WINSOR PROPERTIES HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability

南聯地產控股有限公司

開曼群島註冊成立之有限公司

Stock Code 股份代號：1036

Annual Report 2007

二零零七年年報

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Corporate Information

Board of Directors

CHENG Wai Chee, Christopher, GBS, JP ☆† — *Chairman*
CHOW Wai Wai, John — *Managing Director*
Lord SANDBERG, CBE ★
Christopher Patrick LANGLEY, OBE ★
LO Ka Shui, GBS, JP ★
Haider Hatam Tyebjee BARMA, GBS, CBE, ISO, JP ★
CHENG Wai Sun, Edward, SBS, JP ☆†
TANG Ming Chien, Manning ☆
LAM Woon Bun
CHEN CHOU Mei Mei, Vivien
CHUNG Hon Sing, John
AU Hing Lun, Dennis

★ *Independent Non-Executive Director*
☆ *Non-Executive Director*
† *Alternate: FUNG Ching Man, Janet*

Audit Committee

Christopher Patrick LANGLEY, OBE — *Chairman*
Haider Hatam Tyebjee BARMA, GBS, CBE, ISO, JP
CHENG Wai Chee, Christopher, GBS, JP †

† *Alternate: FUNG Ching Man, Janet*

Remuneration Committee

Haider Hatam Tyebjee BARMA, GBS, CBE, ISO, JP — *Chairman*
Christopher Patrick LANGLEY, OBE
CHOW Wai Wai, John

Nomination Committee

LO Ka Shui, GBS, JP — *Chairman*
Haider Hatam Tyebjee BARMA, GBS, CBE, ISO, JP ▲
CHENG Wai Chee, Christopher, GBS, JP

▲ *Alternate: Christopher Patrick LANGLEY, OBE*

Company Secretary

CHAN Wai Yip, Tony

Auditor

PricewaterhouseCoopers

Solicitors

Knight & Ho

Bankers

The Hongkong and Shanghai Banking Corporation Limited

Registered Office

P. O. Box 309, Ugland House, South Church Street,
George Town, Grand Cayman, Cayman Islands.

Principal Place of Business

2nd Floor, East Ocean Centre, 98 Granville Road,
Tsimshatsui East, Kowloon, Hong Kong.
Telephone: (852) 2731 1777
Fax: (852) 2810 1199
Website: http://www.winsorprop.com

Hong Kong Share Registrars and Transfer Office

Computershare Hong Kong Investor Services Limited,
46th Floor, Hopewell Centre,
183 Queen’s Road East, Wanchai, Hong Kong.
Telephone: (852) 2862 8628
Fax: (852) 2529 6087
Website: http://www.computershare.com

Directors' Profile

Executive Directors:

Mr. CHOW Wai Wai, John, aged 58, was appointed Director of the Company in October 1996 and appointed Managing Director of the Company in August 2001. He is also a member of the Remuneration Committee of the Board of Directors and a director of certain subsidiaries of the Company. He is an executive director of USI Holdings Limited, a listed company in Hong Kong and the holding company of the Company. He is also a non-executive director of Dah Sing Financial Holdings Limited and ARA Trust Management (Suntec) Limited (Manager of the Singapore-listed Suntec Real Estate Investment Trust). He graduated with a Bachelor of Arts (Economics) degree from the University of British Columbia. He has over 30 years of experience in the property, textile and clothing businesses, and has served as Chairman of the Hong Kong Garment Manufacturers Association and a member of the Textile Advisory Board of the Hong Kong Government.

Mr. LAM Woon Bun, aged 57, was appointed Director of the Company in September 1996. He is also a director of certain subsidiaries of the Company. He graduated with a Bachelor of Social Sciences degree from the University of Hong Kong and is a fellow of The Hong Kong Institute of Chartered Secretaries and of the Institute of Chartered Secretaries and Administrators. He has over 30 years of experience in accounting and finance.

Mrs. CHEN CHOU Mei Mei, Vivien, aged 58, was appointed Director of the Company in October 1996. She is also a director of certain subsidiaries of the Company. She graduated with a Bachelor of Arts degree from the University of Colorado in the US and has over 30 years' experience in investments, in particular, property related investments. She is also a director of a number of companies in Hong Kong and abroad.

Mr. CHUNG Hon Sing, John, aged 67, was appointed Director of the Company in October 1996. He is also a director of certain subsidiaries of the Company. He graduated from the University of Hong Kong with a Bachelor of Arts degree and later from the Michigan State University in the US with a Master degree in Business Administration. Mr. Chung has been involved in property development in both Hong Kong and Mainland China since the 1970's.

Mr. AU Hing Lun, Dennis, aged 48, was appointed alternate to Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward in December 1998 and December 1999 respectively. He ceased to act as alternate to Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward upon his appointment as an Executive Director of the Company on 4 October 2007. Mr. Au is also an executive director of USI Holdings Limited and the Managing Director of USI Group's Property Division. He is also responsible for USI Group's corporate finance function. Mr. Au holds a Master of Business Administration degree and a Bachelor of Science degree. He is also a fellow member of the Association of Chartered Certified Accountants.

Non-Executive Directors:

Mr. CHENG Wai Chee, **Christopher**, GBS, JP, aged 59, was appointed Non-Executive Director of the Company in May 1997 and appointed Chairman in August 2001. He is also a member of the Audit Committee and the Nomination Committee of the Board of Directors of the Company. He is the Chairman of USI Holdings Limited and an independent non-executive director of several listed and unlisted companies including NWS Holdings Limited, New World China Land Limited, PICC Property and Casualty Company Limited, DBS Group Holdings Limited, and Temasek Foundation CLG Limited. He currently serves as a non-executive director on the Board of the Hong Kong Securities and Futures Commission and a member of the Exchange Fund Advisory Committee. He is a former Chairman of the Hong Kong General Chamber of Commerce. He is the Chairman of the Standing Committee on Judicial Salaries and Conditions of Service. Mr. Cheng is also a Steward of the Hong Kong Jockey Club and a Council member of the University of Hong Kong. Mr. Cheng holds a BBA degree from the University of Notre Dame, Indiana, USA, and a MBA degree from Columbia University, New York. Mr. Cheng is a brother of Mr. Cheng Wai Sun, Edward.

Mr. CHENG Wai Sun, Edward, SBS, JP, aged 52, was appointed Non-Executive Director of the Company in December 1999. He is the Deputy Chairman and Chief Executive of USI Holdings Limited. He is also an independent non-executive director of Television Broadcasts Limited. Mr. Cheng has a master degree from Oxford University. He was qualified as a solicitor in the United Kingdom and Hong Kong. Mr. Cheng has many years of public service experience in urban renewal, finance, housing, corruption prevention, technology and education. Mr. Cheng is a Justice of the Peace and is awarded the Silver Bauhinia Star by the Hong Kong SAR Government. Mr. Cheng is a brother of Mr. Cheng Wai Chee, Christopher.

Mr. TANG Ming Chien, Manning, aged 57, was appointed Non-Executive Director of the Company in August 2001. He graduated with a Master degree in Fibre Science and Technology from Leeds University in U. K.

Directors' Profile *(continued)*

Ms. FUNG Ching Man, Janet, aged 45, was appointed the alternate to Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward on 4 October 2007. Ms. Fung is the Chief Financial Officer and Company Secretary of USI Holdings Limited. She holds a number of professional qualifications and is a fellow member of the Association of Chartered Certified Accountants (UK) and the Hong Kong Institute of Certified Public Accountants, and a member of CPA Australia.

Independent Non-Executive Directors:

Lord SANDBERG, CBE, aged 80, was appointed Independent Non-Executive Director of the Company in October 1996. He is a former Chairman of The Hongkong and Shanghai Banking Corporation Limited and has served as a member of the Executive Council of the Hong Kong Government and on various public bodies in Hong Kong. He also holds directorships in a number of listed and public companies in Hong Kong and the US.

Mr. Christopher Patrick LANGLEY, OBE, aged 63, was appointed Independent Non-Executive Director of the Company in October 1996. He is also the Chairman of the Audit Committee, a member of the Remuneration Committee and an alternate member of the Nomination Committee of the Board of Directors of the Company. Mr. Langley was an Executive Director of The Hongkong and Shanghai Banking Corporation Limited and holds directorships in several listed companies in Hong Kong.

Dr. LO Ka Shui, GBS, JP, aged 61, was appointed Independent Non-Executive Director of the Company in January 2003. He is also the Chairman of the Nomination Committee of the Board of Directors of the Company. He is the Chairman and Managing Director of Great Eagle Holdings Limited, the non-executive Chairman of Eagle Asset Management (CP) Limited (Manager of the publicly listed Champion Real Estate Investment Trust) and a non-executive director of The Hongkong and Shanghai Banking Corporation Limited, Shanghai Industrial Holdings Limited, Phoenix Satellite Television Holdings Limited and China Mobile Limited and some other publicly listed companies in Hong Kong. He is also a Vice President of the Real Estate Developers Association of Hong Kong, a Trustee of the Hong Kong Centre for Economic Research and a Board Member of the Airport Authority. Dr. Lo graduated with a Bachelor of Science degree from McGill University and a M.D. degree from Cornell University. He is certified in cardiology. He has more than 28 years' experience in property and hotel development and investment both in Hong Kong and overseas.

Mr. Haider Hatam Tyebjee BARMA, GBS, CBE, ISO, JP, aged 64, was appointed Independent Non-Executive Director of the Company in May 2005. He is also the Chairman of the Remuneration Committee, and a member of the Nomination Committee and Audit Committee of the Board of Directors of the Company. He graduated with a Bachelor of Arts degree from the University of Hong Kong and worked in the Government of Hong Kong for 30 years. After retiring from the civil service in 1996, he has served as Chairman of the Public Service Commission from August 1996 to April 2005 and now he is the Chief Executive Officer of The Hong Kong Research Institute of Textiles and Apparel.

Mr. HO Fook Hong, Ferdinand, aged 60, was appointed Independent Non-Executive Director of the Company in December 1998. He was also a member of the Audit Committee of the Board of Directors of the Company. He holds a Bachelor of Science degree and a Master of Business Administration degree from the University of Hong Kong and has been admitted as a solicitor in Hong Kong, England and Wales and Singapore. Mr. Ho did not stand for re-election after retiring by rotation at the annual general meeting of the Company held on 23 August 2007.

Chairman's Statement

As from 29 June 2007, the first closing date of a voluntary conditional securities exchange offer made by USI Holdings Limited ("USI") to acquire all the issued shares of the Company (other than those already held by USI or its subsidiaries), USI became the holding company of the Company. Currently USI and its subsidiaries together hold about 79.26% of the issued share capital of the Company.

To align the financial year end of the Company with that of USI, the Directors of the Company have resolved to change the financial year end of the Company from 31 March to 31 December. Accordingly, the financial results of the Group under review covered only the 9 months ended 31 December 2007 (the "Period"), and may not be comparable with the results of the Group for the 12 months ended 31 March 2007 (the "previous year").

On 31 December 2007, the last day of the Period, the Group completed the acquisition of 3 properties in Hong Kong through the acquisition of three subsidiaries of USI (the "Acquisitions"). The Acquisitions boosted the assets of the Group, produced material changes to the Group's balance sheet and enhanced the income base of the Group going forward, but did not have any effect on the Group's results for the Period.

BUSINESS REVIEW

In the absence of property sales, the Group's overall revenue for the Period was HK$119.1 million, compared to HK$304.1 million for the previous year. Profit attributable to shareholders of the Company amounted to HK$738.7 million for the Period, and earnings per share were HK$2.84 accordingly. For the previous year, profit attributable to shareholders and earnings per share were HK$803.6 million and HK$3.09 respectively.

Sale of Properties

During the Period there were no sale of properties by the Group. During the previous year, the 9th floor of Office Tower 2 in Suntec City, Singapore and certain units at the Regent Centre in Kwai Chung, Hong Kong with an aggregate gross floor area of about 61,400 sq.ft. were sold and generated revenue of HK$152.5 million and a segment profit of HK$32.4 million.

Rental and Property Management

The results of the Group's rental and property management operation for the Period have benefited from improved occupancy and rental revision, notwithstanding that the size of the Group's portfolio of investment properties during the Period has been reduced by sales in the previous year. As at 31 December 2007, the overall occupancy at the Regent Centre, Winner Godown Building and Lucky Industrial Building has reached 97.5% as compared to 95.1% on 31 March 2007. Excluding the increase in fair value of investment properties, revenue and segment profit of the rental and property management segment were HK$92.0 million and HK$70.7 million respectively for the Period. The revenue and segment profit for the previous year were HK$116.0 million and HK$87.1 million respectively, including contribution prior to sale of those floor spaces sold during the previous year. The Acquisitions were completed on the last day of the Period, and did not have any effect on the aforesaid results.

Warehousing

The warehousing operation in Hong Kong improved its performance during the Period, but performance of the cold storage operation in Shekou has been affected by slower throughput as a result of the shortage in food supply in Mainland China and the disruption caused by the cold storage's application for accreditation as a quarantine cold storage for imported meat and aquaculture and fisheries products. The accreditation was awarded at the end of November 2007. The combined segment revenue and profit were HK$27.1 million and HK$6.2 million respectively for the Period, compared to HK$35.6 million and HK$7.8 million respectively for the previous year.

Investments

The Group's investment activities reported a segment profit of HK$132.9 million for the Period. An initial gain of HK$105 million before tax was recognised in respect of the Group's 15% interest in the *Draycott 8* residential development in Singapore. A dividend amounting to HK$8.9 million was received in respect of the Group's 5.14% interest in Suntec City Development Pte. Ltd. Income received from the Suntec REIT also increased to HK$10.3 million, by reason of the REIT's growing distribution as well as the Group's increased holding. On top of the net gain of HK$2.7 million from investments made under the Group's treasury activities, a profit of HK$5.9 million was also realised during the Period on the disposal of a long term investment held by the cold storage.

In comparison, the profit of the Group's investment segment for the previous year was HK$13.3 million, of which income received from the Suntec REIT amounted to HK$8.4 million and the balance was mainly accounted for by treasury activities.

Valuation of investment properties

The portfolio of the Group's investment properties at 31 December 2007 consisted of *Landmark East*, the unsold portion of *Regent Centre*, *Winner Godown Building*, *Lucky Industrial Building* and two properties acquired under the Acquisitions, namely *Unimix Industrial Centre* and *Shui Hing Centre*. Their total valuation at 31 December 2007 was HK$6,660.9 million. Increase in fair value of the 4 pre-existing properties in aggregate accounted for HK$608.2 million and HK$501.6 million respectively of the Group's profit before and after tax for the Period. The comparable amounts for the previous year were HK$608.3 million and HK$504.3 million respectively.

W Square, the other property acquired under the Acquisitions, was classified as property under development as at 31 December 2007 and was transferred to investment properties upon completion of its refurbishment in January 2008.

Finance income and finance costs

The Group maintained a net cash surplus during the Period and utilised part of the cash and bank balances to pay the consideration under the Acquisitions. Interest income received from banks and other financial institutions were reported as finance income and amounted to HK$22.2 million for the Period, compared to HK$23.5 million for the previous year. Since the interest expenses on the construction loan for the development of *Landmark East* are capitalised, finance costs during the Period was not significant.

Interest income on loans to investee and associated companies were reported as other income and amounted to HK$11.6 million for the Period, compared to HK$13.7 million for the previous year.

The interest rate swap contracts with an aggregate notional principal amount of HK$1,050 million held by the Group reported total fair value loss of about HK$37 million for the Period. Based on the assessment of the effectiveness of the hedge instruments, HK$10 million of the fair value loss has been charged to the income statement and the balance of HK$27 million was debited to hedging reserve in the Group's equity.

Contribution of Associated Companies

The combined profit after tax of the Group's associated companies for the Period was HK$48.1 million, compared to a combined profit of HK$173.8 million for the previous year. Having contributed HK$147.9 million in the previous year, the 20% owned Universal Plus Ltd. through which the Group's 10% interest in *The Grandville* residential development project is held, contributed another HK$19.7 million for the Period. Through the 20% owned Winwill Investment Pte Ltd, the Group also recognised a profit of HK$28.8 million attributable to the Group's 12% interest in the *Kovan Melody* residential development project in Singapore.

Change in Group Structure

As reported in the foregoing, USI became the holding company of the Company as from 29 June 2007 and the Group acquired 3 subsidiaries from USI on 31 December 2007 under the Acquisitions. One of the companies acquired is Winnion Limited, 30% of the issued share capital of which was already held by the Group prior to the Acquisitions.

PROJECT PROGRESS

***Landmark East*, Hong Kong:** The super-structure of this twin-tower Grade A office development has topped out in March 2008. Marketing efforts have been stepped up. Having agreed with Government in July 2007 on the basic terms for a lease modification, it is expected that the modification premium will also be agreed upon in the coming months. It is the Group's intention to hold the developed property for rental income upon completion.

***The Grandville*, Hong Kong:** The Group has a 10% indirect interest in this luxurious residential development at No. 2 Lok Kwai Path, Shatin. All the units have been sold by April 2007. Cumulative profit recognised by the Group heretofore was about HK$167.7 million.

No. 157 Argyle Street, Hong Kong: The Group has a 20% interest in this residential development which will provide about 90,000 square sq.ft. of luxury residential floor space upon its scheduled completion in 2009. Foundation works are underway and construction of the super-structure is scheduled to commence in the second quarter of 2008.

***Draycott 8*, Singapore:** The Group has a 15% interest in this completed and sold prime residential development. A profit before tax of HK$105 million was recognised by the Group during the Period. It is expected that a further profit will be recognised in the year 2008.

***Kovan Melody*, Singapore:** The Group has a 12% indirect interest in this condominium apartment development. All units have been sold by May 2007 and a profit of HK$28.8 million was recognised by the Group during the Period.

***Belle Vue Residences*, Singapore**: The Group has a 30% interest in this luxury residential development at 15-23 Oxley Walk, Singapore, having a site area of about 244,000 sq.ft. and a maximum allowable gross floor area of about 341,000 sq.ft. The expected completion date is now scheduled for the first half of the year 2010.

