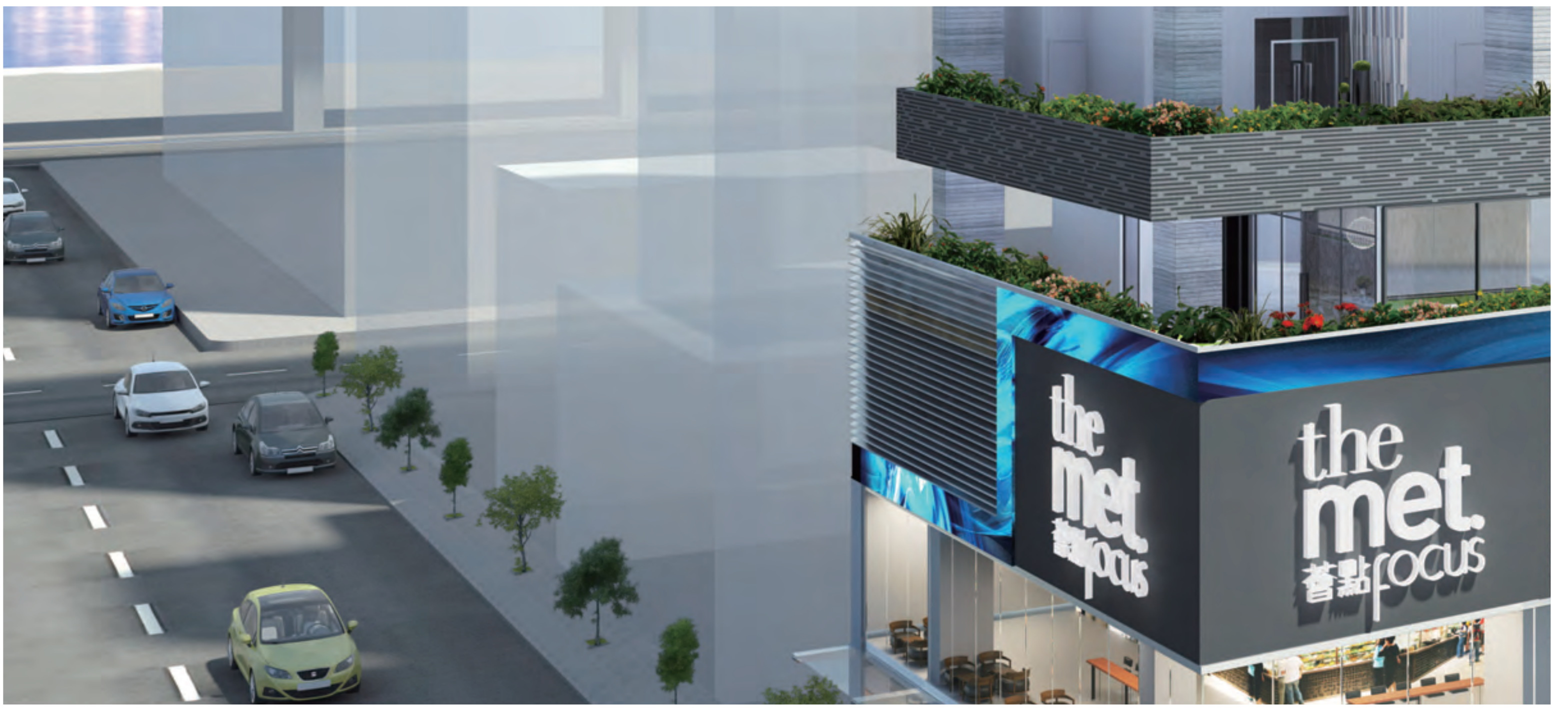
2012 ANNUAL REPORT

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



Contents

2008 — the offer for sale of the property project "Godi Xi" in Shatin
— the disposal of the land use rights in Dongguan City and the real estate project in Fuzhou City to PNG Resources Holdings Limited (stock code: 221)

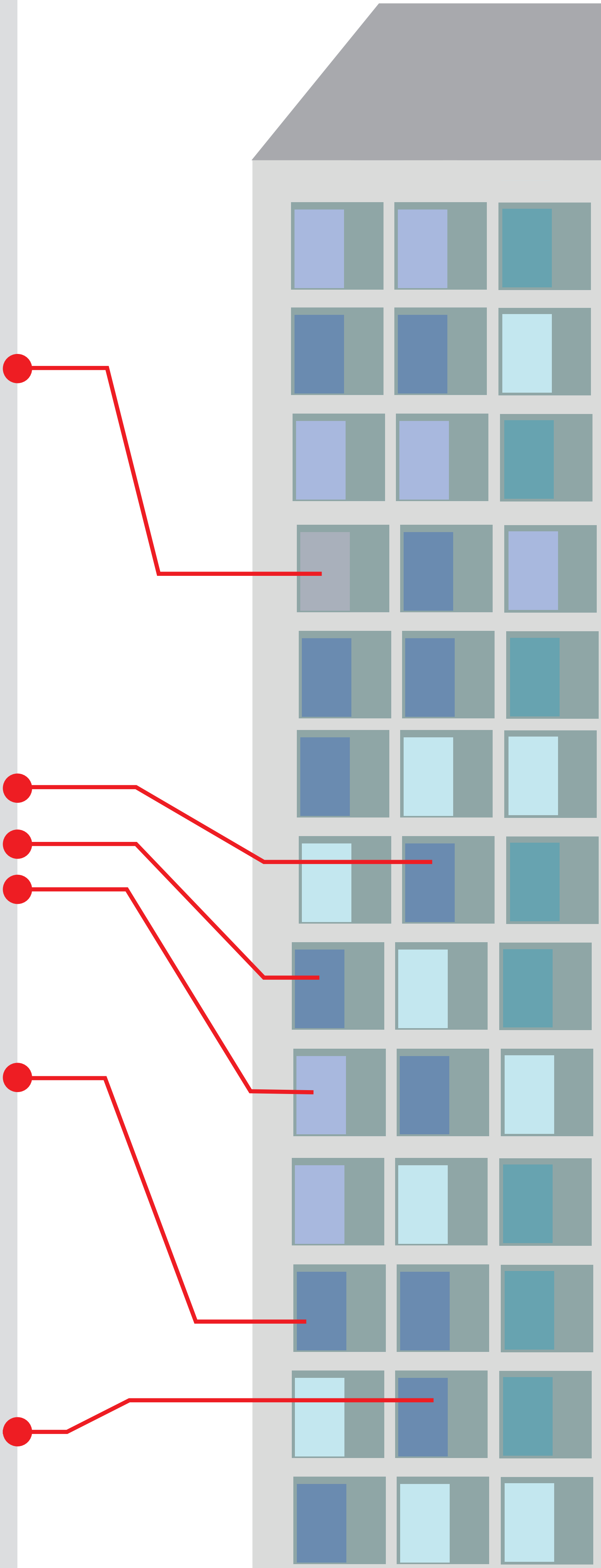
2005 — the offer for sale of the property project "Milan Place" in Sham Shui Po

2003 — injection of Luxembourg Medicine Company Limited into Wai Yuen Tong Medicine Holdings Limited

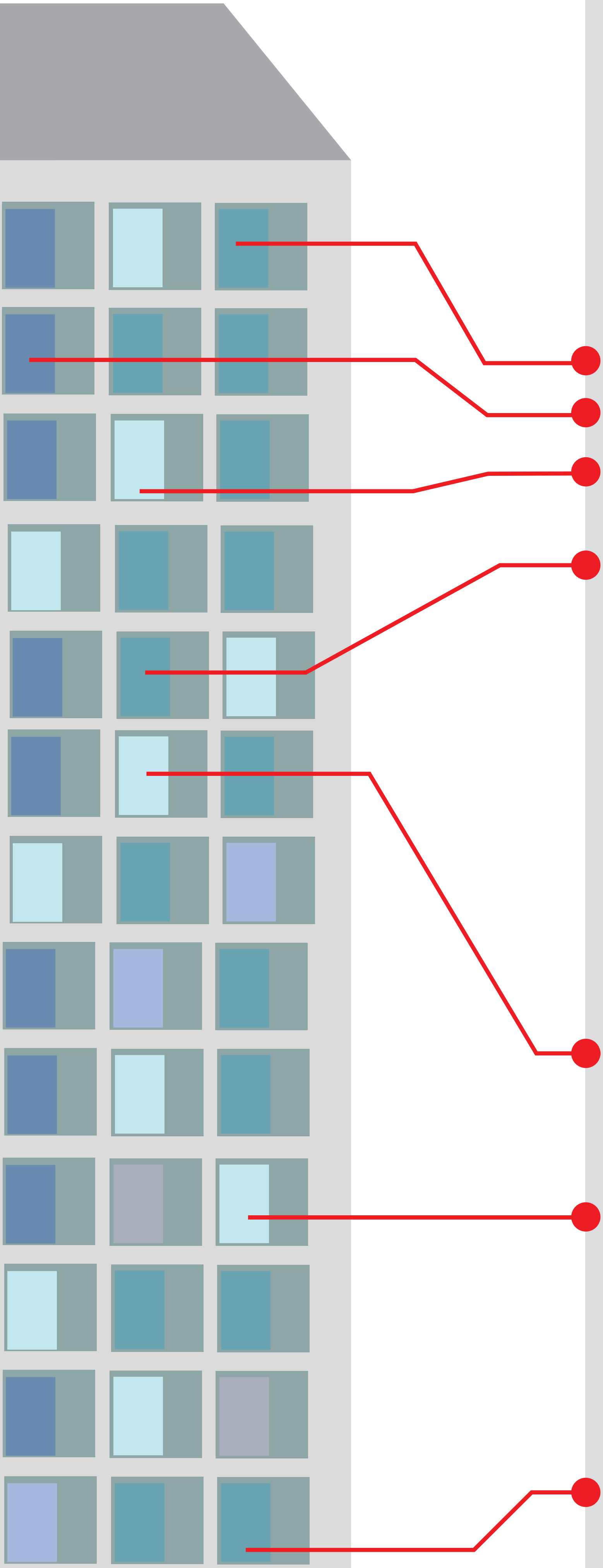
2002 — injection of Wai Yuen Tong Medicine Company Limited into Dailywin Group and change its name to Wai Yuen Tong Medicine Holdings Limited

2000 — acquisition of Wai Yuen Tong Medicine Company Limited

1996 — expansion of business reach the property project management
— acquisition of and exploring into wet market management business
— acquisition of and tapping into car park management services



MILESTONE OF WANG ON GROUP



2011 — the offer for sale of the property project "The Met. Focus" in Hung Hom

2010 — the disposal of the entire interest in Changzhou Linjiatang Hongjing Logistic Development

2009 — the disposal of the entire interest in the projects in Xuzhou City, Jiangsu Province and Yulin City, Guangxi Zhuang Autonomous Region to China Agri-Products Exchange Limited (stock code: 0149)

2007 — acquisition of the land use rights in Dongguan City

— acquisition of the commercial and residential land in Fuzhou City

— capital injection into Xuzhou agricultural by-products central wholesale market, Jiangxu province and Changzhou Lin Jia Tang agricultural by-products wholesale market, Jiangxu province

2006 — the offer for sale of the property project "Meister House" in Yuen Long

— investment in Shenzhen Jiamo Market (Huimin wet market)

— planning for construction of Hongjing Agricultural By-products Wholesale Market in Yulin City, Guangxi Zhuang Autonomous Region

2001 — the acquisition of Luxembourg Medicine Company Limited

— the acquisition of Hunan Xiangya Pharmaceutical

— the acquisition of Dailywin Group Limited, which is listed on the Hong Kong Stock Exchange (stock code: 897)

WANG ON GROUP LIMITED
宏 安 集 團 有 限 公 司
(Incorporated in Bermuda with limited liability)
Stock Code: 1222

1995 — the listing of Wang On Group, which is mainly engaged in building construction, renovation and property investment, on the Hong Kong Stock Exchange (stock code:1222)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

EXECUTIVE COMMITTEE

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

INVESTMENT COMMITTEE

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

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

CORPORATE INFORMATION

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

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

AUDITORS
Ernst & Young

REGISTERED OFFICE
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

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

HOMEPAGE
http://www.wangon.com

STOCK CODE
1222

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board" or the "Directors") of Wang On Group Limited (the "Company"), I am pleased to present the audited consolidated financial results of the Company, its subsidiaries and its jointly-controlled entity (the "Group") for the year ended 31 March 2012.

Financial Results

In light of the uncertainty of the global economy and volatility of the financial market, the Group strived to maintain a healthy cash flow and solid financial position during the year under review. Revenue of the Group during the year amounted to approximately HK$410.8 million, representing a decrease of approximately HK$148.5 million as compared to that of the previous financial year. Profit attributable to owners of the parent was approximately HK$378.7 million, representing a 67.4% increase as compared to that of the previous financial year.

Proposed Final Dividend

The Board recommended the payment of a final dividend of HK0.5 cents per ordinary share for the year ended 31 March 2012, payable on or around Friday, 7 September 2012 subject to approval by the shareholders of the Company at the forthcoming annual general meeting to be held on Tuesday, 21 August 2012. Together with the interim dividend of HK0.15 cents per ordinary share paid in December 2011, the total dividends per ordinary share for the year ended 31 March 2012 would be HK0.65 cents.

Business Review

During the 2011/12 financial year, world business activities were hampered by pessimistic sentiment. The worsening euro-zone sovereign debt crisis abroad and tightened credit control in Mainland China had inevitably slowed down local economic development. The property markets in Mainland China and Hong Kong were under stringent austerity measures. The Chinese central government introduced restrictions on mortgages, along with interest hikes and a series of increases in the bank reserve requirement ratio, leading to a stagnation in the domestic property market. Property transaction had fallen short of expectation during the traditional strong selling season in the fourth quarter of a calendar year in Mainland

CHAIRMAN'S STATEMENT

China. Locally, there was significant restriction in the number of flats changing hand, in particular in the secondary market since the SAR government introduced a series of control measures on top of the special stamp duties announced in November 2010. However, property selling prices generally remained at a high level throughout the year.

In light of strong demand for residential properties in urban districts of Hong Kong, the Group continued to focus on the development of residential property offering unique features — "The Met." series of metropolitan prestige residence (都會精品住宅系列). During the year, the Group concentrated its effort in the development of The Met.Focus, Pak Kung Street, Hung Hom, being the first project of the series with studio apartments targeted at urban elites, is scheduled to be completed by the end of 2013. The pre-sale of The Met.Focus had been well received and all of 103 units were sold.

Another project of "The Met." series of metropolitan prestige residence at Kwai Heung Street, Sai Ying Pun is scheduled for pre-sale in August and September 2012. The site is planned to be redeveloped into a residential cum commercial complex. The demolition of the existing buildings has been completed.

Demolition work of the site at Nathan Road, Mong Kok has been completed and the foundation work is anticipated to be completed by end 2012. 21-storey commercial building is planned to be erected on the site by 2014.

The Group had been negotiating with the Hong Kong SAR government during the year in respect of finalisation of the land premium of the Yau Tong project. Demolition work had been completed.

The Group continued to identify new sites for expanding its development land portfolio. In April 2012, the Group successfully acquired four buildings in Camp Street, Sham Shui Po and planned to redevelop them into a residential cum commercial complex.

Riding on a well-balanced investment property portfolio, the Group's property investment business contributed stable rental income to the Group during the year.

As the single largest operator of Chinese wet markets in Hong Kong, the Group managed approximately 950 stalls in 15 "Allmart" branded Chinese wet markets in Hong Kong with a gross floor area of over 350,000 square feet. The Group also managed 17 "Humin" branded Chinese wet markets in various districts in Shenzhen. These markets continued to generate steady cash flow for the Group.

