK$32,090,000 for the corresponding last year. Earnings per share for the Year was HK0.4 cents compared with a loss per share of HK0.3 cents for the corresponding last year. During the Year, the Group did not recognize any revenue from construction work and revenue from property development which are in progress. The profit for the Year was mainly attributed to government grant of approximately HK$174,375,000. As of 31 March 2011, the Group has turned losses into gains as compared to the corresponding last year.

Liquidity and Capital Resources

As at 31 March 2011, the Group's net assets amounted to approximately HK$921,126,000 as compared with net assets amounted to approximately HK$563,936,000 at 31 March 2010. As at 31 March 2011, the Group had net current assets of approximately HK$857,233,000 including cash and cash equivalents of approximately HK$339,587,000 as compared with net current assets of approximately HK$626,582,000 including cash and cash equivalents of approximately HK$244,057,000 at 31 March 2010. The Group's gearing ratio measured on the basis of the Group's total bank borrowings over the total equity as at 31 March 2011 was 38.67% (2010: N/A).

The Group has no significant exposure to foreign currency fluctuation as cash balances, trade receivables and trade payables were denominated in Hong Kong dollars and Renminbi.

The source of funding of the Group was mainly from its internal resources and the bank loans. One of the Group's wholly-owned subsidiaries entered into a joint venture agreement with a mainland investor, pursuant to which its registered capital increased from HK$238,000,000 to HK$ 469,000,000. Besides, such subsidiary obtained a non-current bank loan of RMB300,000,000 (equivalent to approximately HK$356,167,636) for financing the property development project as of the end of the Year.

Capital Commitment and Contingent Liabilities

As at 31 March 2011, the Group did not have any capital commitments (2010: Nil). There were no material contingent liabilities as at 31 March 2011 (2010: Nil).

Employees

As at 31 March 2011, the Group employed a total of 125 employees (excluding directors). The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include a medical insurance coverage, provident fund and share options.

PROSPECT AND OUTLOOK

During the Year, the PRC government has gradually magnified the control on real estate industry by implementing a series of policy including introducing differentiated credit policy and purchase limit, increasing housing fund lending rate, making it harder to get financing for real estate development corporate, as well as tightening the land supply management, in order to lead the whole real estate market (including all of the elements such as land supply, development and sales) into an orderly, healthy and optimum track. Under the influence of those PRC real estate control policies, the PRC real estate market gradually becomes regulated and mature. The Group considers that the control on real estate industry taken promptly reduces the risk accumulated in the mainland real estate market, which accords with the Group's operational strategy to focus on seeking investment opportunities in countryside of second and third tier cities. As long as keeping sensitive to the market, prudent for decision making and holding existing business position, the Group has confidence in grasping this business development opportunity, improving competitiveness and continuing to create a higher value for shareholders.

Currently, the phase 1 of Outlets and its ancillary residential project developed in Changsha, Hunan by the Group has been nearly completed. The residential and commercial part of Outlets will be launched and come into operation in July and October 2011 respectively. At such time, the Group is able to get a substantial return from the project while the experience gained from its success will laid a sound foundation for the successful operation of other projects run by the Group.

Based on the successful experience of the Changsha project, the Group will keep searching high value-added business. On one hand, the Group will adhere to the original "low density residential + Outlets-style commercial" development model, and sticking to the business philosophy of supporting commercial development with residential property and raising the value of residential property with commercial building. The Group will continue to seek business opportunities in the countryside of second and third tier cities with high development and consumption potential within the country such as Nanchang, Qinhuangdao and Changchun. On the other hand, the Group will flexibly develop other ancillary business such as leisure tourism property (including wine chateau) on the basis of property development so as to enhance the Group's overall competitiveness in diversified aspects besides improving the Group's additional value.

FINAL DIVIDEND

The Board does not recommend any final dividend for the year ended 31 March 2011 (31 March 2010: Nil).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 38 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2011 are set out in the consolidated statement of comprehensive income on page 34 of this report.

There will not be a payment of a final dividend for the year ended 31 March 2011. (31 March 2010: Nil)

PLEDGE OF ASSETS

Details are set out in note 21 to the consolidated financial statements.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

Details are set out in note 34 and note 35 to the consolidated financial statements.

SHARE CAPITAL

Details of the authorised and issued share capital of the Company are set out in note 24 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 37 and 38 and in note 25 to the consolidated financial statements respectively.

MAJOR CUSTOMERS AND SUPPLIERS

There were no major customers and supplies during the Year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 86 of this report. This summary does not form part of the audited financial statements.

DIRECTORS

The directors of the Company during the Year and up to the date of this report were:

Executive Directors:

HE Guang
WONG Kin Fai
YU Xing Bao (resigned on 14 July 2010)

Non-executive Directors:

HUANG Shao Xiong (appointed on 13 August 2010)
WANG Yuan Xun (appointed on 13 August 2010)
GUO Dong (resigned on 14 July 2010)

Independent Non-executive Directors:

CHO Denise Yee Man (appointed on 13 August 2010)
LIU Ming Fang (appointed on 13 August 2010)
HE Chuan
CHAN Chi Yuen (resigned on 13 August 2010)
DAI Chang Jiu (resigned on 13 August 2010)

Pursuant to Bye-Law 99, Mr. He Guang and Mr. Wong Kin Fai will retire by rotation at the forthcoming annual general meeting and, being eligible, will be offering themselves for re-election.

Pursuant to Bye-Law 102B, Mr. Huang Shao Xiong and Mr. Wang Yuan Xun will retire by rotation at the forthcoming annual general meeting and, being eligible, will be offering themselves for re-election.

The term of office of each non-executive director is not specific but subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Bye-Laws of the Company.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2011, the interests of the directors, the chief executives and their associates, in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies, were as follows:

Long positions

Ordinary shares of HK$0.05 each of the Company

Name of director	Capacity	Number of issued ordinary shares held/ interested	Number of unlisted underlying shares interested *(Note 4)*	Approximate Aggregate Percentage of the issued share capital of the Company
HE Guang *(Note 1)*	Held by controlled corporation and personal interest	1,440,000,000	34,500,000	16.60%
WONG Kin Fai *(Note 2)*	Held by his spouse and personal interest	30,000	25,500,000	0.29%
WANG Yuan Xun *(Note 3)*	Held by his spouse	7,950,000	–	0.09%

Note:

1) Sino Dynamics Investments Limited, which is the registered holder of 1,440,000,000 shares, is wholly owned by Mr. He Guang. Mr. He Guang is deemed to be interested in 1,440,000,000 shares under the SFO.

2) Mr. Wong Kin Fai is deemed to be interested in 30,000 shares held by his spouse under the SFO.

3) Mr. Wang Yuan Xun is deemed to be interested in 7,950,000 shares held by his spouse under the SFO.

4) Unlisted underlying shares are share options granted to the directors pursuant to the share option scheme of the Company and details of which are set out on page 27 to page 31 of this report.

Save as disclosed above, none of the directors, the chief executive and their associates, had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies as at 31 March 2011.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2011, other than the interests of certain directors as disclosed under the section headed "Directors' and chief executives' interests in shares and underlying shares" above, the interests and short positions of persons in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholder required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions

Ordinary shares of HK$0.05 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares and unlisted underlying shares held/ interested	Approximate Percentage of the issued share capital of the Company
Sino Dynamics Investments Ltd *(Note)*	Registered owner	1,440,000,000	16.21%
Leung Ho Hing	Registered owner	2,340,000,000	26.35%

Note: Sino Dynamics Investments Limited, which is the registered holder of 1,440,000,000 shares, is wholly owned by Mr. He Guang, an executive director of the Company.

Save as disclosed above, as at 31 March 2011, no person (other than the directors of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

To the best knowledge of the Board, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors 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.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE AND CONNECTED PARTY TRANSACTIONS

Having made all reasonable enquiries and based on the available books and records, the Board is not aware of any material interest 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 IN COMPETING BUSINESS

As at the date of this report, none of the directors, the shareholders of the Company and their respective associates had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 28 to the consolidated financial statements.

MANAGEMENT CONTRACTS

The Board is not aware of any contract during the Year entered into with the management and administration of the whole or any substantial part of the business of the Company.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes are set out in note 27 to the consolidated financial statements.

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

During the Year, the Company and any of its subsidiaries did not purchase, sell or redeem any of the Company's listed shares.

PRE-EMPTIVE RIGHTS

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

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Year and up to the date of this report.

EVENTS AFTER THE REPORTING DATE

Details of the significant events after the reporting date of the Group are set out in note 39 to the consolidated financial statements.

AUDITORS

The financial statements for the year ended 31 March 2011 were audited by Pan-China (H.K.) CPA Limited. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

He Guang
Chairman

Hong Kong, 30 June 2011

CORPORATE GOVERNANCE PRACTICES

Following the issue of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Listing Rules, the Company has carefully reviewed and considered its provisions, and carried out a detailed analysis on the corporate governance practices of the Company to comply with the requirements of the CG Code.

The Board confirms that the Company was in compliance with the CG Code throughout the Year, except for the following deviations:

Code Provision A.2.1

This provision states that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. He Guang assumes the role of chairman, and there is no other person designated as chief executive officer. The Board believes that this structure helps maintain strong and effective leadership and leads to a highly efficient decision making process. The Board will review this situation periodically.

Code Provision A.4.1

This provision requires the non-executive directors should be appointed for specific terms, subject to re-election at the general meeting of the Company. Currently, all the non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the forthcoming annual general meeting in accordance with the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting that in the CG Code.

Code Provision E.1.2

This provision requires the chairman of the Board to attend the annual general meeting (the "AGM") and arrange for the chairman of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee to be available to answer questions at the AGM.