EMPLOYEES

As at 31 December 2007, the Group employed about 250 employees, about 70 of whom were based in Mainland China. Most of the employees in Hong Kong are engaged in estate management. The Group aligns its remuneration and benefit packages with pay levels and practices prevailing in the market and recognises individual responsibility and performances. All eligible employees in Hong Kong are enrolled to a defined contribution mandatory provident fund scheme. Other benefits are awarded at the discretion of the Group. Staff training is provided as and when required.

FINANCIAL REVIEW

All the Group's financing and treasury operations are centrally managed and controlled at the corporate level.

Liquidity

The aggregate cash consideration of HK$1,125 million for the Acquisitions was paid by the Group on 31 December 2007 by utilizing part of the cash surplus maintained by the Group and drawing down new bank loans. The bank borrowings of Winnion Limited were also included in the Group's consolidated balance sheet after acquisition of its remaining 70% interest not already held by the Group. Further drawdowns against the construction loan facility for the *Landmark East* project were also made during the Period. The Group's total bank borrowings therefore increased to HK$1,343.7 million as at 31 December 2007.

After netting off the unutilised cash and bank balances of HK$146.9 million, the Group's net borrowings as at 31 December 2007 were HK$1,196.8 million. The Group's total equity amounted to HK$5,949.9 million as at 31 December 2007. Calculated as the ratio of net borrowings to equity, the Group's gearing as at that date was 20.1%.

In comparison, the Group's total equity was HK$5,373.3 million as at 31 March 2007 and the Group carried a net cash surplus of HK$501.1 million as at that date.

Bank Borrowings

The Group's total bank borrowings of HK$1,343.7 million as at 31 December 2007 were repayable in periods beyond one year, except for a sum of HK$2 million which was repayable within one year and which was included under current liabilities. These bank borrowings and other unutilised banking facilities of the Group as at 31 December 2007 were secured by certain investment properties, properties under development and listed securities with a total carrying amount of HK$6,885.1 million as at 31 December 2007. Subsequent to that date, the Group obtained further banking facilities on the security of *Unimix Industrial Centre* and *Shui Hing Centre*.

The bank borrowings were all denominated in Hong Kong dollar and interest is calculated on a floating rate basis. Interest rate swap contracts for an aggregate notional principal amount of HK$1,050 million were in effect as at 31 December 2007. These contracts are carried as derivative financial instruments at fair value in the Group's balance sheet. According to the time schedule for swaps, the carrying amounts as at 31 December 2007 was HK$10.0 million under current liabilities and HK$31.8 million under non-current liabilities.

Other Borrowings

As at 31 December 2007 the Group also carried other long term loans amounting to HK$35.3 million, being unsecured interest-free loans with no fixed terms of repayment from minority shareholders of two subsidiaries. A sum of HK$33,000 was repaid during the Period.

Capital Commitments

The Group's capital commitments in respect of investment properties amounted to HK$937.1 million as at 31 December 2007, which were all in relation to the *Landmark East* development.

The Group's capital commitments in respect of investments in associated companies aggregated HK$515.8 million as at 31 December 2007. Such amount was calculated as the Group's attributable share of the acquisition costs and development costs committed by the relevant associated companies in relation to the *No. 157 Argyle Street* and the *Belle Vue Residences* development projects respectively, less amounts already contributed by the Group. Since these associated companies have all arranged banking facilities to finance the major parts of their said costs respectively, it is not expected that the Group will be called up on these capital commitments to any significant extent during the subsistence of the bank facilities.

Financial Guarantees

The face value of financial guarantees issued by the Group as at 31 December 2007 amounted to HK$538.1 million, being the aggregate amount of guarantees and completion undertakings provided by the Group on a several basis and in proportion to the Group's respective equity interest to secure banking facilities granted towards the *Nos. 157 Argyle Street* and the *Belle Vue Residences* development projects.

OUTLOOK

The acquisition of the entire *Unimix Industrial Centre* in San Po Kong, the entire *Shui Hing Centre* in Kowloon Bay, and the remaining 70% interest in *W Square* in Wanchai not already owned by the Group was completed on 31 December 2007. Having an aggregate valuation of HK$1,865 million and a total gross floor area of about 700,000 sq.ft., these 3 properties have more than doubled the value of the Group's portfolio of investment properties, raised rentable area by 49% and offered an immediate boost to rental income before *Landmark East* comes on stream. Even after taking *Landmark East* into account, the acquisition still represents sizable increases.

Chairman's Statement *(continued)*

The strong demand for Grade A office space in Hong Kong throughout 2007 is expected to continue into 2008, given the current market conditions and the trend for decentralization. As large tenants relocate from the central core areas, the Group will stand to benefit from its ownership of *Landmark East* and *W Square* on either side of the harbour. *Landmark East* in Kwun Tong will be completed in the second half year of 2008 as scheduled, and negotiations with certain large space users are underway. Simultaneously with the completion of the refurbishment of *W Square* in Wanchai, its first tenant moved into a ground floor shop space. Take-ups of both its retail and office spaces are on plan. The rental from these 2 buildings, with a total of over 1.3 million sq.ft. of Grade A office and retail spaces, will form the backbone of the Group's recurring income upon stabilization, especially for *Landmark East*. However, the Board wishes to caution that there might be a short term dilution in earnings before the rental income of *Landmark East* builds up to fully defray the interest expenses on its development expenditure which can no longer be capitalized after completion of the development.

The Group's enlarged portfolio of industrial properties now covers 4 industrial districts. For the newly acquired *Unimix Industrial Centre* in San Po Kong and the *Shui Hing Centre* in Kowloon Bay, the focus is to improve occupancy as well as to uphold rental reversionary potentials. A budget for building improvement and enhancement has been provided for these two buildings. For the *Winner Godown Building* in Tsuen Wan and the *Regent Centre* and the *Lucky Industrial Building* in Kwai Chung which are fully leased for practical purposes, the drive is to improve rental upon reversion. Lower interest rates have translated into sustained buying interest and have fuelled increases in capital values of industrial properties.

The Group's participation in *The Grandville, Draycott 8* and *Kovan Melody* residential developments has reaped fruitful returns in the last two financial years. Going forward, completion of the development of *No. 157 Argyle Street* in Hong Kong and *Belle Vue Residences* in Singapore are scheduled for 2009 and 2010 respectively. Having regard to the Group's financial position, the Group will continue to examine investment opportunities both in and outside Hong Kong.

The Directors take the view that any contagious effect on the Group's business from the current uncertainties in the US is likely to be muted, given the strong fundamentals of the region. Nevertheless, the Directors will monitor the development of the subprime fallouts and be ready to respond to any threats or opportunities that may arise as a result thereof. Barring unforeseen circumstances, the Directors are cautiously optimistic in respect of the Group's prospects.

DIVIDEND

The Directors have recommended a final dividend of 22 cents per share for the nine months ended 31 December 2007. Subject to approval of the Annual General Meeting to be held on 5 June 2008, total dividend for the nine months will be 34 cents per share. On a pro rata basis, this is analogous to 45.3 cents per share for a twelve-month period, representing an increase of 13.3% compared to 40 cents per share for the previous twelve months ended 31 March 2007. The final dividend will be payable on 16 June 2008 to all shareholders on register as at 5 June 2008.

TRIBUTE

The late Mr. Chou Wen Hsien, the founding chairman of the Board, passed away on 23 November 2007 at the age of 90. The late Mr. Chou laid the solid foundation on which the Company has grown, for which the Board is forever grateful.

Mr. Lam Woon Bun has served as Executive Director since September 1996, and Mr. Tang Ming Chien, Manning has served as Non-Executive Director since August 2001. They will not stand for re-election after retiring by rotation at the forthcoming Annual General Meeting of the Company. The Board is most grateful to Mr. Lam and Mr. Tang for their invaluable service and wise counsel, and wishes both of them happy retirement.

The Board also wishes to record its thanks to the Group's management and staff for their contribution to the Group's results of the Period under review, and for their cooperation and support in the restructuring undergone by the Group in recent months.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 15 April 2008

Report of the Directors

The Directors have pleasure in submitting their report and the audited financial statements for the 9 months ended 31 December 2007 (the "Period").

Principal Activities

The principal activity of the Company is investment holding. The names, particulars and principal activities of its subsidiaries and associated companies are set out on pages 66 to 67.

Results and Appropriations

The results of the Group for the Period are set out in the consolidated income statement on page 26.

An analysis of the Group's revenue, results, assets and liabilities by business and geographical segments is set out in note 5 to the financial statements.

A summary of the results and of the assets and liabilities of the Group for the last 5 financial periods is set out on page 70.

An interim dividend of HK$0.12 per share, totalling HK$31,162,000, was paid on 31 January 2008. The Directors have recommended a final dividend of HK$0.22 per share, totalling HK$57,131,000, payable on 16 June 2008.

Pre-emptive Rights

No pre-emptive rights exist in the Cayman Islands being the jurisdiction in which the Company was incorporated.

Share Capital

There was no movement in the share capital of the Company during the Period.

Reserves

Movements in the reserves of the Group and the Company during the Period are set out in note 32 to the financial statements.

Distributable Reserves

Under the Cayman Islands Companies Law, contributed surplus is distributable. Accordingly, total distributable reserves of the Company as at 31 December 2007 amounted to HK$3,152,457,000 *(31/3/2007: HK$3,175,192,000)*.

Donations

Charitable and other donations made by the Group during the Period amounted to HK$16,000 *(1/4/2006 to 31/3/2007: HK$1,055,000)*.

Property, Plant and Equipment and Investment Properties

Movements in property, plant and equipment and investment properties of the Group during the Period are set out in notes 15 and 16 to the financial statements respectively.

Principal Properties

Details of the principal properties held by the Group are set out on page 68.

Report of the Directors *(continued)*

Management Contracts

No contracts concerning the management and administration of the Company were entered into or existed during the Period.

Directors

The Board of Directors as now constituted is listed on page 2. The brief biographical details of the Directors are set out on pages 3 to 4.

Mr. Ho Fook Hong, Ferdinand retired by rotation at the Annual General Meeting of the Company held on 23 August 2007 and did not stand for re-election.

Mr. Au Hing Lun, Dennis was appointed Executive Director of the Company on 4 October 2007, and ceased to act as alternate to Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward respectively on the same date. He shall retire under the provisions of Article 99 of the Company's Articles of Association at the forthcoming Annual General Meeting of the Company to be held on 5 June 2008 and, being eligible, offers himself for re-election.

Ms. Fung Ching Man, Janet was appointed by Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward respectively on 4 October 2007 as their alternate in place of Mr. Au Hing Lun, Dennis.

Mr. Cheng Wai Sun, Edward, Mr. Tang Ming Chien, Manning, Mr. Chung Hon Sing, John and Mr. Lam Woon Bun retire by rotation under the provisions of Article 116 at the forthcoming Annual General Meeting and are eligible for re-election. Mr. Cheng Wai Sun, Edward and Mr. Chung Hon Sing, John offer themselves for re-election at the forthcoming Annual General Meeting. Due to personal reasons, Mr. Tang Ming Chien, Manning and Mr. Lam Woon Bun do not offer themselves for re-election.

None of the Directors has a service contract with the Company.

Directors' Interests in Contracts

Save and except as disclosed in the section "Connected Transactions", no contracts of significance in relation to the Group's businesses to which the Company or any of its subsidiaries or the Company's holding company or a subsidiary of the Company's holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

Directors' Interests in Equity or Debt Securities

Save and except the USI Share Incentive Scheme disclosed in this section, at no time during the Period was the Company or any of its subsidiaries or the Company's holding company or a subsidiary of the Company's holding company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The interests of the Directors as at 31 December 2007 in shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:-

Name of Director	Nature of interests in shares of the Company and capacity in which interests are held: Interests held as beneficial owner	Interests held by spouse	Other interests	Total number of shares held	Percentage of issued share capital
Mr. Cheng Wai Chee, Christopher	—	27,000	205,835,845	205,862,845	79.27%
Mr. Chow Wai Wai, John	2,713,000	—	—	2,713,000	1.04%
Mr. Cheng Wai Sun, Edward	—	—	205,835,845	205,835,845	79.26%
Mrs. Chen Chou Mei Mei, Vivien	70,000	—	—	70,000	0.03%

Note: The total number of shares of the Company in issue as at 31 December 2007 was 259,685,288.

Name of Director	Nature of interests in shares of USI and capacity in which interests are held: Interests held as beneficial owner	Interests held by spouse	Interests held by controlled corporation	Other interests	Total number of shares held	Percentage of issued share capital
Mr. Cheng Wai Chee, Christopher	3,548,999	—	148,439,086 *Note 2*	332,152,024 *Note 3*	484,140,109	49.03%
Mr. Cheng Wai Sun, Edward	3,473,000	—	—	332,152,024 *Note 3*	335,625,024	33.99%
Mr. Tang Ming Chien, Manning	1,695,000	—	—	—	1,695,000	0.17%
Mr. Lam Woon Bun	307,250	28,250	—	—	335,500	0.03%
Mr. Au Hing Lun, Dennis	775,000	—	—	—	775,000	0.08%
Ms Fung Ching Man, Janet *(Note 4)*	37,000	—	—	—	37,000	0.00%

Notes:

1. *The total number of shares of USI Holdings Limited ("USI") in issue as at 31 December 2007 was 987,496,918.*

2. *As at 31 December 2007, Mr. Cheng Wai Chee, Christopher was deemed to be interested in 148,439,086 ordinary shares of USI beneficially owned by Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited by virtue of his corporate interests in these companies through Wing Tai (Cheng) Holdings Limited, Renowned Development Limited and Wing Tai Corporation Limited. Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited were the beneficial owners of 68,747,996, 66,698,122 and 12,992,968 ordinary shares of USI respectively.*

3. *As at 31 December 2007, Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward were beneficiaries of a family trust which assets include indirect interests in 332,152,024 ordinary shares of USI.*

4. *Alternate Director to Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward respectively.*

	Outstanding incentive shares of USI awarded under the USI Share Incentive Scheme	
Name of Director	**Exercise period**	**Number of incentive shares**
Mr. Cheng Wai Chee, Christopher	13.9.2006 to 12.9.2015	300,000
	12.1.2007 to 11.1.2016	409,500
	08.2.2008 to 26.7.2017	327,000
Mr. Cheng Wai Sun, Edward	13.9.2006 to 12.9.2015	300,000
	12.1.2007 to 11.1.2016	409,500
	08.2.2008 to 26.7.2017	327,000
Mr. Au Hing Lun, Dennis	13.9.2006 to 12.9.2015	75,000
	12.1.2007 to 11.1.2016	82,500
	08.2.2008 to 26.7.2017	131,000
Ms Fung Ching Man, Janet	17.7.2008 to 26.7.2017	37,000

Under the USI Share Incentive Scheme, the board of directors of USI or a duly authorised committee thereof may in its absolute discretion make offer of awards to selected employees (including executive directors) of the USI Group to subscribe in cash at par for shares of USI.

Save as disclosed herein, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2007.

Directors' Interests in Competing Businesses

Set out below is information disclosed pursuant to rule 8.10(2) of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange:-

Three Executive Directors, namely Mr. Chow Wai Wai, John, Mr. Lam Woon Bun and Mr. Chung Hon Sing, John and a Non-Executive Director, namely Mr. Tang Ming Chien, Manning, being also directors of Winsor Industrial Corporation, Limited ("WICL") and/or its subsidiaries, are considered as interested in WICL under rule 8.10(2) of the Listing Rules.

Ownership of certain car parking spaces in Kwun Tong for letting by a subsidiary of WICL constitutes competing business to the Group. In view of the Group's experience and expertise in industrial property (inclusive of car parking spaces) letting and management, the WICL subsidiary has appointed a subsidiary of the Company as agent for letting of the said car parking spaces.

Since the WICL Group car parking spaces are targeted at different customers and/or are situated in a different area compared to the Group's own car parking spaces, the Group considers that its interest in the business of owning and letting of car parking spaces is adequately safeguarded.

The following Directors and Alternate Director are also directors and/or officers of USI as set out in the table below. They are considered as having interests in USI under rule 8.10(2) of the Listing Rules.

Name of Director of the Company	Position held in USI
Mr. Chow Wai Wai, *Managing Director*	*Executive Director* *(appointed on 13 August 2007)*
Mr. Au Hing Lun, Dennis *Executive Director (appointed on 4 October 2007)* *Alternate Director to Mr. Cheng Wai Chee, Christopher and* *Mr. Cheng Wai Sun, Edward respectively (up to 4 October 2007)*	*Executive Director*
Mr. Cheng Wai Chee, Christopher *Non-Executive Chairman*	*Chairman*
Mr. Cheng Wai Sun, Edward *Non-Executive Director*	*Deputy Chairman and Chief Executive*
Ms. Fung Ching Man, Janet *Alternate Director to Mr. Cheng Wai Chee, Christopher and* *Mr. Cheng Wai Sun, Edward respectively (appointed on 4 October 2007)*	*Company Secretary and Chief Financial Officer*

The letting of industrial buildings by USI during the Period constituted competing business to the Group and the property development business of USI may be regarded as competing business to the Group.

Mr. Chow Wai Wai, John is not participating in the routine businesses of USI whereas Mr. Au Hing Lun, Dennis, Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Ms. Fung Ching Man, Janet are not participating in the routine businesses of the Group. Also, USI is a company listed in Hong Kong with an independent management team and administration which are separate from those of the Group and the competing businesses of USI and the Group are targeting at different customer bases and different market segments. In this respect, coupled with the diligence of the Company's Independent Non-Executive Directors and the members of its Audit Committee, the Group is capable of carrying on its businesses at arm's length and independently of such competing businesses.