Future Outlook

Although the market is awaiting Hong Kong's new chief executive to curb the local property market price, there is healthy solid demand from end-users.

The Group's focused approach of developing unique properties tailoring to the need of specific market segment will enable it to maintain significant return from its property portfolio. The current low-interest rate is expected to fuel demand from households seeking to improve their living environment. Sales at The Met.Focus and Sai Ying Pun project of "The Met" series of metropolitan prestige residence are expected to be booked during next financial year.

There is apparently a lack of consensus about the direction of local property market. However, the uncertainty may offer niche developers, such as the Group, to replenish its land bank at more reasonable premium.

The Group will continue to review and enhance its existing investment property portfolio and strive to maintain an optimum tenant composition. The anticipation of increasing visitor arrivals and visitor spending from Mainland China and the shortage in supply of commercial space in prime shopping areas will support the rental of the Group's properties at a higher level.

Under a relatively volatile investment environment, the Group has strengthened its risk control, and adopted a prudent approach in financial management. Cash inflow and capital outlay are under close scrutiny of the management to ensure the Group's smooth operation.

Appreciation

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

Tang Ching Ho
Chairman

Hong Kong, 20 June 2012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SHA TIN HEIGHTS ROAD

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the financial year ended 31 March 2012, the Group's turnover and profit attributable to owners of the parent amounted to approximately HK$410.8 million (2011: approximately HK$559.3 million) and approximately HK$378.7 million (2011: approximately HK$226.2 million), respectively.

Dividends

The Board has recommended the payment of a final dividend of HK0.5 cents (2011: HK0.4 cents) per ordinary share for the year ended 31 March 2012 to shareholders on the register of members of the Company as of Wednesday, 29 August 2012. The final dividend will be paid on or around Friday, 7 September 2012, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 21 August 2012. Together with the interim dividend of HK0.15 cents (30 September 2010: HK1.5 cents), the total dividends for the year ended 31 March 2012 will be HK0.65 cents (2011: HK1.9 cents) per ordinary share. For the year ended 31 March 2012, the total amount of dividends paid and payable are approximately HK$42.4 million and the retained earnings will be used for the Group's operation, development and expansion in the future.

Closure of Register

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

(a) *for determining eligibility to attend and vote at the 2012 annual general meeting:*

Latest time to lodge transfer documents for registration:	4:30 p.m., Thursday, 16 August 2012
Closure of register of members:	Friday, 17 August 2012 to Tuesday, 21 August 2012 (both days inclusive)
Record date:	Tuesday, 21 August 2012

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

Latest time to lodge transfer documents for registration:	4:30 p.m., Monday, 27 August 2012
Closure of register of members:	Tuesday, 28 August 2012 to Wednesday, 29 August 2012 (both days inclusive)
Record date:	Wednesday, 29 August 2012

Business Review

The Group's turnover for the year ended 31 March 2012 amounted to approximately HK$410.8 million (2011: approximately HK$559.3 million), representing a decrease of approximately HK$148.5 million compared to last financial year. Profit attributable to shareholders for the year ended 31 March 2012 was approximately HK$378.7 million (2011: approximately HK$226.2 million). The significant improvement was chiefly contributed by the gain on bargain purchase generated from the acquisition of additional equity interest in Wai Yuen Tong Medicine Holdings Limited ("WYTH"), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In order to be eligible to attend and vote at the 2012 annual general meeting and to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than the respective latest time set out above.

Property Development

For the year ended 31 March 2012, total revenue from the sales of properties was approximately HK$128.2 million (2011: approximately HK$147.2 million), representing a decrease of approximately HK$19.0 million.

Pre-sale of the residential flats for the Pak Kung Street project (Hung Hom) was launched in December 2011 and 103 residential flats had been pre-sold with a total value of approximately HK$352.7 million which is expected to be recognised as revenue in the income statement for the year ending 31 March 2014. Foundation work was completed. Construction of the superstructure will commence soon and is planned to be completed by the end of 2013.

For the Kwai Heung Street project (Sai Ying Pun), demolition work was completed. Foundation work is under way and is expected to be completed in the first quarter of 2013. Planning work for the construction of show flats is in full swing. Pre-sale of residential flats will be launched in the second half of 2012.

Demolition work at the Nathan Road site was completed. Foundation work is progressing well and is anticipated to be finished by end of 2012. Construction of the superstructure is scheduled to be completed by the first half of 2014.

In April 2012, the Group had successfully completed the acquisition of four blocks of building at Camp Street, Sham Shui Po and all units of these buildings have been vacant. It is planned that demolition work and foundation work will commence in the second half of 2012 and the first quarter of 2013, respectively. The entire site is intended to be redeveloped into a residential cum commercial complex.

The two industrial buildings at the Yau Tong site were completely demolished. The Group is still under negotiation with the Hong Kong SAR government in respect of the finalisation of land premium.

As of 31 May 2012, the Group has a development land portfolio as follows:

Location	**Approximate Site Area** (sq ft)	**Intended Usage**	**Anticipated Year of Completion**
2–8 Pak Kung Street, Hung Hom	4,000	Residential/Shops	2013
1–13 Kwai Heung Street, Sai Ying Pun	4,800	Residential/Shops	2014
724, 724A and 726 Nathan Road, Mongkok	3,000	Commercial	2014
140–146 Camp Street, Shum Shui Po	4,600	Residential/Shops	2015
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/Shopping Centre	2016
	57,400		

The Group is actively participating in the public tenders offered by the government and tenders organised by Urban Renewal Authority with an aim to enlarge its existing development land portfolio. Besides, we also allocate additional resources into the selection and location of suitable development sites in the private property market.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Investment

Revenue for this division comprises the sale of properties and rental income generated from leasing. For the year ended 31 March 2012, the Group's gross rental income amounted to approximately HK$52.0 million (2011: approximately HK$54.9 million).

As of 31 March 2012, the Group maintained a property investment portfolio including retail and residential premises in Hong Kong with a total carrying value of approximately HK$719.8 million (2011: approximately HK$649.8 million).

On 14 June 2012, the Group entered into a provisional sale and purchase agreement, through its indirect wholly-owned subsidiary, to dispose of an investment property located at Yuen Long, New Territories with a saleable floor area of approximately 1,184 square feet at a consideration of HK$82.8 million (the "Disposal"), details of which were set out in the Company's announcement dated 14 June 2012. The disposal is expected to be completed on or before 25 October 2012.

As part of our regular exercise, the Group will continue to review its existing property investment portfolio and ensure that a well-balanced tenant composition is maintained. Besides, the Group is also actively looking for suitable retail premises with reasonable rental yield and strong potential for capital gain in the near future.

Management and Sub-Licensing of Chinese Wet Markets

For the year ended 31 March 2012, turnover for this division slightly increased to approximately HK$230.7 million (2011: approximately HK$219.8 million). The improvement was mainly contributed by the additional licensing income arising from the renewal of license agreements with stall operators and the full-year effect of the management of a new Chinese Wet Market at Heng On Estate since last financial year.

The Group currently manages a portfolio of approximately 950 stalls at 15 "Allmart" brand Chinese wet markets in Hong Kong with a gross floor area of over 350,000 square feet. In the People's Republic of China (the "PRC"), the Group is now managing a portfolio of approximately 1,100 stalls occupying a total floor area of over 283,000 square feet in 17 "Huimin" brand Chinese wet markets in various districts in Shenzhen.

Our "Allmart Club" membership program was launched in our managed Chinese wet market at Kai Tin, Lam Tin and Choi Ming Estates, Tseung Kwan O in October 2011 and April 2012, respectively. As of today, over 3000 members for Kai Tin market and nearly 1500 members for Choi Ming market have been recruited. All members are eligible to receive welcome gift packages which include discount coupons which are valid for purchases at designated stalls. In order to encourage more regular visits, a bonus system was established for each member to become entitled to one lucky draw where he has accumulated 20 or more bonus points with one bonus point being credited for each visit per day. With the remarkable success of these two markets, the Group plans to introduce the "Allmart Club" membership program to our managed Chinese wet markets at Hau Tak Estates, Tseung Kwan O and Tin Chak Estates, Tin Shui Wai later this year. Besides, promotion activities such as lucky draw will be occasionally organised and held in our managed Chinese wet markets so as to ensure regular traffic flow of shoppers which will definitely enhance the business activities of our stall operators in the medium to long run.

Coupled with the rollout of our "Allmart Club" membership program, the Group had introduced "One Dollar Rental Scheme" for any member to start up his/her own business such as fortune teller, hand-made artwork kiosk, etc. in our selected Chinese wet markets. We anticipate that these new elements can boost up the overall public image and perception of our managed traditional Chinese wet markets to the public.

Investment in Pharmaceutical and Health Products Related Business

As announced by the Company on 28 November 2011 and 1 December 2011, the Group had acquired on-market an aggregate of 322.78 million shares of HK$0.01 each in the issued share capital of WYTH in which the Company held 9.15% equity interest immediately before completion of the Acquisition (as hereinafter defined), in a series of transactions conducted between 17 November 2011 and 19 December 2011 for an aggregate purchase price of approximately HK$42.2 million (the "Acquisition").

Immediately after the Acquisition, WYTH became an associate of the Group, in which the Group held 25% equity interest as at 31 March 2012. As a result of an impairment loss recognised for the investment in an associate and realised and unrealised loss on held-for-trading investment, WYTH had a loss attributable to its owners of approximately HK$226.9 million (2011: profit of approximately HK$99.1 million). Share of profit of WYTH for the year ended 31 March 2012 amounted to approximately HK$290.7 million which comprised the gain on bargain purchase generated from the acquisition of equity interests in WYTH and the share of four-month results of WYTH.

However, in light of worldwide public awareness of health, the Group believes that the operations of WYTH will enjoy a stable growth in the years to come.

Change of Use of Proceeds from the Rights Issue

As announced by the Company on 12 April 2012, following several rounds of negotiations with the Hong Kong SAR government on the terms of the Yau Tong project, it appears unlikely that (a) the Company and the Hong Kong SAR government will reach agreement on the terms of the Yau Tong project (including the amount of the land premium payable) in the near future; and (b) the economic and market conditions will change dramatically in the near future, the Board has resolved to change the intended application of the net proceeds of, inter alia, approximately HK$350 million which is originally allocated for application for the Yau Tong project (the "Allocated YT Proceeds"). In order to utilise the Allocated YT Proceeds more effectively, the use of Allocated YT Proceeds will be changed as to approximately HK$230 million for the Group's existing or potential property development and investment projects, as to approximately HK$70 million for the repayment of bank loans and as to the remaining balance of approximately HK$50 million for the general working capital of the Group.

Liquidity and Financial Resources

As at 31 March 2012, the Group's total assets less current liabilities were approximately HK$3.8 billion (2011: approximately HK$3.3 billion) and the current ratio decreased from approximately 4.31 times as at 31 March 2011 to approximately 3.57 times as at 31 March 2012.

As at 31 March 2012, the Group had cash resources and short-term investments of approximately HK$677.5 million (2011: approximately HK$1,151.5 million). Aggregate borrowings as at 31 March 2012 amounted to approximately HK$1,019.7 million (2011: approximately HK$871.7 million). The gearing ratio was 14.8% (2011: Nil), calculated by reference to the Group's total borrowings net of cash and cash equivalents and the equity attributable to owners of the parent. As at 31 March 2012, the Group's investment properties, properties under development and properties held for sale, with carrying value of approximately HK$687.3 million, HK$1,234.1 million and HK$363.4 million (2011: approximately HK$587.6 million, HK$824.7 million and HK$392.5 million), were pledged to secure the Group's general banking facilities utilised for approximately HK$378.0 million, HK$608.6 million and HK$202.0 million (2011: approximately HK$408.0 million, HK$450.1 million and HK$204.7 million), respectively. The Group's capital commitment as at 31 March 2012 amounted to approximately HK$128.4 million (2011: approximately HK$275.5 million). The Group had no significant contingent liabilities as at the end of the reporting period.

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

Foreign Exchange

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

Employees and Remuneration Policies

At the end of the reporting period, the Group had 224 (2011: 234) employees, of whom approximately 87.9% were located in Hong Kong and the rest were located in the PRC. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's performance as well as the individual's performance. Other benefits such as medical and retirement benefits and structured training programs are also provided.

Prospects

Following the trend in the second half of 2011/12, the global market was still volatile under the influence of deteriorating European sovereign debt crisis, particularly in Greece. Since the beginning of 2012, the residential property market in Hong Kong has seen some reactivation and transaction volume has rebounded quite quickly. The Hong Kong economy is likely to be stable under the environment of relatively low level mortgage interest rate, strong demand from Chinese nationals in residential properties and continued income growth. It is also anticipated that the land supply will be moderately increased in the coming five years. The recent introduction of regulatory measures on the primary and secondary residential property transactions will make the market more transparent and systematic and will be beneficial to the public in the long run.

As a leading operator of Chinese wet markets in Hong Kong, the Group will continue to look for improvement in managing the day-to-day operation of the markets. We will continue to channel more resources on securing more management contracts both in Hong Kong and PRC.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Executive Directors

Mr. Tang Ching Ho, *JP*, aged 50, is a co-founder of the Group (which was established in 1987), and the Chairman of the Company since November 1993. He is also an authorised representative, a member of the remuneration committee, the nomination committee, the executive committee and the investment committee of the Company. Mr. Tang is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of WYTH. Mr. Tang is also appointed as a standing committee member of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and a standing committee member of the third CPPCC Guangxi Yulin City Committee. He is the husband of Ms. Yau Yuk Yin, the Deputy Chairman of the Company.

Ms. Yau Yuk Yin, aged 50, is a co-founder of the Group and has been the Deputy Chairman of the Company since November 1993. She is also a member of the remuneration committee, the nomination committee and the executive committee of the Company. Ms. Yau is responsible for the overall human resources and administration of the Group. She has over 19 years of experience in human resources and administration management. She is the wife of Mr. Tang Ching Ho, the Chairman of the Company.

Mr. Chan Chun Hong, Thomas, aged 48, joined the Group in March 1997 as an executive Director and was re-designated as the Managing Director of the Company in September 2005. He is also an authorised representative and a member of the remuneration committee, the nomination committee, the executive committee and the investment committee of the Company. Mr. Chan is currently responsible for managing the overall operations of the Group. He is also the managing director of WYTH, the chairman and managing director of PNG Resources Holdings Limited, the chairman and chief executive officer of China Agri-Products Exchange Limited and an independent non-executive director of Shanghai Prime Machinery Company Limited, all of which are companies listed on the main board of the Stock Exchange. He graduated from the Hong Kong Polytechnic University (then known as the Hong Kong Polytechnic) with a bachelor's degree in accountancy and is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, aged 72, joined the Group in November 1993 as an Independent Non-executive Director. He is a member of the remuneration committee and the chairman of the nomination committee of the Company. Dr. Lee holds an honorary doctoral degree in engineering from The Hong Kong Polytechnic University and an honorary doctoral degree in laws from The Chinese University of Hong Kong. He is currently an independent non-executive director of AMS Public Transport Holdings Limited, Giordano International Limited, ITE (Holdings) Limited, Playmates Holdings Limited and VXL Capital Limited, all of which are companies listed on the Stock Exchange. Dr. Lee resigned as an independent non-executive director of Sam Woo Holdings Limited on 29 April 2011.

Mr. Wong Chun, Justein, *BBS, MBE, JP*, aged 58, joined the Group in November 1993 as an Independent Non-executive Director. He is a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Wong holds a bachelor's degree in Commerce and Computing Science from Simon Fraser University, Canada. He is a Fellow of Institute of Canadian Bankers. He was a member of the Fight Crime Committee, the Independent Police Complaints Council, the Legal Aid Services Council, chairman of Quality Education Fund Assessment and Monitoring Committee and is currently a member of Joint Committee of Student Finance and other government advisory bodies.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, aged 65, joined the Group in November 1993 as an Independent Non-executive Director. He is the chairman of the audit committee of the Company and a member of the nomination committee and the remuneration committee of the Company. Mr. Siu is also an executive member of a number of charitable organisations and sports associations and an independent non-executive director of Unlimited Creativity Holdings Limited, a listed company in Hong Kong.