The chairman of the Board had not attended the AGM held on 30 July 2010 as he was engaged in an important business meeting overseas. The said AGM was chaired by an executive director.

BOARD OF DIRECTORS

Composition

As at the date of this report, the Board composed of seven directors including two executive directors, two non-executive directors, and three independent non-executive directors.

The Board is responsible for the leadership and control of the Company and oversees the Company's businesses, investment and strategic decisions and performance. In addition, the Board has also delegated various responsibilities to the board committees. Further details of these board committees are set out in this report.

Executive Directors:
HE Guang
WONG Kin Fai

Non-executive Directors:
HUANG Shao Xiong
WANG Yuan Xun

Independent Non-executive Directors:
CHO Denise Yee Man
LIU Ming Fang
HE Chuan

The Board members have no financial, business, family or other material/relevant relationships with each other. The biographical information of the directors are set out on page 24 to page 26 of this report.

Chairman

The role of the chairman of the Company takes the lead in formulating overall strategies and policies of the Company; ensures the effective performance by the Board of its functions, including compliance with good corporate governance practices and encourages and facilitates active contribution of directors in Board activities. He also ensures that all directors are properly briefed on issues arising at Board meetings and have received adequate, complete and reliable information in a timely manner with the assistance of the company secretary.

Executive Directors

The executive directors are responsible for running the Company and executing the strategies adopted by the Board. They lead the Company's management team in accordance with the directions set by the Board and are responsible for ensuring that proper internal control system is in place and the Company's business conforms to applicable laws and regulations.

Non-executive Directors and independent non-executive Directors

The non-executive directors and the independent non-executive directors serve the important function of ensuring and monitoring the basis for an effective corporate governance framework.

Their participations provide adequate checks and balances to safeguard the interests of the Company and its shareholders. The Board consists of three independent non-executive directors and one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each of the independent non-executive directors a confirmation of independence for the Year pursuant to Rule 3.13 of the Listing Rules.

On this basis, the Board considers all such directors to be independent.

Board Meetings

During the Year, the Board held nine regular/special Board meetings. The attendance of each member at the Board meetings is set out below:

Name	Number of meetings attended/Total
Executive Directors:	
He Guang *(Chairman)*	9/9
Wong Kin Fai	9/9
Yu Xing Bao (resigned on 14 July 2010)	1/3
Non-executive Directors:	
Huang Shao Xiong (appointed on 13 August 2010)	4/5
Wang Yuan Xun (appointed on 13 August 2010)	3/5
Guo Dong (resigned on 14 July 2010)	2/3
Independent Non-executive Directors:	
Cho Denise Yee Man (appointed on 13 August 2010)	4/5
Liu Ming Fang (appointed on 13 August 2010)	4/5
He Chuan	7/9
Chan Chi Yuen (resigned on 13 August 2010)	4/4
Dai Chang Jiu (resigned on 13 August 2010)	3/4

Board minutes are kept by the company secretary and are open for inspection by the directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the company secretary, and has the liberty to seek external professional advice if so required.

TRAINING FOR DIRECTORS

Each newly appointed director receives comprehensive, formal induction to ensure that he/she has appropriate understanding of the business and his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the directors.

The Board confirms that all directors of the Company have complied with the Model Code throughout the Year.

AUDIT COMMITTEE

The audit committee (the "Audit Committee") has been established by the Board. The Audit Committee currently comprises three independent non-executive directors. The Audit Committee will meet at least twice a year. The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board in the appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

During the Year, the Audit Committee held two meetings. Details of attendance are set out below:

Name	**Number of meetings members attended/Total**
Cho Denise Yee Man *(Chairman)* (appointed on 13 August 2010)	1/1
Liu Ming Fang (appointed on 13 August 2010)	1/1
He Chuan	2/2
Chan Chi Yuen (resigned on 13 August 2010)	1/1
Dai Chang Jiu (resigned on 13 August 2010)	1/1

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") which consists of one executor director and three independent non-executive directors. The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy for directors and senior management, and overseeing the remuneration packages of the executive directors, and senior management.

During the Year, the Remuneration Committee held one meeting to discuss about the remuneration package of directors and senior management. Details of attendance are set out below:

Name	**Number of meetings members attended/Total**
Executive Director:	
He Guang *(Chairman)*	1/1
Independent Non-executive Directors:	
Cho Denise Yee Man (appointed on 13 August 2010)	1/1
Liu Ming Fang (appointed on 13 August 2010)	1/1
He Chuan	1/1
Chan Chi Yuen (resigned on 13 August 2010)	N/A
Dai Chang Jiu (resigned on 13 August 2010)	N/A

NOMINATION COMMITTEE

In considering the nomination of new directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the investment business and/or other professional areas.

Furthermore, as the full Board is responsible for the selection and approval of candidate for appointment as director to the Board, therefore the Company has not established a nomination committee for the time being.

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's financial statements for each financial period and to ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements. The directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the auditors of the Company regarding their responsibilities on the financial statements is set out in the Independent Auditors' Report on page 32 to page 33 of this report.

INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective internal control system of the Company. The Board has delegated to the management the implementation of such systems of internal controls as well as the review of relevant financial, operational and compliance controls and risk management procedures. The Audit Committee composites member of the management was established for conducting a review of the internal control of the Company which cover the material controls including financial, operational and compliance controls and risk management functions. Procedures have been set up, inter alia, for safeguarding assets against unauthorized use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication.

The management throughout the Company maintains and monitors the internal control system on an ongoing basis. No material issue but areas for improvement had been identified and appropriate measures had been taken. Also the Board considered that the resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget are adequacy.

AUDITORS' REMUNERATION

During the Year under review, the remuneration in respect of audit and non-audit services provided by the Company's auditors is set out below:

Services rendered	**Fee paid/payable**
	HK$'000
Audit services	300
Non-audit services	302

The nature of non-audit services provided by the Company's auditors included the independent review for interim results as at 30 September 2010, review and reporting services for notifiable transactions during the Year.

INVESTOR RELATIONS

During the Year, the Company has proactively enhanced its corporate transparency and communications with its shareholders and the investment community through its mandatory interim and final reports announcement. Through the timely distribution of press releases, the Company has also kept the public abreast of its latest developments.

COMMUNICATION WITH SHAREHOLDERS

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. The Chairman as well as Chairman of the Audit and Remuneration Committees and members of the Committees are pleased to answer shareholders' questions. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual directors. All the announcements and circulars are published on the Company's website (http://www.equitynet.com.hk/richlyfield) and on the website of the Stock Exchange (http://www.hkexnews.hk).

Biographical Details of Directors

EXECUTIVE DIRECTORS

Mr. HE Guang ("Mr. He")

Mr. He, aged 52, was appointed as an executive director of the Company on 23 July 2008. Mr. He was an executive director and vice-president of Beijing Capital Land Limited (HKEX stock code: 2868) from December 2002 to December 2008. In the past, Mr. He was responsible for project management in the New Rank Group in Hong Kong since 1998. During the period from late 1996 to 1998, Mr. He worked as a senior engineer for C.M. Wong Associates Limited in Hong Kong, which is a firm of consulting engineers specializing in structural and geo-technical engineering projects. Mr. He has also worked as a senior architect and engineer for TCL Construction Development Limited in Canada from May 1996 to December 1996 and was responsible for designing several development projects in Canada and in Hong Kong. Prior to his position at Beijing Capital Land Limited, Mr. He also served as a member of the senior management of Beijing Rongjin Real Estate Development Company Limited, a PRC property development company. Mr. He has over 25 years of experience in architectural engineering and obtained his doctorate in civil engineering from the University of Montreal, Canada in 1996.

Mr. WONG Kin Fai ("Mr. Wong")

Mr. Wong, aged 43, was appointed as an executive director of the Company on 23 July 2008. Mr. Wong is a qualified cost engineer practising in quantity surveying and project management. He has over 15 years of experience in the construction industry and is principally engaged in the provision of consultancy services to construction projects in Hong Kong and the PRC. Mr. Wong obtained a master of science degree in engineering business management from the University of Warwick in 1993 and a postgraduate diploma in quantity surveying from the University of Hong Kong in 1997. Mr. Wong is an accredited Quantity Surveyor with the Academy of Experts (England).

NON-EXECUTIVE DIRECTORS

Mr. HUANG Shao Xiong ("Mr. Huang")

Mr. Huang, aged 47, was appointed as a non-executive director of the Company on 13 August 2010. Mr. Huang holds a master of business administration degree from Murdoch University, Western Australia and a postgraduate certificate in financial management. Mr. Huang worked as an audit team leader in the inland revenue department of Guangzhou, People's Republic of China for about 11 years and then pursued his career in the investment and property development industry since 1994. Mr. Huang is currently the general manger of Guangzhou XiangNeng Investment Group Company Limited and Guangzhou ZhongQingXinZhou Property Development Company Limited.

Mr. WANG Yuan Xun ("Mr. Wang")

Mr. Wang, aged 65, was appointed as a non-executive director of the Company on 13 August 2010. Mr. Wang holds a bachelor degree from the University of International Business & Economics Beijing and the Shanghai Foreign Trade Institute and a master degree from the University of Regina. Prior to joining the Company, Mr. Wang worked as a general manager for The Asia Pacific Group (Canada) in Vancouver and a special project manager in cooperation with Beijing Capital Group Limited. Mr. Wang served in a managerial position with CCG Trade & Development Corporation, KaiLi Machinery Imp/Exp Corporation and World Golden Bridge Investment Group. Mr. Wang has extensive experience in management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. CHO Denise Yee Man ("Ms. Cho")

Ms. Cho, aged 33, was appointed as an independent non-executive director of the Company on 13 August 2010. Ms. Cho holds a bachelor of science degree in accounting and in finance from the San Francisco State University, United State of America. Ms. Cho is a certified public accountant and is a fellow member of the American Institute of Certified Public Accountants, United State of America. Prior to joining the Company, Ms. Cho worked as an auditor for Grant Thornton International, a senior financial analyst for Walt Disney Television International (Asia Pacific), a regional controller for Proctor & Gamble Prestige Greater China and a regional finance manager for Lane Crawford – Pedder Group Limited. Ms. Cho has extensive experience in financial analysis and management, corporate finance and corporate governance.