Although the disclosure requirements under rule 8.10(2) of the Listing Rules do not apply to Independent Non-Executive Directors, Dr. Lo Ka Shui nevertheless decided to disclose for the sake of transparency that, being the Chairman and Managing Director of Great Eagle Holdings Limited ("GEHL"), he is to be considered as having interests in GEHL under rule 8.10(2) of the Listing Rules. Businesses of GEHL consist of property and hotel investments and may be regarded as competing businesses to the Group.

As an Independent Non-Executive Director, Dr. Lo Ka Shui is not participating in the routine businesses of the Group. Also, GEHL is a company listed in Hong Kong with an independent management team and administration which are separate from those of the Group and the competing businesses of GEHL and the Group are targeting at different customer bases and different market segments. In this respect, coupled with the diligence of the Company's Independent Non-Executive Directors and the members of its Audit Committee, the Group is capable of carrying on its businesses at arm's length and independently of such competing businesses.

Share Options

The Company did not have any share option scheme in force during the Period. The Directors do not have a present plan for the granting of share options and will seek shareholders' approval of a share option scheme when the need arises.

Substantial Shareholders

Apart from the interests of the Directors in shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) as disclosed in the section “Directors’ Interests in Equity or Debt Securities”, the register kept under section 336 of the SFO shows that as at 31 December 2007 the Company has been notified of the following interests in the shares of the Company:-

		Nature of interests in shares of the Company and capacity in which interests are held				
Name of substantial shareholder		**Interests held as beneficial owner**	**Interests held as Trustee**	**Interests held by controlled corporation**	**Total number of shares held**	**Percentage of issued share capital**
Deutsche Bank International Trust Co. (Jersey) Limited	*(Note 1)*	—	205,835,845	—	205,835,845	79.26%
Deutsche Bank International Trust Co. (Cayman) Limited	*(Note 1)*	—	205,835,845	—	205,835,845	79.26%
Wing Tai Holdings Limited	*(Note 2)*	—	—	205,835,845	205,835,845	79.26%
USI Holdings Limited	*(Note 3)*	162,844,458	—	42,991,387	205,835,845	79.26%
USI Holdings (B.V.I.) Limited	*(Note 3)*	—	—	42,991,387	42,991,387	16.58%
Twin Dragon Investments Limited	*(Note 3)*	42,900,887	—	—	42,900,887	16.52%

Notes:

1. *Deutsche Bank International Trust Co. (Jersey) Limited was the trustee of a family trust which held all units of a unit trust (“Unit Trust”). Deutsche Bank International Trust Co. (Cayman) Limited was the trustee of the Unit Trust. The assets of the Unit Trust included indirect interests in more than one-third of the issued shares of USI. Under Part XV of the SFO, Deutsche Bank International Trust Co. (Jersey) Limited and Deutsche Bank International Trust Co. (Cayman) Limited were deemed to be interested in all the shares of the Company beneficially owned by USI.*

2. *Wing Tai Holdings Limited held more than one-third of the issued shares of USI. Under Part XV of the SFO, Wing Tai Holdings Limited was deemed to be interested in all the shares of the Company beneficially owned by USI.*

3. *USI Holdings (B.V.I.) Limited was deemed to be interested in 42,991,387 shares of the Company, of which 42,900,887 shares were beneficially owned by Twin Dragon Investments Limited and the remaining 90,500 shares were beneficially owned by Shui Hing Textiles International Limited, both corporations being its wholly-owned subsidiaries. USI Holdings (B.V.I.) Limited in turn was a wholly-owned subsidiary of USI. Under Part XV of the SFO, USI Holdings (B.V.I.) Limited was deemed to be interested in all the shares of the Company beneficially owned by Twin Dragon Investments Limited and Shui Hing Textiles International Limited, and USI was deemed to be interested in all the shares of the Company in which USI Holdings (B.V.I.) Limited was interested.*

Save as disclosed herein, as at 31 December 2007 the Company had not been notified by any person of any interests or short positions in the shares or underlying shares of the Company which are notifiable to the Company under Divisions 2 and 3 of Part XV of the SFO.

Sufficiency of Public Float

On 10 April 2007, USI announced a voluntary conditional security exchange offer to acquire all the issued shares in the capital of the Company (other than those already held by USI or its subsidiaries) ("Offer"). Since close of the Offer on 13 July 2007, USI has been holding 79.26% of the issued share capital of the Company. Based on information that was publicly available to the Company and within the knowledge of the Directors, about 19.65% of the Company's issued shares were in public hands as at the date of this report. The Company obtained waivers from the Stock Exchange from strict compliance with the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules. The current waiver will expire on 30 April 2008. The Company is actively pursuing an action plan for the purpose of restoring the minimum public float of the Company, and will apply to the Stock Exchange to extend the wavier period if required.

Connected Transactions

As from the close of the Offer on 13 July 2007, USI became the holding company of the Company. The Group's connected persons during the Period are summarised below:

	Connected person before close of the Offer	Connected person after close of the Offer	Nature of the relationship of the Directors of the Company with the connected persons
USI and its subsidiaries (excluding the Group)	Yes, USI being a deemed substantial shareholder of the Company	Yes, USI being the holding company of the Company	Mr. Au Hing Lun, Dennis, Executive Director, Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward, Non-Executive Directors, are also executive directors of USI. Ms. Fung Ching Man, Janet, Alternate Director to Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward respectively, is the Company Secretary and Chief Financial Officer of USI. Their interests in shares of USI are disclosed in the section "Directors' Interests in Equity or Debt Securities".
Wing Tai Holdings Limited ("Wing Tai") and its subsidiaries	Yes, Wing Tai being a deemed substantial shareholder of the Company	Yes, Wing Tai being an associate of USI	Mr. Cheng Wai Chee, Christopher and Mr. Cheng Wai Sun, Edward, Non-Executive Directors, are both beneficiaries of a family trust, the assets of which included indirect interests in 38.71% of Wing Tai's issued share capital.
WICL and its subsidiaries	Yes, WICL being an associate of 2 substantial shareholders of the Company	No, those 2 substantial shareholders accepted the Offer in respect of all their shares in the Company and ceased to be shareholders of the Company	Mr. Chow Wai Wai, John, Mr. Lam Woon Bun and Mr. Chung Hon Sing, John, Executive Directors, and Mr. Tang Ming Chien, Manning, Non-Executive Director, are also directors of WICL and/or its subsidiaries.

Report of the Directors *(continued)*

The following is a summary of the Group's connected transactions (as defined in the Listing Rules) during the Period : –

(a) Rental and storage income received from, rental expenses paid to, and sharing of administrative expenses with the WICL Group on normal commercial terms in the ordinary and usual course of the Group's business from 1 April 2007 to 13 July 2007 (the closing date of the Offer) constituted continuing connected transactions and are exempted under rule 14A.33 of the Listing Rules for being *de minimis* transactions.

(b) On 18 April 2002, Allied Effort Limited ("AEL"), a wholly-owned subsidiary of the Company, and USI Properties International Limited ("USIPIL"), a wholly-owned subsidiary of USI, formed a 20:80 joint venture company in the name of Universal Plus Limited ("UPL") for the sole purpose of investing in 50% of the issued share capital of Landyork Investment Limited ("Landyork"). The other 50% of the issued share capital of Landyork is held by an independent third party.

Landyork is the developer of the residential development known as *The Grandville* at No. 2 Lok Kwai Path, Sha Tin, New Territories, Hong Kong. Using the sale proceeds of *The Grandville*, Landyork has advanced its surplus cash to its shareholders free of interest on a proportionate basis. In turn, UPL has advanced its surplus cash to its shareholders free of interest on a proportionate basis. During the Period, an aggregate sum of about HK$47.0 million was advanced by UPL to AEL accordingly.

(c) On 21 June 2002, Winprop Pte. Ltd. ("Winprop"), a wholly-owned subsidiary of the Company, entered into a subscription agreement with Winworth Investment Pte Ltd ("Winworth"), Singapore pursuant to which Winprop subscribed for 15% of the enlarged share capital of Winworth and advanced a sum of S$30 million to Winworth. The other 85% of the issued share capital of Winworth is held by Wing Tai Land Pte. Ltd. ("WTL"), a wholly-owned subsidiary of Wing Tai. On 26 June 2002, Winprop and WTL entered into a joint venture agreement to regulate, amongst other things, their relationship as shareholders of Winworth. For a nominal consideration Winprop also acquired from WTL a portion of the loan previously advanced by WTL to Winworth such that the loans owing by Winworth to Winprop and WTL respectively are always in the proportion of 15:85.

Winworth is the developer of the residential development known as *Draycott 8* at Draycott Drive, Singapore. During the Period, an aggregate sum of about HK$105.4 million, being loan repayment, was received by Winprop from Winworth.

(d) On 20 November 2003, Winprop, WTL and Kosheen Investments Limited, a wholly-owned subsidiary of USI, formed a 20:60:20 joint venture company in the name of Winwill Investment Pte Ltd ("Winwill"). Winwill is an investment vehicle and its sole business is to invest in 60% of the issued share capital of Winhome Investment Pte Ltd ("Winhome"). The other 2 shareholders of Winhome each holding 20% of Winhome's issued share capital are independent third parties.

Winhome is the developer of the residential development known as *Kovan Melody* at Flower Road/Kovan Road, Singapore. Loans advanced by Winprop to Winhome through Winwill in previous years were in proportion to Winprop's effective interest in Winhome. During the Period, interest receivable by Winprop from Winhome through Winwill amounted to about HK$1.3 million.

(e) During the Period, Winsor Estate Management Limited ("WEML"), a wholly-owned subsidiary of the Company, acted as estate manager of the property known as *Shui Hing Centre*, No. 13 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong owned by Grandeur Investments Limited, a wholly-owned subsidiary of USI. Such services provided on normal commercial terms in the ordinary and usual course of WEML's business constituted continuing connected transactions and are exempted under rule 14A.33 of the Listing Rules for being *de minimis* transactions. On 22 November 2007, Winsor Properties (Hong Kong) Limited ("WPHKL"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with USIPIL to acquire from USIPIL the entire issued share capital of Grandeur Investments Limited and certain related shareholder's loans owing by Grandeur Investments Limited to USIPIL for an aggregate cash consideration of about HK$314 million payable in full on completion subject to adjustment based on the completion accounts. The said acquisition was completed on 31 December 2007.

(f) On 3 December 2004, Begin Land Limited ("BLL"), a wholly-owned subsidiary of the Company, appointed USI Properties Limited ("USIPL", formerly known as USI Property Management Limited), a wholly-owned subsidiary of USI, as the project manager of BLL's office development at 102 How Ming Street, Kwun Tong, Hong Kong now known as *Landmark East*. The term of USIPL's appointment is estimated to be for a period of approximately 70 months commencing on 1 December 2004, and the total fee payable by BLL to USIPL is estimated to be about HK$7.9 million of which HK$1.4 million was paid during the Period.

(g) On 14 March 2005, the Company and USI entered into a memorandum of agreement whereby the Company and USI agreed to form a 20:80 joint venture in the name of Pangold Development Limited ("Pangold") for the investment in and development of the property situated at No. 157 Argyle Street, Kowloon, Hong Kong.

The Company nominated AEL to hold the Group's 20% interest in Pangold and a shareholder's agreement of Pangold was entered into on 14 July 2005. During the Period, an aggregate sum of about HK$18.3 million was advanced by AEL to Pangold and interest receivable by AEL from Pangold amounted to about HK$2.8 million.

(h) On 30 September 2005, the Company and USI entered into a memorandum of agreement whereby the Company and USI agreed to form a 30:70 joint venture in the name of Winnion Limited ("Winnion") in respect of the property situated at Nos. 314-324 Hennessy Road, Wanchai, Hong Kong now known as *W Square*.

The Company nominated AEL to hold the Group's 30% interest in Winnion and a shareholder's agreement of Winnion was entered into on 28 November 2005. During the Period, an aggregate sum of about HK$16.5 million was advanced by AEL to Winnion and interest receivable by AEL from Winnion amounted to about HK$2.6 million.

On 22 November 2007, AEL entered into a conditional sale and purchase agreement with USIPIL to acquire from USIPIL the remaining 70% of the issued share capital of Winnion not already owned by AEL and certain related shareholder's loans owing by Winnion to USIPIL for an aggregate cash consideration of about HK$313 million payable in full on completion subject to adjustment based on the completion accounts. The said acquisition was completed on 31 December 2007.

(i) On 20 December 2005, Winprop and WTL entered into a memorandum of agreement whereby Winprop and WTL agreed to form a 30:70 joint venture in the name of Winquest Investment Pte. Ltd. ("Winquest") in respect of the residential development now known as *Belle Vue Residences* at 15-23 Oxley Walk, Singapore.

WTL subsequently sold 10% of Winquest to an independent third party, and a shareholders' agreement of Winquest was entered into on 28 February 2006. During the Period, an aggregate sum of about HK$19.9 million was advanced by Winprop to Winquest and interest receivable by Winprop from Winquest amounted to about HK$4.8 million.

(j) On 22 November 2007, WPHKL entered into a conditional sale and purchase agreement with USIPIL to acquire from USIPIL the entire issued share capital of Unimix Properties Limited ("Unimix Properties") and certain related shareholder's loans owing by Unimix Properties to USIPIL for an aggregate cash consideration of about HK$498 million payable in full on completion subject to adjustment based on the completion accounts. The said acquisition was completed on 31 December 2007. Unimix Properties is the legal and beneficial owner of the property known as *Unimix Industrial Centre*, No. 2 Ng Fong Street, San Po Kong, Kowloon, Hong Kong.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

Report of the Directors *(continued)*

Major Customers and Suppliers

During the Period, less than 30% of the Group's sales and less than 30% of the Group's purchases were attributable to its five largest customers and suppliers respectively.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who offer themselves for re-appointment at a fee to be agreed.

On behalf of the Board

CHENG Wai Chee, Christopher
Chairman

Hong Kong, 15 April 2008

Corporate Governance Report

Compliance with the Code on Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance in the conduct of its business. The Company has observed the principles and complied with all code provisions and, to the extent possible having regard to circumstances pertaining to the Company, the recommended best practices of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the 9 months ended 31 December 2007 (the "Period").

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. The Company has made specific enquiry of all Directors and received confirmation from all Directors that they had complied with the required standard set out in the Model Code throughout the Period. The Company has also established written guidelines on no less exacting terms than the Model Code for relevant employees (as such term is defined in the CG Code) in respect of their dealings in the securities of the Company.

Board of Directors

The Board of Directors of the Company (the "Board") is responsible for determining the overall strategies and policies and approving the business plan of the Group, and ensuring the Group's business operations are properly planned, authorised, undertaken and monitored. The implementation of strategies and policies and day-to-day operations of the Group's business are delegated to the management led by the Managing Director. All policy matters of the Group, material transactions or transactions where there is conflict of interests are reserved for the Board's decision. The principal functions of the Board are:

- to determine the overall objectives, strategies, policies and business plan of the Group;
- to monitor and control operating and financial performance;
- to approve major funding, investment and divestment proposals;
- to oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- to approve the nominations of directors and appointment of key personnel; and
- to assume responsibility for corporate governance.

Board Composition: The Board as now constituted comprises 5 Executive Directors, 3 Non-Executive Directors and 4 Independent Non-Executive Directors. The names and biographical details of the Directors, and the relationship (if any) among them, are set out on pages 3 to 4 of the Annual Report.

In accordance with rule 3.13 of the Listing Rules, each of the Independent Non-Executive Directors had confirmed his independence with the Stock Exchange and has provided an annual confirmation of his independence to the Company. Based on the assessment performed by the Nomination Committee, the Board considers that all the existing Independent Non-Executive Directors are independent.

Board Meetings: Regular meetings are scheduled in advance to facilitate the maximum attendance. 4 Board meetings were held during the Period and the attendance of each Director is set out in the section "Attendance to Meetings" of this report. Another Board meeting was held on 15 April 2008 for the purpose of, amongst other things, approving the Company's audited financial statements and announcement of results and recommending a final dividend for the Period.

Chairman and Chief Executive Officer

Mr. Cheng Wai Chee, Christopher is the Non-Executive Chairman of the Board. Mr. Chow Wai Wai, John, Managing Director, is the Chief Executive Officer of the Group. Their roles are segregated.

The Chairman of the Board is responsible for :

- providing leadership for the Board;
- ensuring that the Board functions effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely and constructive manner;
- ensuring the provision of adequate information, which must be complete and reliable, to Directors in a timely manner;
- ensuring that good corporate governance practices and procedures are established;
- facilitating the effective contribution of Non-Executive Directors and ensure constructive relations between Executive and Non-Executive Directors; and
- ensuring effective communication with shareholders.

The Chief Executive Officer is responsible, under delegated authority from the Board, for the day-to-day management and running of the Group's business and implementation of the strategies and policies set by the Board.

Non-Executive Directors

All Non-Executive Directors, including Independent Non-Executive Directors, are appointed for an initial term expiring at the first annual general meeting of the Company after their respective appointment. In accordance with the Articles of Association of the Company, they shall then be eligible for re-election, and thereafter are subject to retirement by rotation at least once in every three years.

Remuneration of Directors

Details of the remuneration of Directors are set out in note 9(b) to the audited financial statements for the Period.

Principles of Remuneration Policy: The major principles of the Group's remuneration policy are:

- no individual is involved in determining his own remuneration;
- remuneration should align with those offered for comparable position by comparable companies of similar size and business scope in the market; and
- remuneration should reflect work complexity, time commitment, responsibility and performance (both financial and qualitative) with a view to attracting, motivating and retaining high performing individuals.

Directors' Fees: The Directors' Fees of both Executive and Non-Executive Directors are recommended by the management, reviewed by the Remuneration Committee and approved by the Board on an annual basis.

Remuneration of Executive Directors: The structure of the remuneration of the Executive Directors is made up of base salary, performance incentive in the form of cash bonus, and retirement benefits. The specific remuneration packages and performance incentives of the Executive Directors are determined annually by the Remuneration Committee taking into consideration the competitive market position, market practice, responsibilities and individual performance of the Executive Directors, corporate goals and financial results of the Group.