Mr. Siu Kam Chau, aged 47, joined the Group in September 2004 as an Independent Non-executive Director. He is a member of the audit committee, the nomination committee, the remuneration committee and the investment committee of the Company. Mr. Siu holds a bachelor's degree in accountancy from The City University of Hong Kong. Mr. Siu is a Certified Public Accountant (Practising) and a fellow of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants. He was

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

appointed as an executive director of China Gogreen Assets Investment Limited, a company listed on the Stock Exchange, on 10 October 2011, in which he had retired as an executive director on 28 August 2009. Mr. Siu is also an independent non-executive director of China New Economy Fund Limited, a company listed on the Stock Exchange.

Senior Management

Mr. Cheung Wai Kai joined the Group in July 1998 and is the General Manager of the Group's commercial management division. He had more than 16 years of experience in general management and 15 years of experience specialising in the market management. He is also an executive director of PNG Resources Holdings Limited, a company listed on the main board of the Stock Exchange.

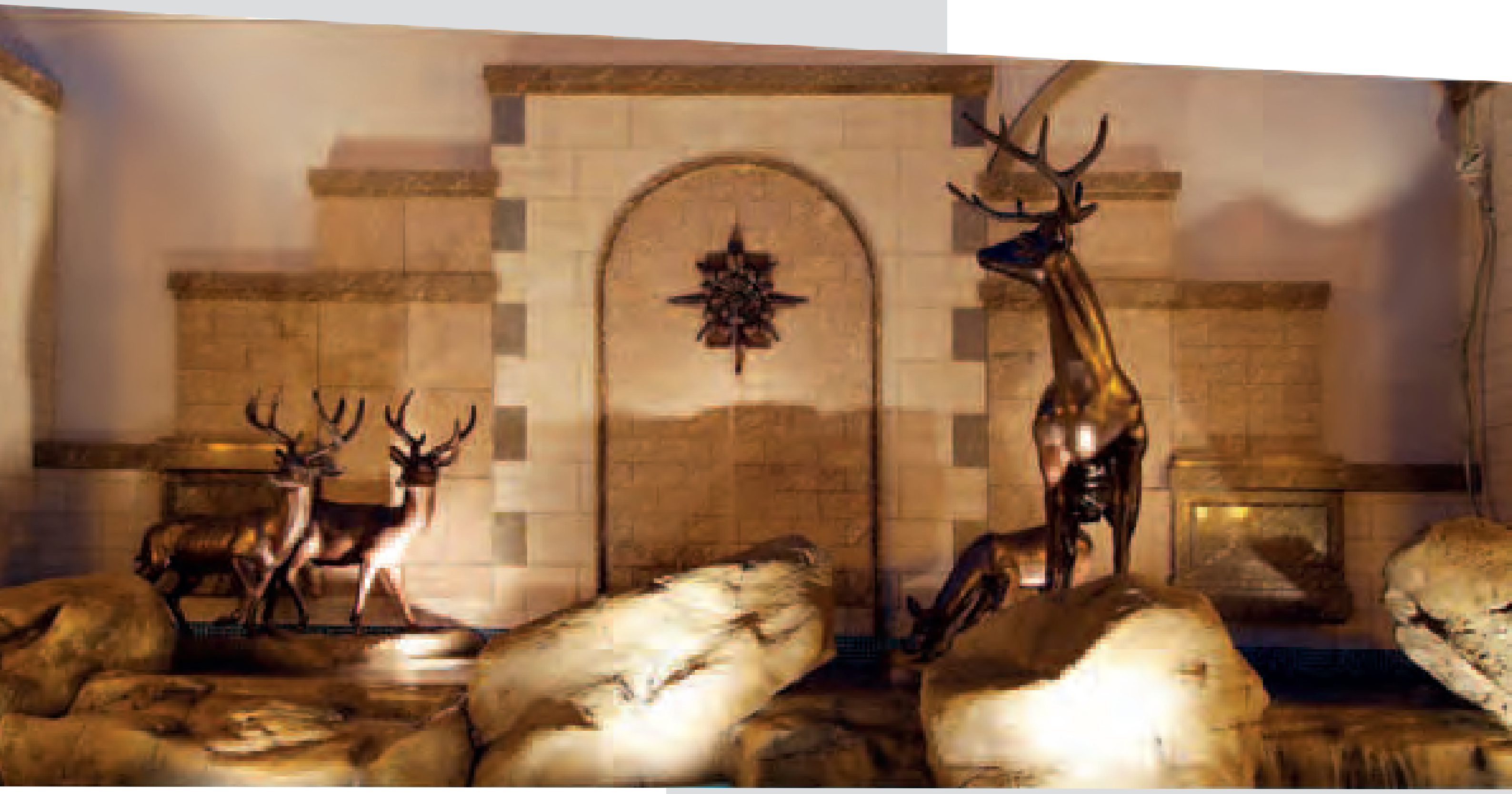
Mr. Leong Weng Kin joined the Group in July 2004 and is the Group Financial Controller of the Group. He holds a Master degree in Business Administration from the Chinese University of Hong Kong and is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, he had over 10 years of experience in key financial position in a Hong Kong listed group and more than four years working experience in an international firm of Certified Public Accountants. He is also a director of China Agri-Products Exchange Limited, a company listed on the main board of the Stock Exchange.

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

Ms. Yeung Kwai Ling joined the Group in May 2004 and is the Assistant General Manager of the Group's property development division. She holds a Master degree in Marketing from University College Dublin and a Bachelor of Arts from University of Hong Kong. She had more than 19 years of experience in marketing and 12 years of experience specialising in the sales and marketing of property industry.

Mr. Ng Wing Cheong, Stephen joined the Group in October 2003 and is the Design Director of the Group. He graduated from the Hong Kong Polytechnic University (then known as the Hong Kong Polytechnic) with the Endorsement Certificate in Building Study. Prior to joining the Group, he had over 20 years of experience in Canada, Hong Kong and Mainland China for some well known architectural firms and engaged in residential and large scale integrated commercial development projects.

Mr. Yeung Yiu Man joined the Group in March 2011 and is the General Manager of the Group's cost control division. Mr. Yeung holds a Master degree in Management from the Hong Kong Polytechnic University. He is a member of the Chartered Institute of Building and the Royal Institute of Chartered Surveyors. He possesses a wide spectrum of experience in property industry and has been active in property developments for more than 26 years. Prior to joining the Group, Mr. Yeung had been working for a major Hong Kong listed property developer for 11 years with comprehensive experience in project management, tender procurement and cost control.




GODI 戈林
HEIGHTS ROAD

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

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

In light of the requirements set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Board has reviewed periodically the corporate governance practices of the Company to enhance various procedures and documentation.

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the CG Code throughout the year ended 31 March 2012.

Code for Securities Transactions by Directors and Relevant Employees

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

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

The Board

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

Executive Directors

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

Independent non-executive Directors

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

The brief biographical details of the Directors are set out on pages 18 to 20 of this annual report.

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

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

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

The Board's primary functions are to set corporate policy and overall strategy for the Group and to provide effective oversight of the management of the Group's businesses and affairs. Apart from its statutory responsibilities, the Board also approves the strategic plans, key operational issues, investments and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or indirectly through committees established by the Board. Furthermore, the Board will also be responsible for performing the corporate governance duties and has adopted specified corporate governance policies in March 2012 pursuant to the recent amendments to the CG Code.

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

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

Board members	Attendance
Executive Directors:	
Mr. Tang Ching Ho, *JP* *(Chairman)*	2/4
Ms. Yau Yuk Yin *(Deputy Chairman)*	3/4
Mr. Chan Chun Hong, Thomas *(Managing Director)*	4/4
INEDs:	
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	2/4
Mr. Wong Chun, Justein, *BBS, MBE, JP*	4/4
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	4/4
Mr. Siu Kam Chau	4/4

Roles of Chairman and Managing Director

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

Board Committee

The Board has established various committees, including the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee"), nomination committee (the "Nomination Committee") and executive committee, each of which has the specific written terms of reference that have been reviewed and updated, where necessary, in March 2012 pursuant to the recent amendments to the Listing Rules (as implemented in January and April 2012, respectively). Copies of minutes of all meetings and resolutions of the committees are kept by the company secretary and open for inspection at any reasonable time on reasonable notice by any Director. Each committee is required to report to the Board on its decision and recommendations, where appropriate.

On 20 June 2012, the Board resolved to establish an investment committee (the "Investment Committee") with specific terms of reference for purposes of effectively determining the investment strategy and plan, monitoring the execution of investment strategy and adjusting the investment strategy. The Investment Committee comprises three members, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Kam Chau, which is chaired by Mr. Tang Ching Ho.

Audit Committee

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

The functions of the Audit Committee is, among other things, to assist the Board to review the financial reporting, to supervise over the Group's internal controls and risk management, to monitor the internal and external audit functions and to make relevant recommendations to the Board to ensure effective and efficient operation and reliable reporting. The functions of the Audit Committee will be reviewed regularly by the Board and amended from time to time, as and when appropriate, in order to be in compliance with the CG Code. Its terms of reference were reviewed and amended in March 2012 to ensure that the management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff to implement the Group's accounting and financial reporting function. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

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

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

During the year under review, the Audit Committee's review covered the financial highlights and audit issue raised by external auditors, accounting principles and practices, amendments to the Listing Rules and accounting standards, internal controls, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting matters, including the consolidated financial statements for the six months period ended 30 September 2011 and for the year ended 31 March 2012.

Remuneration Committee

The Remuneration Committee was established in September 2005 with specific terms of reference in order to comply with code provision B.1.1 of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy, if considered necessary. It currently consists of seven members, including Mr. Wong Chun, Justein, being elected as the chairman of the Remuneration Committee, Dr. Lee Peng Fei, Allen, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs. The role of Remuneration Committee is to make recommendations to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance while having regarded to the interests of shareholders. The principal duties of the Remuneration Committee include determining the specific remuneration packages of all executive Directors and senior management as well as reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time. No Director or any of his associates may be involved in making any decisions as to his/her own remuneration.

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

Remuneration Committee members	Attendance
Mr. Wong Chun, Justein, *BBS, MBE, JP* (*Chairman*)	1/1
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	1/1
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	1/1
Mr. Siu Kam Chau	1/1
Mr. Tang Ching Ho, *JP*	0/1
Ms. Yau Yuk Yin	1/1
Mr. Chan Chun Hong, Thomas	1/1

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

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

Nomination Committee

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

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

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

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

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

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

External Auditors' Remuneration

The remuneration paid/payable to the Company's external auditors, Ernst & Young, for the year ended 31 March 2012, which had been reviewed and approved by the Audit Committee and the Board, is set out as follows:

Services rendered for the Group	Fees paid/ payable to Ernst & Young HK$'000
Audit services	
— annual financial statements	2,100
Non-audit services:	
— high-level review of interim financial statements	200
— taxation and professional services	807
— other professional services	520
Total:	3,627

Internal Controls

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

The internal control system is designed to provide reasonable, but not absolute, assurance against material loss; and to manage rather than completely eliminate the risk of system failure. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations. For the year ended 31 March 2012, the Board reviewed with Audit Committee and/or internal auditors the effectiveness of the Group's internal control system, the adequacy of resources, the qualifications and experience of staff of the Company's accounting and financial reporting function and found they were effective and in line with our policies.

Communication with Shareholders

During the year under review, the Company established a shareholder communication policy and the Board will review it from time to time to ensure its effectiveness.

The Board recognises the importance of good communication with shareholders of the Company. Information in relation to the Group is disseminated to

shareholders in a timely manner through a number of formal channels, which include announcements, interim reports, annual reports and circulars.

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

In order to let shareholders to make an informed decision at the special general meeting, sufficient notices with not less than 10 clear business days for every general meeting and 20 clear business days for every annual general meeting pursuant to E.1.3 of the CG Code, the bye-laws of the Company and any other applicable laws. At every general meeting, the chairman has explained in detail the procedures for conducting a poll vote during the proceedings of meetings and answered all questions raised by shareholders. All votes at the general meetings held in this year were taken by way of a poll and poll results were published on the websites of the Stock Exchange and the Company on the date immediately following the holding of the general meetings.

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

Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, statutory requirements and other regulatory requirements. As at 31 March 2012, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

A statement by the auditors about their reporting responsibilities is set out on page 43 of this annual report. There are no uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Corporate Social Responsibility

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

The Directors present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2012.

Principal Activities

The principal activity of the Company is investment holding. Principal activities of the principal subsidiaries, associates and jointly-controlled entity comprise property development and property investment in Hong Kong, and management and sub-licensing of Chinese wet markets in Hong Kong and the PRC, details of which are set out in notes 19, 20 and 21 to the financial statements, respectively. Apart from the cessation of management and sub-licensing of shopping centres and car parks and operation and management of agricultural by-product wholesale market as at 31 March 2012, there were no significant changes in the nature of the Group's principal activities during the year.

Results and Dividends

The results of the Group for the year ended 31 March 2012 and the state of affairs of the Company and of the Group at that date are set out in the audited consolidated financial statements on pages 44 to 130.

The Group's revenue and net profit attributable to owners of the parent for the year ended 31 March 2012 amounted to approximately HK$410.8 million (2011: approximately HK$559.3 million) and approximately HK$378.7 million (2011: HK$226.2 million), respectively.

The Board has recommended the payment of a final divided of HK0.5 cents (2011: HK0.4 cents) per ordinary share for the year ended 31 March 2012 to shareholders on the register of members of the Company as of Wednesday, 29 August 2012. The final dividend will be paid on or around Friday, 7 September 2012, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 21 August 2012. Together with the interim dividend of HK0.15 cents (2011: HK1.5 cents), the total dividends for the year ended 31 March 2012 will be HK0.65 cents (2011: HK1.9 cents) per ordinary share.

Five Year Financial Summary

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the Company's audited financial statements, is set out on page 132 of this annual report. This summary does not form part of the audited consolidated financial statements.

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

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

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 36 and 37 to the financial statements, respectively.

Pre-Emptive Rights

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

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2012.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 38 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

At 31 March 2012, the Company's reserves available for distribution to owners of the parent, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK$782,814,000 (2011: approximately HK$827,057,000), of which approximately HK$32,625,000 has been proposed as a final dividend for the year ended 31 March 2012. In addition, the Company's share premium account, in the amount of approximately HK$1,462,363,000 (2011: approximately HK$1,462,363,000), may be distributed in the form of fully paid bonus shares.

Major Customers and Suppliers

For the year ended 31 March 2012, sales to the Group's five largest customers accounted for less than 34% (2011: 35%) of the total sales for the year and the sales to the largest customer included therein accounted to 26%. Purchases from the Group's five largest suppliers accounted for 45% of the total purchases for the year and purchases from the largest supplier included therein amounted to 22% of the total purchases for the year.

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

Directors

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

Executive Directors

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

Independent Non-Executive Directors

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

In accordance with bye-law 87 of the Company's bye-laws, Ms. Yau Yuk Yin, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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

Directors' and Senior Management's Biographies

Biographical details of the Directors and the senior management of the Group are set out on pages 18 to 21 of this annual report.

