

1 PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property investment. The activities of the subsidiary and associated companies are shown in notes 13 and 14 to the accounts respectively.

2 PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared under historical cost convention, as modified by the revaluation of investment properties, investments in certain associated companies and short-term investments, and in accordance with accounting principles generally accepted in Hong Kong.

In the current year, the Company adopted the Statement of Standard Accounting Practice ("SSAP") 12 "Income Taxes" issued by the Hong Kong Society of Accountants which is effective for accounting period commencing on or after 1st January 2003.

The changes to the Group's accounting policy and the effect of adopting this new policy are set out in note 2(h) below.

(a) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiary companies made up to 31st March and the Group's attributable share of post acquisition results and reserves of its associated companies.

Results attributable to subsidiary and associated companies acquired or disposed of during the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal as applicable.

The profit and loss on disposal of subsidiary or associated companies is determined as the difference between the net disposal proceeds and the Group's share of net assets at the date of disposal including the attributable amount of goodwill or negative goodwill which remains unamortised.

All significant intercompany transactions and balances within the Group are eliminated.

(b) Subsidiary companies

A company is a subsidiary company if the Group holds for the long-term of more than half of the issued equity share capital, controls more than half of the voting power or controls the composition of the board of directors.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) **Subsidiary companies** *(Continued)*

In the Company's balance sheet, investments in subsidiary companies are stated at costs less provision. Provision is made when, in the opinion of the Directors, there is impairment in value other than temporary in nature. The results of subsidiary companies are accounted for by the Company to the extent of dividend income.

(c) **Associated companies**

An associated company is a company, not being a subsidiary company, in which an equity interest is held for the long-term and significant influence is exercised in its management.

Associated companies are accounted for under the equity method whereby the consolidated profit and loss account includes the Group's share of the results of associated companies, and the consolidated balance sheet includes the Group's share of net assets.

In the Company's balance sheet, investments in associated companies are stated at cost or valuation less provision. Provision is made when, in the opinion of the Directors, there is a diminution in value other than temporary in nature.

(d) **Goodwill**

Goodwill represents the difference between the cost of an acquisition over the fair values ascribed to the Group's share of the net assets of the acquired subsidiary and associated companies at the effective date of acquisition. Goodwill on acquisitions is included in the balance sheet as a separate asset and amortised using the straight line method over its estimated useful life of not more than twenty years. Where the fair values ascribed to the net assets exceed the purchase consideration, such differences are recognised as income in the year of acquisition or over the weighted average useful life of the non-monetary assets.

The carrying amount of goodwill is reviewed annually and provision is only made where, in the opinion of the Directors, there is impairment in value other than temporary in nature.

(e) **Investments**

Investments held for long-term specific purposes are included under non-current assets and carried at cost less provision. Provision is made when, in the opinion of the Directors, there is impairment in value other than temporary in nature.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)***(e) Investments** *(Continued)*

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are included under current assets and are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of short-term investments are recognised in the profit and loss account.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the assets. Cost of purchase includes transaction costs. Profits or losses on disposal of investments, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(f) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental being negotiated at arm's length. Investment properties are carried at their open market values based on professional valuations carried out by independent valuers at the balance sheet date. Increases in valuation are credited to the investment properties revaluation reserve; decreases are first set off against earlier valuation reserves on a portfolio basis and thereafter charged to the profit and loss account. Upon the disposal of an investment property, any relevant revaluation surplus realised is transferred to the profit and loss account.

No depreciation is provided on investment properties held on leases of more than twenty years.

(g) Properties held for sale

Properties held for sale are stated at the lower of cost and estimated net realisable value. Net realisable value is determined by reference to management estimates based on prevailing market conditions.

(h) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(h) **Deferred taxation** *(Continued)*

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

In prior years, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in note 22, opening reserves at 1st April 2002 and 2003 have been reduced by HK\$4,307,000, and HK\$4,756,000 respectively, which represented the Group's share of its associated companies' additional provision for deferred tax liabilities resulted from the adoption of the revised SSAP 12. This change had resulted in a decrease in the carrying value of associated companies at 31st March 2003 by HK\$4,756,000 and a decrease in profit and asset revaluation reserve for the year ended 31st March 2003 by HK\$82,000 and HK\$367,000 respectively.