Biographical Details of Directors

Mr. LIU Ming Fang ("Mr. Liu")

Mr. Liu, aged 33, was appointed as an independent non-executive director of the Company on 13 August 2010. Mr. Liu holds a master of business administration degree co-developed by Tsinghua University and MIT Sloan School of Management. Mr. Liu possesses over 10-year experience in investment management and securities analysis. Mr. Liu accomplished a number of corporate finance transactions, including mergers and acquisitions, equity financing, corporate restructuring. Mr. Liu is particularly familiar with negotiation of corporate investment projects and investment analysis, and Mr. Liu had led and participated in investment and merger and acquisition transactions including China Travel TV, Huayi Brothers & Taihe Movie Company Limited, Korea KIMJONGHAK Production Company Limited (KDQ: 054120), SMI Corporation Limited (HKEX stock code: 0198).

Dr. HE Chuan ("Dr. He")

Dr. He, aged 47, was appointed as an independent non-executive director of the Company on 20 February 2009. Dr. He is a professor and national A-class registered architect. Dr. He graduated from the Department of Architecture in Xi'an Institute of Metallurgy & Construction Engineering with a bachelor degree in architecture in 1984 and the Department of Architecture in Southeast University with a PhD degree in architecture in 1995. Dr. He is currently a professor of College of Architecture and Urban Planning in Shenzhen University. Dr. He has devoted to architecture design, teaching, research and real estate planning for more than 20 years.

The Company adopted a share option scheme on 2 November 2009 (the "Scheme"). The following are the principal terms of the Scheme:

1. Purpose of the Scheme

The purpose of the Scheme is to provide an incentive for the eligible participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of the shareholders and the operation and long-term development of the Group.

2. Participants of the Scheme

Eligible participants of the Scheme include (i) any executive director, senior management personnel or employee (whether full time or part time) of the Company, any subsidiary or any invested entity which the Company or any subsidiary holds any equity interest (the "Invested Equity"); and (ii) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any Invested Entity.

3. Total number of shares available for issue under the Scheme

The total number of shares in respect of which share options may be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue as at the date upon which the Scheme takes effect in accordance with its terms ("Scheme Mandate").

The Company may seek approval by the shareholders in general meeting for refreshing the Scheme Mandate provided that the total number of shares in respect of which share options may be granted under the Scheme and any other share option schemes of the Company under the Scheme Mandate as refreshed must not exceed 10% of the total number of shares in issue as at the date of the shareholders' approval.

The limit on the number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30 % of the shares in issue from time to time. No share options may be granted if such grant will result in this 30 per cent. limit being exceeded.

As at the date of this report, a total of 192,950,000 shares (representing approximately 2.17% of shares in issue) maybe issued by the Company if all share options which were granted under the Scheme have been exercised.

4. Maximum entitlement of each participant under the Scheme

The maximum number of shares issued and to be issued upon exercise of share options granted under the Scheme and any other share option schemes of the Company to any eligible participants (including cancelled, exercised and outstanding share options), in any 12-month period up to the date of offer must not exceed 1% of the shares in issue. Any further grant of share options in excess of the above limit shall be subject to shareholders' approval.

5. Period within which the shares must be taken up under a share option

The Board may in its absolute discretion determine the period, save that such period shall not be more than 10 years commencing on the date of offer.

6. Minimum period for which a share option must be held before it can be exercised

The Board may in its absolute discretion determine the minimum period for which a share option must be held before it can be exercised.

7. Acceptance of the Share Option

The offer of a share option made pursuant to the Scheme may be accepted within 20 business days from the date of offer and the amount payable on acceptance of the share option is HK$1.

8. Basis for determining the Exercise Price

The exercise price shall be determined by the Board and shall be at least the higher of:

(i) the closing price of the shares on the date of offer;

(ii) the average of the closing prices of the shares for the five business days immediately preceding the date of offer; and

(iii) the nominal value of a share.

9. Duration of the Scheme

The Scheme is valid until 1 November 2019.

10. Movement of Share Options

	Number of Share Options										Closing Price of Shares	
Eligible participants	At 1 April 2010	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	At 31 March 2011	Date of offer	Vesting period	Exercise period	Exercise price	Before date of grant	Before date of exercise
Directors												
He Guang	34,500,000	–	–	–	–	34,500,000	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Yu Xing Bao (resigned on 14 July 2010)	30,000,000	–	–	–	30,000,000	–	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Wong Kin Fai	25,500,000	–	–	–	–	25,500,000	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Guo Dong (resigned on 14 July 2010)	20,000,000	–	–	–	20,000,000	–	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Employees												
In aggregate	173,200,000	–	–	–	40,250,000	132,950,000	22 December 2009	Note	Note	HK$0.428	HK$0.415	–
Total	283,200,000	–	–	–	90,250,000	192,950,000						

Notes:

The vesting of the share options is conditional on the Performance Target (as defined below) during the following period in the following manner:

1. the first 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2011 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2011 to 21 December 2015;

2. the second 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2012 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2012 to 21 December 2015;

3. the third 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2013 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2013 to 21 December 2015; and

4. the final 25% of the share options granted will fully vest on the date of results announcement for the year ending 31 March 2014 provided that the associated Performance Target is met and the exercise period for this tranche is from the date of results announcement for the year ending 31 March 2014 to 21 December 2015.

The vesting of the share options is subject to the achievement of the rate of return on equity of the Group of not less than 12% ("Performance Target") for each of the financial years ending 31 March 2011, 2012, 2013 and 2014 respectively based on the reported figures as contained in the annual report of the Group for the relevant financial year. If the Performance Target is met in a particular financial year, the share options associated with that financial year will vest and can be exercised. If the Performance Target is not met in a particular financial year, the share options associated with that financial year will lapse automatically.

11. Valuation of Share Options

The fair value of each share option granted was estimated on the date of offer using the Black-Scholes option pricing model with the following assumptions:

Date of offer	:	22 December 2009
Share price at date of offer	:	HK$0.425
Exercise price	:	HK$0.428
Risk-free interest rate	:	0.314%-1.635%
Expected dividend	:	Nil
Expected volatility	:	71.55%-87.35%
Expected life (year)	:	1.52 to 4.52

Based on the above assumptions, the computed fair value of each share option was approximately within the range from HK$0.13 to HK$0.19. The Black-Scholes option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Any changes in the subjective input assumptions may materially affect the estimation of the fair value of a share option.

Independent Auditors' Report

TO THE SHAREHOLDERS OF
RICHLY FIELD CHINA DEVELOPMENT LIMITED
(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

We have audited the consolidated financial statements of Richly Field China Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 85, which comprise the consolidated and company statements of financial position as at 31 March 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 the 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 and to report our opinion solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the 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 auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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

PAN-CHINA (H.K.) CPA LIMITED
Certified Public Accountants
Fung Pui Cheung
Practising Certificate Number P00755

20/F., Hong Kong Trade Centre,
161-167 Des Voeux Road Central,
Central, Hong Kong,
Hong Kong S.A.R., China
30 June 2011

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Turnover	5	–	25,843
Cost of sales		–	(21,388)
Gross profit		–	4,455
Other revenue	5	177,946	2,900
Gain on disposal of subsidiaries		6,481	–
Gain on winding up of a subsidiary		1,179	–
Selling expenses		(2,882)	–
Administrative and other operating expenses		(52,036)	(38,441)
Finance costs	6	–	–
Profit/(loss) before taxation	8	130,688	(31,086)
Income tax	9	(36,454)	(1,004)
Profit/(loss) for the year		94,234	(32,090)
Attributable to:			
Owners of the Company		33,617	(32,090)
Non-controlling interests		60,617	–
		94,234	(32,090)
Dividend	11	–	–
Earnings/(loss) per share			
– Basic	12	0.4 cents	(0.3) cents
– Diluted	12	0.4 cents	(0.3) cents
Profit/(loss) for the year		94,234	(32,090)
Other comprehensive income:			
Exchange differences arising on translation of overseas operations		19,312	230
Total comprehensive income/(loss) for the year		113,546	(31,860)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		43,664	(31,860)
Non-controlling interests		69,882	–
		113,546	(31,860)

Consolidated Statement of Financial Position

As at 31 March 2011

	Notes	**2011** **HK$'000**	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	**6,619**	4,624
Investment properties	14	**390,466**	–
Interest in an associate	15	**22,976**	–
Provisional tax payment	16	**–**	18,040
		420,061	22,664
Current assets			
Properties under development for sale	18	**629,756**	733,334
Trade and other receivables	19	**218,359**	15,425
Cash and bank balances		**339,587**	244,057
		1,187,702	992,816
Current liabilities			
Trade and other payables	20	**309,993**	365,229
Tax payable		**20,476**	1,005
		330,469	366,234
Net current assets		**857,233**	626,582
Total assets less current liabilities		**1,277,294**	649,246
Non-current liabilities			
Bank loan, secured	21	**356,168**	–
Deferred income	22	**–**	85,310
Net assets		**921,126**	563,936
EQUITY			
Share capital	24	**444,044**	444,044
Reserves		**181,695**	119,892
Equity attributable to owners of the Company		**625,739**	563,936
Non-controlling interests		**295,387**	–
Total equity		**921,126**	563,936

The consolidated financial statements on pages 34 to 85 were approved and authorised for issue by the Board of Directors on 30 June 2011 and are signed on its behalf by:

He Guang	**Wong Kin Fai**
Executive Director	*Executive Director*

The accompanying notes form an integral part of these consolidated financial statements.