Directors' Service Contracts

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

Directors' Interests in Contracts

Save as disclosed in notes 8 and 44 to the financial statements, no Directors had a material interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

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

As at 31 March 2012, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise

notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, were as follows:

(i) Long positions in the shares:

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

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

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

Notes:

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

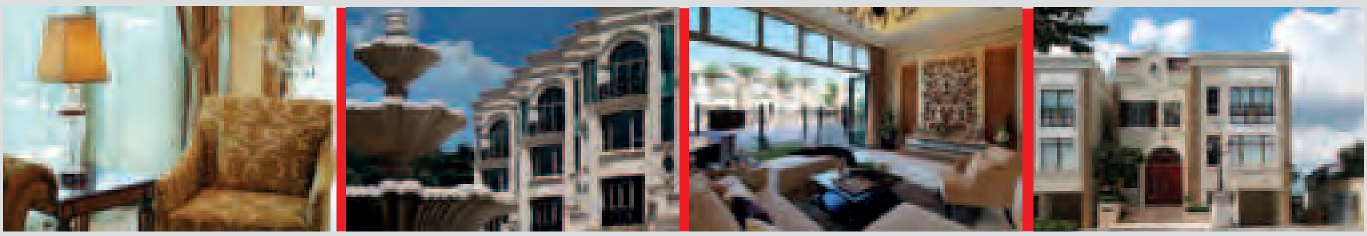
(b) Mr. Tang was taken to be interested in those shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.

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

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

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

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



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

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

(g) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2012 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2012, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the headings "Directors' interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" above, "Share Option Scheme" below and in the share option scheme disclosures in note 37 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares, or underlying shares in, or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Share Option Scheme

On 3 May 2002, the Company adopted a share option scheme (the "Scheme") for the primary purpose of providing incentives to eligible participants who contribute to the success of the Group. During the year under review, no share options were granted, exercised, lapsed or cancelled. Details of the movements of the share options under the Scheme during the year were as follows:

Details of the movements of the share options under the Scheme during the year ended 31 March 2012:

Name or Category	Date of grant	Outstanding as at 1 April 2011	Granted during the year	Exercised during the year	Lapsed or cancelled during the year	Outstanding as at 31 March 2012	Exercisable period of share options	Exercise price per share HK$
Directors								
Chan Chun Hong, Thomas	2-1-2008	90,146	—	—	—	90,146	2/1/2009–1/1/2013*	2.4082
	8-1-2009	180,295	—	—	—	180,295	8/1/2010–7/1/2019*	0.3893
		270,441	—	—	—	270,441		
Other employees	1-3-2007	20,386,954	—	—	—	20,386,954	1/3/2007–28/2/2017	2.0549
	2-1-2008	377,920	—	—	—	377,920	2/1/2009–1/1/2013*	2.4082
	8-1-2009	887,594	—	—	—	887,594	8/1/2010–7/1/2019*	0.3893
	12-5-2010	11,021,241	—	—	—	11,021,241	12/5/2011–11/5/2020*	0.2234
		32,673,709	—	—	—	32,673,709		
TOTAL		32,944,150	—	—	—	32,944,150		

Note:

* The options granted under the Scheme vest as follows:

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

Under the Scheme, share options may be granted to any Director or proposed Director (whether executive or non-executive, including INEDs), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any business or joint venture partner, contractor, agent or representative, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to the Group, any supplier, producer or licensor of goods or services to the Group, any customer, licensee (including any sub-licensee) or distributor of goods or services of the Group, or any landlord or tenant (including any sub-tenant) of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants.

The Scheme became effective on 3 May 2002 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date. The Scheme expired on 2 May 2012. Under the Scheme, the Board may grant share options to the participants to subscribe for shares of the Company for a consideration of HK$1.00 for each lot of share options granted which must be accepted within 30 days from the date offer. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

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

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

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

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

At the end of the reporting period, the Company had 32,944,150 share options outstanding under the Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 32,944,150 additional ordinary shares of the Company and additional share capital of approximately HK$329,441 and share premium of HK$45,568,781.5 (before issue expenses).

At the date of approval of these financial statements, the Company had 32,944,150 share options outstanding under the Scheme, which represented approximately 0.5% of the Company's shares in issue as at that date.

As at the date of this annual report, the total number of shares available for issue under the Company's share option scheme is 652,493,502 shares, representing 10% of the share capital of the Company in issue at the date of this annual report.

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

Other details of the Scheme are set out in note 37 to the financial statements.

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

As at 31 March 2012, to the best knowledge of the Directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders, had notified the Company of relevant interests and short positions in the shares and underlying shares of the Company:

Long positions in the shares of the Company:

Name of shareholders	**Capacity**	**Number of shares**	**Approximate percentage of the Company's total issued share capital** *(Note 4)*
Accord Power Limited *(Note 1)*	Beneficial owner	1,663,309,609	25.49
Fiducia Suisse SA *(Note 1)*	Interest of controlled corporation	1,663,309,609	25.49
David Henry Christopher Hill *(Note 2)*	Interest of controlled corporation	1,663,309,609	25.49
Rebecca Ann Hill *(Note 3)*	Family interest	1,663,309,609	25.49

Notes:

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

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

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

(4) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2012 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2012, no persons, other than Directors, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Donations

During the year, the Group made charitable and other donations totaling approximately HK$5.9 million (2011: approximately HK$3.1 million).

Emolument Policy

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

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the share option scheme are set out in note 37 to the financial statements.

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance practices in the interests of the Company and its shareholders as a whole.

In the opinion of the Directors, the Company has complied with the code provisions under the CG Code contained in Appendix 14 to the Listing Rules throughout the financial year under review. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 24 to 31 of this annual report.

Sufficiency of Public Float

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

Audit Committee

The Company established the Audit Committee in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's consolidated financial reporting process and internal controls. The Audit Committee has reviewed the audited consolidated financial statements for the year ended 31 March 2012 of the Group with the management and the external auditors. The Audit Committee comprises Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, all are INEDs. The Audit Committee is chaired by Mr. Siu Yim Kwan, Sidney.

Event after the Reporting Period

Details of significant event after the reporting period of the Group are set out in note 47 to the financial statements.

Auditors

The consolidated financial statements for the year ended 31 March 2012 have been audited by Messrs. Ernst & Young, who retire and, being eligible, offer themselves for re-appointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Tang Ching Ho
Chairman

Hong Kong, 20 June 2012

ERNST & YOUNG
安 永

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

We have audited the consolidated financial statements of Wang On Group Limited (the "Company") and its subsidiaries and jointly-controlled entity (together, the "Group") set out on pages 44 to 130, which comprise the consolidated and company statements of financial position as at 31 March 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditors' responsibility

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

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

20 June 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
CONTINUING OPERATIONS			
REVENUE	5	**410,785**	559,300
Cost of sales		**(246,772)**	(380,981)
Gross profit		**164,013**	178,319
Other income and gains	5	**74,253**	124,899
Selling and distribution costs		**(12,101)**	(4,494)
Administrative expenses		**(87,350)**	(74,589)
Other expenses		**(63,072)**	(65,680)
Finance costs	7	**(10,909)**	(13,680)
Fair value losses of financial assets at fair value through profit or loss, net		**(51,612)**	(4,746)
Fair value gains on investment properties, net	16	**115,612**	109,721
Share of profits and losses of an associate		**290,692**	—
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	**419,526**	249,750
Income tax expense	10	**(42,600)**	(32,639)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**376,926**	217,111
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	12	**1,809**	9,281
PROFIT FOR THE YEAR		**378,735**	226,392
OTHER COMPREHENSIVE INCOME			
Available-for-sale investments:			
Changes in fair value		**—**	(24,327)
Reclassification adjustments for gain/loss included in profit or loss			
— Gain on disposal		**—**	(55,855)
— Impairment loss		**—**	24,327
		—	(55,855)
Other reserves:			
Release upon disposal of an associate		**—**	(3,473)
Share of other comprehensive income of an associate		**1,212**	—
		1,212	(3,473)

Year ended 31 March 2012

	Notes	**2012 HK$'000**	2011 HK$'000
Exchange fluctuation reserve:			
Translation of foreign operations		**3,433**	3,964
Release upon disposal of an associate		**—**	(2,803)
		3,433	1,161
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**4,645**	(58,167)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**383,380**	168,225
Profit attributable to:			
Owners of the parent	11	**378,667**	226,194
Non-controlling interests		**68**	198
		378,735	226,392
Total comprehensive income attributable to:			
Owners of the parent		**383,312**	168,027
Non-controlling interests		**68**	198
		383,380	168,225
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14		
For the year			
Basic and diluted		**HK5.80 cents**	HK15.27 cents
From continuing operations			
Basic and diluted		**HK5.78 cents**	HK14.67 cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**8,477**	14,354
Investment properties	16	**797,442**	724,889
Properties under development	17	**1,264,114**	824,711
Goodwill	18	**1,376**	1,376
Investment in an associate	20	**356,956**	—
Held-to-maturity investments	22	**—**	19,861
Other intangible asset	23	**—**	6,060
Available-for-sale investments	24	**—**	36,321
Loans and interests receivable	27	**255,805**	316,370
Deposits paid	28	**15,072**	76,984
Deferred tax assets	35	**570**	178
Total non-current assets		**2,699,812**	2,021,104
CURRENT ASSETS			
Properties held for sale	25	**364,514**	400,609
Trade receivables	26	**5,649**	8,278
Loans and interests receivable	27	**410,395**	23,006
Prepayments, deposits and other receivables	28	**50,685**	22,081
Held-to-maturity investments	22	**—**	8,482
Financial assets at fair value through profit or loss	29	**75,446**	108,896
Tax recoverable		**2,454**	4,078
Time deposits with original maturity over three months	30	**20,000**	—
Cash and cash equivalents	30	**582,095**	1,042,600
Total current assets		**1,511,238**	1,618,030
CURRENT LIABILITIES			
Trade payables	31	**22,687**	12,951
Other payables and accruals	32	**31,177**	29,920
Deposits received and receipts in advance		**109,731**	75,269
Interest-bearing bank loans	33	**229,483**	239,924
Provisions for onerous contracts	34	**770**	240
Tax payable		**28,989**	17,048
Total current liabilities		**422,837**	375,352
NET CURRENT ASSETS		**1,088,401**	1,242,678

31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,788,213**	3,263,782
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	33	**790,171**	631,774
Provisions for onerous contracts	34	**2,687**	840
Deferred tax liabilities	35	**46,417**	30,201
Total non-current liabilities		**839,275**	662,815
Net assets		**2,948,938**	2,600,967
EQUITY			
Equity attributable to owners of the parent			
Issued capital	36	**65,249**	65,249
Reserves	38(a)	**2,883,222**	2,535,124
		2,948,471	2,600,373
Non-controlling interests		**467**	594
Total equity		**2,948,938**	2,600,967

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

Year ended 31 March 2012

		Attributable to owners of the parent										
	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000	Exchange fluctuation reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2010		163,123	1,013,448	149,755	55,855	8,150	7,642	5,579	549,670	1,953,222	396	1,953,618
Profit for the year		—	—	—	—	—	—	—	226,194	226,194	198	226,392
Other comprehensive income/(loss) for the year:												
Changes in fair value of available-for-sale investments		—	—	—	(24,327)	—	—	—	—	(24,327)	—	(24,327)
Impairment loss of an available-for-sale investment		—	—	—	24,327	—	—	—	—	24,327	—	24,327
Reclassification adjustment for gain on disposal of available-for-sale investments		—	—	—	(55,855)	—	—	—	—	(55,855)	—	(55,855)
Release upon disposal of an associate		—	—	—	—	—	(2,803)	(3,473)	—	(6,276)	—	(6,276)
Exchange differences on translation of foreign operations		—	—	—	—	—	3,964	—	—	3,964	—	3,964
Total comprehensive income/(loss) for the year		—	—	—	(55,855)	—	1,161	(3,473)	226,194	168,027	198	168,225
Capital reduction	36(b)	(156,598)	—	156,598	—	—	—	—	—	—	—	—
Rights issue and the associated bonus issue	36(c)	58,724	463,271	—	—	—	—	—	—	521,995	—	521,995
Share issue expenses	36	—	(14,356)	—	—	—	—	—	—	(14,356)	—	(14,356)
Final 2010 dividend declared		—	—	—	—	—	—	—	(19,575)	(19,575)	—	(19,575)
Interim 2011 dividend	13	—	—	—	—	—	—	—	(9,787)	(9,787)	—	(9,787)
Equity-settled share option arrangements	37	—	—	—	—	847	—	—	—	847	—	847
Share options lapsed during the year	37	—	—	—	—	(940)	—	—	940	—	—	—
At 31 March 2011		65,249	1,462,363*	306,353*	—*	8,057*	8,803*	2,106*	747,442*	2,600,373	594	2,600,967

Year ended 31 March 2012

	Notes	Attributable to owners of the parent										
		Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000	Exchange fluctuation reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2011		65,249	1,462,363	306,353	—	8,057	8,803	2,106	747,442	2,600,373	594	2,600,967
Profit for the year		—	—	—	—	—	—	—	378,667	378,667	68	378,735
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations		—	—	—	—	—	3,433	—	—	3,433	—	3,433
Share of other comprehensive income of an associate		—	—	—	—	—	—	1,212	—	1,212	—	1,212
Total comprehensive income for the year		—	—	—	—	—	3,433	1,212	378,667	383,312	68	383,380
Acquisition of a non-controlling interest		—	—	—	—	—	—	—	195	195	(195)	—
Final 2011 dividend declared	13	—	—	—	—	—	—	—	(26,100)	(26,100)	—	(26,100)
Interim 2012 dividend	13	—	—	—	—	—	—	—	(9,787)	(9,787)	—	(9,787)
Equity-settled share option arrangements	37	—	—	—	—	478	—	—	—	478	—	478
Transfer to statutory reserve		—	—	—	—	—	—	543	(543)	—	—	—
At 31 March 2012		65,249	1,462,363*	306,353*	—*	8,535*	12,236*	3,861*	1,089,874*	2,948,471	467	2,948,938