(i) **Provisions**

Provisions are recognised where there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(j) **Operating leases**

Leases where substantially all the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases. Rentals applicable to operating leases net of any incentives received from the lessors are charged to the profit and loss account on a straight-line basis over the lease terms.

2 **PRINCIPAL ACCOUNTING POLICIES** *(Continued)***(k) Revenue recognition**

Sales of completed properties are recognised when the sale agreements are completed or when the relevant building occupation permit is issued by the Building Authorities whichever is the later. When a development property is sold in advance of completion, sales are recognised over the course of the development and are computed as a proportion of the total estimated sales to completion; the proportion used being the lower of the proportion of construction costs incurred at the balance sheet date to estimated total construction costs and the proportion of sales proceeds received at the balance sheet date to total sales proceeds.

Management fee is recognised when services are rendered.

Rental income is recognised over the periods of the respective leases on a straight-line basis.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Dividend income is recognised when the right to receive payment is certain.

(l) Employee benefits

The Group participates in a defined contribution scheme. The Group's contributions under the scheme are charged to the profit and loss account as incurred. The amount of the Group's contributions is based on specified percentages of the basic salaries of employees.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(m) Foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates ruling at that date. Exchange differences arising are dealt with in the profit and loss account.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)***(n) Related parties**

Related parties are individuals and companies, including subsidiary and associated companies, where the individual, company or group has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

3 TURNOVER

	2004	2003
	HK\$	HK\$
Rental income	3,943,814	4,170,327
Management fee income	4,117,586	4,836,447
Interest income	685,576	1,296,737
Construction supervision fee income	513,529	1,494,640
Sales of properties	528,000	381,300
	9,788,505	12,179,451

4 OTHER REVENUES

	2004	2003
	HK\$	HK\$
Dividend income		
Listed investments	742,208	974,980
Unlisted quoted investment fund	2,719,874	1,034,298
Sundries	3,458	316,337
	3,465,540	2,325,615

5 OPERATING PROFIT

	2004	2003
	HK\$	HK\$

Operating profit is stated after crediting:

Gross rental income		
Investment properties	963,889	1,142,142
Other properties	2,979,925	3,028,185
Less: related outgoings	(371,836)	(411,480)
Profit on sales of short-term investments	1,006,017	405,013
Net unrealised gain on short-term investments	6,663,635	—

and after charging:

Staff costs (including Directors' remuneration and retirement benefits)	3,566,444	4,233,774
Auditors' remuneration	318,000	297,648
Cost of properties sold	219,588	111,548
Net unrealised loss on short-term investments	—	7,221,774

6 SHARE OF PROFITS LESS LOSSES OF ASSOCIATED COMPANIES

The Group's share of results of associated companies included surpluses on revaluation of properties held by associated companies amounting to HK\$3,688,438 (2003: deficits of HK\$9,882,820).

7 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

	2004	2003
	HK\$	HK\$

Fees	135,000	135,000
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Directors' fees paid to Independent Non-executive Directors amounted to HK\$75,000 (2003: HK\$75,000) and no other emoluments were paid.

None of the Directors has waived the right to receive their emoluments.

7 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Details of the emoluments paid to the five individuals, who are not Directors, whose emoluments were the highest in the Group are:

	2004	2003
	HK\$	HK\$
Salaries and other emoluments	1,358,216	1,555,109
Contributions to retirement benefits scheme	80,775	119,730
	1,438,991	1,674,839

The emoluments of each of the five individuals are below HK\$1,000,000.

8 RETIREMENT BENEFITS SCHEME

The Group participates in a defined contribution scheme which covers all the employees of the Group and certain related companies. The assets of the scheme are held in a trust fund separated from the Group and the related companies. Contributions to the scheme are based on a percentage of employee salary depending upon the length of service of the employee and charged to the profit and loss account in the year to which they relate. The charge for the scheme for the year was HK\$208,775 (2003: HK\$240,130).