Remuneration of Board Committees: The remuneration of the Non-Executive Directors serving on Board committees are recommended by the management and reviewed by the Remuneration Committee for approval by the Board on an annual basis.

Remuneration Committee: Pursuant to the CG Code, the Board established a Remuneration Committee with written terms of reference on 1 April 2005. The present Remuneration Committee comprises 2 Independent Non-Executive Directors, namely Mr. Haider Hatam Tyebjee Barma and Mr. Christopher Patrick Langley, and the Managing Director, Mr. Chow Wai Wai, John. Mr. Barma is the Chairman of the Remuneration Committee.

The principal duties and functions of the Remuneration Committee are:

- to make recommendations to the Board regarding the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- to determine the specific remuneration packages of all Executive Directors and senior management;
- to make recommendations to the Board of the remuneration of Non-Executive Directors; and
- to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The terms of references of the Remuneration Committee are posted on the website of the Company.

The Remuneration Committee held 2 meetings in December 2007 and April 2008:

- to provide guidance and review the discretionary payments for the year 2007 and salary adjustments for the year 2008 effected for the Group's staff and workers other than the Directors of the Company;
- to review and endorse the management's proposal regarding the remuneration of Non-Executive Directors and Independent Non-Executive Directors for approval by the Board; and
- to approve the specific remuneration packages of all Executive Directors for the Period and their annual base pay for the year 2008, it being noted that the Group's senior management comprised the Executive Directors.

The attendance of each member of the Remuneration Committee to its meetings is set out in the section "Attendance to Meetings" of this report.

Nomination of Directors

The Board, through the Nomination Committee, reviews its structure, size and composition from time to time to ensure that it has the balance of skills and experience and independent element appropriate for the requirement of the Group's business. All Directors newly appointed by the Board are appointed for an initial term expiring at the first annual general meeting of the Company after their respective appointment. In accordance with the Articles of Association of the Company, they shall then be eligible for re-election, and thereafter are subject to retirement by rotation at least once in every three years.

Nomination Committee: The Company established a Nomination Committee with written terms of reference on 29 March 2007. The present Nomination Committee comprises 2 Independent Non-Executive Directors, namely Dr. Lo Ka Shui and Mr. Haider Hatam Tyebjee Barma and 1 Non-Executive Director, Mr. Cheng Wai Chee, Christopher. Dr. Lo is the Chairman of the Nomination Committee. Mr. Christopher Patrick Langley is the alternate member to Mr. Barma.

The principal duties and functions of the Nomination Committee are:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes as and when necessary;
- to identify and nominate qualified individuals to the Board for appointment as additional Directors or to fill Board vacancies as and when they arise;
- to assess the independence of Independent Non-Executive Directors; and
- to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman of the Board and the Managing Director.

The terms of references of the Nomination Committee are posted on the website of the Company.

The Nomination Committee held 3 meetings in July 2007, October 2007 and April 2008:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- to make recommendation to the Board to appoint Mr. Haider Hatam Tyebjee Barma as a member of the Audit Committee with effect from the close of the Annual General Meeting held on 23 August 2007 to fill the vacancy created by the retirement of Mr. Ho Fook Hong, Ferdinand;
- to nominate Mr. Au Hing Lun, Dennis to the Board for appointment as an additional Executive Director of the Company;
- to make recommendation to the Board to approve the appointment of Ms. Fung Ching Man, Janet by Mr. Cheng Wai Chee, Christopher as his alternate on the Board and on the Audit Committee in place of Mr. Au Hing Lun, Dennis;
- to make recommendation to the Board to approve the appointment of Ms. Fung Ching Man, Janet by Mr. Cheng Wai Sun, Edward as his alternate on the Board in place of Mr. Au Hing Lun, Dennis; and
- to assess the independence of Independent Non-Executive Directors.

The attendance of each member of the Nomination Committee to its meetings is set out in the section "Attendance to Meetings" of this report.

Accountability and Audit

Financial Reporting: The Directors acknowledge their responsibilities for the preparation of financial statements which give a true and fair view, and to ensure that appropriate accounting policies are selected and applied consistently. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The external auditor of the Company has included a statement of its reporting responsibilities on the Group's financial statements in its Independent Auditor's Report on page 25 of the Annual Report.

Internal Control: The Board is responsible for maintaining sound and effective internal controls to safeguard the Group's assets. The Group's system of internal control is designed to provide reasonable assurance regarding risk management and the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of financial reporting; and
- compliance with applicable laws and regulations.

The Board, through the Audit Committee, has set down the process for reviewing the effectiveness of the Group's system of internal control. The publication "Internal Control and Risk Management – A Basic Framework" issued by the Hong Kong Institute of Certified Public Accountants in June 2005 was used as the main reference. The process, which is fully documented, requires the heads of each functional division of the Group to perform an annual self-assessment of the risks in the operations of their divisions and the adequacy of the control techniques and activities in place before completing an assessment checklist in respect of the 5 components of internal control:

- control environment;
- risk assessment;
- control activities;
- information and communication; and
- monitoring.

These assessments will be completed by a cascade of compliance certificates whereby non-compliances or weaknesses in the Group's internal controls, if any, will be identified and reported to the Board.

The Group's internal audit function independently reviews the effectiveness of the Group's system of internal control on a continuing basis, and aims to cover all major operations of the Group by rotation. The annual internal audit plan is approved by the Audit Committee at the beginning of each financial year, based on the Audit Committee's strategic plan and taking into account input from management. The internal audit function reports its findings and recommendations to the Audit Committee at its meetings and ensures implementation of the recommendations.

Having performed an annual review of the effectiveness of the Group's system of internal control, the Board is satisfied that the Group has maintained sound and effective internal controls during the Period.

Audit Committee: The Company established an Audit Committee with written terms of reference on 18 December 1998. The present Audit Committee comprises 2 Independent Non-Executive Directors, namely Mr. Christopher Patrick Langley and Mr. Mr. Haider Hatam Tyebjee Barma and 1 Non-Executive Director, Mr. Cheng Wai Chee, Christopher. Mr. Langley is the Chairman of the Audit Committee. Mr. Au Hing Lun, Dennis acted as alternate member to Mr. Cheng up to 4 October 2007. Ms. Fung Ching Man, Janet was appointed by Mr. Cheng as his alternate member on 4 October 2007.

The principal duties and functions of the Audit Committee are:

- to review the Group's financial statements;
- to review the effectiveness of both the external and internal audits and of internal controls and risk evaluation;
- to consider the appointment and remuneration of the external auditor; and
- to consider external and internal audit plans and findings.

The terms of reference of the Audit Committee are posted on the website of the Company.

The Audit Committee held 4 meetings in July 2007, October 2007, December 2007 and April 2008:

- to review the effectiveness of the system of internal controls of the Group;
- to review the financial statements and the accounting policies and practices adopted by the Group with management and the external auditor;
- to consider the independence and remuneration of the external auditor;
- to discuss the external auditor's audit plan and findings;
- to discuss the internal auditor's audit plan and findings;
- to monitor the progress of the Company's action plans for the purpose of restoring the public float of the Company.

The attendance of each member of the Audit Committee to its meetings is set out in the section "Attendance to Meetings" of this report.

Auditor's Remuneration

Remuneration in respect of audit and non-audit services provided during the Period by the Company's external auditor, PricewaterhouseCoopers, is analysed as follows:

Services rendered	Remuneration
	HK$'000
Audit services	1,000
Non-audit services	1,405

Independent Board Committees

Offer for the Company's shares: At the request of the Company, trading in the shares of the Company was suspended from 26 March 2007 to 10 April 2007 pending the release of a joint announcement by the Company and USI Holdings Limited ("USI") of a voluntary conditional securities exchange offer by USI to acquire all the issued shares in the capital of the Company (other than those already held by USI or its subsidiaries) (the "Offer").

Pursuant to Rule 2.1 of the Hong Kong Code on Takeovers and Mergers, an independent Board committee (the "First IBC") was established by the Board on 29 March 2007 to make recommendation to independent shareholders of the Company in respect of the Offer. Pursuant to Code A.1.8 of the CG Code, the First IBC initially comprised 4 Independent Non-Executive Directors, namely Mr. Christopher Patrick Langley, Mr. Ho Fook Hong, Ferdinand, Dr. Lo Ka Shui and Mr. Haider Hatam Tyebjee Barma. A Non-Executive Director, Mr. Tang Ming Chien, Manning was also appointed to the First IBC on 10 April 2007. Mr. Langley was the Chairman of the First IBC. Somerley Limited was appointed as the independent financial adviser to advise the First IBC and independent shareholders of the Company in respect of the Offer.

The First IBC held 2 meetings in March 2007 and May 2007. Both meetings were attended by all members of the First IBC at the time. A letter of recommendation to the independent shareholders of the Company was issued by the First IBC on 21 May 2007, forming part of the composite offer and response document dated 21 May 2007 issued jointly by USI and the Company to shareholders of the Company in connection with the Offer.

Major and Connected Transaction – Acquisition of Property Interests and Continuing Connected Transactions: On 22 November 2007, the Company and two of its subsidiaries entered into three agreements with USI and one of its subsidiaries for the Group to acquire the entire issued share capital of Unimix Properties Limited ("Unimix Properties") and Grandeur Investments Limited, 70% of the issued share capital of Winnion Limited not already owned by the Group and certain related shareholder loans from the USI subsidiary (the "Acquisitions"). The entities being acquired own three properties in Hong Kong. The Acquisitions constituted a major and connected transaction for the Company under the Listing Rules. The tenancies between Unimix Properties as landlord and certain subsidiaries and a related company of USI as tenants and the provision of management services by Unimix Properties to the said tenants after completion of the Acquisitions constituted continuing connected transactions for the Company under the Listing Rules (the "Continuing Connected Transactions").

Pursuant to the requirement of the Listing Rules, another independent Board committee (the "Second IBC") consisting of Mr. Christopher Patrick Langley and Mr. Haider Hatam Tyebjee Barma was established by the Board on 19 November 2007 to advise the independent shareholders of the Company in respect of the Acquisitions and the Continuing Connected Transactions. Mr. Langley was the Chairman of the Second IBC. Somerley Limited was appointed as the independent financial adviser to advise the Second IBC and independent shareholders of the Company in respect of the Acquisitions and the Continuing Connected Transactions.

The Second IBC held a meeting in November 2007 which was attended by all its members. A letter of recommendation to the independent shareholders of the Company was issued by the Second IBC on 5 December 2007, forming part of the Circular dated 5 December 2007 issued by the Company to shareholders of the Company in connection with the Acquisitions and the Continuing Connected Transactions.

Public Float

Since close of the Offer on 13 July 2007, USI has been holding 79.26% of the issued share capital of the Company. The Company obtained waivers from the Stock Exchange from strict compliance with the minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules. The current waiver will expire on 30 April 2008. The Company is actively pursuing an action plan for the purpose of restoring the minimum public float of the Company, and will apply to the Stock Exchange to extend the waiver period if required.

Corporate Communication

The Company maintains various communication channels with its shareholders and investors through the publication of notices and announcements on the Company's website at www.winsorprop.com, dispatch of circulars, annual reports and interim reports to shareholders, and publication of all the above on the Stock Exchange's website at www.hkexnews.hk.

The Company's website at www.winsorprop.com also provides access for shareholders and investors to the Company's corporate, financial and other information updated from time to time.

Voting by Poll

Separate resolutions are proposed at the general meetings of the Company on each substantially separate issue. Details of the procedures for voting by poll and the rights of shareholders to demand a poll are included in the circular to shareholders dispatched together with the notice of the general meeting.

Corporate Governance Report *(continued)*

Attendance to Meetings

The attendance of individual Directors to Board and Committee meetings during the Period is set out below:

Name of Director	**Board Meetings**[(1)]	**Remuneration Committee Meetings**[(2)]	**Nomination Committee Meetings**[(3)]	**Audit Committee Meetings**[(4)]	**Independent Board Committee Meetings**[(5)]
Executive Directors:					
Mr. Chow Wai Wai, John *(Managing Director)*	4/4	2/2	NA	NA	NA
Mr. Lam Woon Bun	4/4	NA	NA	NA	NA
Mrs. Chen Chou Mei Mei, Vivien	4/4	NA	NA	NA	NA
Mr. Chung Hon Sing, John	4/4	NA	NA	NA	NA
Mr. Au Hing Lun, Dennis *(appointed as Executive Director on 4 October 2007)*	3/3	NA	NA	NA	NA
Non-Executive Directors:					
Mr. Cheng Wai Chee, Christopher *(Chairman of the Board)*	4/4	NA	3/3	4/4	NA
Mr. Cheng Wai Sun, Edward	4/4	NA	NA	NA	NA
Mr. Tang Ming Chien, Manning	4/4	NA	NA	NA	1/1
Independent Non-Executive Directors:					
Lord Sandberg	0/4	NA	NA	NA	NA
Mr. Christopher Patrick Langley	4/4	2/2	NA	4/4	2/2
Mr. Ho Fook Hong, Ferdinand *(retired on 23 August 2007)*	1/1	NA	NA	1/1	1/1
Dr. Lo Ka Shui	4/4	NA	3/3	NA	1/1
Mr. Haider Hatam Tyebjee Barma *(appointed to the Audit Committee on 23 August 2007)*	4/4	2/2	3/3	3/3	2/2

Notes:
(1) These meetings of the Board were held in July 2007, October 2007, November 2007 and December 2007.
(2) These meetings of the Remuneration Committee were held in December 2007 and April 2008.
(3) These meetings of the Nomination Committee were held in July 2007, October 2007 and April 2008.
(4) These meetings of the Audit Committee were held in July 2007, October 2007, December 2007 and April 2008.
(5) The meeting of the First IBC was held in May 2007. The meeting of the Second IBC was held in November 2007.

Independent Auditor's Report

To the Shareholders of Winsor Properties Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Winsor Properties Holdings Limited (the "Company") set out on pages 26 to 67, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the nine months then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 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 financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2007 and of the profit and cash flows of the Group for the nine months 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 April 2008

WINSOR PROPERTIES HOLDINGS LIMITED
(Incorporated under the laws of the Cayman Islands with limited liability)

Consolidated Income Statement

For the nine months ended 31 December 2007

	Note	**9 months ended 31/12/2007 HK$'000**	Year ended 31/3/2007 HK$'000
Revenue	*5*	**119,097**	304,103
Cost of sales	*6*	**(36,907)**	(167,229)
Gross profit		**82,190**	136,874
Other income	*5*	**32,524**	23,814
Selling expenses	*6*	**(1,226)**	(3,119)
Administrative expenses	*6*	**(27,768)**	(34,122)
Increase in fair value of investment properties		**608,240**	608,344
Other gains, net	*7*	**111,291**	10,051
Other operating expenses	*6*	**(702)**	(1,444)
		804,549	740,398
Finance income	*8*	**22,204**	23,451
Finance costs	*8*	**(413)**	(4,225)
Operating profit		**826,340**	759,624
Share of profits less losses of associated companies		**48,142**	173,822
Profit before taxation		**874,482**	933,446
Taxation	*10*	**(130,621)**	(116,689)
Profit for the period/year		**743,861**	816,757
Attributable to:			
Shareholders of the Company	*11*	**738,725**	803,636
Minority interests		**5,136**	13,121
		743,861	816,757
		HK$	HK$
Earnings per share	*12*	**2.84**	3.09
		HK$'000	HK$'000
Dividends	*13*	**88,293**	103,874

The accompanying notes on pages 31 to 67 are an integral part of these financial statements.

WINSOR PROPERTIES HOLDINGS LIMITED
(Incorporated under the laws of the Cayman Islands with limited liability)

Consolidated Balance Sheet

At 31 December 2007

	Note	31/12/2007 HK$'000	31/3/2007 HK$'000
Non-current assets			
Property, plant and equipment	*15*	**32,194**	31,638
Investment properties	*16*	**6,660,890**	4,665,300
Properties under development	*17*	**921,717**	—
Associated companies	*19*	**332,648**	409,821
Available-for-sale financial assets	*20*	**442,382**	490,448
Loans and receivables	*21*	**—**	16
Deferred tax assets	*30*	**6,042**	1,597
Goodwill	*38*	**61,092**	—
		8,456,965	5,598,820
Current assets			
Trade and other receivables	*22*	**49,142**	13,726
Financial assets at fair value through profit or loss	*23*	**14,850**	35,743
Derivative financial instruments	*24*	**164**	783
Bank balances and cash	*25*	**146,864**	601,627
		211,020	651,879
Current liabilities			
Trade and other payables and accruals	*26*	**308,733**	66,687
Derivative financial instruments	*24*	**10,016**	4,766
Bank loans and overdrafts	*27*	**2,000**	171
Tax payable		**65,061**	40,638
Interim dividend payable	*13*	**31,162**	—
		416,972	112,262
Net current (liabilities) / assets		**(205,952)**	539,617
Total assets less current liabilities		**8,251,013**	6,138,437
Non-current liabilities			
Long term bank loans	*28*	**1,341,700**	100,381
Other long term loans	*29*	**35,275**	35,308
Derivative financial instruments	*24*	**31,760**	—
Deferred tax liabilities	*30*	**892,385**	629,475
		2,301,120	765,164
Net assets		**5,949,893**	5,373,273
Share capital	*31*	**2,596**	2,596
Other reserves	*32*	**1,068,500**	1,126,133
Retained earnings	*32*	**4,802,540**	4,152,108
Proposed final dividend	*32*	**57,131**	77,905
Equity attributable to shareholders of the Company		**5,930,767**	5,358,742
Minority interests	*37(b)*	**19,126**	14,531
Total equity		**5,949,893**	5,373,273

The accompanying notes on pages 31 to 67 are an integral part of these financial statements.