Statement of Financial Position

As at 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	**319**	387
Interests in subsidiaries	17	**443,406**	538,814
		443,725	539,201
Current assets			
Trade and other receivables	19	**867**	821
Amount due from an associate	15	**22,976**	–
Cash and bank balances		**89,248**	36,042
		113,091	36,863
Current liabilities			
Trade and other payables	20	**300**	554
Net current assets		**112,791**	36,309
Net assets		**556,516**	575,510
EQUITY			
Share capital	24	**444,044**	444,044
Reserves	25	**112,472**	131,466
Total equity		**556,516**	575,510

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Capital redemption reserve *HK$'000*	Translation reserve *HK$'000*	Share option reserve *HK$'000*	Reorganisation reserve *HK$'000*	Accumulated losses *HK$'000*	Sub-total *HK$'000*	Non-controlling interest *HK$'000*	Total equity *HK$'000*
At 1 April 2009	404,044	139,506	69,476	109	1,180	–	450,748	(787,191)	277,872	–	277,872
Loss for the year	–	–	–	–	–	–	–	(32,090)	(32,090)	–	(32,090)
Exchange differences arising on translation of overseas operations	–	–	–	–	230	–	–	–	230	–	230
Total comprehensive income for the year	–	–	–	–	230	–	–	(32,090)	(31,860)	–	(31,860)
Issue of new shares by way of placing *(note 24)*	40,000	273,251	–	–	–	–	–	–	313,251	–	313,251
Recognition of equity settled share-based payment expenses	–	–	–	–	–	4,673	–	–	4,673	–	4,673
At 31 March 2010 and 1 April 2010	444,044	412,757	69,476	109	1,410	4,673	450,748	(819,281)	563,936	–	563,936
Profit for the year	–	–	–	–	–	–	–	33,617	33,617	60,617	94,234
Exchange differences arising on translation of overseas operations	–	–	–	–	10,047	–	–	–	10,047	9,265	19,312
Total comprehensive income for the year	–	–	–	–	10,047	–	–	33,617	43,664	69,882	113,546
Release upon winding up of a subsidiary	–	–	–	–	–	–	2,144	(2,144)	–	–	–
Transfer of share option reserve upon the lapse of share option	–	–	–	–	–	(1,550)	–	1,550	–	–	–
Recognition of equity settled share-based payment expenses	–	–	–	–	–	11,683	–	–	11,683	–	11,683
Non-controlling interest arising from deemed disposal of a subsidiary	–	–	–	–	(11)	–	–	6,467	6,456	225,505	231,961
At 31 March 2011	444,044	412,757	69,476	109	11,446	14,806	452,892	(779,791)	625,739	295,387	921,126

The share premium reserve represents the difference between the nominal amount of share capital and amounts received on issue of shares.

The contributed surplus reserve represents the surplus arising on reduction of paid up capital during the year ended 31 March 2004.

The reorganisation reserve represents the carrying amount of net liabilities of subsidiaries, net of expenses, being disposed under the schemes of arrangement under section 166 of the Hong Kong Companies Ordinance (Cap 32 of the Laws of Hong Kong) and section 99 of the Companies Act 1981 of Bermuda (as amended time to time). Both schemes of arrangement were sanctioned by the High Court of Hong Kong and the Supreme Court of Bermuda on 27 May 2008 and 13 June 2008 respectively.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2011

	Notes	**2011**	2010
		HK$'000	*HK$'000*
Operating activities			
Profit/(loss) before taxation		**130,688**	(31,086)
Adjustments for:			
Depreciation of properties, plant and equipment		**1,075**	592
Impairment loss on amount due from an associate		**445**	–
Impairment loss on property, plant and equipment		**411**	–
Share-based payment		**11,683**	4,673
Deferred income to other revenue		**(85,310)**	–
Interest income		**(250)**	(278)
Gain on disposal of subsidiaries		**(6,481)**	–
Gain on winding up of a subsidiary		**(1,179)**	–
Operating profit/(loss) before changes in working capital		**51,082**	(26,099)
Increase in trade and other receivables		**(271,125)**	(14,432)
(Decrease)/increase in trade and other payables		**(53,730)**	362,657
Increase in deferred income		**–**	85,310
Increase in properties under development		**(250,297)**	(647,834)
Provisional tax paid		**–**	(18,040)
Net cash used in operating activities		**(524,070)**	(258,438)

Consolidated Statement of Cash Flows

For the year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Cash flow from investing activities			
Interest received		**250**	278
Payments to acquire property, plant and equipment		**(6,442)**	(4,563)
Proceeds from registered capital contributed by non-controlling interest of a subsidiary		**231,000**	–
Net cash inflow from disposal of subsidiaries	31	**53,359**	–
Net cash outflow from acquisition of a subsidiary	30	**(632)**	–
Net cash generated from/(used in) investing activities		**277,535**	(4,285)
Cash flow from financing activities			
Issue and placing of shares		**–**	313,251
Proceeds from new borrowing		**414,253**	–
Repayment of bank loan		**(58,085)**	–
Net cash generated from financing activities		**356,168**	313,251
Net increase in cash and cash equivalents		**109,633**	50,528
Cash and cash equivalents at beginning of year		**244,057**	193,303
Effect of foreign exchange rate changes		**(14,103)**	226
Cash and cash equivalents at end of year		**339,587**	244,057
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**339,587**	244,057

The accompanying notes form an integral part of these consolidated financial statements.

1. General information

The Company was originally incorporated in the Cayman Islands on 10 September 1990 but re-domiciled to Bermuda on 11 February 2004 with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company is engaged in investment holding. The activities of the subsidiaries are set out in note 38 to the consolidated financial statements.

2. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied for the first time a number of new standards, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standard
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adoption
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKFRS 5 (Amendments)	Non-current Assets Held for Sale and Discontinued Operations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK (Int) 4 (Revised)	Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK (Int) 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods except for the impact as described below.

2. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (continued)

HK (Int) 5 "Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause"

HK (Int) 5 clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ('repayment on demand clause') should be classified by the borrower as current liabilities. The Group has applied HK (Int) 5 for the first time in the current year. HK (Int) 5 requires retrospective application. The application of HK (Int) 5 has not affected the classification of bank borrowings of the Group as at 31 March 2011 and 2010.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised)	Related Party Disclosures[6]
HK(IFRIC)-Int 14 (Amendments)	Prepayments of Minimum Funding Requirement[6]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1. Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
2. Effective for annual periods beginning on or after 1 July 2010.
3. Effective for annual periods beginning on or after 1 July 2011.
4. Effective for annual periods beginning on or after 1 January 2013.
5. Effective for annual periods beginning on or after 1 January 2012.
6. Effective for annual periods beginning on or after 1 January 2011.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of financial assets.

The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Significant accounting policies

The consolidated financial statements have been prepared in accordance with HKFRSs, issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

A summary of the significant accounting policies adopted by the Group is set out below.

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

(b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3. Significant accounting policies (continued)

(b) *Business combinations (continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another Standard.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

3. Significant accounting policies (continued)

(b) Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(c) Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition. Goodwill arising on an acquisition of an associate or a jointly controlled entity represents the excess of the cost of acquisition over the Group's share of the relevant associate's or jointly controlled entity's net assets at the date of acquisition.

Capitalised goodwill is presented separately in the consolidated statement of financial position and is carried at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, an associate or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. Significant accounting policies (continued)

(d) *Subsidiaries and non-controlling interests*

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Non-controlling interests (previously known as "minority interests") represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. Significant accounting policies (continued)

(e) *Investments in associates*

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting except when the investment is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Where a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. Significant accounting policies (continued)

(f) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates are as follows:

Leasehold improvements	25%
Office equipment	15%-33$^1/_3$%
Furniture and fixtures	15%-20%
Motor vehicle	20%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement in year in which the item is derecognized.

(g) Properties under development for sale

Properties under development for sale are stated at the lower of cost and net realisable value. Development cost of property comprises construction costs, depreciation of machinery and equipment and professional fees incurred during the development period.

(h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation of investment properties is calculated using the straight line method to allocate their costs over their estimated useful lives, and is provided upon the completion of the construction.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3. Significant accounting policies (continued)

(i) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as 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 eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group or the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Interest in leasehold land is amortised over the lease term on a straight-line basis.

(k) *Foreign currencies*

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. Significant accounting policies (continued)

(k) Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period in which they arise, except for exchange differences arising on a monetary item forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are included in the translation reserve as a separate component of equity. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate prevailing at the end of the reporting period. Exchange differences arising are included in the translation reserve.

3. Significant accounting policies (continued)

(l) Employee benefits

(i) Short Term Employee Benefits and Contributions to Defined Contribution Retirement Plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination Benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(iii) Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to share option reserve. At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities.

3. Significant accounting policies (continued)

(m) Revenue recognition (continued)

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Interest income

Interest income is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest rate method.

(n) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as deferred income in the consolidated financial statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(o) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

3. Significant accounting policies (continued)

(o) Taxation (continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(p) Impairment of assets other than goodwill

At the end of each reporting period, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount under other standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. Significant accounting policies (continued)

(p) *Impairment of assets other than goodwill (continued)*

Impairment losses recognised in an interim financial report prepared in compliance with HKAS 34 Interim Financial Reporting are not reversed at the end of the financial year to which the interim period relates even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of that financial year.