9 TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 16%) on the estimated assessable profit for the year. In 2003, the government enacted a change in the profits tax rate from 16% to 17.5% for the fiscal year 2003/2004.

	2004	As restated 2003
	HK\$	HK\$
Current taxation:		
Hong Kong profits tax	313,880	294,969
Under provision in prior years	10,082	272
	323,962	295,241
Share of taxation attributable to associated companies	1,621,931	2,475,302
	1,945,893	2,770,543

9 TAXATION (Continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong, the home country of the Company, as follows:

	2004	2003
	HK\$	HK\$
Profit before taxation	30,359,721	4,775,800
Calculated at a taxation rate of 17.5% (2003: 16%)	5,312,951	764,128
Over provision in prior years	(230,259)	(130,664)
Income not subject to taxation	(1,439,119)	(618,494)
Expenses not deductible for taxation purposes	243,085	1,561,541
(Decrease)/increase in unrecognised tax losses	(1,902,501)	978,160
Increase in deferred tax liabilities resulting from an increase in tax rate	—	81,143
Temporary differences not recognised	(13,546)	134,644
Others	(24,718)	85
Taxation charge	1,945,893	2,770,543

10 DIVIDENDS

	2004	2003
	HK\$	HK\$
Proposed final of HK 3 cents (2003: nil cents) per share	3,628,800	—
Proposed special of HK 3 cents (2003: nil cents) per share	3,628,800	—
	7,257,600	—

At a meeting held on 9th July 2004, the Board of Directors proposed a final dividend of HK 3 cents per shares and a 30th Anniversary special dividend of HK 3 cents per share. This proposed final dividend and special dividend will be accounted for as an appropriation of retained profits for the year ending 31st March 2005.

Notes to the Accounts *(continued)*

11 EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$28,413,828 (2003: HK\$2,005,257) and on 120,960,000 shares in issue during the year.

12 INVESTMENT PROPERTIES

	Group and Company HK\$
Valuation	
At 31st March 2003	18,750,000
Surplus on revaluation (<i>note 22</i>)	2,400,000
At 31st March 2004	21,150,000

The properties are held under leases of over 50 years in Hong Kong and are stated at professional valuation made on 31st March 2004 by CS Surveyors Limited on an open market value basis.

13 SUBSIDIARY COMPANIES

	Company	
	2004	2003
	HK\$	HK\$
Unlisted shares, at cost	110,346	110,246
Amounts receivable	331,474	211,454
Amounts payable	(12,470,059)	(11,110,924)
	(12,028,239)	(10,789,224)

The amounts receivable and payable are unsecured, interest free and have no specific repayment terms.

13 SUBSIDIARY COMPANIES *(Continued)*

Particulars of the subsidiary companies, all of which are wholly-owned by the Company, are as follows:

Name	Principal activities	Particular of issued share capital
Festigood Company Limited	Property development	2 Ordinary shares of HK\$1 each
Galy Property Management Limited	Property management	2 Ordinary shares of HK\$1 each
Khanman Property Limited (formerly known as Khanman Construction Company Limited)	Dormant	2 Ordinary shares of HK\$100 each
Tai Kong Shan Realty Limited	Property investment	100,000 Ordinary shares of HK\$1 each
Tinpoly Realty Limited	Property investment	4 Ordinary shares of HK\$10 each
Wah Ha Construction Company Limited	Building contractor	2 Ordinary shares of HK\$1 each
WH Properties Limited	Dormant	100 Ordinary shares of HK\$1 each
Wah Ha Real Estate Agency Limited	Property agency	1,000 Ordinary shares of HK\$10 each

All subsidiary companies are incorporated and operate in Hong Kong and are held directly by the Company.