CHENG Wai Chee, Christopher
Director

CHOW Wai Wai, John
Director

WINSOR PROPERTIES HOLDINGS LIMITED
(Incorporated under the laws of the Cayman Islands with limited liability)

Balance Sheet

At 31 December 2007

	Note	**31/12/2007 HK$'000**	31/3/2007 HK$'000
Non-current assets			
Subsidiaries	*18*	**3,189,462**	3,177,844
Current assets			
Other receivables	*22*	**255**	240
Bank balances and cash	*25*	**105**	26
		360	266
Current liabilities			
Other payables and accruals	*26*	**3,607**	322
Interim dividend payable	*13*	**31,162**	—
		34,769	322
Net current liabilities		**(34,409)**	(56)
Total assets less current liabilities		**3,155,053**	3,177,788
Share capital	*31*	**2,596**	2,596
Other reserves	*32*	**2,840,566**	2,849,582
Retained earnings	*32*	**254,760**	247,705
Proposed final dividend	*32*	**57,131**	77,905
Total equity		**3,155,053**	3,177,788

The accompanying notes on pages 31 to 67 are an integral part of these financial statements.

CHENG Wai Chee, Christopher
Director

CHOW Wai Wai, John
Director

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Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2007

	Share capital HK$'000	Other reserves HK$'000	Retained earnings HK$'000	Shareholders HK$'000	Minority interests HK$'000	Total HK$'000
At 1 April 2007	**2,596**	**1,126,133**	**4,230,013**	**5,358,742**	**14,531**	**5,373,273**
Exchange translation differences	**—**	**3,711**	**—**	**3,711**	**96**	**3,807**
Realised on disposal of available-for-sale financial assets	**—**	**(3,036)**	**—**	**(3,036)**	**(160)**	**(3,196)**
Fair value loss on available-for-sale financial assets	**—**	**(31,199)**	**—**	**(31,199)**	**18**	**(31,181)**
Share of reserve of an associate	**—**	**(113)**	**—**	**(113)**	**—**	**(113)**
Fair value loss on cash flow hedges	**—**	**(26,996)**	**—**	**(26,996)**	**—**	**(26,996)**
Net losses recognised directly in equity	**—**	**(57,633)**	**—**	**(57,633)**	**(46)**	**(57,679)**
	2,596	**1,068,500**	**4,230,013**	**5,301,109**	**14,485**	**5,315,594**
Profit for the period	**—**	**—**	**738,725**	**738,725**	**5,136**	**743,861**
Dividends paid	**—**	**—**	**(77,905)**	**(77,905)**	**(495)**	**(78,400)**
Dividends declared	**—**	**—**	**(31,162)**	**(31,162)**	**—**	**(31,162)**
At 31 December 2007	**2,596**	**1,068,500**	**4,859,671**	**5,930,767**	**19,126**	**5,949,893**
At 1 April 2006	2,596	914,233	3,501,686	4,418,515	2,431	4,420,946
Exchange translation differences	—	16,490	—	16,490	55	16,545
Fair value gain on available-for-sale financial assets	—	195,297	—	195,297	229	195,526
Share of reserve of an associate	—	113	—	113	—	113
Net gains recognised directly in equity	—	211,900	—	211,900	284	212,184
	2,596	1,126,133	3,501,686	4,630,415	2,715	4,633,130
Profit for the year	—	—	803,636	803,636	13,121	816,757
Dividends paid	—	—	(75,309)	(75,309)	(1,305)	(76,614)
At 31 March 2007	2,596	1,126,133	4,230,013	5,358,742	14,531	5,373,273

The accompanying notes on pages 31 to 67 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the nine months ended 31 December 2007

	Note	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Operating activities			
Net cash generated from operations	*37(a)*	**82,765**	45,771
Interest paid		**(5,342)**	(4,820)
Purchase of tax reserve certificates		**—**	(16,045)
Hong Kong profits tax paid		**(1,670)**	(12,650)
Overseas tax paid		**(728)**	(704)
Net cash from operating activities		**75,025**	11,552
Investing activities			
Purchase of plant and equipment		**(1,457)**	(1,914)
Development expenditure on investment properties		**(353,616)**	(115,295)
Proceeds from disposal of plant and equipment, investment properties and properties for sale		**236**	154,071
Interest received		**23,639**	24,578
Net cash outflow on acquisition of subsidiaries	*38*	**(1,115,274)**	—
Dividends received		**19,524**	8,437
Capital and loan contributions to associated companies		**(79,707)**	(132,455)
Amounts repaid and advanced by associated companies		**104,688**	151,331
Acquisitions of available-for-sale financial assets		**(16,099)**	(79,203)
Proceed from disposal of available-for-sale financial assets		**7,659**	—
Amounts repaid and advanced by an investee company		**132,945**	155,987
Net cash (used in)/from investing activities		**(1,277,462)**	165,537
Financing activities	*37(b)*		
New long term bank loans		**876,920**	100,381
New short term bank loans		**—**	406,642
Repayment of long term bank loans		**(50,000)**	(39,551)
Repayment of short term bank loans		**—**	(406,642)
Repayment of other long term loans		**(34)**	(70)
Dividends paid		**(77,905)**	(75,309)
Dividends paid to minority interests		**(495)**	(1,305)
Net cash from/(used in) financing activities		**748,486**	(15,854)
Effect of foreign exchange rate changes		**(641)**	10,443
Net (decrease)/increase in cash and cash equivalents		**(454,592)**	171,678
Cash and cash equivalents at beginning of the period/year		**601,456**	429,778
Cash and cash equivalents at end of the period/year		**146,864**	601,456
Analysis of cash and cash equivalents			
Bank balances and cash		**146,864**	601,627
Bank overdrafts		**—**	(171)
		146,864	601,456

The accompanying notes on pages 31 to 67 are an integral part of these financial statements.

Notes to the Financial Statements

1. General information

Winsor Properties Holdings Limited (the "Company") is a limited liability company incorporated under the laws of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands and the address of its principal office in Hong Kong is 2nd Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong.

The Board of Directors of the Company considers that the Company's ultimate holding company is USI Holdings Limited ("USI"), a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited.

The Board of Directors of the Company has resolved to change the financial year end of the Company from 31 March to 31 December (the "Change"). As from 29 June 2007, the first closing date of a voluntary conditional securities exchange offer made by USI to acquire all the issued shares of the Company (other than those already held by USI and its subsidiaries), USI became the holding company of the Company. USI and its subsidiaries together currently hold about 79.26% of the issue share capital of the Company. The Change is to align the financial year end of the Company with that of USI.

The financial statements for the current period cover the nine months period from 1 April 2007 to 31 December 2007. The corresponding amounts shown for the consolidated income statement, statement of changes in equity, cash flow statement and related notes to the financial statements cover a twelve months period from 1 April 2006 to 31 March 2007 and therefore may not be comparable with amount shown for the current period.

The Company and its subsidiaries (collectively the "Group") are principally engaged in property investment and management, warehousing and investment holding. The Group is also involved from time to time in property development activities.

These financial statements have been approved by the Board of Directors of the Company on 15 April 2008.

2. Basis of preparation and summary of significant accounting policies

(a) Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") under the historical cost convention except that, as disclosed in the accounting policies below, investment properties, available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments are carried at fair values and certain buildings are carried at valuation as at 31 March 2005 (the "2005 valuation") less accumulated depreciation and impairment.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(b) Adoption of new and revised HKFRSs

The HKICPA has issued certain new or revised HKFRSs and interpretations which are mandatory for the Group's accounting periods beginning on or after 1 April 2007.

HKFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to HKAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group's financial instruments.

HK(IFRIC) - Int 8, 'Scope of HKFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of HKFRS 2. This standard does not have any impact on the Group's financial statements.

(b) Adoption of new and revised HKFRSs *(continued)*

HK(IFRIC) - Int 9, 'Re-assessment of embedded derivatives', requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. This standard does not have any impact on the Group's financial statements.

HK(IFRIC) - Int 10, 'Interim financial reporting and impairment', prohibits the impairment recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group's financial statements.

<u>New or revised HKFRSs and interpretations that are not yet effective</u>

The HKICPA has also issued the following new or revised HKFRSs and interpretations which are not yet effective for the nine months ended 31 December 2007 and may be relevant to the Group's operations:

		Effective for accounting periods beginning on or after
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (Amendment)	Borrowing costs	1 January 2009
HKFRS 8	Operating segments	1 January 2009
HK(IFRIC) – Int 14, HKAS 19	The limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2008
HK(IFRIC) – Int 12	Service concession arrangements	1 January 2008
HK(IFRIC) – Int 13	Customer loyalty programmes	1 July 2008

HKAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard requires presentation changes and further disclosures in the financial statements but does not change the recognition and measurement of specific transactions. The Group will apply this standard from 1 January 2009 and it is not expected to have any impact on the Group's financial statements.

HKAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group is currently in compliance with HKAS 23 (effective from 1 January 2009) and there is no impact on the accounting policies of the Group.

HKFRS 8, 'Operating segments' (effective from 1 January 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated to groups of cash-generating units based on segment level, the change will also require management to reallocate goodwill to the newly identified operating segments. Management does not anticipate that this will result in any material impairment to the goodwill.

HK(IFRIC)-Int 12, 'Service concession arrangements', HK(IFRIC)-Int 13, 'Customer Loyalty Programmes' and HK(IFRIC)-Int 14, /HKAS 19, 'The limit on a defined benefit asset, minimum funding requirements and their interaction' are not relevant to the Group's operations and would have no impact to the Group's financial statements.

(c) Group accounting

The financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

(c) Group accounting *(continued)*

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the share of the identifiable net assets acquired by the Group is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intercompany transactions and balances between Group companies are eliminated. Unrealised gains on transactions between Group companies and between the Group and its associates to the extent of the Group's interest are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

The gain or loss on the disposal of a subsidiary or an associated company represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill and related accumulated exchange fluctuation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend income.

(d) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, investment properties, available-for-sale financial assets, loans and receivables, financial assets at fair value through profit or loss, trade and other receivables and operating cash. Segment liabilities comprise operating liabilities and exclude items such as derivative financial instruments, current tax payable and deferred tax liabilities and corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and investment properties, including additions resulting from business combination.

(d) Segment reporting *(continued)*

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

(e) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the entities in the Group are measured using the currency of the primary economic environment in which the entity operates (the ''functional currency''). The financial statements are presented in Hong Kong dollar, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the balance sheet date are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the investment revaluation reserve in equity.

(iii) Group companies

The results and financial positions of all the entities in the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(2) income and expenses for each income statement are translated at average exchange rates ; and

(3) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost or 2005 valuation less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repair and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Effective from 1 April 2005, no further revaluations of the Group's buildings have been carried out. In accordance with paragraph 80A of HKAS 16 "Property, Plant and Equipment", the Group is not required to make regular revaluation of such assets.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, at the following annual rates:

Buildings	4%
Plant, machinery and other equipment	10% to 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses on disposal of property, plant and equipment are the difference between the net sale proceeds and the carrying amounts of the relevant assets, and are recognised in the income statement. Any revaluation reserve remaining attributable to the relevant assets is transferred to retained earnings and is shown as a movement in reserves.

(g) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property comprises land held under operating leases and buildings held under finance leases and properties being redeveloped for continued future use as investment property. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on valuations carried out by external valuers. Changes in fair values are recognised in the income statement.

Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If a property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is recognised in equity as revaluation of property, plant and equipment. However, if the fair value gives rise to a reversal of a previous impairment, this reversal is recognised in the income statement.

(h) Properties under development

Properties under development are stated at cost less any identified impairment. Cost includes the amortised cost of land, borrowing costs capitalised in accordance with the Group's accounting policy and other direct costs attributable to the property development.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates and is tested annually for impairment as part of the overall carrying amount. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment. Impairment on goodwill is not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates.

(j) Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

(k) Assets under leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases. Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases.

(i) Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease periods.

(ii) Leases - where the Group is the lessor

When the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and where applicable, are depreciated in accordance with the Group’s depreciation policies, as set out in Note 2(f) above. Revenue arising from assets leased out under operating leases is recognised in accordance with the Group’s revenue recognition policies, as set out in Note 2(v) below.

(l) Financial assets

The Group classifies its financial assets in the categories of financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and re-evaluates this designation at every balance sheet date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are included under current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payment terms that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date which are classified as non-current assets.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the income statement as 'other gains, net' in the financial period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the income statement as 'other gains, net'.

Dividend income from financial assets at fair value through profit or loss and available-for-sale financial assets are recognised in the income statement as 'other income' when the Group's right to receive payments is establised.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active and for unlisted securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial assets or a group of financial asets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their costs is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is removed from equity and recognised in the income statement. Impairment recognised in the income statement on equity instruments is not reversed through the income statement.

(m) Properties for sale

Completed properties for sale remaining unsold at the balance sheet date are stated at the lower of cost and net realisable value.

Cost is determined by apportionment of the total land and development costs attributable to the unsold properties. Net realisable value is determined by reference to sale proceeds of properties sold less all estimated selling expenses, or by management estimates based on prevailing market conditions.

(n) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'other operating expenses'. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating income' in the income statement.

(o) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedge item is more than twelve months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other gains, net'.

Amounts accumulated in equity are recycled in the income statement in the financial periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'other gains, net'.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the income statement within 'other gains, net'

(p) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(q) Provisions

Provisions are recognised when the Group has 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. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(r) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(s) Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the beneficiary of the guarantee for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair value, and subsequently measured at the higher of (i) the amount initially recognised less accumulated amortisation; and (ii) the amount required to be settled by the guarantor in respect of the financial guarantee contracts at the balance sheet date.

(t) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(u) Current and deferred taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be payable to the tax authorities.

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 financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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.

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

(v) Recognition of revenue and income

Revenue comprises the fair value of the consideration for the sale of goods and rendering of services in the ordinary course of the Group's activities. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Revenue from the sale of properties is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Operating lease rental income is recognised on a straight-line basis over the lease period.

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

Interest income is recognised on a time proportion basis using the effective interest method.

Storage income and other income is recognised when the related services are rendered.

(w) Employee benefits

Employee entitlements to annual leave and statutory long service payments are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the balance sheet date.

(w) Employee benefits *(continued)*

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Group in independently administered funds.

(x) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of these assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Capitalisation of borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as expenses in the financial period in which they are incurred.

(y) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the financial period in which the dividends become present legal and constructive obligations of the Company.

(z) Comparative figures

Where necessary, comparative figures have been reclassified or extended to conform with current period's presentation.

3. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks such as currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(i) Foreign exchange risk

The majority of the Group's assets are located and operated in Hong Kong, and the related revenue generated from these assets is denominated in Hong Kong dollar. At 31 December 2007, all of the Group's borrowings were denominated in Hong Kong dollar.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency transaction risk. Currency exposures arising from the net assets of the Group's foreign operations are managed primarily through borrowings denominated in the relevant foreign currencies.

Management monitors exchange rate movements closely to ascertain if any material exposure may arise. The Group regards the foreign currency risk from fluctuation of currencies other than Singapore dollar are insignificant.

At 31 December 2007, if Hong Kong dollar had strengthened or weakened by 5% against Singapore dollar with all other variables held constant, profit before taxation for the period would have been HK$551,000 *(year ended 31/3/2007: HK$1,910,000)* lower or higher, mainly as a result of foreign exchange losses or gains on translation of bank balances denominated in Singapore dollars.

At 31 December 2007, if Hong Kong dollar had strengthened or weakened by 5% against Singapore dollar with all other variables held constant, investment revaluation reserve would have been HK$18,625,000 *(31/3/2007: HK$20,269,000)* lower or higher, mainly as a result of foreign exchange losses or gains on translation of equity securities denominated in Singpore dollars.

At 31 December 2007, if Hong Kong dollar had strengthened or weakened by 5% against Singapore dollar with all other variables held constant, the exchange reserve would have been HK$460,000 *(31/3/2007: HK$1,854,000)* lower or higher, mainly as a result of foreign exchange losses or gains on translation of available-for-sale financial assets denominated in Singapore dollar.

Notes to the Financial Statements

(a) Financial risk factors *(continued)*

(ii) Price risk

The Group is exposed to equity securities price risk because the Group holds financial assets at fair value through profit or loss and available-for-sale financial assets. The Group is not exposed to commodity price risk.

At 31 December 2007, if market value of the Group's financial assets at fair value through profit or loss had increased or decreased by 10%, with all other variables held constant, profit for the period would have been HK$1,240,000 *(year ended 31/3/2007: HK$3,130,000)* higher or lower.

At 31 December 2007, if market value of the Group's available-for-sale financial assets had increased or decreased by 10%, with all other variables held constant, the investment revaluation reserve would have been HK$28,894,000 *(31/3/2007: HK$32,431,000)* higher or lower.

(iii) Credit risk

The Group's credit risks are primarily attributable to time deposits, rent receivable from tenants and counter-party financial obligations in derivative financial instruments.

The Group's time deposits are deposited with banks and financial institutions of high credit ratings and the Group has exposure limit to any single financial institution.

For rent receivable from tenants, credit checks are part of the normal leasing process and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable at each balance sheet date to ensure that adequate provisions for impairment are made for irrecoverable amounts.

To mitigate counter-party risk, the Group enters into derivative contracts only with sound financial institutions with strong investment-grade credit ratings, limits exposure to each, and monitors each's rating regularly.

The Group has no significant concentration of credit risk, with exposure spread over a number of counter-parties and customers.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, based on the contractual undiscounted cash flows. Amounts due within twelve months equal their carrying amounts, as the impact of discounting is not significant.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000
The Group				
At 31 December 2007				
Bank borrowings	2,000	581,887	393,862	448,343
Trade and other payables and accruals	308,733	—	—	—
Derivative financial instruments	10,016	11,680	15,494	4,586
Interim dividend payable	31,162	—	—	—
Other long term loans	—	—	—	35,275
Total	**351,911**	**593,567**	**409,356**	**488,204**
At 31 March 2007				
Bank borrowings	171	—	68,612	42,016
Trade and other payables and accruals	66,687	—	—	—
Derivative financial instruments	4,766	—	—	—
Other long term loans	—	—	—	35,308
Total	**71,624**	**—**	**68,612**	**77,324**

As the amounts included in the table are the contractual undiscounted cash flows, amounts due after 12 months will not reconcile to the amounts in the balance sheet for borrowings and derivative financial instruments.