* These reserve accounts comprise the consolidated reserves of HK$2,883,222,000 (2011: HK$2,535,124,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax			
From continuing operations		**419,526**	249,750
From discontinued operations	12	**1,904**	9,546
Adjustments for:			
Finance costs		**11,280**	14,014
Share of profits and losses of an associate		**(290,692)**	—
Bank interest income and interest income from financial investments and loans receivable		**(48,343)**	(25,330)
Dividend income from listed securities	5	**(2,061)**	(3,034)
Loss/(gain) on disposal of financial assets at fair value through profit or loss, net	5,6	**18,733**	(5,532)
Gain on disposal of held-to-maturity investments	5	**(737)**	—
Gain on disposal of an available-for-sale investment	5	**—**	(35,600)
Gain on disposal of a subsidiary	40	**—**	(6,704)
Gain on disposal of an associate	5	**—**	(39,880)
Gain on disposal of investment properties, net	5	**(7,207)**	(1,347)
Loss/(gain) on disposal and write-off of items of property, plant and equipment	5,6	**(2,663)**	45
Fair value gains on investment properties, net	16	**(115,612)**	(109,721)
Fair value losses on financial assets at fair value through profit or loss, net		**51,612**	4,746
Depreciation	15	**5,937**	6,053
Amortisation of other intangible asset	6	**6,060**	6,060
Amount provided for onerous contracts, net	6	**2,377**	880
Impairment of an available-for-sale investment	6	**13,587**	24,327
Write-down of properties under development to net realisable value, net	6	**29,369**	41,194
Impairment/(write-back of impairment) of trade receivables, net	6	**(28)**	114
Impairment of other receivables	6	**1,411**	—
Equity-settled share option expense	6	**478**	847
		94,931	130,428
Decrease in properties held for sale		**58,195**	203,700
Increase in properties under development		**(195,517)**	(482,023)
Decrease/(increase) in trade receivables, prepayments, deposits and other receivables		**33,068**	(73,391)
Increase in trade payables		**9,736**	2,657
Increase in other payables and accruals		**987**	5,890
Increase in deposits received and receipts in advance		**34,462**	851
Cash generated from/(used in) operations		**35,862**	(211,888)
Profits tax paid		**(12,515)**	(24,096)
Net cash flows from/(used in) operating activities		**23,347**	(235,984)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary that is not a business	39	**(272,985)**	—
Disposal of a subsidiary	40	**—**	(1,013)
Interest received		**20,267**	20,631
Dividend income from listed securities		**2,061**	3,034
Increase in non-pledged time deposits with original maturity of more than three months when acquired		**(20,000)**	—
Increase in amounts due to an associate		**—**	8,553
Decrease/(increase) in loans receivable, net		**(299,651)**	13,200
Investment in an associate		**(42,317)**	—
Proceeds from disposal of an associate		**—**	115,198
Purchases of investment properties		**(29,644)**	(66,035)
Purchases of items of property, plant and equipment		**(3,565)**	(4,843)
Purchases of available-for-sale investments		**—**	(28,501)
Purchases of held-to-maturity investments		**—**	(3,628)
Purchases of financial assets at fair value through profit or loss		**(88,212)**	(81,855)
Proceeds from disposal of investment properties		**60,807**	204,803
Proceeds from disposal of items of property, plant and equipment		**6,226**	13
Proceeds from disposal of held-to-maturity investments		**29,080**	8,215
Proceeds from disposal of an available-for-sale investment		**—**	40,130
Proceeds from disposal of financial assets at fair value through profit or loss		**51,317**	64,157
Net cash flows from/(used in) investing activities		**(586,616)**	292,059
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(11,280)**	(14,014)
Dividends paid		**(35,887)**	(29,362)
Proceeds from the rights issue and the associated bonus issue	36	**—**	521,995
Share issue expenses	36	**—**	(14,356)
Repayment of bank loans		**(88,440)**	(278,862)
New bank loans		**236,396**	317,600
Net cash flows from financing activities		**100,789**	503,001
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(462,480)**	559,076
Cash and cash equivalents at beginning of year		**1,042,600**	484,026
Effect of foreign exchange rate changes, net		**1,975**	(502)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**582,095**	1,042,600
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	30	**268,489**	878,895
Non-pledged time deposits with original maturity of less than three months when acquired	30	**313,606**	163,705
		582,095	1,042,600

STATEMENT OF FINANCIAL POSITION

31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	19	**1,960,659**	1,622,049
Held-to-maturity investments	22	**—**	19,861
Total non-current assets		**1,960,659**	1,641,910
CURRENT ASSETS			
Prepayments, deposits and other receivables	28	**1,371**	1,767
Held-to-maturity investments	22	**—**	8,482
Financial assets at fair value through profit or loss	29	**14,827**	19,519
Time deposits with original maturity over three months	30	**20,000**	—
Cash and cash equivalents	30	**367,659**	751,915
Total current assets		**403,857**	781,683
CURRENT LIABILITIES			
Other payables and accruals	32	**1,995**	879
Interest-bearing bank loans	33	**20,053**	26,428
Total current liabilities		**22,048**	27,307
NET CURRENT ASSETS		**381,809**	754,376
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,342,468**	2,396,286
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	33	**23,507**	33,560
Net assets		**2,318,961**	2,362,726
EQUITY			
Issued capital	36	**65,249**	65,249
Reserves	38(b)	**2,253,712**	2,297,477
Total equity		**2,318,961**	2,362,726

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

1. CORPORATE INFORMATION

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

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

- property development
- property investment
- management and sub-licensing of Chinese wet markets
- management and sub-licensing of shopping centres and car parks (discontinued during the year (note 12))
- operation and management of agricultural by-product wholesale markets (discontinued during the year (note 12))
- trading of agricultural by-products (discontinued during the year (note 12))

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and jointly-controlled entity for the year ended 31 March 2012. The financial statements of the subsidiaries and jointly-controlled entity are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The assets, liabilities, income and expenses of the jointly-controlled entity are proportionally consolidated from the date on which joint control was established and obtained by the Group, and continue to be proportionally consolidated until the date that such joint control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

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

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
*Improvements to HKFRSs 2010**	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

(b) *Improvements to HKFRSs 2010*

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

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

In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

(ii) HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

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

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*[4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*[4]
HKFRS 9	*Financial Instruments*[6]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes: Deferred Tax — Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associate and Joint Ventures*[4]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*[5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]
Annual Improvements Projects	*Annual Improvements 2009–2011 Cycle*[4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013
5 Effective for annual periods beginning on or after 1 January 2014
6 Effective for annual periods beginning on or after 1 January 2015

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

(a) HKFRS 7 Amendments in relation to disclosures of transfer of financial assets introduce more extensive quantitative and qualitative disclosure requirements regarding transfer transactions of financial assets (e.g. securitisations), including information for understanding the possible effects of any risks that may remain with the entity that transferred the assets. The Group expects to adopt the amendments from 1 April 2012 and comparative disclosures are not required for any period beginning before that date.

(b) HKFRS 7 Amendments in relation to disclosures of offsetting financial assets and financial liabilities issue new disclosure requirements in relation to the offsetting models of financial assets and financial liabilities. The amendments also improve the transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. The Group expects to adopt the amendments from 1April 2013.

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

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

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

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 April 2015.

(d) HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in HK(SIC)-Int 12. The Group expects to adopt HKFRS 10 from 1 April 2013.

(e) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The Group expects to adopt HKFRS 10 from 1 April 2013.

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

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, and the consequential amendments to HKAS 27 and HKAS 28 from 1 April 2013.

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

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

(h) HKAS 1 Amendments change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 April 2013.

(i) HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes — Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. The Group expects to adopt HKAS 12 Amendments from 1 April 2012. Upon adoption, the Group's deferred tax liability with respect to investment properties located in Hong Kong is expected to be reduced.

(j) HKAS 32 Amendments clarify the requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria and clarify the meaning of "currently has a legally enforceable right of set-off" and some gross settlement systems may be considered equivalents to net settlements. The Group expects to adopt the amendments from 1 April 2014.

(k) *Annual Improvements 2009–2011 Cycle* sets out a collection of amendments to HKFRSs (including HKFRS 1, HKAS 1, HKAS 16, HKAS 32 and HKAS 34) which is issued in response to the International Accounting Standards Board's (IASB) annual improvements project to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. The Group expects to adopt the amendments from 1 April 2013.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

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

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

Joint ventures

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint ventures (continued)

A joint venture is treated as:

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

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

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

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

Jointly-controlled entity

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

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

Associate

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

The Group's investments in an associate are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associate is included in profit or loss of the consolidated statement of comprehensive income and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investments in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associate is included as part of the Group's investments in an associate and is not individually tested for impairment.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition costs are expensed as incurred.

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS.

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss of the statement of comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

Related parties

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

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

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

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

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

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

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

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

Intangible assets (other than goodwill)

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Marketplace operating right

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

Leases

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Properties under development

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

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

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

Properties held for sale

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

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus transaction cost, except in the case of financial assets recorded at fair value through profit or loss.

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in other income and gains or finance costs in the statement of comprehensive income. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

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

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial investments

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

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

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

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

Derecognition of financial assets

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

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

Financial assets carried at amortised cost

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

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

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

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

Available-for-sale financial investments

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

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

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

Subsequent measurement

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

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

Derecognition of financial liabilities

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

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

Fair value of financial instruments

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

Cash and cash equivalents

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

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

Provisions

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

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

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

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

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

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

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

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

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss of the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

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

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

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

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

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

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

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

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

Share-based payment transactions

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

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 37 to the financial statements.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

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

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

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

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

Other employee benefits

Pension schemes

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

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

Borrowing costs

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividends

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

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

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded to the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are taken to profit or loss of the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on retranslation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and its jointly-controlled entity are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and, their profit or loss of the statement of comprehensive income are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss of the statement of comprehensive income.

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Operating lease commitments — Group as lessor

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

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details on the assessment of goodwill impairment are given in note 18.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details on deferred tax assets are included in note 35 to the financial statements.

Impairment of non-financial assets (other than goodwill)

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of properties under development and properties held for sale

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

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

For the year ended 31 March 2012, a write-down of properties under development to net realisable value amounting to HK$29,369,000 (2011: HK$41,194,000) was recognised in other expenses in profit or loss of the statement of comprehensive income.

Estimation of fair value of investment properties

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

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

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

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

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

Useful lives and impairment of property, plant and equipment

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of available-for-sale investments

The Group classifies certain assets as available-for-sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss of the statement of comprehensive income. An impairment loss of HK$13,587,000 (2011: HK$24,327,000) has been recognised for available-for-sale investments and charged to profit or loss of the statement of comprehensive income for the year ended 31 March 2012.

Allowance on trade and other receivables

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

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

PRC corporate income tax ("CIT")

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

4. OPERATING SEGMENT INFORMATION

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

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

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

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

(d) the shopping centres and car parks segment engages in the management and sub-licensing of shopping centres and car parks (discontinued during the year (note 12));

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

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

4. OPERATING SEGMENT INFORMATION (continued)

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

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

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

Reportable segment information

Year ended 31 March 2012

	Continuing operations				Discontinued operations				
	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Total continuing operations HK$'000	Shopping centres and car parks HK$'000	Agricultural by-products wholesale markets HK$'000	Trading of agricultural by products HK$'000	Total discontinued operations HK$'000	Total Group HK$'000
Segment revenue:									
Sales to external customers	128,175	51,954	230,656	410,785	11,741	17,506	18,872	48,119	458,904
Intersegment sales	—	—	354	354	78	357	—	435	789
Other revenue	4,923	124,383	5,158	134,464	1,597	157	422	2,176	136,640
Total	133,098	176,337	236,168	545,603	13,416	18,020	19,294	50,730	596,333
Elimination of intersegment sales									(789)
Corporate and unallocated revenue									7,058
Total									602,602
Segment results	9,455	160,884	23,810	194,149	835	1,184	256	2,275	196,424
Interest income				48,343				—	48,343
Finance costs				(10,909)				(371)	(11,280)
Corporate and unallocated income and expenses, net				(102,749)				—	(102,749)
Share of profits and losses of an associate				290,692				—	290,692
Profit before tax				419,526				1,904	421,430
Income tax expense				(42,600)				(95)	(42,695)
Profit for the year				376,926				1,809	378,735

4. OPERATING SEGMENT INFORMATION (continued)

Reportable segment information (continued)

Year ended 31 March 2011

	Continuing operations				Discontinued operations				
	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Total continuing operations HK$'000	Shopping centres and car parks HK$'000	Agricultural by-products wholesale markets HK$'000	Trading of agricultural by-products HK$'000	Total discontinued operations HK$'000	Total Group HK$'000
Segment revenue:									
Sales to external customers	147,182	192,335	219,783	559,300	12,775	18,768	23,318	54,861	614,161
Intersegment sales	—	—	483	483	109	462	—	571	1,054
Other revenue	79	111,062	8,131	119,272	1,295	—	7,588	8,883	128,155
Total	147,261	303,397	228,397	679,055	14,179	19,230	30,906	64,315	743,370
Elimination of intersegment sales									(1,054)
Corporate and unallocated revenue									90,018
Total									832,334
Segment results	2,735	159,603	31,037	193,375	1,100	1,377	7,403	9,880	203,255
Interest income				25,330				—	25,330
Finance costs				(13,680)				(334)	(14,014)
Corporate and unallocated income and expenses, net				44,725				—	44,725
Profit before tax				249,750				9,546	259,296
Income tax expense				(32,639)				(265)	(32,904)
Profit for the year				217,111				9,281	226,392

4. OPERATING SEGMENT INFORMATION (continued)

Reportable segment information (continued)

Year ended 31 March 2012

	Continuing operations				Discontinued operations						
	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Total continuing operations HK$'000	Shopping centres and car parks HK$'000	Agricultural by-products wholesale markets HK$'000	Trading of agricultural by-products HK$'000	Total discontinued operations HK$'000	Total of reportable segments HK$'000	Corporate and others HK$'000	Total Group HK$'000
Other segment information:											
Depreciation	86	70	4,115	4,271	2	127	33	162	4,433	1,504	5,937
Amortisation of other intangible asset	—	—	—	—	—	6,060	—	6,060	6,060	—	6,060
Write-down of properties under development to net realisable value, net	29,369	—	—	29,369	—	—	—	—	29,369	—	29,369
Write-back of impairment of trade receivables, net	—	—	28	28	—	—	—	—	28	—	28
Impairment of an available-for-sale investment	—	—	—	—	—	—	—	—	—	13,587	13,587
Capital expenditure	468,728	29,647	1,598	499,973	—	—	—	—	499,973	1,805	501,778
Fair value losses/(gains) on investment properties, net	—	(116,096)	484	(115,612)	—	—	—	—	(115,612)	—	(115,612)
Fair value losses on financial assets at fair value through profit or loss, net	—	—	—	—	—	—	—	—	—	51,612	51,612
Investment in an associate	—	—	—	—	—	—	—	—	—	356,956	356,956
Share of profits and losses of an associate	—	—	—	—	—	—	—	—	—	(290,692)	(290,692)

Year ended 31 March 2011

	Continuing operations				Discontinued operations						
	Property development HK$'000	Property investment HK$'000	Chinese wet markets HK$'000	Total continuing operations HK$'000	Shopping centres and car parks HK$'000	Agricultural by-products wholesale markets HK$'000	Trading of agricultural by-products HK$'000	Total discontinued operations HK$'000	Total of reportable segments HK$'000	Corporate and others HK$'000	Total Group HK$'000
Other segment information:											
Depreciation	223	73	4,238	4,534	1	132	46	179	4,713	1,340	6,053
Amortisation of other intangible asset	—	—	—	—	—	6,060	—	6,060	6,060	—	6,060
Write-down of properties under development to net realisable value	41,194	—	—	41,194	—	—	—	—	41,194	—	41,194
Impairment of trade receivables, net	—	—	114	114	—	—	—	—	114	—	114
Impairment of an available-for-sale investment	—	—	—	—	—	—	—	—	—	24,327	24,327
Capital expenditure	484,392	66,092	2,435	552,919	2	—	—	2	552,921	2,350	555,271
Fair value gains on investment properties, net	—	109,283	438	109,721	—	—	—	—	109,721	—	109,721
Fair value losses on financial assets at fair value through profit or loss, net	—	—	—	—	—	—	—	—	—	4,746	4,746
Gain on disposal of a subsidiary	—	—	—	—	—	—	6,704	6,704	6,704	—	6,704
Gain on disposal of an associate	—	—	—	—	—	—	—	—	—	39,880	39,880

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Sales to external customers from continuing operations

	2012	2011
	HK$'000	HK$'000
Hong Kong	**393,154**	542,778
Mainland China	**17,631**	16,522
	410,785	559,300

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

(b) Non-current assets

	2012	2011
	HK$'000	HK$'000
Hong Kong	**2,348,949**	1,494,581
Mainland China	**79,416**	76,809
	2,428,365	1,571,390

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

Information about a major customer

For the year ended 31 March 2012, revenue from continuing operations of HK$106,200,000 was derived from sales by the property development segment to a single customer. For the year ended 31 March 2011, revenue from continuing operations of HK$122,301,000 was derived from sales by the property investment segment to a single customer.