(q) *Financial instruments*

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group or the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All the Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss ("FVTPL").

3. Significant accounting policies (continued)

(q) *Financial instruments (continued)*

(i) Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as a default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. Significant accounting policies (continued)

(q) Financial instruments (continued)

(ii) Financial liabilities

Financial liabilities including trade and other payables and bank loans are subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

(iii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Consideration paid to reacquire the Company's own equity instruments are deducted from equity. No gain or loss is recognised in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. Significant accounting policies (continued)

(q) *Financial instruments (continued)*

Derecognition (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(r) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(s) *Provisions and contingent liabilities*

Provisions are recognised when the Group or the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Present obligation is disclosed as a contingent liability where it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured reliably. Possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

3. Significant accounting policies (continued)

(t) Related parties

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

(i) The party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) The Group and the party are subject to common control;

(iii) The party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) The party is a member of key management personnel of the Group or the Group's parent, or a close family member or such an individual, or is an entity under the control, joint control or significant influence or such individuals;

(v) The party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

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

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(u) Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims, and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour, and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Revenue from cost plus construction contracts is recognised on the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

3. Significant accounting policies (continued)

(v) Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-marker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's board of directors that makes strategic decisions.

4. Critical accounting estimates and judgments

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are 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.

4. Critical accounting estimates and judgments (continued)

(a) Impairment of assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to exercise judgment in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may affect that asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(b) Share-based payment expenses

The fair value of the share options granted to the directors, employees and consultants determined at the date of grant of the respective share options is expensed over the vesting period, with a corresponding adjustment to the Group's option reserve. In assessing the fair value of the share options, the generally accepted option pricing models were used to calculate the fair value of the share options. The option pricing models require the input of subjective assumptions, including the expected dividend yield and expected life of options. Any changes in these assumptions can significantly affect the estimate of the fair value of the share options.

5. Turnover and other revenue

The Group derived income from operation of construction and maintenance work in the People's Republic of China (the "PRC") in prior year. Turnover and other revenue are analysed as follows:

	2011 ***HK$'000***	2010 *HK$'000*
Turnover		
Construction and maintenance income	**–**	25,843
Other revenue		
Interest income	**250**	389
Government grant (Note)	**174,347**	–
Exchange gain	**3,321**	–
Others	**28**	2,511
	177,946	2,900

5. Turnover and other revenue (continued)

Note:

During the year ended 31 March 2010, Hunan Richly Field Outlets Real Estate Ltd ("Hunan Richly Field"), a subsidiary of the Group, was granted by 湖南望城經濟開發區管理委員會 (the "Committee") a subsidy of RMB150,000,000 (equivalent to approximately HK$174,347,000) (the "Government Grant'), of which RMB75 million was received in November 2009 and the remaining RMB75 million was received in November 2010.

The Group has accounted the Government Grant as deferred income both in the year ended 31 March 2010 and the six months ended 30 September 2010, treating that the deferred income shall be released to the consolidated statement of comprehensive income in accordance with the development progress of the property development project in Wangcheng, Hunan, the PRC.

Before the reporting date, Hunan Richly Field obtained a supplemental document (the "Supplemental Clarification") from the Committee dated 17 June 2011 which clarified the nature and conditions of the Government Grant. This Supplemental Clarification explicitly stated that (1) the Government Grant is a gift which was granted for the purpose of attracting Hunan Richly Field to situate at Hunan Wangcheng Economic Development Zone (the "Development Zone") for its business development; (2) the Government Grant is unconditional, one-off and irrevocable; (3) the Government Grant is non-refundable and Hunan Richly Field is not required to undertake any specific expenditure, obligation and responsibility; and (4) the payment of the Government Grant is made in accordance with the budgeted expenditure of the Development Zone, but not the development progress of Hunan Richly Field's project, and the Government Grant will not be changed or withdrawn because of the progress or result of the business development and operation by Hunan Richly Field.

Having considered the nature and conditions of the Government Grant as lately clarified by the Committee, the Government Grant of RMB150 million was recognised as other revenue for the year ended 31 March 2011.

6. Finance costs

	2011	2010
	HK$'000	*HK$'000*
Interest on bank borrowings	**16,026**	–
Less: Interest expense capitalised into properties under development for sale	**(6,641)**	–
Less: Interest expense capitalised into investment properties	**(9,385)**	–
	–	–

The borrowing costs have been capitalised at a rate of 6.56% to 7.32% per annum (2010: Nil).

7. Segment information

Based on the regular internal financial information reported to the Group's board of directors, being the chief operating decision makers, for their decision about resources allocation to the Group's business components and review of these components' performance, the Group has identified three reportable operating segments as follows:

- property development;
- property management; and
- construction and maintenance.

7. Segment information

(i) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 March 2011	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue					
Revenues from external parties	–	–	–	–	–
Inter-segment sales	–	15,947	–	(15,947)	–
	–	15,947	–	(15,947)	–
Segment results	156,605	2,848	(4,818)	–	154,635
Interest income					250
Other income					3,658
Gain on disposal of subsidiaries					6,481
Gain on winding up of a subsidiary					1,179
Unallocated expenses					(35,515)
Profit before taxation					130,688

For the year ended 31 March 2010	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue					
Revenues from external parties	–	–	25,843	–	25,843
Inter-segment sales	–	–	–	–	–
	–	–	25,843	–	25,843
Segment results	(14,963)	–	(3,881)	–	(18,844)
Interest income					278
Other income					2,511
Unallocated expenses					(15,031)
Loss before taxation					(31,086)

Inter-segment sales are charged at terms determined and agreed by both parties.

Segment results represents the profit/(loss) earned by each segment without allocation of central administration costs including directors' salaries, share of profits of an associate, gain recognised on disposal/winding up of subsidiaries, other income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

7. Segment information (continued)

(ii) *Segment assets and liabilities*

The following is an analysis of the Group's assets and liabilities by reportable segment at the reporting date:

As at 31 March 2011	**Property development** *HK$'000*	**Property management** *HK$'000*	**Construction and maintenance** *HK$'000*	**Total** *HK$'000*
Assets				
Segment assets	**1,347,728**	**140,109**	**10,467**	**1,498,304**
Unallocated corporate assets				**109,459**
				1,607,763
Liabilities				
Segment liabilities	**643,097**	**12,368**	**30,871**	**686,336**
Unallocated corporate liabilities				**301**
				686,637

As at 31 March 2010	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Total *HK$'000*
Assets				
Segment assets	960,925	–	15,232	976,157
Unallocated corporate assets				39,323
				1,015,480
Liabilities				
Segment liabilities	426,111	–	24,609	450,720
Unallocated corporate liabilities				824
				451,544

Segment assets exclude deferred tax assets and interest in subsidiaries as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and borrowing as these liabilities are managed on a group basis.

7. Segment information (continued)

(iii) Other segment information

For the year ended 31 March 2011	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other information					
Capital additions	**1,475**	**3,350**	**–**	**1,629**	**6,454**
Depreciation of property, plant and equipment	**421**	**354**	**58**	**242**	**1,075**
Impairment loss on property, plant and equipment off	**–**	**–**	**411**	**–**	**411**

For the year ended 31 March 2010	Property development *HK$'000*	Property management *HK$'000*	Construction and maintenance *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Other information					
Capital additions	3,201	–	341	1,021	4,563
Depreciation of property, plant and equipment	367	–	165	60	592

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

8. Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2011 *HK$'000*	2010 *HK$'000*
Cost of services provided	**–**	21,388
Staff cost		
– Salaries and other benefits	**10,116**	10,368
– Retirement scheme contributions	**1,675**	197
	11,791	10,565
Directors' remuneration (note 10)	**3,250**	2,304
Auditors' remuneration		
– audit services	**300**	250
– non-audit services	**302**	365
Depreciation		
– property, plant and equipment	**1,075**	592
Impairment loss on property, plant and equipment	**411**	–
Gain on disposal of subsidiaries	**(6,481)**	–
Gain on winding up of a subsidiary	**(1,179)**	–
Impairment on amount due from an associate	**445**	–
Operating lease payments	**2,212**	4,292

9. Income tax

	2011 *HK$'000*	2010 *HK$'000*
PRC enterprise income tax	**36,454**	1,004

The PRC enterprise income tax was mainly attributed by the RMB150,000,000 (equivalent to approximately HK$174,374,000) government grant received by the Group (Note 5).

No provision had been made for Hong Kong profits tax as the Group does not have any assessable profits arising in Hong Kong for the current year (2010: Nil).

For the Group's subsidiaries established in the PRC, PRC enterprise income tax is calculated at the rate of 25% (2010: 25%).