(a) Financial risk factors *(continued)*

(v) Interest rate risk

As the Group has no significant interest-bearing assets (other than bank balances and amounts /loans due from associated companies), the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group is exposed to changes in interest rates due to its bank borrowings. The Group manages its interest rate exposure based on interest rate level and outlook as well as potential impact on the Group's financial position arising from volatility. Interest rate swap contract is the hedging instrument most commonly used by the Group to manage the interest rate exposure. The Group enters into debt obligations to support general corporate purposes including capital expenditure and working capital needs.

At 31 December 2007, if interest rates on borrowings had been 50 basis points higher or lower with all other variables held constant, profit before taxation for the period would have been HK$8,000,000 (*year ended 31/3/2007:HK$26,000,000)* higher or lower, mainly as a result of higher or lower interest expense on floating rate borrowings and gain or loss relating to the portion of changes in the fair value of interest rate swap contracts not qualified for hedge accounting; equity would have been HK$15,000,000 *(31/3/2007: Nil)* higher or lower mainly as a result of an increase or decrease in the fair value of the effective portion of the cash flow hedges of borrowings as described above.

(vi) Capital risk management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances.

The gearing ratios are as follows:

	31/12/2007	31/3/2007
	HK$'000	HK$'000
Total borrowings	**1,343,700**	100,552
Less: Bank balances and cash	**(146,864)**	(601,627)
Net debt	**1,196,836**	(501,075)
Total equity	**5,949,893**	5,373,273
Gearing ratio	**20.1%**	0%

The increase in the gearing ratio was mainly due to external and internal funding of the construction costs of Landmark East and acquisition of subsidiaries.

(b) Fair value estimation

The fair value of investment properties is determined by reference to the valuation by independent professional valuers and current prices in an active market.

The fair value of investments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for investments held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

In assessing the fair value of non-trading securities and other financial assets, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The fair value of interest rate swap contracts is calculated on the present value of the estimated future cash flows.

The nominal values less impairment of trade and other receivables, trade and other payables and borrowings with floating interest rates are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Notes to the Financial Statements

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(i) Fair value of investment properties

The Group's investment properties are revalued at the balance sheet date on the open market value basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement on whether such valuations and assumptions by the valuers are reasonable, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

(ii) Fair value of available-for-sale financial assets

If information on current or recent prices of available-for-sale financial assets is not available, the fair values of available-for-sale financial assets are determined using valuation techniques (including discounted cash flow model or price/earnings multiple model). The Group uses assumptions that are mainly based on market conditions existing at each balance state.

Critical judgement in applying the Group's accounting policies

(i) Income tax

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the financial period in which such determination is made.

As required by HKFRS, provision for deferred tax is made on the revaluation of leasehold investment properties on the basis and assumption that their values would be recovered through the receipt of rental income over the remaining life of the lease using the income tax rate. Such deferred tax would only reverse towards the end of the lease period which extends for decades of years or if the valuations decline. The Group has no current intention to dispose of its significant leasehold investment properties, but if the values of the leasehold investment properties were to be recovered through disposals no tax would be payable, as there is no capital gains tax in Hong Kong where the properties are located and the related provision for deferred tax would be released.

Recognition of deferred tax asset, which principally relates to tax losses of certain subsidiaries, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

(ii) Classification of investment properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property (land or building) is held to earn rental or for capital appreciation rather than for use in the production or supply of goods and services or sale. The Group considers each property separately in making its judgement.

5. Revenue, other income and segment information

Revenue (representing turnover of the Group) and other income recognised during the period/year are as follows:

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Revenue		
Sale of investment properties	**—**	152,473
Rental and property management	**91,988**	116,031
Warehousing	**27,109**	35,599
	119,097	304,103
Other income		
Dividend income from		
– an unlisted investment	**8,921**	—
– listed real estate investment trusts	**10,603**	8,437
Interest income on loans to		
– an investee company	**—**	196
– associated companies	**11,573**	13,541
Others	**1,427**	1,640
	32,524	23,814

5. Revenue, other income and segment information *(continued)*

Primary reporting format – business segments

	Sale of properties HK$'000	Rental and property management HK$'000	Warehousing HK$'000	Investment HK$'000	Total HK$'000
Nine months ended 31 December 2007					
Revenue	—	91,988	27,109	—	119,097
Segment results before change in fair value of investment properties	—	70,712	6,236	132,939	209,887
Increase in fair value of investment properties	—	608,240	—	—	608,240
Segment results	—	678,952	6,236	132,939	818,127
Unallocated income less expenses					(13,578)
Operating profit before finance income and costs					804,549
Finance income					22,204
Finance costs					(413)
Operating profit					826,340
Share of profits less losses of associated companies	48,473	(331)	—	—	48,142
Profit before taxation					874,482
Taxation					(130,621)
Profit for the period					743,861
Capital expenditure	—	498,593	214	—	498,807
Depreciation	—	509	2,166	—	2,675
At 31 December 2007					
Segment assets	—	7,769,344	88,232	471,555	8,329,131
Associated companies	308,972	23,676	—	—	332,648
Unallocated assets					6,206
Total assets					8,667,985
Segment liabilities	—	333,364	6,277	2,414	342,055
Unallocated liabilities					2,376,037
Total liabilities					2,718,092

5. Revenue, other income and segment information *(continued)*

Primary reporting format – business segments *(continued)*

	Sale of properties HK$'000	Rental and property management HK$'000	Warehousing HK$'000	Investment HK$'000	Total HK$'000
Year ended 31 March 2007					
Revenue	152,473	116,031	35,599	—	304,103
Segment results before change in fair value of investment properties	32,447	87,112	7,825	13,255	140,639
Increase in fair value of investment properties	—	608,344	—	—	608,344
Segment results	32,447	695,456	7,825	13,255	748,983
Unallocated income less expenses					(8,585)
Operating profit before finance income and costs					740,398
Finance income					23,451
Finance costs					(4,225)
Operating profit					759,624
Share of profits less losses of associated companies	147,837	25,985	—	—	173,822
Profit before taxation					933,446
Taxation					(116,689)
Profit for the year					816,757
Capital expenditure	—	150,835	875	—	151,710
Depreciation	—	696	2,833	—	3,529
At 31 March 2007					
Segment assets	—	4,976,486	70,882	791,130	5,838,498
Associated companies	291,228	118,593	—	—	409,821
Unallocated assets					2,380
Total assets					6,250,699
Segment liabilities	—	94,458	5,435	1,946	101,839
Unallocated liabilities					775,587
Total liabilities					877,426

5. Revenue, other income and segment information *(continued)*

Secondary reporting format – geographical segments

	Revenue		Segment results		Capital expenditure		Total assets	
	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000	**9 months ended 31/12/2007 HK$'000**	Year ended 31/3/2007 HK$'000	**9 months ended 31/12/2007 HK$'000**	Year ended 31/3/2007 HK$'000	**31/12/2007 HK$'000**	31/3/2007 HK$'000
Hong Kong	**103,626**	188,510	**682,554**	715,630	**498,687**	150,326	**7,844,155**	5,299,565
Singapore	**2,738**	96,455	**126,290**	25,751	**—**	892	**403,093**	464,867
Mainland China	**12,733**	19,138	**9,283**	7,602	**120**	492	**81,883**	74,066
	119,097	304,103	**818,127**	748,983	**498,807**	151,710	**8,329,131**	5,838,498
Unallocated income less expenses			**(13,578)**	(8,585)				
Operating profit before finance income and costs			**804,549**	740,398				
Finance income			**22,204**	23,451				
Finance costs			**(413)**	(4,225)				
Operating profit			**826,340**	759,624				
Associated companies							**332,648**	409,821
Unallocated assets							**6,206**	2,380
Total assets							**8,667,985**	6,250,699

6. Expenses by nature

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Cost of sale of properties included in cost of sales	**—**	118,900
Depreciation of property, plant and equipment	**2,675**	3,529
Direct operating expenses arising from investment properties generating rental income	**15,343**	20,249
Direct operating expenses for generating warehousing income	**15,001**	18,801
Operating lease rentals in respect of land and buildings	**5,249**	6,908
Staff costs (including Directors' emoluments) *(Note 9)*	**25,120**	32,961
Auditor's remuneration	**838**	845
Other expenses	**2,377**	3,721
Total cost of sales, selling expenses, administrative expenses and other operating expenses	**66,603**	205,914

7. Other gains, net

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Financial assets at fair value through profit or loss *(Note 23)*		
– realised (loss)/gain	**(1,727)**	4,700
– fair value gain	**4,408**	331
Realised gains on available-for-sale financial assets	**111,349**	—
Net foreign exchange gain	**7,287**	8,517
Derivative financial instruments		
– realised loss	**—**	(262)
– fair value loss	**(10,049)**	(5,383)
Gain on disposal of plant and equipment	**196**	271
Others	**(173)**	1,877
	111,291	10,051

8. Finance income and costs

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Finance income		
Interest income on bank deposits and balances	**19,124**	21,793
Interest income on other financial assets	**3,080**	1,658
	22,204	23,451
Finance costs		
Interest expenses on bank loans and overdrafts	**(5,910)**	(4,621)
Less: amount capitalised in investment properties	**5,497**	396
	(413)	(4,225)
Finance income, net	**21,791**	19,226

9. Staff costs (including Directors' emoluments)

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Salaries, wages and other benefits	**24,304**	31,773
Retirement benefits	**816**	1,188
	25,120	32,961

(a) Pensions – defined contribution plans

The Group contributes to a defined contribution mandatory provident fund scheme for those employees in Hong Kong under the age of 65. Two subsidiaries operate in a country which has a central government administrated retirement scheme. Contributions are made by the Group as a percentage of employees' relevant salaries. The retirement benefit costs charged to the income statement represent contributions by the Group in respect of the above retirement schemes.

Contributions totalling HK$53,000 *(31/3/2007: HK$115,000)* were payable to the schemes at the balance sheet date and are included in trade and other payables and accruals.

(b) Directors' emoluments

	Fees HK$'000	Salaries and allowances HK$'000	Discretionary bonuses HK$'000	Employer's contribution to pension scheme HK$'000	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Executive Directors						
Mr. Chow Wai Wai, John	30	1,744	959	176	2,909	3,731
Mr. Lam Woon Bun	30	1,246	425	123	1,824	2,320
Mrs. Chen Chou Mei Mei, Vivien	30	293	—	16	339	452
Mr. Chung Hon Sing, John	30	526	—	—	556	839
Mr. Au Hing Lun, Dennis *(appointed on 4 October 2007)*	10	—	—	—	10	—
Mr. Chow Wei Lin *(passed away on 27 February 2007)*	—	—	—	—	—	1,030
	130	**3,809**	**1,384**	**315**	**5,638**	8,372
Non-Executive Directors						
Mr. Cheng Wai Chee, Christopher	1,350	—	—	—	1,350	1,800
Mr. Cheng Wai Sun, Edward	30	—	—	—	30	40
Mr. Tang Ming Chien, Manning	40	—	—	—	40	40
	1,420	**—**	**—**	**—**	**1,420**	1,880
Independent Non-Executive Directors						
Lord Sandberg	30	—	—	—	30	40
Mr. Christopher Patrick Langley	184	—	—	—	184	213
Mr. Ho Fook Hong, Ferdinard *(retired on 23 August 2007)*	36	—	—	—	36	90
Dr. Lo Ka Shui	75	—	—	—	75	70
Mr. Haider Hatam Tyebjee Barma	143	—	—	—	143	140
	468	**—**	**—**	**—**	**468**	553
Total	**2,018**	**3,809**	**1,384**	**315**	**7,526**	10,805

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the period include three *(year ended 31/3/2007: four)* Directors whose emoluments are reflected in Note 9(b). The emoluments payable to the remaining two *(year ended 31/3/2007: one)* individuals during the period are as follows:

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Salaries and allowances	**1,220**	901
Discretionary bonuses	**350**	460
Employer's contribution to pension scheme	**55**	40
	1,625	1,401

10. Taxation

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Current taxation		
Hong Kong profits tax	**(6,197)**	(9,836)
Overseas taxation	**(20,694)**	(414)
Over provisions in prior years	**583**	195
	(26,308)	(10,055)
Deferred taxation *(Note 30)*	**(104,313)**	(106,634)
Taxation charge	**(130,621)**	(116,689)

Hong Kong profits tax has been provided at the rate of 17.5% *(year ended 31/3/2007: 17.5%)* on the estimated assessable profits for the period. Overseas taxation has been provided on the estimated assessable profits at rates prevailing in the countries in which the subsidiaries operate.

The Group's share of taxation of associated companies of HK$10,831,000 *(year ended 31/3/2007: HK$6,121,000)* has been netted off against the Group's share of profits less losses of associated companies as presented in the consolidated income statement.

The taxation on the Group's operating profit differs from the theoretical amount that would arise using the Hong Kong taxation rate as follows:

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Operating profit	**826,340**	759,624
Calculated at a taxation rate of 17.5% *(year ended 31/3/2007: 17.5%)*	**(144,609)**	(132,934)
Effect of different taxation rates in other countries	**(274)**	69
Income not subject to taxation	**14,076**	16,123
Expenses not deductible for taxation purposes	**(359)**	(1,033)
Over provisions in prior years	**583**	195
Others	**(38)**	891
Taxation charge	**(130,621)**	(116,689)

11. Profit attributable to shareholders of the Company

The profit attributable to shareholders of the Company is dealt with in the financial statements of the Company to the extent of HK$86,332,000 *(year ended 31/3/2007: HK491,799,000). (Note 32)*

12. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company of HK$738,725,000 *(year ended 31/3/2007: HK$803,636,000)* and 259,685,288 *(31/3/2007: 259,685,288)* shares in issue during the period.

Diluted earnings per share equals to the basic earnings per share as the Group had no dilutive potential shares in issue during the period/year.

Notes to the Financial Statements

13. Dividends

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Interim dividend, declared, of HK$0.12 per share *(year ended 31/3/2007: paid of HK$0.10 per share)*	**31,162**	25,969
Final dividend, proposed, of HK$0.22 per share *(year ended 31/3/2007: HK$0.30 per share)*	**57,131**	77,905
	88,293	103,874

At a meeting held on 15 April 2008, the Directors recommended a final dividend of HK$0.22 per share. This proposed dividend is not reflected as a dividend payable in the Group's financial statements until it has been approved by shareholders of the Company, and will be reflected as an appropriation of reserves in the year 2008.

14. Significant related party transactions

In addition to those disclosed elsewhere in the financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the period/year.

(a) Transactions with related parties

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Management fee income from related companies *(Note i)*	**100**	239
Interest income from		
– an investee company	—	196
– associated companies *(Note 19(a))*	**11,573**	13,541
Project management fee to a related company and capitalised in investment properties *(Note ii)*	**(1,350)**	(1,800)

(i) The management fee income was charged at rates pursuant to the agreements entered into between the Group and the related companies.

(ii) The project management fee was charged pursuant to the agreement entered into between the Group and the related company.

(b) Balances with related parties

	31/12/2007 HK$'000	31/3/2007 HK$'000
Amounts and loans due from associated companies *(Note 19)*	**291,107**	346,583
Amounts and loans due to associated companies *(Note 19)*	**(165,373)**	(118,416)
Amounts and loans due (to)/from an investee company *(Notes 20 and 21)*	**(27,535)**	16

(c) Compensation of key management personnel

Members of key management of the Group are the Executive Directors of the Company. Their remuneration for the period/year is set out in Note 9(b).

15. Property, plant and equipment

	Group		
	Buildings HK$'000	**Plant, machinery and other equipment HK$'000**	**Total HK$'000**
At cost or valuation			
At 1 April 2007	**34,767**	**41,673**	**76,440**
Translation differences	**2,795**	**1,611**	**4,406**
Additions	**—**	**1,457**	**1,457**
Disposals	**—**	**(1,193)**	**(1,193)**
At 31 December 2007	**37,562**	**43,548**	**81,110**
Accumulated depreciation			
At 1 April 2007	**9,679**	**35,123**	**44,802**
Translation differences	**1,251**	**1,341**	**2,592**
Charge for the period	**1,495**	**1,180**	**2,675**
Disposals	**—**	**(1,153)**	**(1,153)**
At 31 December 2007	**12,425**	**36,491**	**48,916**
Net book value			
At 31 December 2007	**25,137**	**7,057**	**32,194**
Analysis of cost or valuation:			
At 2005 valuation	**37,562**	**—**	**37,562**
At cost	**—**	**43,548**	**43,548**
	37,562	**43,548**	**81,110**

	Group		
	Buildings HK$'000	Plant, machinery and other equipment HK$'000	Total HK$'000
At cost or valuation			
At 1 April 2006	32,646	40,221	72,867
Translation differences	2,121	1,278	3,399
Additions	—	1,914	1,914
Disposals	—	(1,740)	(1,740)
At 31 March 2007	34,767	41,673	76,440
Accumulated depreciation			
At 1 April 2006	6,903	33,873	40,776
Translation differences	875	1,081	1,956
Charge for the year	1,901	1,628	3,529
Disposals	—	(1,459)	(1,459)
At 31 March 2007	9,679	35,123	44,802
Net book value			
At 31 March 2007	25,088	6,550	31,638
Analysis of cost or valuation:			
At 2005 valuation	34,767	—	34,767
At cost	—	41,673	41,673
	34,767	41,673	76,440

Buildings are held in Mainland China on short term renewable leases and are stated at Directors' valuations in 2005 which was carried out on the depreciated replacement cost basis.

Other property, plant and equipment are stated at cost less accumulated depreciation.