5. REVENUE AND OTHER INCOME AND GAINS

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

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

	Group	
	2012	2011
	HK$'000	HK$'000
Revenue		
Sub-licensing fee income	**211,200**	199,437
Property management fee income	**5,842**	8,399
Gross rental income	**66,663**	74,242
Sale of properties	**127,080**	277,222
	410,785	559,300
Other income		
Bank interest income	**3,121**	908
Interest income from financial investments	**1,737**	4,455
Interest income from loans receivable	**43,485**	19,967
Dividend income from listed securities	**2,061**	3,034
Management fee income	**3,150**	5,038
Government grants#	**—**	2,795
Others	**9,616**	5,502
	63,170	41,699
Gains		
Gain on disposal of an associate	**—**	39,880
Gain on disposal of investment properties, net	**7,207**	1,347
Gain on disposal of held-to-maturity investments	**737**	—
Gain on disposal of financial assets at fair value through profit or loss, net	**—**	5,532
Gain on disposal of items of property, plant and equipment	**2,663**	—
Gain on disposal of an available-for-sale investment (transfer from equity on disposal)	**—**	35,600
Exchange gains, net	**476**	841
	11,083	83,200
Other income and gains	**74,253**	124,899

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

6. PROFIT BEFORE TAX

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

		Group	
	Notes	**2012** **HK$'000**	2011 HK$'000
Cost of services provided		**181,547**	171,229
Cost of properties sold		**65,225**	209,752
Depreciation	4	**5,775**	5,874
Minimum lease payments under operating leases in respect of land and buildings		**128,990**	122,213
Amortisation of other intangible asset	23	**6,060**	6,060
Auditors' remuneration		**2,600**	2,100
Employee benefit expense (including directors' remuneration — note 8):			
Wages and salaries		**52,490**	43,455
Equity-settled share option expense		**478**	847
Pension scheme contributions		**1,185**	1,170
Less: Amount capitalised		**(2,535)**	(593)
		51,618	44,879
Gross rental income, net of business tax		**(70,649)**	(77,868)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**3,804**	3,823
		(66,845)	(74,045)
Impairment of an available-for-sale investment*		**13,587**	24,327
Loss on disposal of financial assets at fair value through profit or loss, net*		**18,733**	—
Write-down of properties under development to net realisable value, net*	17	**29,369**	41,194
Loss on disposal and write-off of items of property, plant and equipment*		**—**	45
Amount provided for onerous contracts, net	34	**2,377**	880
Impairment/(write-back of impairment) of trade receivables, net*		**(28)**	114
Impairment of other receivables*		**1,411**	—

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

7. FINANCE COSTS

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

	Group	
	2012	2011
	HK$'000	HK$'000
Interest on bank loans:		
Wholly repayable within five years	**7,912**	5,802
Repayable beyond five years (Note)	**9,621**	9,570
	17,533	15,372
Less: Interest capitalised	**(6,624)**	(1,692)
	10,909	13,680

The above analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements.

Note:

Included interest of HK$2,236,000 (2011: HK$6,526,000) on bank borrowings which contain a repayment on demand clause.

8. DIRECTORS' REMUNERATION

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

	Group	
	2012	2011
	HK$'000	HK$'000
Fees	**771**	771
Other emoluments for executive directors:		
Salaries, allowances and benefits in kind	**10,452**	10,082
Performance-related bonuses*	**5,442**	3,032
Equity-settled share option expense	**3**	18
Pension scheme contributions	**92**	89
	15,989	13,221
	16,760	13,992

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

8. DIRECTORS' REMUNERATION (continued)

In prior years, share options were granted to these directors, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 37 to the financial statements. The fair value of these options, which has been recognised in profit or loss of the consolidated statement of comprehensive income over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

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

Executive directors and independent non-executive directors:

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance-related bonuses HK$'000	Equity-settled share option expense HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2012						
Executive directors:						
Mr. Tang Ching Ho	**—**	**4,416**	**368**	**—**	**12**	**4,796**
Ms. Yau Yuk Yin	**—**	**4,234**	**263**	**—**	**12**	**4,509**
Mr. Chan Chun Hong, Thomas	**—**	**1,802**	**4,811**	**3**	**68**	**6,684**
	—	**10,452**	**5,442**	**3**	**92**	**15,989**
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	**297**	**—**	**—**	**—**	**—**	**297**
Mr. Wong Chun, Justein, *MBE, JP*	**217**	**—**	**—**	**—**	**—**	**217**
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	**117**	**—**	**—**	**—**	**—**	**117**
Mr. Siu Kam Chau	**140**	**—**	**—**	**—**	**—**	**140**
	771	**—**	**—**	**—**	**—**	**771**
	771	**10,452**	**5,442**	**3**	**92**	**16,760**
2011						
Executive directors:						
Mr. Tang Ching Ho	—	4,254	355	—	12	4,621
Ms. Yau Yuk Yin	—	4,094	253	—	12	4,359
Mr. Chan Chun Hong, Thomas	—	1,734	2,424	18	65	4,241
	—	10,082	3,032	18	89	13,221
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	—	—	—	—	297
Mr. Wong Chun, Justein, *MBE, JP*	217	—	—	—	—	217
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	117	—	—	—	—	117
Mr. Siu Kam Chau	140	—	—	—	—	140
	771	—	—	—	—	771
	771	10,082	3,032	18	89	13,992

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2011: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration of the remaining two (2011: two) non-directors, highest paid employees for the year are as follows:

	Group	
	2012	2011
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**2,369**	2,484
Performance-related bonuses	**507**	638
Equity-settled share option expense	**43**	75
Pension scheme contributions	**25**	25
	2,944	3,222

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

	Number of employees	
	2012	2011
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	1

In prior years, share options were granted to these non-directors, highest paid employees, in respect of their services to the Group, further details of which are set out in note 37 to the financial statements. The fair value of these options, which has been recognised in profit or loss of the consolidated statement of comprehensive income over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above non-director, highest paid employees' remuneration disclosures.

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China.

	2012	2011
	HK$'000	HK$'000
Group:		
Current — Hong Kong		
Charge for the year	**19,201**	17,877
Overprovision in prior years	**(459)**	(61)
	18,742	17,816
Current — the PRC		
Charge for the year	**8,034**	2,438
Deferred (note 35)	**15,824**	12,385
Total tax charge for the year from continuing operations	**42,600**	32,639

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

	Group	
	2012	2011
	HK$'000	HK$'000
Profit before tax from continuing operations	**419,526**	249,750
Tax at the statutory tax rates of different jurisdictions	**69,991**	41,532
Lower tax rate for specific provinces or enacted by local authority	**—**	(240)
Adjustments in respect of current tax of previous periods	**(459)**	(61)
Effect of withholding tax at 10% on the distributable profits of the Group's PRC jointly-controlled entity	**1,331**	—
Profits and losses attributable to an associate	**(47,964)**	—
Income not subject to tax	**(3,502)**	(19,049)
Expenses not deductible for tax	**12,798**	14,092
Tax losses utilised from previous periods	**(2,439)**	(2,836)
Tax losses not recognised	**12,511**	1,534
Other tax	**5,318**	1,025
Others	**(4,985)**	(3,358)
Tax charge at the Group's effective rate	**42,600**	32,639

The share of tax attributable to an associate amounting to HK$1,075,000 (2011: Nil), is included in "Share of profits and losses of an associate" in the consolidated statement of comprehensive income.

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2012 includes a loss of HK$4,868,000 (2011: a profit of HK$2,064,000) which has been dealt with in the financial statements of the Company (note 38(b)).

12. DISCONTINUED OPERATIONS

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

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

	2012	2011
	HK$'000	HK$'000
Revenue	**48,119**	54,861
Cost of sales	**(40,731)**	(44,237)
Gross profit	**7,388**	10,624
Other income and gains	**2,176**	8,883
Administrative expense	**(7,289)**	(9,627)
Finance costs	**(371)**	(334)
Profit before tax from the discontinued operations	**1,904**	9,546
Income tax expense	**(95)**	(265)
Profit for the year from the discontinued operations	**1,809**	9,281
Attributable to:		
Owners of the parent	**1,815**	8,977
Non-controlling interests	**(6)**	304
	1,809	9,281

12. DISCONTINUED OPERATIONS (continued)

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

	2012 **HK$'000**	2011 HK$'000
Operating activities	**(4,903)**	(24,171)
Investing activities	**—**	(2)
Financing activities	**5,333**	22,667
Net cash inflow/(outflow)	**430**	(1,506)

	2012	2011
Basic and diluted earnings per share from the discontinued operations	**HK0.03 cents**	HK0.61 cents

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

	2012	2011
Profit attributable to ordinary equity holders of the parent from the discontinued operations (note 14)	**HK$1,815,000**	HK$8,977,000
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation (note 14)	**6,524,935,021**	1,481,061,256

13. DIVIDENDS

	2012 **HK$'000**	2011 HK$'000
Interim — HK0.15 cents (2011: HK1.5 cents) per ordinary share	**9,787**	9,787
Proposed final — HK0.5 cents (2011: HK0.4 cents) per ordinary share	**32,625**	26,100
	42,412	35,887

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

The interim dividend per ordinary share amount for the prior year was adjusted to reflect the five-to-one share consolidation which took place on 27 January 2011.

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

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,524,935,021 (2011: 1,481,061,256) in issue during the year, as adjusted to reflect the consolidation of shares, the rights issue and the bonus issues associated with the rights issue during the year ended 31 March 2011.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares, as adjusted for the consolidation of shares, the rights issue and the bonus issues associated with the rights issue during the year ended 31 March 2011.

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

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

	2012 **HK$'000**	2011 HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**376,852**	217,217
From discontinued operations (note 12)	**1,815**	8,977
	378,667	226,194

	Number of shares	
	2012	2011
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation*	**6,524,935,021**	1,481,061,256

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

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Land HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Total HK$'000
31 March 2012							
At 31 March 2011 and at 1 April 2011:							
Cost	3,342	66,438	1,337	33,975	4,248	5,734	115,074
Accumulated depreciation	(256)	(59,386)	(949)	(33,312)	(2,314)	(4,503)	(100,720)
Net carrying amount	3,086	7,052	388	663	1,934	1,231	14,354
At 1 April 2011, net of accumulated depreciation	3,086	7,052	388	663	1,934	1,231	14,354
Additions	—	1,639	10	119	914	883	3,565
Disposals and write-off	(3,086)	(105)	—	(85)	(286)	(1)	(3,563)
Depreciation provided during the year	—	(3,898)	(199)	(305)	(682)	(853)	(5,937)
Exchange realignment	—	41	—	15	2	—	58
At 31 March 2012, net of accumulated depreciation	—	4,729	199	407	1,882	1,260	8,477
At 31 March 2012:							
Cost	—	66,312	1,347	9,316	3,566	6,400	86,941
Accumulated depreciation	—	(61,583)	(1,148)	(8,909)	(1,684)	(5,140)	(78,464)
Net carrying amount	—	4,729	199	407	1,882	1,260	8,477

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

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

As at 31 March 2011, the Group's land with a carrying amount of HK$3,086,000 was situated in Hong Kong and was held under a medium term lease.

16. INVESTMENT PROPERTIES

	Note	Group 2012 HK$'000	Group 2011 HK$'000
Carrying amount at 1 April		**724,889**	749,704
Additions		**29,644**	66,035
Disposals		**(53,600)**	(203,456)
Transfer to properties held for sale	25	**(22,100)**	—
Net gains from fair value adjustments		**115,612**	109,721
Exchange realignment		**2,997**	2,885
Carrying amount at 31 March		**797,442**	724,889

16. INVESTMENT PROPERTIES (continued)

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

	Group	
	2012	2011
	HK$'000	HK$'000
Long term leases:		
— Hong Kong	**290,130**	226,310
Medium term leases:		
— Hong Kong	**429,660**	423,440
— Mainland China	**77,652**	75,139
	507,312	498,579
	797,442	724,889

The Group's investment properties were revalued on 31 March 2012 by Savills Valuation and Professional Services Limited, Vigers Appraisal and Consulting Limited and Asset Appraisal Limited, independent professional qualified valuers, at HK$797,442,000 on an open market, existing use basis. The investment properties are leased to third parties and a director of the Company under operating leases, further details of which are included in notes 42 and 44 to the financial statements.

At 31 March 2012, the Group's investment properties with an aggregate carrying value of HK$687,310,000 (2011: HK$587,572,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities, of which approximately HK$377,952,000 (2011: HK$407,951,000) had been utilised as at 31 March 2012 (note 33).

Further particulars of the Group's investment properties are included on page 131.

17. PROPERTIES UNDER DEVELOPMENT

	Group	
	2012	2011
	HK$'000	HK$'000
Carrying amount at 1 April	**824,711**	383,882
Additions (including development cost and capitalised interest)	**195,517**	482,023
Acquisition of a subsidiary (note 39)	**273,255**	—
Write-down to net realisable value, net	**(29,369)**	(41,194)
Carrying amount at 31 March	**1,264,114**	824,711

At 31 March 2012, the Group's properties under development with an aggregate carrying value of HK$1,234,071,000 (2011: HK$824,711,000) were pledged to secure the Group's general banking facilities, of which HK$608,635,000 (2011: HK$450,063,000) had been utilised as at 31 March 2012 (note 33).

17. PROPERTIES UNDER DEVELOPMENT (continued)

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

	Group	
	2012	2011
	HK$'000	HK$'000
Long term leases	**749,423**	439,000
Medium term leases	**514,691**	385,711
	1,264,114	824,711

18. GOODWILL

Group

	Goodwill arising on acquisition of a jointly-controlled entity
	HK$'000
At 31 March 2011 and 2012:	
Cost	1,376
Accumulated impairment	—
Net carrying amount	1,376

Impairment testing of goodwill

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

The recoverable amount of the Shenzhen traditional wet markets cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 13% (2011: 12%).

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

19. INVESTMENTS IN SUBSIDIARIES

	Notes	Company 2012 HK$'000	Company 2011 HK$'000
Unlisted shares, at cost		**71,000**	71,000
Due from subsidiaries	(i)	**2,532,123**	1,774,180
Loans to subsidiaries	(ii)	**412,781**	517,596
Due to subsidiaries	(i)	**(911,369)**	(608,256)
		2,104,535	1,754,520
Impairment	(iii)	**(143,876)**	(132,471)
		1,960,659	1,622,049

Notes:

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

(ii) The amounts are unsecured, bear interest at 2% (2011: 5%) per annum, and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.