14 ASSOCIATED COMPANIES

	Group		Company	
	2004	As restated	2004	2003
		2003		
	HK\$	HK\$	HK\$	HK\$
Unlisted shares, at cost or Directors' valuation in 1990	26,240,628	26,240,628	26,240,628	26,240,628
Share of retained post- acquisition reserves	72,169,381	53,906,408	—	—
Share of net assets	98,410,009	80,147,036	26,240,628	26,240,628
Amounts receivable	193,434,539	217,398,027	193,434,539	217,398,027
Amounts payable	(8,386,259)	(6,566,763)	(8,386,259)	(6,566,763)
	185,048,280	210,831,264	185,048,280	210,831,264
	283,458,289	290,978,300	211,288,908	237,071,892

Particulars of the associated companies and amounts receivable/(payable) are as follows:

Name	Principal activities	Amounts receivable/ (payable) by Group		Particulars of issued share capital	Effective percentage of equity held by Group
		2004	2003		
		HK\$	HK\$		
Cantake Land Investment Company Limited	Property development	52,775,266	72,355,056	6,000,000 shares of HK\$1 each	25
Chase Good Development Limited	Property development	15,871,803	16,105,303	4 shares of HK\$1 each	25

14 ASSOCIATED COMPANIES (Continued)

Name	Principal activities	Amounts receivable/ (payable) by Group		Particulars of issued share capital	Effective percentage of equity held by Group
		2004 HK\$	2003 HK\$		
Daily Eagle Development Limited	Property development	(6,212,335)	(3,489,839)	4 shares of HK\$1 each	25
Eastern Tailor Enterprises Limited	Property investment	19,526,917	20,406,419	10,000 shares of HK\$1 each	25
Fu Kung San Realty Limited	Investment holding	(287,610)	(1,690,610)	100 shares of HK\$10 each	50
Fullion Realty Limited	Property investment	26,284	26,284	4 shares of HK\$10 each	50
Fupoly Properties Limited	Property investment	—	—	10,000 shares of HK\$10 each	25
Hinquand Enterprise Limited	Property investment	20,626,760	21,506,760	1,000 shares of HK\$10 each	50
Kam Lee Wah Realty Limited	Property investment	105,935	190,230	100,000 shares of HK\$1 each	50
Keneva Company Limited	Property development	38,857,400	38,607,400	20 shares of HK\$10 each	25
Keneva Construction Company Limited	Building contractor	—	—	4 shares of HK\$10 each	25
Kin Yuen Hing Investment Company Limited	Property development	13,159,056	14,709,056	200,000 shares of HK\$1 each	50

14 ASSOCIATED COMPANIES (Continued)

Name	Principal activities	Amounts receivable/ (payable) by Group		Particulars of issued share capital	Effective percentage of equity held by Group
		2004 HK\$	2003 HK\$		
Mass Collection Company Limited	Property development	(1,886,314)	(1,386,314)	2 shares of HK\$1 each	50
Remadour Estate Limited	Property investment	9,261,495	9,820,495	10,000 shares of HK\$1 each	25
Sing Mei Properties Limited	Property investment	—	—	69,513 shares of HK\$100 each	25
Star Fortune Investments Limited	Provision of finance	2,084,974	1,865,374	2 shares of HK\$1 each	50
Sun Prince Godown Limited	Property investment	3,425,575	3,396,575	100,000 shares of HK\$10 each	50
Sun Tai Tsuen Godown Company Limited	Property investment	3,421,469	3,417,469	100,000 shares of HK\$10 each	50
Wah Ha Property Development Limited	Property investment	14,291,605	14,991,606	10 shares of HK\$10 each	50
		185,048,280	210,831,264		

- (1) The amounts receivable and payable are unsecured, interest free and have no specific repayment terms. The Group has not provided any guarantees in respect of any borrowings or facilities of the associated companies and has not entered into any agreements to make further advances to the associated companies.
- (2) All associated companies are incorporated and operate in Hong Kong and are held directly by the Company except Sing Mei Properties Limited which is 50% owned by Fu Kung San Realty Limited.