The tax charge for the year can be reconciled to the profit/(loss) before taxation reflected in the consolidated statement of comprehensive income statement as follows:

	2011 *HK$'000*	2010 *HK$'000*
Profit/(loss) before taxation	**130,688**	(31,086)
Notional tax charge on profit/(loss) before tax, calculated at the tax rates applicable to profit in the jurisdictions concerned	**33,356**	(3,969)
Tax effect of non-taxable income	**(105)**	(421)
Tax effect on tax losses not recognised	**3,003**	1,674
Effect of utilisation of tax losses previously not recognised	**(4,176)**	–
Over-provision in prior year	**(1,027)**	–
Tax effect of non-deductible expenses	**5,403**	3,720
Income tax for the year	**36,454**	1,004

10. Directors' and employees' emoluments

(i) *Directors' emoluments*

The emoluments paid or payable to each of the 11 directors (2010: 7 directors) were as follows:

	Fees		Salaries and other benefits		Retirement schemes contributions		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Executive directors								
He Guang	**1,300**	660	**–**	–	**12**	12	**1,312**	672
Wong Kin Fai	**894**	540	**–**	–	**12**	12	**906**	552
Yu Xing Bao (resigned on 14 July 2010)	**345**	580	**–**	–	**–**	–	**345**	580
Non-executive directors								
Huang Shao Xiong (appointed on 13 August 2010)	**94**	–	**–**	–	**–**	–	**94**	–
Wang Yuan Xun (appointed on 13 August 2010)	**94**	–	**–**	–	**–**	–	**94**	–
Guo Dong (resigned on 14 July 2010)	**43**	125	**–**	–	**–**	–	**43**	125
Independent non-executive directors								
He Chuan	**150**	125	**–**	–	**–**	–	**150**	125
Cho Denise Yee Man (appointed on 13 August 2010)	**94**	–	**–**	–	**–**	–	**94**	–
Liu Ming Fang (appointed on 13 August 2010)	**94**	–	**–**	–	**–**	–	**94**	–
Chan Chi Yuen (resigned on 13 August 2010)	**62**	125	**–**	–	**–**	–	**62**	125
Dai Chang Jiu (resigned on 13 August 2010)	**56**	125	**–**	–	**–**	–	**56**	125
	3,226	2,280	**–**	–	**24**	24	**3,250**	2,304

(ii) Two (2010: three) of the five individuals with the highest emoluments in the Group were directors of the Company. The emoluments of the three (2010: two) non-director individuals with the highest emolument are as follows:

	2011	2010
	HK$'000	*HK$'000*
Salaries and other benefits	**2,374**	1,158
Retirement scheme contributions	**20**	12
	2,394	1,170

10. Directors' and employees' emoluments (continued)

The emoluments of those three (2010: two) non-director individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2011	2010
Nil to HK$1,000,000	**3**	2

11. Dividend

No dividend has been paid or proposed for the year (2010: Nil).

12. Earnings/(loss) per share

The calculations of the basic earnings/(loss) per share are based on the following data:

	2011	2010
	HK$'000	*HK$'000*
Earnings/(loss) for the year attributable to the equity holders of the Company	**33,617**	(32,090)
Number of shares	***'000***	*'000*
Issued ordinary shares at the beginning of the year	**8,880,874**	5,681,559
Effect of shares issued during the year	**–**	2,863,973
Weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share	**8,880,874**	8,545,532

Basic and diluted earnings/(loss) per share for the year ended 31 March 2011 and 2010 have been presented as equal because the exercise price of the Company's share options was higher than the average market price for the year and is therefore considered as anti-dilutive.

13. Property, plant and equipment

The Group

	Leasehold improvements HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicle HK$'000	Total HK$'000
Cost:					
At 1 April 2009	661	48	97	–	806
Additions	647	1,072	–	2,844	4,563
Exchange adjustments	–	2	–	4	6
At 31 March 2010 and 1 April 2010	1,308	1,122	97	2,848	5,375
Additions	303	1,916	7	4,228	6,454
Derecognised on disposal/winding up of subsidiaries	(1,307)	(784)	(56)	(2,078)	(4,225)
Exchange adjustments	–	16	–	235	251
At 31 March 2011	304	2,270	48	5,233	7,855
Accumulated depreciation and impairment loss:					
At 1 April 2009	142	11	5	–	158
Provided for the year	239	79	19	255	592
Exchange adjustments	–	–	–	1	1
At 31 March 2010 and 1 April 2010	381	90	24	256	751
Provided for the year	50	276	16	733	1,075
Impairment loss	411	–	–	–	411
Eliminated on disposal/winding up of subsidiaries	(767)	(147)	(21)	(67)	(1,002)
Exchange adjustments	(24)	5	(1)	21	1
At 31 March 2011	51	224	18	943	1,236
Net carrying amount:					
At 31 March 2011	253	2,046	30	4,290	6,619
At 31 March 2010	927	1,032	73	2,592	4,624

The directors considered the net carrying amounts of property, plant and equipment at 31 March 2011 were not significantly different from their fair value at that date.

13. Property, plant and equipment (continued)

The Company

	Office equipment *HK$'000*	Furniture and fixtures *HK$'000*	Motor vehicle *HK$'000*	Total *HK$'000*
Cost:				
At 1 April 2009	9	41	–	50
Additions	33	–	360	393
At 31 March 2010 and 1 April 2010	42	41	360	443
Additions	16	8	–	24
At 31 March 2011	58	49	360	467
Accumulated depreciation and impairment losses:				
At 1 April 2009	1	1	–	2
Provided for the year	7	8	39	54
At 31 March 2010 and 1 April 2010	8	9	39	56
Provided for the year	11	9	72	92
At 31 March 2011	19	18	111	148
Net carrying amount:				
At 31 March 2011	39	31	249	319
At 31 March 2010	34	32	321	387

The directors considered the net carrying amounts of property, plant and equipment at 31 March 2011 were not significantly different from their fair value at that date.

14. Investment properties

	The Group 2011 HK$'000	2010 HK$'000
At beginning of the year	**–**	–
Transferred from properties under development for sale (note 18)	**390,466**	–
At end of the year	**390,466**	–
Land and properties located in the PRC:		
Medium-term lease	**390,466**	–

No depreciation was provided for the year ended 31 March 2011 as the investment properties were still under construction.

According to the Property Valuation Reports issued by Asset Appraisal Limited, which is independent qualified valuer in Hong Kong, on 30 June 2011, the Group's investment properties and properties under development for sale were valued by reference to comparable properties of similar size, character and location.

The fair value of the Group's properties and the land use right where they are located as at 31 March 2011 is RMB1,090,000,000 (equivalent to approximately HK$1,294,076,000).

As at 31 March 2011, the investment properties were still under construction and the valuation was accessed on a whole project basis together with the properties under development for sales. As the valued amount of the whole property development project (approximately HK$1,294,076,000) excess the carrying amount of the investment properties (approximately HK$390,466,000) and properties under development for sale (approximately HK$629,756,000) (Note 18), directors of the Company consider no impairment loss has to be provided.

15. Interest in an associate

Details of an associate recognised during the year are set out in note 31 of the consolidated financial statements.

	The Group 2011 HK$'000	2010 HK$'000
Cost of investment in an associate, unlisted	**–**	–
Share of post-acquisition losses and reserves	**–**	–
	–	–
Amount due from an associate	**23,421**	–
	23,421	–
Less: Impairment loss for amount due from an associate	**(445)**	–
	22,976	–

15. Interest in an associate (continued)

Particulars of the Group's associate as at 31 March 2011 are as follows:

Name of associate	Form of business structure	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion of ownership interest	Principal activity
Cosmos View Holdings Limited	Established	British Virgin Island ("BVI")	The PRC	US$100	50%	Investment holding

The amount due from an associate is unsecured, interest-free and has no fixed terms of repayment.

Summarised financial information in respect of the Group's associate is set out below:

	2011	2010
	HK$'000	*HK$'000*
At 31 March		
Total assets	**45,959**	–
Total liabilities	**(46,848)**	–
Net liabilities	**(889)**	–
Year ended 31 March		
Total revenue	**–**	–
Total loss for the year	**(1,191)**	–
The Group's share of result of the associate	**–**	–

The Group has not recognised loss for the year amounting to approximately HK$595,500 for the Group's associate.

16. Provisional tax payment

Provisional tax payment represents the provisional tax paid in respect of the RMB150,000,000 (equivalent to HK$174,347,000) government subsidy granted by the PRC local government during the year ended 31 March 2010 (Note 5), and the balance was recognised as income tax expense for the year ended 31 March 2011.

17. Interests in subsidiaries

	The Company	
	2011	2010
	HK$'000	*HK$'000*
Unlisted shares, at cost	**20,000**	37,430
Amounts due from subsidiaries	**433,406**	515,377
	453,406	552,807
Less: Impairment loss	**(10,000)**	(13,993)
	443,406	538,814

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

18. Properties under development for sale

Properties under development for sale represent the acquisition costs of land use rights, design fee, aggregate cost of development, other direct expenses, an appropriate proportion of overheads and borrowing cost capitalised incurred up to 31 March 2011 in respect of the Group's property development projects in Hunan, the PRC.

	The Group	
	2011	2010
	HK$'000	*HK$'000*
At beginning of the year	**733,334**	85,500
Additions	**250,297**	648,051
Transferred to investment properties under construction (note 14)	**(390,466)**	–
Eliminated on disposal of subsidiaries	**(955)**	–
Exchange adjustments	**37,546**	(217)
At end of the year	**629,756**	733,334
Land and properties located in the PRC:		
Medium-term lease	**629,756**	733,334

19. Trade and other receivables

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables *(Note (i))*	**766**	733	**–**	–
Deposit paid	**464**	175	**212**	165
Tender guarantee for land bidding *(Note (ii))*	**96,403**	–	**–**	–
Prepayment	**6,615**	656	**655**	656
Other receivable *(Note (iii))*	**114,111**	13,861	**–**	–
	218,359	15,425	**867**	821

19. Trade and other receivables (continued)

Note (i):

The Group's trading terms with its customers are mainly on credit where payment in advance is normally required. The credit period is generally 30 days to 90 days.

The balance of trade receivables as at 31 March 2011 represent the retention money receivables in respect of the construction project, completed during the year ended 31 March 2010, and will be settled in accordance with the terms of the construction contract.