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

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

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Allied Victory Investment Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Allied Wide Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Antic Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Champford Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
China Tech Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Cititeam Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
City Global Limited	Hong Kong	Ordinary HK$1	—	100	Property investment

19. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
City Target Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Double Bright Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Double Vantage Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Easy Kingdom Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Easytex Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Everlong Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
East Run Investments Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
Fly Star Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Fulling Limited	Hong Kong	Ordinary HK$100	—	100	Money lending and securities investment
Fully Finance Limited	British Virgin Islands	Ordinary US$1	—	100	Money lending
First World Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Goldbo Investment Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Good Excellent Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Goodtech Management Limited	Hong Kong	Ordinary HK$2,800,100	—	100	Management of shopping centres
Honland Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Hovan Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Kartix Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Kingtex Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment

19. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation/ operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Lanbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Longable Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Mailful Investments Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
Majorluck Limited	Hong Kong	Ordinary HK$10,000	—	100	Management and sub-licensing of Chinese wet markets
More Action Investments Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
New Earth Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
New Golden Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Newbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
New Sino Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Regal Smart Investments Limited	Hong Kong	Ordinary HK$1	—	100	Investment holding
Richly Gold Limited	Hong Kong	Ordinary HK$2	—	100	Property investment
Rich System Investments Limited	Hong Kong	Ordinary HK$1	—	100	Property development
Rich Time Strategy Limited	British Virgin Islands	Ordinary US$1	—	100	Investment holding
Samrich Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Shiny World Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Sunbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment
Topbo Investment Limited	Hong Kong	Ordinary HK$1	—	100	Property investment

19. INVESTMENTS IN SUBSIDIARIES (continued)

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

Note:

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

20. INVESTMENTS IN AN ASSOCIATE

	Group	
	2012	2011
	HK$'000	HK$'000
Share of net assets	**356,956**	—
Market value of listed shares	**57,013**	—

Particulars of the associate at the end of the reporting period are as follows:

Name	Particulars of issued shares held	Place of incorporation/ operations	Percentage of ownership interest attributable to the Group 2012 (Note)	2011	Principal activities
Wai Yuen Tong Medicine Holdings Limited ("WYTH")	Ordinary shares of HK$0.01 each	Hong Kong	25	—	Production and sale of traditional Chinese and Western pharmaceutical health food products and property holding

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

The financial statements of WYTH and its subsidiaries were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

Note:

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

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

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

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

20. INVESTMENTS IN AN ASSOCIATE (continued)

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

	2012 **HK$'000**	2011 HK$'000
Assets	**1,687,567**	—
Liabilities	**(259,743)**	—
Revenue	**750,072**	—
Loss	**(225,300)**	—

21. INVESTMENTS IN A JOINTLY-CONTROLLED ENTITY

Particulars of the jointly-controlled entity are as follows:

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

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

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

	2012 **HK$'000**	2011 HK$'000
Non-current assets	**78,548**	76,030
Current assets	**16,423**	14,577
Non-current liabilities	**(309)**	(415)
Current liabilities	**(5,581)**	(5,457)
Net assets	**89,081**	84,735
Total revenue	**17,022**	19,535
Total expenses	**(10,826)**	(9,949)
Tax	**(1,385)**	(1,829)
Profit for the year	**4,811**	7,757

22. HELD-TO-MATURITY INVESTMENTS

	Group and Company	
	2012	2011
	HK$'000	HK$'000
Unlisted debt investments, at amortised cost	**—**	28,343
Less: Unlisted debt investments classified as current asset	**—**	(8,482)
	—	19,861

23. OTHER INTANGIBLE ASSET

	Group Marketplace operating right	
	2012	2011
	HK$'000	HK$'000
Carrying amount at 1 April	**6,060**	12,120
Amortisation for the year	**(6,060)**	(6,060)
Carrying amount at 31 March	**—**	6,060

24. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2012	2011
	HK$'000	HK$'000
Listed equity investments in Hong Kong, at fair value	**—**	36,321

During the year ended 31 March 2011, a gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$24,327,000, of which a net gain of HK$31,528,000 was reclassified from other comprehensive income to profit or loss of the consolidated statement of comprehensive income.

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

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

As at 31 March 2012, there was a significant decline in the market value of an available-for-sale investment of the Group which is a listed equity investment in Hong Kong. The directors considered that such a decline was a significant and prolonged decline in fair value below the original cost of the investment and constituted an objective evidence of impairment. Accordingly, an impairment loss of HK$13,587,000 (2011: HK$24,327,000) has been recognised in profit or loss of the consolidated statement of comprehensive income for the year.

25. PROPERTIES HELD FOR SALE

		Group	
	Note	**2012** **HK$'000**	2011 HK$'000
Carrying amount at 1 April		**400,609**	604,309
Additions		**52**	2,370
Transfer from investment properties	16	**22,100**	—
Properties sold during the year		**(58,247)**	(206,070)
Carrying amount at 31 March		**364,514**	400,609

At 31 March 2012, the Group's properties held for sale with an aggregate carrying value of HK$363,394,000 (2011: HK$392,502,000) were pledged to secure the Group's general banking facilities and of which approximately HK$201,971,000 (2011: HK$204,746,000) had been utilised as at 31 March 2012 (note 33).

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

Further particulars of the Group's properties held for sale are included on page 131.

26. TRADE RECEIVABLES

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

	Group	
	2012 **HK$'000**	2011 HK$'000
Within 90 days	**5,390**	7,097
91 days to 180 days	**96**	847
Over 180 days	**324**	523
	5,810	8,467
Less: Impairment	**(161)**	(189)
	5,649	8,278

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

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

26. TRADE RECEIVABLES (continued)

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

	Group	
	2012	2011
	HK$'000	HK$'000
At 1 April	**189**	119
Impairment losses recognised	**—**	189
Amount written off as uncollectible	**—**	(44)
Impairment losses reversed	**(28)**	(75)
At 31 March	**161**	189

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$161,000 (2011: HK$189,000) with a carrying amount before provision of HK$231,000 (2011: HK$711,000).

The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered.

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

	Group	
	2012	2011
	HK$'000	HK$'000
Neither past due nor impaired	**5,323**	5,089
Less than 90 days past due	**82**	1,531
91 to 180 days past due	**174**	1,136
	5,579	7,756

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

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

27. LOANS AND INTERESTS RECEIVABLE

	Notes	Group 2012 HK$'000	2011 HK$'000
Loans and interests receivable from PNG Resources	(i)/(vi)	**330,701**	144,416
Loan to Shiney Day	(ii)/(vi)	**90,000**	140,000
Loans and interests receivable from China Agri-Products	(iii)/(vi)	**243,545**	30,000
Loans and interests receivable, secured	(iv)	**905**	22,659
Loans and interests receivable, unsecured	(iv)	**7,603**	7,951
		672,754	345,026
Less: Impairment	(v)	**(6,554)**	(5,650)
		666,200	339,376
Less: Loans and interests receivable classified as non-current assets		**(255,805)**	(316,370)
		410,395	23,006

Notes:

(i) PNG Resources Holdings Limited ("PNG Resources") is an associate of WYTH and has an executive director in common with the Company.

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

(ii) Shiney Day Investment Limited ("Shiney Day") is a subsidiary of China Agri-Products Exchange Limited ("China Agri-Products"), which is a material investment of PNG Resources and has an executive director in common with the Company.

The loan bears interest at 6% per annum and is repayable within 39 months from the date of the loan agreement, and is secured by a share charge in respect of the equity interest of a subsidiary of China Agri-Products and a corporate guarantee granted by China Agri-Products in favour of the Group.

(iii) The loans are unsecured, bear interest ranging from 6% to 8% per annum and are repayable on the date falling 18 months from date of the loan agreement.

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

As at 31 March 2011, the loans were secured by share charges in respect of the equity interest of certain subsidiaries and unlisted equity investments of the respective borrowers.

(v) Included in the above provision for impairment of loans and interests receivable are provision for individually impaired receivables of HK$6,554,000 (2011: HK$5,650,000) with an aggregate carrying amount of HK$6,554,000 (2011: HK$5,650,000).

(vi) The aggregate fair values of the loans receivable from the related parties was HK$616,097,000 as at 31 March 2012 (2011: HK$299,235,000). The fair values have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

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

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group		Company	
		2012	2011	**2012**	2011
	Note	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Prepayments		**2,586**	3,867	**766**	861
Deposits		**23,823**	87,331	**82**	82
Other receivables		**39,855**	7,867	**523**	824
		66,264	99,065	**1,371**	1,767
Less: Impairment	(i)	**(507)**	—	**—**	—
		65,757	99,065	**1,371**	1,767
Less: Deposits classified as non-current assets		**(15,072)**	(76,984)	**—**	—
		50,685	22,081	**1,371**	1,767

Note:

(i) Included in the above provision for impairment of other receivables are provision for individually impaired receivables ofHK$507,000 (2011: Nil) with an aggregate carrying amount of HK$907,000 (2011: Nil).

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

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Unlisted debt securities, at fair value:	**16,519**	21,853	**—**	—
Listed equity investments, at market value:				
Hong Kong	**58,927**	87,043	**14,827**	19,519
	75,446	108,896	**14,827**	19,519

The above financial instruments at 31 March 2012 and 2011 were classified as held for trading and were, upon initial recognition designated by the Group as financial assets at fair value through profit or loss.

The market values of the Group's and the Company's listed equity investments at the date of approval of these financial statements were HK$53,334,000 and HK$13,325,000, respectively.

30. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash and bank balances	**268,489**	878,895	**75,264**	616,414
Time deposits	**333,606**	163,705	**312,395**	135,501
Less: Time deposits with original maturity over three months	**(20,000)**	—	**(20,000)**	—
Cash and cash equivalents	**582,095**	1,042,600	**367,659**	751,915

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$86,869,000 (2011: HK$133,210,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

31. TRADE PAYABLES

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

	Group	
	2012	2011
	HK$'000	HK$'000
Within 90 days	**22,687**	12,951

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

32. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Deferred income	**6,112**	6,112	**—**	—
Other payables	**10,825**	12,490	**1,832**	634
Accruals	**14,240**	11,318	**163**	245
	31,177	29,920	**1,995**	879

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

33. INTEREST-BEARING BANK LOANS

Group

	2012			2011		
	Contractual interest rate (%)	**Maturity**	**HK$'000**	Contractual interest rate (%)	Maturity	HK$'000
Current:						
Bank loans — secured	**HIBOR+ (0.85–1.8)/ Prime rate – (2.75–3.1)**	**2013 or on demand**	**85,667**	HIBOR+ (0.85–1.8)/ Prime rate – (3–3.1)	2012 or on demand	102,034
Bank loans — unsecured	**HIBOR+1.5**	**On demand**	**8,000**	HIBOR+1.5	On demand	8,000
Long term bank loans repayable on demand — secured	**HIBOR+ (0.85–1.8)/ Prime rate – (2.75–3.1)**	**On demand**	**109,816**	HIBOR+ (0.85–1.8)/ Prime rate – (3–3.1)	On demand	103,890
Long term bank loans repayable on demand — unsecured	**HIBOR+1.5**	**On demand**	**26,000**	HIBOR+1.5	On demand	26,000
			229,483			239,924
Non-current:						
Bank loans — secured	**HIBOR+ (1.28–3.05)**	**2013–2025**	**790,171**	HIBOR+ (1.28–1.75)	2012–2025	631,774
			1,019,654			871,698

Company

	2012			2011		
	Contractual interest rate (%)	**Maturity**	**HK$'000**	Contractual interest rate (%)	Maturity	HK$'000
Current:						
Bank loans — secured	HIBOR+ (1.35–1.45)	2013 or on demand	20,053	HIBOR+ (1.35–1.45)	2012 or on demand	26,428
Non-current:						
Bank loans — secured	HIBOR+1.45	2013–2022	23,507	HIBOR+1.45	2012–2022	33,560
			43,560			59,988

33. INTEREST-BEARING BANK LOANS (continued)

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Analysed into:				
Bank Loans repayable:				
Within one year or on demand (note)	**229,483**	239,924	**20,053**	26,428
In the second year	**423,329**	464,968	**23,507**	33,560
In the third to fifth years, inclusive	**167,984**	39,693	**—**	—
Beyond five years	**198,858**	127,113	**—**	—
	1,019,654	871,698	**43,560**	59,988

Note: As further explained in note 46 to the financial statements, the Group's term loans with an aggregate amount of HK$172,684,000 (2011: HK$193,451,000) containing an on-demand clause have been classified as current liabilities. For the purpose of the above analysis, the loans are included within current interest-bearing bank loans and analysed into bank loans repayable within one year or on demand.

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

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans repayable:				
Within one year or on demand	**93,667**	110,034	**20,053**	26,428
In the second year	**425,918**	67,412	**6,053**	10,053
In the third to fifth years, inclusive	**206,907**	400,202	**6,160**	10,160
Beyond five years	**293,162**	294,050	**11,294**	13,347
	1,019,654	871,698	**43,560**	59,988

Notes:

(a) Certain bank loans of the Group and the Company are secured by the Group's investment properties and certain rental income generated therefrom (note 16), properties under development (note 17) and properties held for sale (note 25).

In addition, the Company has guaranteed certain of the Group's bank loans up to HK$1,528,201,000 (2011: HK$1,384,746,000) as at the end of the reporting period.

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

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

34. PROVISIONS FOR ONEROUS CONTRACTS

	Group	
	2012	2011
	HK$'000	HK$'000
Carrying amount at 1 April	**1,080**	200
Provided for the year	**2,520**	1,080
Amount utilised during the year	**(143)**	(200)
Carrying amount at 31 March	**3,457**	1,080
Less: portion classified as current liabilities	**(770)**	(240)
Long term portion	**2,687**	840

35. DEFERRED TAX

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

Deferred tax liabilities

Group

	Depreciation allowance in excess of related depreciation	**Revaluation gain of investment properties**	**Withholding tax**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2010	3,553	14,179	283	18,015
Deferred tax charged to profit or loss of the consolidated statement of comprehensive income during the year	1,495	10,691	—	12,186
At 31 March and 1 April 2011	**5,048**	**24,870**	**283**	**30,201**
Deferred tax charged to profit or loss of the consolidated statement of comprehensive income during the year	**1,837**	**14,379**	**—**	**16,216**
At 31 March 2012	**6,885**	**39,249**	**283**	**46,417**

35. DEFERRED TAX (continued)

Deferred tax assets

Group

	Depreciation in excess of related depreciation allowance	Provision for onerous contracts	Total
	HK$'000	HK$'000	HK$'000
At 1 April 2010	84	293	377
Deferred tax charged to profit or loss of the consolidated statement of comprehensive income during the year	(84)	(115)	(199)
At 31 March and 1 April 2011	**—**	**178**	**178**
Deferred tax credited to profit or loss of the consolidated statement of comprehensive income during the year	**—**	**392**	**392**
At 31 March 2012	**—**	**570**	**570**

The Group has tax losses arising in Hong Kong of approximately HK$134,231,000 (2011: HK$73,532,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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

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

36. SHARE CAPITAL

Shares

	2012 HK$'000	2011 HK$'000
Authorised:		
40,000,000,000 (2011: 40,000,000,000) ordinary shares of HK$0.01 (2011: HK$0.01) each	**400,000**	400,000
Issued and fully paid:		
6,524,935,021 (2011: 6,524,935,021) ordinary shares of HK$0.01 (2011: HK$0.01) each	**65,249**	65,249

There was no movement in the share capital of the Company during the year. The movements in share capital of the Company for the prior year were as follows:

(a) Share consolidation

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

(b) Capital reduction

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

(c) Rights issue and the associated bonus issue

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

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

36. SHARE CAPITAL (continued)

Shares (continued)

A summary of the transactions during the year ended 31 March 2011 with reference to the above movements in the Company's issued ordinary share capital is as follows:

	Number of shares in issue	Issued capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 April 2010	3,262,467,540	163,123	1,013,448	1,176,571
Capital reduction (b)	—	(156,598)	—	(156,598)
Rights Issue and the Bonus Issue (c)	5,872,441,513	58,724	463,271	521,995
Consolidation of shares (a)	(2,609,974,032)	—	—	—
Share issue expenses	—	—	(14,356)	(14,356)
At 31 March 2011 and 31 March 2012	6,524,935,021	65,249	1,462,363	1,527,612

Share options

Details of the Company's share option scheme are set out in note 37 to the financial statements.

37. SHARE OPTION SCHEME

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

Purpose

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

Maximum number of shares available for subscription

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

37. SHARE OPTION SCHEME (continued)

Maximum entitlement of each participant

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

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

Basis of determining the exercise price

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

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

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

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

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

37. SHARE OPTION SCHEME (continued)

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

	2012 Weighted average exercise price HK$ per share	**2012** Number of options '000	2011 Weighted average exercise price HK$ per share	2011 Number of options '000
At 1 April	**1.3932**	**32,944**	1.4407	34,175
Adjustment arising from the Rights Issue and the associated Bonus Issue	**—**	**—**	—	23,857
Adjustment arising from share consolidation	**—**	**—**	—	(36,348)
Lapsed during the year	**—**	**—**	1.6326	(5,040)
Granted during the year	**—**	**—**	0.2234	16,300
At 31 March	**1.3932**	**32,944**	1.3932	32,944

There was no share option exercised during the year ended 31 March 2012 and 2011. The exercise period of the share options granted is determined by the board of directors, and commences after a vesting period up to three years.