16. Investment properties

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Beginning of the period/year	**4,665,300**	4,023,360
Translation differences	—	2,700
Additions	**497,350**	149,796
Acquisition of subsidiaries	**890,000**	—
Disposals	—	(118,900)
Fair value gain	**608,240**	608,344
End of the period/year	**6,660,890**	4,665,300

(a) All investment properties are held in Hong Kong on medium term leases of 39 years. Investment properties (other than agricultural lots) held in Hong Kong were revalued at 31 December 2007 by Jones Lang LaSalle Limited and Savills Valuation and Professional Services Limited. The agricultural lots held in Hong Kong were revalued at 31 December 2007 by B. I. Appraisals Limited. All valuers are independent and their valuations were carried out on the open market value basis. The valuations have made reference to current prices in an active market.

(b) Certain investment properties with carrying amount of HK$5,746,570,000 *(31/3/2007: HK$4,444,800,000)* have been mortgaged to secure the Group's banking facilities.

17. Properties under development

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Beginning of the period/year	—	—
Acquisition of subsidiaries	**921,717**	—
End of the period/year	**921,717**	—

The properties under development are held in Hong Kong on long term leases of 852 years and have been mortgaged to secure the Group's banking facilities.

18. Subsidiaries

	Company	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Unlisted shares – at cost	**1**	1
Loans and amounts receivable	**3,528,553**	3,507,919
Less: Provision	**(339,092)**	(330,076)
	3,189,462	3,177,844

(a) The loans and amounts receivable are unsecured, interest free and have no fixed terms of repayment.

(b) Particulars of the subsidiaries are set out on page 66.

19. Associated companies

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Share of net assets	**206,914**	181,654
Amounts and loans receivable *(Note a)*	**291,107**	346,583
Amounts and loans payable *(Note b)*	**(165,373)**	(118,416)
	332,648	409,821
Investments at cost – unlisted shares	**11,308**	11,308

The movements of interests in associated companies are as follows:

	31/12/2007	31/3/2007
	HK$'000	HK$'000
Beginning of the period/year	**409,821**	240,426
Exchange difference	**2,713**	1,274
Share of results	**48,142**	173,822
Share of reserve of an associated company	**(113)**	113
Interest income on advances to associated companies	**11,573**	13,541
Advances to associated companies	**79,707**	132,455
Repayment from associated companies	**(104,688)**	(151,810)
Transfer to a subsidiary	**(114,507)**	—
End of period/year	**332,648**	409,821

The share of assets, liabilities and results of the associated companies attributable to the Group is summarised as follows:

	31/12/2007	31/3/2007
	HK$'000	HK$'000
Non-current assets	**833,603**	1,020,490
Current assets	**71,134**	128,776
Current liabilities	**(59,655)**	(65,176)
Non-current liabilities	**(638,168)**	(902,436)
	206,914	181,654

	9 months ended 31/12/2007	Year ended 31/3/2007
	HK$'000	HK$'000
Revenue	**547,733**	3,489
Profits less losses after taxation	**48,142**	173,822

(a) The amounts and loans receivable are unsecured and have no fixed terms of repayment. Except for an aggregate amount of HK$9,019,000 *(31/3/2007: HK$9,019,000)* which is interest free, the amounts and loans receivable carry interests at prevailing market interest rates or at fixed rates as agreed between the mutual parties.

(b) The amounts and loans payable are unsecured, primarily denominated in Hong Kong dollar, interest free and have no fixed terms of repayment.

(c) Particulars of the associated companies are set out on page 67.

20. Available-for-sale financial assets

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Beginning of the period/year	490,448	213,926
Additions	16,099	79,203
Advances by an investee company	(27,535)	—
Disposals	(5,024)	—
Provision for impairment	(471)	—
(Decrease)/increase in fair value transferred to equity	(31,181)	195,526
Others	46	1,793
End of the period/year	442,382	490,448
Available-for-sale financial assets include the following:		
Real estate investment trust listed outside Hong Kong	290,639	321,071
Listed equities outside Hong Kong	2,619	—
Unlisted equities	108,398	147,585
Managed funds	40,726	21,792
	442,382	490,448

Available-for-sale financial assets are primarily denominated in Singapore dollar. Certain investment in a real estate investment trust with carrying amount of HK$216,781,000 *(31/3/2007: HK$239,479,000)* has been pledged to secure the Group's banking facilities.

21. Loans and receivables

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Beginning of the period/year	**16**	155,313
Additions	**—**	887
Repayments	**(16)**	(156,184)
End of the period/year	**—**	16

22. Trade and other receivables

	Group		Company	
	31/12/2007	31/3/2007	**31/12/2007**	31/3/2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade receivables	**11,524**	7,248	**—**	—
Less: Provision for impairment of receivables	**(382)**	(968)	**—**	—
Trade receivables, net of provisions *(Note (a))*	**11,142**	6,280	**—**	—
Amount due from holding company *(Note (b))*	**18,067**	—	**—**	—
Other receivables	**1,003**	2,458	**—**	—
Deposits	**8,370**	3,537	**—**	—
Prepayments	**10,560**	1,451	**255**	240
	49,142	13,726	**255**	240

(a) Trade receivables represent mainly rent receivables from tenants of the Group's properties. The Group maintains a defined policy in respect of rent collection. The credit quality of new lesses or customer is assessed based on a defined policy set by the Group. Reminders are issued half-monthly when rents are overdue for 15 days, and legal actions will be taken when rents are overdue for two months. The ageing analysis of trade receivables (net of provisions) is as follows:

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Current to 30 days	**5,211**	2,463
31 to 90 days	**4,652**	3,411
Over 90 days	**1,279**	406
	11,142	6,280

The trade receivables, net of provisions, of HK$11,142,000 *(31/3/2007: HK$6,280,000)* were past due but not impaired. These relate to a number of independent customers having good track records and there is no recent history of default, and the majority of the debts are covered by the rental deposits received as set out in Note 26.

The individually impaired receivables were fully provided for, which are insignificant to the Group and the movements on the provision for impairment of trade receivables are as follows:

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Beginning of the period/year	**968**	888
Provision	**101**	162
Receivables written off	—	(69)
Written back	**(687)**	(13)
End of the period/year	**382**	968

(b) The amount due from holding company represents purchase consideration adjustments receivable from acquisition of subsidiaries *(Note 38)* which is unsecured, interest free and repayable on demand.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Hong Kong dollar	**43,378**	9,434
Singapore dollar	**849**	1,048
Renminbi	**4,915**	3,244
	49,142	13,726

23. Financial assets at fair value through profit or loss

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Equity linked notes	**12,405**	31,303
Equity securities listed in Hong Kong	**160**	—
Real estate investment trust listed in Hong Kong	**2,285**	4,440
	14,850	35,743

The equity linked notes are denominated in United States dollar whereas the remaining are denominated in Hong Kong dollar.

24. Derivative financial instruments

	Group			
	31/12/2007		31/3/2007	
	Assets	**Liabilities**	Assets	Liabilities
	HK$'000	**HK$'000**	HK$'000	HK$'000
Interest rate swap contracts				
– cash flow hedges	**—**	**(26,996)**	—	—
– not qualifying as hedges	**164**	**(14,780)**	783	(4,766)
	164	**(41,776)**	783	(4,766)
Analysed as:				
Current	**164**	**(10,016)**	783	(4,766)
Non-current	**—**	**(31,760)**	—	—
	164	**(41,776)**	783	(4,766)

The aggregate notional principal amount of the interest rate swap contracts is HK$1,050,000,000 *(31/3/2007: HK$1,050,000,000)*.

The portion of changes in the fair value of interest rate swap contracts not qualifying as hedges is recognised in the income statement and amounts to a loss of HK$10,049,000 *(year ended 31/3/2007:a loss of HK$5,383,000) (Note 7)*.

25. Bank balances and cash

	Group		Company	
	31/12/2007	31/3/2007	**31/12/2007**	31/3/2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**28,582**	12,984	**105**	26
Short term bank deposits	**118,282**	588,643	**—**	—
	146,864	601,627	**105**	26
Maximum exposure to credit risk	**146,722**	601,498	**105**	26

Short term bank deposits have an average effective interest rate of 3.0% *(year ended 31/3/2007: 4.0%)* per annum and an average maturity of 55 days *(year ended 31/3/2007: 32 days)*.

The bank balances and cash are denominated in the following currencies:

	31/12/2007	31/3/2007
	HK$'000	HK$'000
Hong Kong dollar	**88,336**	342,420
Renminbi	**44,787**	33,848
Singapore dollar	**13,610**	39,798
United States dollar	**131**	185,561
	146,864	601,627

26. Trade and other payables and accruals

	Group		Company	
	31/12/2007	31/3/2007	**31/12/2007**	31/3/2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables	**153,983**	36,377	**—**	—
Other payables	**108,825**	5,452	**36**	—
Deposits received	**34,651**	21,549	**—**	—
Accruals	**11,274**	3,309	**3,571**	322
	308,733	66,687	**3,607**	322

The ageing analysis of trade payables is as follows:

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Current to 30 days	**152,965**	35,706
31 to 90 days	**931**	671
Over 90 days	**87**	—
	153,983	36,377

The carrying amounts of trade and other payables and accruals are denominated in the following currencies:

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Hong Kong dollar	**303,781**	61,103
Singapore dollar	**3,891**	4,808
Renminbi	**1,061**	776
	308,733	66,687

27. Bank loans and overdrafts

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Bank overdrafts	**—**	171
Current portion of long term bank loans *(Note 28)*	**2,000**	—
	2,000	171

28. Long term bank loans

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Bank loans – secured	**1,343,700**	100,381
Less: Amount repayable within one year included under current liabilities *(Note 27)*	**(2,000)**	—
	1,341,700	100,381
The bank loans are repayable as follows:		
Within one year	**2,000**	—
In the second year	**559,345**	—
In the third to fifth years inclusive	**351,380**	60,228
After the fifth year	**430,975**	40,153
	1,343,700	100,381

The bank loans are denominated in Hong Kong dollar. Certain investment properties with a carrying amount of HK$5,746,570,000 *(31/3/2007: HK$4,444,800,000)* and properties under development with a carrying amount of HK$921,717,000 *(31/3/2007: Nil)* have been mortgaged to secure the Group's bank loans.

The bank loans have an average effective interest rate of 4.03% *(31/3/2007: 4.64%)* per annum. The carrying values of bank loans approximate their fair values. The exposure of the Group's bank loans to interest-rate changes and the contractual repricing dates is less than 6 months.

29. Other long term loans

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Amounts due to minority shareholders of subsidiaries	**35,275**	35,308

The loans are denominated in Hong Kong dollar, unsecured, interest free and expected not to be repaid within one year.

The fair value of the other long term loans is approximately HK$34,095,000 *(31/3/2007: HK$33,869,000)*.

30. Deferred taxation

	Group 31/12/2007 HK$'000	31/3/2007 HK$'000
Beginning of the period/year	**627,878**	521,244
Charged to income statement *(Note 10)*	**104,313**	106,634
Acquisitions of subsidiaries	**154,152**	—
End of the period/year	**886,343**	627,878

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% *(31/3/2007: 17.5%).*

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through the future taxable profits are probable. The Group has unrecognised tax losses of HK$4,233,000 *(31/3/2007: Nil)* to carry forward against future taxable income.

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the period/year is as follows:

Deferred tax assets

	Group					
	Tax losses		**Provision**		**Total**	
	31/12/2007 HK$'000	31/3/2007 HK$'000	**31/12/2007 HK$'000**	31/3/2007 HK$'000	**31/12/2007 HK$'000**	31/3/2007 HK$'000
Beginning of the period/year	**10,034**	11,007	**34**	18	**10,068**	11,025
Credited/(charged) to income statement	**5,280**	(973)	**(34)**	16	**5,246**	(957)
End of the period/year	**15,314**	10,034	**—**	34	**15,314**	10,068

Deferred tax liabilities

	Group					
	Accelerated depreciation		**Revaluation of properties**		**Total**	
	31/12/2007 HK$'000	31/3/2007 HK$'000	**31/12/2007 HK$'000**	31/3/2007 HK$'000	**31/12/2007 HK$'000**	31/3/2007 HK$'000
Beginning of the period/year	**32,560**	30,909	**605,386**	501,360	**637,946**	532,269
Charged to income statement	**2,964**	1,651	**106,595**	104,026	**109,559**	105,677
Acquisition of subsidiaries	**8,566**	—	**145,586**	—	**154,152**	—
End of the period/year	**44,090**	32,560	**857,567**	605,386	**901,657**	637,946

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group 31/12/2007 HK$'000	31/3/2007 HK$'000
Deferred tax assets	**(6,042)**	(1,597)
Deferred tax liabilities	**892,385**	629,475
	886,343	627,878

31. Share capital

	Ordinary shares of HK$0.01 each	
	No. of shares	**HK$'000**
Authorised:		
At 31 December 2007 and 31 March 2007	**750,000,000**	**7,500**
Issued and fully paid:		
At 31 December 2007 and 31 March 2007	**259,685,288**	**2,596**

32. Reserves

	Group					
	Contributed surplus HK$'000	**Investment revaluation reserve HK$'000**	**Exchange fluctuation account HK$'000**	**Hedging reserve HK$'000**	**Retained earnings HK$'000**	**Total HK$'000**
At 1 April 2007	**769,080**	**361,415**	**(4,475)**	**113**	**4,230,013**	**5,356,146**
Exchange translation differences	—	—	**3,711**	—	—	**3,711**
Realised on disposal of available-for-sale financial assets	—	**(3,036)**	—	—	—	**(3,036)**
Fair value loss on available-for-sale financial assets	—	**(31,199)**	—	—	—	**(31,199)**
Share of reserve of an associate	—	—	—	**(113)**	—	**(113)**
Fair value loss on cash flow hedges	—	—	—	**(26,996)**	—	**(26,996)**
Profit for the period	—	—	—	—	**738,725**	**738,725**
Prior year final dividend paid	—	—	—	—	**(77,905)**	**(77,905)**
Interim dividend declared *(Note 13)*	—	—	—	—	**(31,162)**	**(31,162)**
	—	**(34,235)**	**3,711**	**(27,109)**	**629,658**	**572,025**
At 31 December 2007	**769,080**	**327,180**	**(764)**	**(26,996)**	**4,859,671**	**5,928,171**
Representing:						
Final dividend proposed *(Note 13)*	—	—	—	—	**57,131**	**57,131**
Others	**769,080**	**327,180**	**(764)**	**(26,996)**	**4,802,540**	**5,871,040**
At 31 December 2007	**769,080**	**327,180**	**(764)**	**(26,996)**	**4,859,671**	**5,928,171**

32. Reserves *(continued)*

	Group					
	Contributed surplus HK$'000	Investment revaluation reserve HK$'000	Exchange fluctuation account HK$'000	Hedging reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2006	769,080	166,118	(20,965)	—	3,501,686	4,415,919
Exchange translation differences	—	—	16,490	—	—	16,490
Fair value gain on available-for-sale financial assets	—	195,297	—	—	—	195,297
Share of reserves of an associate	—	—	—	113	—	113
Profit for the year	—	—	—	—	803,636	803,636
Prior year final dividend paid	—	—	—	—	(49,340)	(49,340)
Interim dividend paid *(Note 13)*	—	—	—	—	(25,969)	(25,969)
	—	195,297	16,490	113	728,327	940,227
At 31 March 2007	769,080	361,415	(4,475)	113	4,230,013	5,356,146
Representing:						
Final dividend proposed *(Note 13)*	—	—	—	—	77,905	77,905
Others	769,080	361,415	(4,475)	113	4,152,108	5,278,241
At 31 March 2007	769,080	361,415	(4,475)	113	4,230,013	5,356,146

Notes to the Financial Statements

32. Reserves *(continued)*

	Company		
	Contributed surplus HK$'000	**Retained earnings HK$'000**	**Total HK$'000**
At 1 April 2007	**2,849,582**	**325,610**	**3,175,192**
Profit for the period *(Note 11)*	**—**	**86,332**	**86,332**
Transfer	**(9,016)**	**9,016**	**—**
Prior year final dividend paid	**—**	**(77,905)**	**(77,905)**
Interim dividend declared *(Note 13)*	**—**	**(31,162)**	**(31,162)**
At 31 December 2007	**2,840,566**	**311,891**	**3,152,457**
Representing:			
Final dividend proposed *(Note13)*	**—**	**57,131**	**57,131**
Others	**2,840,566**	**254,760**	**3,095,326**
At 31 December 2007	**2,840,566**	**311,891**	**3,152,457**
At 1 April 2006	2,607,867	150,835	2,758,702
Profit for the year *(Note 11)*	—	491,799	491,799
Transfer	241,715	(241,715)	—
Prior year final dividend paid	—	(49,340)	(49,340)
Interim dividend paid *(Note 13)*	—	(25,969)	(25,969)
At 31 March 2007	2,849,582	325,610	3,175,192
Representing:			
Final dividend proposed *(Note 13)*	—	77,905	77,905
Others	2,849,582	247,705	3,097,287
At 31 March 2007	2,849,582	325,610	3,175,192

Pursuant to the Companies Law of the Cayman Islands and the Company's Articles of Association, the contributed surplus of the Company is available for distribution to shareholders in addition to retained earnings, provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

33.Future lease receipts

Future minimum lease receipts under non-cancellable operating leases in respect of investment properties are as follows:

	Group	
	31/12/2007 HK$'000	31/3/2007 HK$'000
Not later than one year	**133,596**	88,778
Later than one year and not later than five years	**53,069**	40,289
	186,665	129,067

34. Capital commitments

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Investment properties		
Contracted but not provided for	**937,098**	1,429,151
Investments in associated companies		
Contracted but not provided for	**515,776**	679,030
	1,452,874	2,108,181

35. Lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	Group	
	31/12/2007	31/3/2007
	HK$'000	HK$'000
Not later than one year	**5,759**	11,776
Later than one year and not later than five years	**81**	1,715
	5,840	13,491

36. Financial guarantee contracts

The face value of the financial guarantees issued by the Group and the Company is analysed as follows:

	Group		Company	
	31/12/2007	31/3/2007	**31/12/2007**	31/3/2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Guarantees given in respect of banking facilities granted to subsidiaries *(Note (ii))*	—	—	**2,539,238**	1,988,500
Guarantees and completion undertakings given severally in respect of banking facilities granted to associated companies in proportion to the Group's respective equity interests *(Note (iii))*	**538,127**	527,883	**538,127**	527,883
Indemnity given severally in respect of banking facilities granted to an investee company in proportion to the Group's effective 12% equity interest	—	123,624	—	—
	538,127	651,507	**3,077,365**	2,516,383

(i) The Directors of the Company consider that it is not probable for a claim to be made against the Group and the Company under any of these guarantees as at the balance sheet date. All of the financial guarantee contracts as disclosed above have not been recognised in the financial statements of the Group and the Company as the Directors of the Company consider that the fair values of these contracts are not significant to the Group.