15 LONG-TERM INVESTMENTS

	Group and Company	
	2004	2003
	HK\$	HK\$
Unlisted shares, at cost	250,448	250,448

16 DEBTORS AND PREPAYMENTS

	Group		Company	
	2004	2003	2004	2003
	HK\$	HK\$	HK\$	HK\$
Trade debtors				
Below 60 days	143,848	106,046	16,200	17,700
Over 60 days	40,004	—	40,004	—
Other receivables	3,069,801	3,110,461	543,758	428,354
Prepayments and utility deposits	152,734	399,137	133,233	133,233
	3,406,387	3,615,644	733,195	579,287

Trade debtors represent rental receivable which is normally due for payment upon presentation of debit note at the beginning of each rental period.

17 BALANCES WITH RELATED COMPANIES

The amounts receivable and payable are unsecured, interest free and have no specific repayment terms.

18 LOANS RECEIVABLE

	Group	
	2004	2003
	HK\$	HK\$
Mortgage loans	—	116,660
Current portion included in current assets	—	(116,660)
	—	—

Mortgage loans are provided to purchasers of the Group's properties.

19 SHORT-TERM INVESTMENTS

	Group and Company	
	2004	2003
	HK\$	HK\$
Unlisted quoted investment fund, at market value	92,224,979	83,843,621
Listed shares, at market value		
Hong Kong	10,015,112	12,557,576
Overseas	10,875,263	7,426,375
	113,115,354	103,827,572

20 CREDITORS AND ACCRUALS

	Group		Company	
	2004	2003	2004	2003
	HK\$	HK\$	HK\$	HK\$
Trade creditors				
Below 90 days	22,902	125,784	—	—
Over 90 days	19,380	10	10	10
	42,282	125,794	10	10
Other payables	210,250	210,250	210,250	210,250
Rental and utility deposits received	826,323	822,948	529,254	557,654
Accrued expenses	387,980	400,924	352,187	294,979
	1,466,835	1,559,916	1,091,701	1,062,893

21 SHARE CAPITAL

	Company	
	2004	2003
	HK\$	HK\$
<i>Authorised:</i>		
150,000,000 shares of HK\$0.65 each	97,500,000	97,500,000
<i>Issued and fully paid:</i>		
120,960,000 shares of HK\$0.65 each	78,624,000	78,624,000

22 RESERVES

	Asset revaluation reserve HK\$	Investment properties revaluation reserve HK\$	Retained Profits HK\$	Total HK\$
Group				
At 31st March 2002				
As previously reported	24,461,230	32,547,693	346,243,156	403,252,079
Change in accounting policy — Provision for net deferred tax liabilities (note 2(h))	(3,914,000)	—	(393,000)	(4,307,000)
As restated	20,547,230	32,547,693	345,850,156	398,945,079
Deficit on revaluation				
Company and subsidiary companies	—	(400,000)	—	(400,000)
Associated companies	—	(8,250,000)	—	(8,250,000)
Profit for the year, as restated	—	—	2,005,257	2,005,257
2002 dividend paid	—	—	(2,419,200)	(2,419,200)
Increase in opening net deferred tax liabilities resulting from an increase in tax rate	(367,000)	—	—	(367,000)
At 31st March 2003, as restated	20,180,230	23,897,693	345,436,213	389,514,136
At 31st March 2003				
As previously reported	24,461,230	23,897,693	345,911,213	394,270,136
Change in accounting policy — Provision for net deferred tax liabilities (note 2(h))	(4,281,000)	—	(475,000)	(4,756,000)
As restated	20,180,230	23,897,693	345,436,213	389,514,136
Surplus on revaluation				
Company and subsidiary companies	—	2,400,000	—	2,400,000
Associated companies	—	7,662,929	—	7,662,929
Profit for the year	—	—	28,413,828	28,413,828
At 31st March 2004	20,180,230	33,960,622	373,850,041	427,990,893
Company				
At 31st March 2002	23,600,000	13,852,285	276,012,073	313,464,358
Deficit on revaluation	—	(400,000)	—	(400,000)
Profit for the year	—	—	1,741,114	1,741,114
2002 dividend paid	—	—	(2,419,200)	(2,419,200)
At 31st March 2003	23,600,000	13,452,285	275,333,987	312,386,272
Surplus on revaluation	—	2,400,000	—	2,400,000
Profit for the year	—	—	16,804,381	16,804,381
At 31st March 2004	23,600,000	15,852,285	292,138,368	331,590,653