Note (ii):

During the year ended 31 March 2011, three refundable preliminary tender guarantee of RMB11,200,000 (equivalent to approximately HK$13,297,000), RMB60,000,000 (equivalent to approximately HK$71,234,000) and RMB10,000,000 (equivalent to approximately HK$11,872,000) were paid respectively under the normal course of property development business by 懷來大一葡萄酒莊園有限公司, Qinhuangdao Outlets Real Estate Co., Limited and Globe Outlets Town (Jilin) Limited, wholly owned subsidiaries of the Company, in respect of the Group's proposed bidding of lands located in Hebei, Qinhuangdao and Jilin, the PRC, under public land auctions.

Note (iii):

Included in other receivable, RMB40,000,000 (equivalent to approximately HK$47,489,000) and RMB32,178,050 (equivalent to approximately HK$38,203,000) representing two short-term advances to two business partners of the Group who are third parties independent of the Company and connected persons of the Company. They agreed to identify any investment opportunities of property development projects in Hainan and Guangdong, the PRC, for the Group.

The advance of RMB40,000,000 is unsecured and repayable on or before 7 April 2012. It bears floating rate of interest based on the prevailing lending rate of the People's Bank of China ("PBOC") with 10% spread thereon.

The advance of RMB32,178,050 is unsecured and repayable on or before 3 March 2012. Pursuant to the agreement entered into with the business partner, no interest will be charged provided that the business partner successfully refers suitable property development projects to the Group; otherwise, interest will be charged at a rate not less than the prevailing lending rate of the PBOC.

All the above short-term advances as at 31 March 2011 were neither past due nor impaired.

As at the reporting date, the ageing analysis of the trade receivables, net of impairment loss, was as follows:

	2011	2010
	HK$'000	*HK$'000*
Current to 60 days	–	733
60 – 180 days	–	–
Over 180 days	**766**	–
Neither past due nor impaired	**766**	733

20. Trade and other payables

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade payables	**22,041**	20,599	**–**	–
Accrued charges and other payables (Note (i) and (ii))	**287,952**	344,630	**300**	554
	309,993	365,229	**300**	554

Note (i):

Included in other payables, there is an amount of RMB218,000,000 (equivalent to approximately HK$258,815,000) representing a construction deposit received from the PRC local government in relation to construction work surrounding the Group's development site in Wangcheng Country, Changsha City, Hunan Province, the PRC.

Note (ii):

As at 31 March 2011, RMB3,966,250 (equivalent to approximately HK$4,709,000) deposits were received from pre-sales of the Group's residential properties and lease of commercial units in Hunan, the PRC, prior to the issuance of the relevant occupation permit/completion certificate by the respective building authorities.

As at the reporting date, the ageing analysis of the trade payables was as follows:

	2011	2010
	HK$'000	*HK$'000*
Current to 60 days	**–**	–
60 – 180 days	**1,858**	20,599
Over 180 days	**20,183**	–
	22,041	20,599

21. Bank loan, secured

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Current bank loan-secured	**–**	–
Non-current bank loan-secured	**356,168**	–
	356,168	–
Repayable:		
Within one year or on demand	**–**	–
Over one year but within two years	**94,978**	–
Over two years but within five years	**261,190**	–
Total bank loan	**356,168**	–

21. Bank loan, secured (continued)

As at 31 March 2011, the bank loan was secured by a subsidiary's land use right with a net carrying amount of approximately RMB240,000,000 (equivalent to approximately HK$278,808,000). The bank loan bears interest at rates ranging from 6.45% to 7.32% per annum (2010: Nil), and does not contain a repayment on demand clause.

As at 30 September 2010, a short-term bank loan of RMB50,000,000 (equivalent to approximately HK$58,085,000) was secured by the Group's pledged deposit amounting to US$8,800,000 (equivalent to approximately HK$68,640,000). The short-term bank loan was subsequently fully repaid in March 2011 and the related pledged bank deposit was released accordingly.

22. Deferred income

During the year ended 31 March 2010, Hunan Richly Field, a subsidiary of the Group, received a government grant of RMB75,000,000 (equivalent to approximately HK$85,310,000) representing half amount of the total government grant (Note 5) by the PRC local government as a financial support. Such amount was released to the consolidated statement of comprehensive income and recognised as other revenue during the year ended 31 March 2011.

23. Deferred taxation

The Group and the Company had no significant deferred tax assets or liabilities as at 31 March 2011 and 2010.

24. Share capital

	Number of shares	**Amount**
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.05 each		
At 1 April 2009, 31 March 2010 and 31 March 2011	20,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK$0.05 each		
At 1 April 2009	8,080,874	404,044
Issue of new ordinary shares by way of placing (Note)	800,000	40,000
At 31 March 2010 and 31 March 2011	8,880,874	444,044

Note:

During the year ended 31 March 2010, 800,000,000 new ordinary shares were issued upon completion of the placing exercise at HK$0.4 per share. The total proceeds of approximately HK$313,251,000 were raised. For further details, please refer to the Company's announcement dated 21 August 2009.

25. Reserves

The Company

	Share premium HK$'000	Contributed surplus HK$'000	Capital redemption reserve HK$'000	Share option reserve HK$'000	Reorganisation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2009	139,506	69,476	109	–	287,004	(622,647)	(126,552)
Issue of new shares by way of placing (note 24)	273,251	–	–	–	–	–	273,251
Recognition of equity settled share-based payment expenses (note 26)	–	–	–	4,673	–	–	4,673
Loss for the year	–	–	–	–	–	(19,906)	(19,906)
At 31 March 2010 and 1 April 2010	412,757	69,476	109	4,673	287,004	(642,553)	131,466
Transfer of share option reserve upon the lapse of share option	–	–	–	(1,550)	–	1,550	–
Recognition of equity settled share-based payment expenses (note 26)	–	–	–	11,683	–	–	11,683
Loss for the year	–	–	–	–	–	(30,677)	(30,677)
At 31 March 2011	412,757	69,476	109	14,806	287,004	(671,680)	112,472

26. Share option scheme

A share option scheme was approved and adopted by the shareholders of the Company at the extraordinary general meeting held on 21 January 2010 (the "Share Option Scheme"). During the year ended 31 March 2011, there was no share options exercised or cancelled, and 90,250,000 share options were lapsed. Details of the Share Option Scheme are set out on pages 27 to 31 of this report.

27. Retirement benefit schemes

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions at HK$1,000 or 5% of the relevant payroll costs, whichever is the lower, to the scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The employees of the Group's subsidiaries in the People's Republic of China are members of a state-managed retirement benefit scheme operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

28. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Key management personnel represents the directors of the Group and their remunerations are set out in note 10 to the consolidated financial statements.

Details of transactions between the Group and other related parties are disclosed below.

Name of the related party	**Nature of transaction**	**2011** ***HK$'000***	2010 *HK$'000*
Zhongrong International Trust Company Limited ("Zhongrong Trust")	Consultancy fee	**5,811,558**	–

Zongrong Trust holds 49.25% of non-controlling interest of Hunan Richly Field.

29. Operating lease

At the reporting date, the total future minimum lease payments under non-cancelable operating leases in respect of premises are analysed as follows:

	The Group		**The Company**	
	2011 ***HK$'000***	2010 *HK$'000*	**2011** ***HK$'000***	2010 *HK$'000*
Within one year	**3,223**	1,615	**743**	853
After one year but within five years	**861**	1,058	**743**	–
	4,084	2,673	**1,486**	853

Leases are negotiated for one to two years (2010: two to five years) and the rentals are fixed during the relevant lease periods.

30. Acquisition of a subsidiary

On 1 November 2010, the Company entered into an agreement with a third party to acquire 100% interest of Cosmos View Holdings Limited ("Cosmos View"), together with the shareholder's loan, at the consideration of HK$46,842,624. For further details, please refer to the Company's announcement dated 1 November 2010.

	2011
	HK$'000
The assets acquired and liabilities recognised at the date of acquisition:	
Property, plant and equipment	**12**
Other receivables	**11,712**
Bank balances and cash	**46,211**
Other payables	**(58,607)**
	(672)

	2011
	HK$'000
Goodwill arising on acquisition *(Note 31)*:	
Consideration paid in cash	**46,843**
Less: Fair value of identifiable net assets acquired	**(46,171)**
	672

	2011
	HK$'000
Net cash outflow on acquisition of Cosmos View:	
Consideration paid in cash	**46,843**
Less: Cash and cash equivalent balances acquired	**(46,211)**
	632

31. Disposal of subsidiaries

On 3 August 2010, a conditional agreement was entered into between the independent third party (the "Purchaser") and the Company in respect of the disposal of the entire issued share capital and the shareholder's loan of Wealthy Field Development Holdings Limited ("Wealthy Field") and its fellow subsidiaries (the "Wealthy Field Group") at the consideration of US$45,000,000 (equivalent to HK$351,000,000). At the date of disposal, the Wealthy Field Group had not engaged in any business activities. The details were disclosed in the announcement of the Company dated 3 August 2010 and the circular of the Company dated 12 August 2010.

On 6 August 2010, the Company disposed of Richly Field Nanchang Holdings Limited ("Nanchang"), to an independent third party.

On 15 November 2010, the Company entered into an agreement and a deed with a third party to dispose 50% interest of Cosmos View Holdings Limited ("Cosmos View") together with 50% of the shareholder's loan, at the consideration of US$3,002,782.34 (equivalent to approximately HK$23,422,000). For further details, please refer to the announcement of the Company dated 15 November 2010.