(ii) The Company has executed guarantees in favour of banks in respect of facilities granted to subsidiaries amounting to HK$2,539,238,000 *(31/3/2007: HK$1,988,500,000)*, of which HK$1,343,700,000 *(31/3/2007: HK$100,552,000)* have been utilised by the subsidiaries.

(iii) The Group has executed guarantees in favour of banks in respect of facilities granted to associated companies of HK$538,127,000 *(31/3/2007: HK$527,883,000)* (wholly executed by the Company). The amount of facilities utilised by the associated companies amounted to HK$307,141,000 *(31/3/2007: HK$341,324,000).*

37. Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash generated from operations

	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000
Operating profit	**826,340**	759,624
Increase in fair value of investment properties	**(608,240)**	(608,344)
Depreciation of property, plant and equipment	**2,675**	3,529
Gain on disposal of investment properties, properties for sale and plant and equipment	**(196)**	(32,718)
Realised gain on available-for-sale financial assets	**(111,349)**	—
Provision for available-for-sale financial assets	**471**	—
Fair value and realised loss on derivative financial instruments	**10,049**	5,645
Interest income	**(33,777)**	(37,188)
Interest expenses	**413**	4,225
Dividend income	**(19,524)**	(8,437)
Operating profit before working capital changes	**66,862**	86,336
(Increase)/decrease in trade and other receivables	**(14,864)**	1,531
Decrease/(increase) in financial assets at fair value through profit or loss	**20,893**	(35,743)
Increase/(decrease) in trade and other payables and accruals	**9,874**	(6,353)
Net cash generated from operations	**82,765**	45,771

(b) Analysis of changes in financing

	Minority interests		**Bank and other loans**	
	9 months ended 31/12/2007 HK$'000	Year ended 31/3/2007 HK$'000	**9 months ended 31/12/2007 HK$'000**	Year ended 31/3/2007 HK$'000
Beginning of the period/year	**14,531**	2,431	**135,689**	74,929
Exchange differences	**96**	55	—	—
Net (loss)/gain on available-for-sale financial assets	**(142)**	229	—	—
Minority interests in share of profit	**5,136**	13,121	—	—
Dividend paid to a minority shareholder	**(495)**	(1,305)	—	—
Acquisition of subsidiaries	—	—	**416,400**	—
Net cash inflow from financing	—	—	**826,886**	60,760
End of the period/year	**19,126**	14,531	**1,378,975**	135,689

(c) Analysis of bank and other loans

	31/12/2007 HK$'000	31/3/2007 HK$'000
Long term bank loans *(Note 28)*	**1,343,700**	100,381
Other long term loans *(Note 29)*	**35,275**	35,308
	1,378,975	135,689

38. Business combination - Group

On 31 December 2007, the Group completed the acquisition of the entire issued share capital of each of Unimix Properties Limited and Grandeur Investments Limited, and 70% of the issued share capital of Winnion Limited, being all the issued share capital of Winnion Limited not already owned by the Group and certain related shareholder loans. These three companies being acquired own three properties in Hong Kong – namely the Unimix Industrial Centre in San Po Kong, the Shui Hing Centre in Kowloon Bay and the W Square in Wanchai. The acquired subsidiaries contributed no revenue or profit to the Group as the date of acquisition was at the period end date of 31 December 2007. If the acquisition had occurred on 1 April 2007, the Group's revenue would have been increased by HK$37,200,000 and profit before allocations would have been increased by HK$162,460,000. These amounts have been calculated using the Group's accounting policies and by adjusting the results of these subsidiaries to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to properties under development and investment properties had applied from 1 April 2007, together with the consequential tax effects.

	Acquirees' carrying amount before combination HK$'000	Fair value adjustments HK$'000	Fair value HK$'000
The assets and liabilities acquired			
Investment properties	**890,000**	**—**	**890,000**
Properties under development	**813,417**	**108,300**	**921,717**
Trade and other receivables	**3,336**	—	**3,336**
Bank balances and cash	**12,216**	—	**12,216**
Trade and other payables and accruals	**(92,704)**	—	**(92,704)**
Tax payable	**(516)**	—	**(516)**
Long term bank loans	**(416,400)**	—	**(416,400)**
Deferred tax liabilities	**(96,680)**	**(57,472)**	**(154,152)**
Net assets	**1,112,669**	**50,828**	**1,163,497**
Interests originally held by the Group			**(114,507)**
Net assets acquired			**1,048,990**
Total purchase consideration			**(1,110,082)**
Goodwill			**61,092**

Purchase consideration	
Cash paid	**1,124,529**
Purchase consideration adjustment	**(18,067)**
Expenses paid related to the acquisition	**2,961**
Expenses payable related to the acquisition	**659**
	1,110,082

Net cash outflow on acquisition of subsidiaries	
Purchase consideration and expenses settled in cash	**1,127,490**
Bank balances and cash of the subsidiaries acquired	**(12,216)**
Net outflow of cash and cash equivalents in respect of the acquisition	**1,115,274**

There were no acquisitions in the year ended 31 March 2007.

Subsidiaries and Associated Companies

Subsidiaries	Issued Share Capital			Effective % shareholding held at 31 December 2007 Group	Company	Principal Activities	*Notes*
Winsor Properties Finance Ltd.	Ordinary	HK$	2	100	100	Group Finance Company	
Winsor Properties (Hong Kong) Ltd., B.V.I.	Ordinary	US$	1	100	100	Investment Holding	
Adam Knitters Ltd.	Ordinary	HK$	1,000	100	—	Property Investment	
	Deferred	HK$	200,000	—	—		*4*
Allied Effort Ltd., B.V.I.	Ordinary	US$	1	100	—	Investment Holding	
Winnion Limited	Ordinary	HK$	100	100	—	Property Investment	
Baudinet Investment Ltd.	Ordinary	HK$	18	100	—	Property Investment	
	Deferred	HK$	2	—	—		*4*
Begin Land Ltd.	Ordinary	HK$	90,000	100	—	Property Investment	
	Deferred	HK$	10,000	—	—		*4*
Congenial Investments Ltd., B.V.I.	Ordinary	US$	1	100	—	Investment	*3*
East Sun Estate Management Company Ltd.	Ordinary	HK$	200	100	—	Property Management	
East Sun Textile Company, Ltd.	Ordinary	HK$	20	100	—	Dormant	
	Deferred	HK$	15,000,000	—	—		*4*
Grandeur Investments Limited, B.V.I.	Ordinary	US$	1	100	—	Property Investment	
Hilwin Properties Ltd.	Ordinary	HK$	450,000	100	—	Investment Holding	
	Deferred	HK$	50,000	—	—		*4*
Hanbury Development Company Ltd.	Ordinary	HK$	10,000	100	—	Dormant	
Libro Estates Ltd.	Ordinary	HK$	90,000	100	—	Property Investment	
	Deferred	HK$	10,000	—	—		*4*
Unimix Properties Limited	Ordinary	HK$	200	100	—	Property Investment	
Winner Godown Ltd.	Ordinary	HK$	1,500,000	70	—	Godown Operation	
Winsor Air Cargo Centre Ltd.	Ordinary	HK$	20	100	—	Dormant	
Winsor Billion Management Ltd.	Ordinary	HK$	1	100	—	Property Management	
Winsor Estate Agents Ltd.	Ordinary	HK$	20	100	—	Property Agent	
Winsor Estate Management Ltd.	Ordinary	HK$	2	100	—	Property Management	
Winsor Parking Ltd.	Ordinary	HK$	18,000,000	100	—	Property Investment	
	Deferred	HK$	2,000,000	—	—		*4*
Winsor Properties Financial Services Ltd.	Ordinary	HK$	840	95.24	—	Investment Holding and Property Investment	
Chericourt Company Ltd.	Ordinary	HK$	1,000,000	95.24	—	Property Investment	
Zofka Properties Ltd.	Ordinary	HK$	90,000	100	—	Property Investment	
	Deferred	HK$	10,000				*4*
Winsor Properties (Overseas) Ltd., B.V.I.	Ordinary	US$	1	100	100	Investment Holding	*3*
Zak Holdings Ltd., B.V.I.	Ordinary	US$	1	100	—	Investment Holding	*3*
Winwin Investment Pte. Ltd., Singapore	Ordinary	SGD	2	100	—	Property Investment	
Curlew International Ltd., B.V.I.	Ordinary	US$	1	100	—	Investment Holding	*3*
Winprop Pte. Ltd., Singapore	Ordinary	SGD	2	100	—	Investment Holding	*2*
Winance Investment Pte. Ltd., Singapore	Ordinary	SGD	2	100	—	Dormant	*2*
Winsor Properties (China) Ltd., B.V.I.	Ordinary	US$	1	100	100	Investment Holding	*3*
Dhandia Ltd.	Ordinary	HK$	1,000	100	—	Investment Holding	
Tat Yeung Properties Investment Ltd., B.V.I.	Ordinary	US$	1,000	100	—	Investment Holding	*3*
Winsor Health Godown Ltd., B.V.I.	Ordinary	US$	1,000	95	—	Investment Holding	*3*
Grandwick Investment Limited	Ordinary	HK$	1	95	—	Investment Holding	*3*
South-China Cold Storage & Ice Co., Ltd., Mainland China (foreign wholly-owned enterprise)	Ordinary	US$	5,000,000	95	—	Cold Storage	*2*

Associated companies	Issued Share Capital			Effective % shareholding held at 31 December 2007 Group	Company	Principal Activities	*Notes*
Javary Ltd.	Ordinary	HK$	300	33.3	—	Property Investment	*2*
Pangold Development Ltd.	Ordinary	HK$	100	20	—	Property Development	
Suzhou World Trade Centre, Mainland China	Ordinary	US$	6,500,000	24.8	—	Property Investment and Development	*2*
Tat Yeung Trading Company Ltd., B.V.I.	Ordinary	US$	2	50	—	Investment Holding	*3*
Universal Plus Ltd., B.V.I.	Ordinary	US$	100	20	—	Investment Holding	
Winquest Investment Pte. Ltd., Singapore	Ordinary	SGD	1,000,000	30	—	Property Investment	
Winwill Investment Pte Ltd, Singapore	Ordinary	SGD	10	20	—	Investment Holding	

1. Unless otherwise stated, all companies are incorporated in Hong Kong. Those companies incorporated in Mainland China and Singapore operate in their country of incorporation. Other companies operate principally in Hong Kong. None of the subsidiaries have issued any debt securities.

2. The financial statements of these companies are audited by firms other than PricewaterhouseCoopers. The aggregate net assets and profit after taxation of these companies attributable to the Group amounted to HK$83,389,000 *(31/3/2007: HK$125,365,000)* and HK$13,572,000 *(31/3/2007: HK$159,074,000)* respectively.

3. The financial statements of these companies are not audited. The aggregate net liabilities and profit after taxation of these companies attributable to the Group amounted to HK$2,881,000 *(31/3/2007: HK$2,620,000)* and HK$2,106,000 *(31/3/2007: loss after taxation of HK$20,000)* respectively.

4. The deferred shares, which are held by Winsor Industrial Corporation, Limited and/or its subsidiaries, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution on winding up unless the assets of the respective companies to be returned on winding up exceed the value of HK$100,000,000,000.

Schedule of Properties

Location	Lease Expiry	Site Area *(sq. ft.)*	Gross Floor Area *(sq. ft.)*	Stage of Completion	Type	Effective Interest
Investment Properties:						
Regent Centre, 63-73 Wo Yi Hop Road, Lot No. 299 in D. D. 444, Kwai Chung, New Territories, HONG KONG.	2047	103,500	658,413 (remaining portion)	Completed	Industrial/ Godown	95.24%
Winner Godown Building, 503-515 Castle Peak Road and 1-9 Sha Tsui Road, R.P. of Tsuen Wan Inland Lot No. 28, Tsuen Wan, New Territories, HONG KONG.	2047	50,804	497,140	Completed	Industrial/ Godown	100%
Lucky Industrial Building, 18-24 Kwai Hei Street and 13-19 Kwai Lok Street, Kwai Chung Town Lot No. 342, Kwai Chung, New Territories, HONG KONG.	2047	30,713	292,520	Completed	Industrial/ Godown	100%
Landmark East, 102 How Ming Street, Section A and The Remaining Portion of Kwun Tong Inland Lot No. 242, Kwun Tong, Kowloon, HONG KONG.	2047	95,940	1,151,000 (approximately)	Completion is scheduled for the second half of the year 2008.	Office	100%
161 agricultural lots, Lantau and Peng Chau, New Territories, HONG KONG.	2047	540,167	—	Vacant	Agricultural	100%
Shui Hing Centre, 13 Sheung Yuet Road, Kowloon Bay, Kowloon New Kowloon Inland Lot No. 5890 HONG KONG.	2047	18,256	186,827	Completed	Industrial/ Godown	100%
Unimix Industrial Centre, 2 Ng Fong Street, San Po Kong, Kowloon New Kowloon Inland Lot No. 4899 HONG KONG.	2047	25,380	393,842	Completed	Industrial/ Godown	100%
Properties under development:						
W Square, 314-324 Hennessy Road, The Remaining Portion and Section D of Marine Lot No. 122, Wan Chai, HONG KONG.	2859	7,652	114,737	Completed renovation in January 2008	Commercial/ Office	100%
Properties held for operation:						
South-China Cold Storage Complex, Nan Gang Main Road, Shekou Industrial Zone, Shenzhen, Guangdong Province, People's Republic of China.	2015	215,720	381,699	Completed	Cold Storage	95%

Financial Assistance and Guarantees provided to Entities and Affiliated Companies

As at 31 December 2007

Relevant advances to entities

As at 31 December 2007, there were no relevant advances made by the Group to entities which exceeded 8% of the Group's total assets as at 31 December 2007 of approximately HK$8,667,985,000. The disclosure requirements under rule 13.20 of the Rules Governing the Listing of Securities (" Listing Rules") on The Stock Exchange of Hong Kong Limited were therefore not applicable to the Company as at that date.

Combined balance sheet of affiliated companies

Loans advanced to and guarantees provided by the Group for the benefit of the Group's affiliated companies (as such term is defined in Chapter 13 of the Listing Rules and means associated companies in the context of the Group) as at 31 December 2007 in aggregate exceeded 8% of the Group's total assets as at 31 December 2007. In accordance with rule 13.22 of the Listing Rules, the combined balance sheet of the Group's affiliated companies as at 31 December 2007 and the Group's attributable interest therein are set out below:

	Combined balance sheet HK$'000	**Group's attributable interest HK$'000**
Investment properties	**13,650**	4,412
Leasehold land	**663,606**	132,721
Other property, plant and equipment	**44,365**	11,002
Properties under development	**1,877,892**	518,334
Associated companies	**8,806**	1,761
Net current assets	**141,712**	11,479
Minority interests	**(101,754)**	(20,351)
Long term bank loans	**(1,136,177)**	(307,141)
Other long term loans	**(97,835)**	(19,567)
Deferred tax liabilities	**(7)**	(2)
Amounts and loans due to shareholders	**(1,206,733)**	(291,107)
Amounts and loans due from shareholders	**828,871**	165,373
	1,036,396	206,914

Five Year Financial Summary

	9 months ended 31/12/2007	Year ended 31 March			
		2007	2006	2005	2004
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Group results					
Revenue	**119,097**	304,103	933,163	508,936	220,813
Profit attributable to shareholders of the Company	**738,725**	803,636	816,627	459,809	99,342

Summary consolidated balance sheet	**As at 31/12/2007**	As at 31 March			
		2007	2006	2005	2004
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Property, plant and equipment	**32,194**	31,638	32,091	2,231,990	926,849
Investment properties	**6,660,890**	4,665,300	4,023,360	1,628,039	1,750,711
Properties under development	**921,717**	—	—	—	—
Associated companies	**332,648**	409,821	240,426	19,558	106,911
Available-for-sale financial assets	**442,382**	490,448	213,926	—	—
Loans and receivables	**—**	16	155,313	—	—
Other investments	**—**	—	—	438,176	582,155
Deferred tax assets	**6,042**	1,597	3,191	5,675	6,766
Goodwill	**61,092**	—	—	—	—
Net current (liabilities)/assets	**(205,952)**	539,617	349,606	83,523	48,885
Total assets less current liabilities	**8,251,013**	6,138,437	5,017,913	4,406,961	3,422,277
Share capital	**2,596**	2,596	2,596	2,596	2,596
Other reserves	**1,068,500**	1,126,133	914,233	3,025,071	2,174,879
Retained earnings	**4,802,540**	4,152,108	3,452,346	660,610	200,801
Proposed final dividend	**57,131**	77,905	49,340	46,743	18,178
Equity attributable to shareholders of the Company	**5,930,767**	5,358,742	4,418,515	3,735,020	2,396,454
Minority interests	**19,126**	14,531	2,431	(20)	(11,381)
Total equity	**5,949,893**	5,373,273	4,420,946	3,735,000	2,385,073
Long term bank loans	**1,341,700**	100,381	37,154	172,848	645,633
Other long term loans	**35,275**	35,308	35,378	35,420	145,496
Derivative financial instruments	**31,760**	—	—	—	—
Deferred tax liabilities	**892,385**	629,475	524,435	463,693	246,075
Funds employed	**8,251,013**	6,138,437	5,017,913	4,406,961	3,422,277