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

2012

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

2011

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

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

37. SHARE OPTION SCHEME (continued)

The fair value of the share options granted during the year ended 31 March 2011 was HK$1,690,000 (HK$0.10 each). The Group recognised a share option expense of HK$478,000 (2011: HK$847,000) during the year ended 31March 2012.

The fair value of equity-settled share options granted during the year ended 31 March 2011was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used.

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

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

At the end of the reporting period, the Company had 32,944,000 (2011: 32,944,000) share options outstanding under the Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 32,944,000 (2011: 32,944,000) additional ordinary shares of the Company and additional share capital of HK$329,000 (2011: HK$329,000) and share premium of HK$45,570,000 (2011: HK$45,570,000) (before issue expenses).

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

38. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 48 and 49 of the financial statements.

38. RESERVES (continued)

(b) Company

	Notes	Share premium account HK$'000	Contributed surplus (Note) HK$'000	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2010		1,013,448	164,790	8,150	563,917	1,750,305
Total comprehensive loss for the year		—	—	—	(29,826)	(29,826)
Capital reduction	36(b)	—	156,598	—	—	156,598
Rights Issue and the Bonus Issue	36(c)	463,271	—	—	—	463,271
Share issue expenses	36	(14,356)	—	—	—	(14,356)
Final 2010 dividend declared		—	—	—	(19,575)	(19,575)
2011 interim dividend	13	—	—	—	(9,787)	(9,787)
Equity-settled share option arrangements	37	—	—	847	—	847
Share options lapsed during the year	37	—	—	(940)	940	—
At 31 March and 1 April 2011		**1,462,363**	**321,388**	**8,057**	**505,669**	**2,297,477**
Total comprehensive loss for the year		**—**	**—**	**—**	**(8,356)**	**(8,356)**
Final 2011 dividend declared	13	**—**	**—**	**—**	**(26,100)**	**(26,100)**
2012 interim dividend	13	**—**	**—**	**—**	**(9,787)**	**(9,787)**
Equity-settled share option arrangements	37	**—**	**—**	**478**	**—**	**478**
At 31 March 2012		**1,462,363**	**321,388**	**8,535**	**461,426**	**2,253,712**

Note:

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

39. ACQUISITION OF A SUBSIDIARY THAT IS NOT A BUSINESS

Year ended 31 March 2012

On 16 March 2011, the Group entered into a sale and purchase agreement with Strike Zone Profits Limited, an independent third party, to acquire the 100% equity interest in Double Vantage Limited ("Double Vantage") and the shareholder's loan owed by Double Vantage to its then shareholder, at a cash consideration of HK$273,000,000. Double Vantage is principally engaged in property development in Hong Kong and up to the date of acquisition, Double Vantage has not carried out any significant business transaction except for holding certain properties in Hong Kong.

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

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

	HK$'000
Net assets acquired:	
Properties held for development	273,255
Bank balances	15
Accruals	(270)
Shareholder's loan	(195,391)
	77,609
Satisfied by:	
Cash	273,000
Due to the immediate holding company	(195,391)
	77,609

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

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

40. DISPOSAL OF A SUBSIDIARY

Year ended 31 March 2011

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

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

	2011 HK$'000
Net assets disposed of:	
Trade receivables	1,905
Prepayments, deposits and other receivables	610
Cash and bank balances	1,013
Trade payables	(7,838)
Other payables and accruals	(2,394)
	(6,704)
Gain on disposal of a subsidiary	6,704
Satisfied by:	
Cash	—

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

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

41. CONTINGENT LIABILITIES

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

(a) Company

	2012	2011
	HK$'000	HK$'000
Guarantees given to financial institutions in connection with facilities granted to subsidiaries	**1,528,201**	1,384,746

(b) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount payable of HK$1,476,000 (2011: HK$786,000) as at 31 March 2012, as further explained under the heading "Employee benefits" in note 2.4 to the financial statements. The contingent liability has arisen because, at the end of the reporting period, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

42. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 16), sub-leases Chinese wet markets, shopping centres and car parks under operating lease arrangements, with leases negotiated for terms ranging from two months to six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

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

	Group	
	2012	2011
	HK$'000	HK$'000
Within one year	**253,389**	200,791
In the second to fifth years, inclusive	**218,266**	165,917
	471,655	366,708

42. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

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

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

	Group	
	2012	2011
	HK$'000	HK$'000
Within one year	**125,588**	99,206
In the second to fifth years, inclusive	**178,933**	201,325
	304,521	300,531

43. COMMITMENTS

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

	Group	
	2012	2011
	HK$'000	HK$'000
Contracted, but not provided for:		
Property, plant and equipment	**210**	—
Properties held for sale	**—**	2,880
Properties under development	**128,150**	254,331
Investment property	**—**	18,252
	128,360	275,463

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

44. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

	Notes	2012 HK$'000	2011 HK$'000
Rental income received from a director	(i)	**996**	984
Income from WYTH:			
Management fee	(ii)	**840**	900
Rental income	(ii)	**2,215**	2,629
Management fee income from PNG Resources	(ii)	**960**	960
Management fee income from China Agri-Products	(ii)	**960**	960
Rental expenses paid to WYTH	(ii)	**1,824**	1,908
Interest income from PNG Resources	(iii)	**19,884**	9,449
Interest income from China Agri-Products	(iii)	**15,350**	—
Interest income from Shiney Day	(iii)	**7,141**	10,166
Purchase of products from WYTH	(iv)	**2,908**	3,696
Sales of certain investment properties and property held for sale to WYTH	(v)	**—**	117,767

Notes:

(i) Certain investment properties of the Group were leased to a director at an agreed monthly rental of HK$83,000 (2011: HK$82,000). The rental was determined with reference to the prevailing market rates.

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

(iii) Interests were charged by the Group on loans advanced to PNG Resources, Shiney Day and China Agri-Products and details of the terms of the relevant loans are set out in notes 27(i), 27(ii) and 27(iii), respectively, to the financial statements.

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

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

44. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group

	2012	2011
	HK$'000	HK$'000
Short term employment benefits	**4,891**	2,917
Post-employment benefits	**49**	35
	4,940	2,952

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

45. FAIR VALUE HIERARCHY

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

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

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

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

45. FAIR VALUE HIERARCHY (continued)

Assets measured at fair value:

Group

As at 31 March 2012

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss	**75,446**	**—**	**—**	**75,446**
	75,446	**—**	**—**	**75,446**

As at 31 March 2011

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

Company

As at 31 March 2012

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

As at 31 March 2011

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

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2011: Nil).

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Interest rate risk

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

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

	Group	
	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax** HK$'000
2012		
HK$	**100**	**(10,197)**
HK$	**(100)**	**10,197**
2011		
HK$	100	(8,717)
HK$	(100)	8,717

Foreign currency risk

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

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

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

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

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

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

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

	Group	
	Increase/ (decrease) in exchange rate	**Increase/ (decrease) in profit before tax**
	%	HK$'000
2012		
If Euro strengthens against HK$	**10.913**	**11**
If Euro weakens against HK$	**(10.913)**	**(11)**
If GBP strengthens against HK$	**5.648**	**322**
If GBP weakens against HK$	**(5.648)**	**(322)**
If HK$ strengthens against RMB	**3.302**	**2,186**
If HK$ weakens against RMB	**(3.302)**	**(2,186)**
2011		
If Euro strengthens against HK$	12.741	1,191
If Euro weakens against HK$	(12.741)	(1,191)
If GBP strengthens against HK$	10.180	1,315
If GBP weakens against HK$	(10.180)	(1,315)
If HK$ strengthens against RMB	4.235	5,038
If HK$ weakens against RMB	(4.235)	(5,038)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

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

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

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

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

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

The Company is also exposed to credit risk through the granting of financial guarantees to certain subsidiaries, further details of which are disclosed in note 41 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables (note 26 and 28), loans and interests receivable (note 27), debt securities classified as held-to-maturity investments (note 22) and financial assets at fair value thought profit or loss (note 29) are disclosed in the corresponding notes to the financial statements.

Liquidity risk

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

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

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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

Group

	2012					
	On demand HK$'000	**Within 1 year HK$'000**	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
Interest-bearing bank loans (Note)	**172,684**	**73,013**	**437,466**	**185,649**	**201,830**	**1,070,642**
Trade payables (note 31)	**—**	**22,687**	**—**	**—**	**—**	**22,687**
Other payables and accruals (note 32)	**—**	**25,065**	**—**	**—**	**—**	**25,065**
	172,684	**120,765**	**437,466**	**185,649**	**201,830**	**1,118,394**

	2011					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	193,451	54,642	478,197	48,164	137,846	912,300
Trade payables (note 31)	—	12,951	—	—	—	12,951
Other payables and accruals (note 32)	—	23,808	—	—	—	23,808
	193,451	91,401	478,197	48,164	137,846	949,059

Company

	2012					
	On demand HK$'000	**Within 1 year HK$'000**	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
Interest-bearing bank loans (Note)	**—**	**20,812**	**23,922**	**—**	**—**	**44,734**
Other payables and accruals (note 32)	**—**	**1,995**	**—**	**—**	**—**	**1,995**
Due to subsidiaries (note 19)	**—**	**—**	**—**	**—**	**1,203,738**	**1,203,738**
	—	**22,807**	**23,922**	**—**	**1,203,738**	**1,250,467**
Financial guarantees issued: Guarantees given to bank in connection with facilities granted to subsidiaries (note 41(a))	**—**	**1,528,201**	**—**	**—**	**—**	**1,528,201**

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Company (continued)

	2011					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	16,375	10,799	33,990	—	—	61,164
Other payables and accruals (note 32)	—	879	—	—	—	879
Due to subsidiaries (note 19)	—	—	—	—	608,256	608,256
	16,375	11,678	33,990	—	608,256	670,299
Financial guarantees issued:						
Guarantees given to bank in connection with facilities granted to subsidiaries (note 41(a))	—	1,384,746	—	—	—	1,384,746

Note:

Included in interest-bearing bank loans of the Group are term loans with an aggregate principal amounting to HK$172,684,000 (2011: HK$193,451,000) of which the respective loan agreements contain a repayment on-demand clause giving the bank the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand". As at 31 March 2011, the Company's term loans which contained a repayment on-demand clause with an aggregate principal amounting to HK$16,375,000 were classified as "on demand" accordingly.

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

Group

	Within 1 year HK$'000	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
31 March 2012	**24,712**	**24,414**	**52,391**	**78,621**	**180,138**
31 March 2011	66,027	21,873	58,363	59,002	205,265

Company

	Within 1 year HK$'000	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
31 March 2012	**—**	**—**	**—**	**—**	**—**
31 March 2011	16,651	—	—	—	16,651

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk

Price risk is the risk that the fair values of financial investments decrease as a result of changes in the levels of equity indices and the value of individual debt securities. The Group was exposed to price risk arising from individual financial investments classified as available-for-sale investments (note 24) and financial assets at fair value through profit or loss (note 29) as at 31 March 2012.

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

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

	31 March 2012	**High/low 2012**	31 March 2011	High/low 2011
Hong Kong — Hang Seng Index	**20,556**	**23,806/17,592**	23,528	23,528/19,765

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

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

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

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk (continued)

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

Excluding retained profit

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2012.

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

	Group	
	2012 HK$'000	2011 HK$'000
Interest-bearing bank loans (note 33)	**1,019,654**	871,698
Less: Cash and cash equivalents (note 30)	**(582,095)**	(1,042,600)
Net debt/(cash)	**437,559**	(170,902)
Equity attributable to owners	**2,948,471**	2,600,373
Gearing ratio	**14.84%**	N/A

47. EVENT AFTER THE REPORTING PERIOD

On 14 June 2012, the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of an investment property at a consideration of HK$82,800,000, details of which were set out in the Company's announcement dated 14 June 2012. The disposal is expected to be completed on or before 25 October 2012.

48. COMPARATIVE AMOUNTS

The comparative consolidated statement of comprehensive income has been re-presented as if the operations classified as a discontinued operations during the current year had been discontinued at the beginning of the comparative period (note 12).

49. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 20 June 2012.

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
House 2 and Car Parking Spaces 3 & 4, Winners Lodge, Nos. 9, 11, 13 and 15 Ma Yeung Path, Shatin, New Territories	Residential premises for rental	Medium term lease	100%
Ground Floor, 170 Castle Peak Road, Yuen Long, New Territories	Commercial premises for rental	Medium term lease	100%
Shop 4 & 5, Ground Floor, Mongkok Building, Nos. 93, 95 and 99 Mongkok Road, Mongkok, Kowloon	Commercial premises for rental	Long term lease	100%
Shop 23, Ground Floor, Grandway Garden, No. 16 Mei Tin Road and Nos. 15&35 Tsuen Nam Road, Shatin, New Territories	Commercial premises for rental	Medium term lease	100%
Ground Floor including Cockloft, Foon Shing Building, No. 732 Nathan Road, Kolwoon	Commercial premises for rental	Long term lease	100%
Various wet markets located at Shenzhen, Guangdong Province, the PRC	Commercial premises for rental	Medium term lease	100%

PROPERTIES HELD FOR SALE

Property name	Location	Approximate site area (sq ft)	Estimated approximate gross floor area (sq ft)	Use	Stage of completion	Estimated completion	Attributable interest of the Group
Grandeur Terrace	88 Tin Shui Road, Yuen Long, New Territories	46,715	36,479	Commercial	Completed	Existing	100%

PROPERTIES UNDER DEVELOPMENT

Location	Approximate site area (sq ft)	Estimated approximate gross floor area (sq ft)	Use	Estimated completion date	Attributable interest of the Group
Nos. 13 & 15, Sze Shan Sheet, Yau Tong, Kowloon	41,000	272,000	Residential & commercial	2016	100%
Nos. 2, 4, 6 and 8, Pak Kung Street, Hung Hom, Kowloon	4,000	36,000	Residential & commercial	2013	100%
Nos. 724 and 726, Nathan Road, Mongkok, Kowloon	3,000	36,000	Commercial	2014	100%
Nos. 140, 142, 144 & 146, Camp Street, Shum Shui Po, Kowloon	4,600	41,000	Residential & commercial	2015	100%
Nos. 1, 3, 5, 7, 9 & 13, Kwai Heung Street, Sai Ying Pun, Hong Kong	4,800	39,000	Residential & commercial	2014	100%

FIVE YEAR FINANCIAL SUMMARY

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

RESULTS

	Year ended 31 March				
	2012	2011	2010	2009	2008
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
CONTINUING OPERATIONS					
REVENUE	**410,785**	559,300	524,884	417,954	506,463
PROFIT AFTER FINANCE COSTS	**128,834**	249,750	146,345	139,101	85,897
Share of profits and losses of an associate	**290,692**	—	(9,049)	(55,227)	27,643
PROFIT BEFORE TAX	**419,526**	249,750	137,296	83,874	113,540
Income tax expense	**(42,600)**	(32,639)	(33,844)	(10,401)	(24,562)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**376,926**	217,111	103,452	73,473	88,978
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	**1,809**	9,281	4,620	6,677	7,636
PROFIT FOR THE YEAR	**378,735**	226,392	108,072	80,150	96,614
Attributable to:					
Owners of the parent	**378,667**	226,194	108,073	55,409	96,089
Non-controlling interests	**68**	198	(1)	24,741	525
	378,735	226,392	108,072	80,150	96,614

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 March				
	2012	2011	2010	2009	2008
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**4,211,050**	3,639,134	2,940,699	1,907,712	2,031,974
TOTAL LIABILITIES	**(1,262,112)**	(1,038,167)	(987,081)	(555,532)	(791,759)
NON-CONTROLLING INTERESTS	**(467)**	(594)	(396)	(397)	(57,646)
	2,948,471	2,600,373	1,953,222	1,351,783	1,182,569