22 RESERVES (Continued)

Asset revaluation reserve, investment properties revaluation reserve and retained profits of the Group attributable to associated companies amounted to HK\$20,180,230 (2003: HK\$20,180,230), HK\$18,108,337 (2003: HK\$10,445,408), HK\$57,480,814 (2003: HK\$46,880,770) respectively.

23 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a taxation rate of 17.5% (2003: 17.5%).

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$1,263,000 (2003: HK\$11,621,000) to carry forward against future taxable income; these tax losses have no expiry date.

24 OPERATING LEASE RENTAL RECEIVABLE

The future aggregate minimum lease rental income under non-cancellable operating leases in respect of land and buildings is receivable in the following years:

	Group	
	2004	2003
	HK\$	HK\$
First year	2,767,738	2,810,986
Second to fifth years inclusive	1,531,856	563,981
	4,299,594	3,374,967

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions carried out in the normal course of the Group's business during the year:

	<i>Note</i>	2004 HK\$	2003 <i>HK\$</i>
Associated companies			
Management fee income	1	2,378,000	3,005,500
Related companies			
Management fee income	1	324,000	324,000
Construction supervision fee income	2	513,529	1,494,640
Estate agency fee income	3	200,000	200,000

Notes:

- (1) The Group provides management services to certain associated companies and a related company. Fees are charged based on a percentage of annual rental income received by associated companies and the related company.
- (2) The Group provides supervisory services for building construction work to certain related companies. Service fees are calculated based on the number of employee on the job.
- (3) The Group provides estate agency services to a related company at a fixed annual fee.

26 SEGMENT INFORMATION

The principal activities of the Group include those relating to investment holding, property development and investment, property management and building contractor. There are no other significant identifiable separate business. In accordance with the Group's internal financial reporting and operating activities, the primary reporting is by business segments and the secondary reporting is by geographical segments. All of the Group's operation and assets are located in Hong Kong. Segment assets consist primarily of associated companies, investment properties, properties held for sale, other non-current assets and debtors and prepayments. Segment liabilities comprise mainly creditors and accruals.

26 SEGMENT INFORMATION (Continued)

Primary reporting segment — business segment

	Property investment, development and management and building contractor HK\$	Investments and corporate services HK\$	Total HK\$
Year ended 31st March 2004			
Turnover	6,200,929	3,587,576	9,788,505
Segment results	3,825,005	11,437,741	15,262,746
Share of profits less losses of associated companies	15,096,975	—	15,096,975
Profit before taxation			30,359,721
Taxation			(1,945,893)
Profit attributable to shareholders			28,413,828
Segment assets	314,952,749	113,767,865	428,720,614
Common assets			80,918,758
Total assets			509,639,372
Segment liabilities	2,776,352	210,250	2,986,602
Common liabilities			37,873
Total liabilities			3,024,475

26 SEGMENT INFORMATION *(Continued)***Primary reporting segment — business segment** *(Continued)*

	Property investment, development and management and building contractor HK\$	Investments and corporate services HK\$	Total HK\$
Year ended 31st March 2003 — as restated			
Turnover	7,353,214	4,826,237	12,179,451
Segment results	4,668,142	(2,565,552)	2,102,590
Share of profits less losses of associated companies	2,673,210	—	2,673,210
Profit before taxation			4,775,800
Taxation			(2,770,543)
Profit attributable to shareholders			2,005,257
Segment assets	320,676,012	104,481,339	425,157,351
Common assets			45,689,520
Total assets			470,846,871
Segment liabilities	2,461,581	210,250	2,671,831
Common liabilities			36,904
Total liabilities			2,708,735

27 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 9th July 2004.