The aggregate amounts of net assets and liabilities of Wealthy Field, Nanchang and Cosmos View at the date of disposal were as follows:

	Wealthy Field *HK$'000*	**Nanchang** *HK$'000*	**Cosmos View** *HK$'000*	**Total** *HK$'000*
Net assets disposed of:				
Property, plant and equipment	3,159	–	12	3,171
Goodwill *(Note 30)*	–	–	672	672
Trade and other receivables	68,175	–	11,712	79,887
Property under development	955	–	–	955
Bank balances and cash	274,874	8	46,211	321,093
Trade and other payables	(38)	–	(11,764)	(11,802)
Tax payable	(8)	–	–	(8)
	347,117	8	46,843	393,968
Translation reserve released upon disposal	(2,912)	–	–	(2,912)
Gain/(loss) on disposal of subsidiaries	6,795	22	(336)	6,481
Fair value of 50% retained interest in Cosmos View	–	–	(23,085)	(23,085)
Total consideration	351,000	30	23,422	374,452
Net cash inflow/(outflow) on disposal:				
Cash consideration received	351,000	30	23,422	374,452
Less: Cash and cash equivalent balances disposed of	(274,874)	(8)	(46,211)	(321,093)
	76,126	22	(22,789)	53,359

32. Deemed disposal of a subsidiary

On 10 November 2010, an indirect wholly-owned subsidiary of the Company, Globe Outlets City Holdings Limited ("Globe Outlets"), entered into a Joint Venture Agreement with a third party, Zhongrong International Trust Company Limited ("Zhongrong Trust"). Pursuant to the Joint Venture Agreement, the total registered capital of Hunan Richly Field Outlets Real Estate Limited ("Hunan Richly Field"), a subsidiary of Globe Outlets, will be increased from HK$238,000,000 to HK$469,000,000, and Zhongrong Trust conditionally agreed to subscribe for additional registered capital of HK$231,000,000 at a cash consideration of RMB200,000,000 (equivalent to approximately HK$231,000,000), which constitutes a deemed disposal of the Group's interest in Hunan Richly Field. For further details, please refer to the announcement of the Company dated 10 November 2010.

33. Winding up of a subsidiary

Dickson Construction Engineering (Guangdong) Limited ("DCEL"), a wholly owned subsidiary of the Group, was wound up during the year ended 31 March 2011. The details were disclosed in the announcement of the Company dated 12 July 2010.

The aggregate amounts of net assets and liabilities of DCEL at the date of winding up were as follows:

	2010 *HK$'000*
Net liabilities disposed of:	
Property, plant and equipment	52
Other receivables	16
Accruals and other payables	(402)
Net liabilities at the date of disposal	(334)
Translation reserve released upon disposal	(845)
Gain on winding up of a subsidiary	(1,179)

34. Contingent liabilities

At 31 March 2011, the Group and the Company did not have any contingent liabilities (2010: Nil).

35. Capital commitments

At 31 March 2011, the Group and the Company did not have any capital commitments (2010: Nil).

36. Summary of financial assets and financial liabilities by category

The carrying amounts of the Group's financial assets and financial liabilities as recognized at 31 March 2011 and 2010 are categorised as follows:

	2011 ***HK$'000***	2010 *HK$'000*
Financial assets		
Loans and receivables (including cash and bank balances)	**580,922**	259,482
Financial liabilities		
Financial liabilities measured at amortised cost	**666,161**	366,234

37. Financial risk and capital risk management

(a) *Financial risk management*

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The board of directors and management meet periodically to analyze and formulate strategies to manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not enter into any trade derivative financial instruments for speculative purposes.

The Group's major financial instruments include cash and bank deposits, trade and other receivables, tax payable, trade and other payables and bank borrowing. Details of these financial instruments are disclosed in respective notes. The main risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:

(i) Credit Risk

The carrying amounts of other receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2011 in relation to its financial assets. It is the Group's policy that all borrowers are subject to credit verification procedures. A provision for impairment would be made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. No other financial assets carry a significant exposure to credit risk.

(ii) Currency Risk

The functional currencies of the subsidiaries are RMB that the primary economic environment in which the subsidiaries operate is the PRC, and most of the transactions were settled in RMB. The Group has no significant exposure to any specific foreign currency other than RMB, and it currently does not have a foreign currency hedging policy. However, the directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group's exposures to foreign currencies risk are considered insignificant by the directors and therefore no sensitivity analysis has been presented.

37. Financial risk and capital risk management (continued)

(a) *Financial risk management (continued)*

(iii) Liquidity Risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings. The Group has no covenants with banks for the banking facilities granted.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The amounts included below for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates different to those estimates of interest rates determined at the end of the reporting period.

	Effective interest rate	On demand or within 3 months	3 months to 1 year	1-5 years	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2011						
Trade and other payable	**–**	**287,952**	**1,858**	**20,183**	**309,993**	**309,993**
Bank borrowing	**7.315**	**–**	**–**	**454,659**	**454,659**	**356,168**
		287,952	**1,858**	**474,842**	**764,652**	**666,161**
At 31 March 2010						
Trade and other payable	–	344,630	20,599	–	365,229	365,229

(iv) Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as inputs. For an option-based derivative, the fair value is estimated using option pricing model (for example, Black-Scholes Model).

The directors consider that all the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

37. Financial risk and capital risk management (continued)

(b) *Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, introduce strategic investors, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as debt divided by total equity. Debt represent total borrowings as shown in the consolidated statement of financial position. Total equity represents the equity as shown in the consolidated statement of financial position.

The Group's strategy was unchanged from 2010 and was to maintain the net debt-to-equity ratio at a low level. The net debt-to-equity ratios at 31 March 2011 and 2010 are as follows:

	2011 ***HK$'000***	2010 *HK$'000*
Total debt	**356,168**	–
Total equity	**921,126**	563,936
Net debt-to-equity ratio	**38.7%**	N/A

38. Particulars of subsidiaries

Particulars of the Company's principal subsidiaries at 31 March 2011 were as follows:

Name of subsidiary	Place of incorporation/ operation	Forms of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the company		Principal activities
				Directly	Indirectly	
Champ Wisdom Limited	BVI	International business company	US$1	100%	–	Investment holding
Champ Wisdom Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Chuang Yao Limited	BVI	International business company	US$1	100%	–	Investment holding
Chuang Yao Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Chuang Yu Holdings Limited	Hong Kong	Limited liability company	HK$1	100%	–	Investment holding
Globe Outlets City Limited	BVI	International business company	US$1	100%	–	Investment holding
Globe Outlets City Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Globe Outlets Town (Jilin) Limited	The PRC	Wholly foreign owned enterprise	US$20,000,000	–	100%	Properties development
Hunan Richly Field Outlets Real Estate Limited	The PRC	Sino foreign owned enterprise	HK$469,000,000	–	50.75%	Properties development
Jiangxi Richly Town Construction Projects Co., Limited	The PRC	Wholly foreign owned enterprise	HK$10,000,000	–	100%	Building contractors
King Future Limited	BVI	International business company	US$1	100%	–	Investment holding
King Future Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Million Harmony Limited	BVI	International business company	US$1	100%	–	Investment holding
Million Harmony Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Pilot Will Limited	BVI	International business company	US$1	100%	–	Investment holding

38. Particulars of subsidiaries (continued)

Name of subsidiary	Place of incorporation/ operation	Forms of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the company Directly	Indirectly	Principal activities
Pilot Will Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Profuse Gain Limited	BVI	International business company	US$1	100%	–	Investment holding
Profuse Gain Holdings Limited	Hong Kong	Limited liability company	HK$1	–	100%	Investment holding
Qinhuangdao Outlets Real Estate Co., Limited	The PRC	Wholly foreign owned enterprise	US$20,000,000	–	100%	Properties development
Quality Depot Limited	BVI	International business company	US$100	–	100%	Investment holding
Richly Field (Beijing) Investment Consulting Co., Limited	The PRC	Wholly foreign owned enterprise	HK$10,000,000	–	100%	Property management
Richly Field Hainan Holdings Limited (formerly known as "Richly Field Tianjin Holdings Limited")	Hong Kong	Limited liability company	HK$1	100%	–	Investment holding
北京裕田城投資管理有限公司	The PRC	Limited liability company	RMB1,000,000	–	100%	Property management
長沙裕田奥特萊斯企業管理有限公司	The PRC	Limited liability company	RMB1,000,000	–	100%	Property management
銀川奥特萊斯世界名牌折扣城有限公司	The PRC	Limited liability company	RMB6,000,000	–	100%	Properties development
懷來大一葡萄酒莊園有限公司	The PRC	Wholly foreign owned enterprise	HK$10,000,000	–	100%	Properties development

None of the subsidiaries had any debt securities outstanding during the year or at the end of the reporting period.

39. Events after the reporting period

There was no significant event subsequent to 31 March 2011.

Five Years Summary

The summarised consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements of the Group, are set out below:

Results

	For the year ended 31 March				
	2007	2008	2009	2010	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Turnover	36	11,037	3,351	25,843	**–**
Profit/(loss) attributable to:					
– Owners of the Company	(4,113)	24,890	(16,805)	(32,090)	**33,617**
– Non-controlling interests	–	–	–	–	**60,617**
	(4,113)	24,890	(16,805)	(32,090)	**94,234**

Assets and Liabilities

	At 31 March				
	2007	2008	2009	2010	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	13,346	43,021	280,444	1,015,480	**1,607,763**
Total liabilities	(579,001)	(583,022)	(2,572)	(451,544)	**(686,637)**
	(565,655)	(540,001)	277,872	563,936	**921,126**
Equity attributable to:					
– Owners of the Company	(565,655)	(540,001)	277,872	563,936	**625,739**
– Non-controlling interests	–	–	–	–	**295,387**
	(565,655)	(540,001)	277,872	563,936	**921,126**