ANNUAL REPORT 2008/09

SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

Stock code:252

BOARD OF DIRECTORS

Executive Directors

Mr. Chua Nai Tuen
(Chairman & Managing Director)
Mr. Chua Nai King
(Deputy Chairman)
Mr. Gilson Chua

Non-Executive Directors

Mr. Chan Man Hon, Eric
Mr. Jimmy Siy Tiong
Mr. Luis Siy (formerly known as Luis Chua)
Mr. Rene Siy Chua
Mr. Tsai Han Yung
Mr. Siy Yap Samuel
(Appointed on 30 September 2008)
Mr. Nelson Junior Chua
Miss Vivian Chua
Mr. Se Ying Kin
Mr. Siy Yap
(Resigned on 30 September 2008)

Independent Non-Executive Directors

Mr. Chan Siu Ting
Mr. James L. Kwok
Mr. Wong Shek Keung

AUDIT COMMITTEE

Mr. Chan Siu Ting *(Chairman)*
Mr. Chan Man Hon, Eric
Mr. James L. Kwok
Mr. Tsai Han Yung
Mr. Wong Shek Keung

REMUNERATION COMMITTEE

Mr. James L. Kwok *(Chairman)*
Mr. Chan Man Hon, Eric
Mr. Wong Shek Keung

PRINCIPAL BANKERS

Hang Seng Bank Limited
Industrial and Commercial Bank of China
(Asia) Limited
Standard Chartered Bank (Hong Kong) Limited
Wing Hang Bank, Limited
China Construction Bank (Asia) Corporation Limited

SOLICITORS

Vincent T. K. Cheung, Yap & Co.

AUDITORS

K. L. Young & Co.

QUALIFIED ACCOUNTANTS

Ms. Li Wai Man (Resigned on 30 May 2009)
Mr. Shoom Chin Wan
(Appointed on 30 May 2009)

COMPANY SECRETARY

Ms. Woo Siu Ping, Dilys
(Resigned on 1 August 2008)
Mr. Chong Pang To
(Appointed on 1 August 2008 and
resigned on 28 February 2009)
Mr. Chan Chit Ming, Joeie
(Appointed on 28 February 2009)

REGISTERED OFFICE

Units 407-410, 4th Floor, Tower 2
Silvercord, No. 30 Canton Road
Tsimshatsui, Kowloon, Hong Kong

SHARE REGISTRAR

General Secretarial Services Limited
20th Floor, Capitol Centre
5-19 Jardine's Bazaar
Causeway Bay, Hong Kong

STOCK CODE

252

EXECUTIVE DIRECTORS

Mr. Chua Nai Tuen, aged 57, was appointed as an Executive Director and Managing Director in 1973 and was further appointed Chairman of the Company in 2000. Mr. Chua is responsible for the formulation and execution of the Group's overall strategic planning, business development and seeking business opportunities for the Group. He is also a Director of other companies in the Group. He has over 35 years' experience in finance, property investment and development, hotel, manufacturing and trading of plastics packaging materials business.

Mr. Chua Nai King, aged 59, was appointed as an Executive Director in 1972 and was further appointed Deputy Chairman of the Company in 2000. He is also a Director of other companies in the Group. He has over 35 years' experience in finance, property investment, property development and hotel business.

Mr. Gilson Chua, aged 29, was appointed as an Executive Director of the Company on 15 April 2008. He joined the Group in 2002. He is the Director and Deputy General Manager of Nan Sing Plastics Limited and he is also a Director of other companies in the Group. He graduated from the University of Warwick in United Kingdom and obtained a Bachelor's degree in Computer and Business Studies.

NON-EXECUTIVE DIRECTORS

Mr. Chan Man Hon, Eric, aged 52, was appointed as a Non-executive Director of the Company in 1994 and was further appointed as a member of the Audit Committee and Remuneration Committee in 2001 and 2005 respectively. Mr. Chan is a practising solicitor in Hong Kong. He obtained a Bachelor of Laws degree from the University of Hong Kong and was admitted as a solicitor in Hong Kong in 1981. He was further admitted as a solicitor in England and Australia in 1984 and 1985 respectively. He is the consultant of Vincent T. K. Cheung, Yap & Co. Currently, Mr. Chan is an independent non-executive director of Emperor International Holdings Limited and Global Bio-Chem Technology Group Company Limited, the shares of both companies are listed on the Stock Exchange of Hong Kong.

Mr. Jimmy Siy Tiong, aged 73, was appointed as a Non-executive Director of the Company in 1978. Mr. Siy was the former President of Sanyo Philippines Inc., a company incorporated in the Philippines.

Mr. Luis Siy (formerly known as Luis Chua), aged 56, was appointed as a Non-executive Director of the Company in 1978. Mr. Siy is a Director of Standard Appliances Corporation, a company incorporated in the Philippines.

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Rene Siy Chua, aged 51, was appointed as a Non-executive Director of the Company in 2000. Mr. Chua is the General Manager of Mindanao Textile Corporation, a company incorporated in the Philippines.

Mr. Tsai Han Yung, aged 43, was appointed as a Non-executive Director of the Company in 2000 and was further appointed as a member of the Audit Committee in 2001. Mr. Tsai holds management positions in certain companies in Taiwan.

Mr. Siy Yap Samuel, aged 50, was appointed as a Non-executive Director of the Company on 30 September 2008. Mr. Siy Yap is a businessman with over 25 years of experience in manufacturing and product distribution. He graduated from Ateneo De Manila University in Philippines and obtained a Bachelor's degree of Science in Management Engineering.

Mr. Nelson Junior Chua, aged 30, was appointed as a Non-executive Director of the Company on 15 April 2008. Mr. Chua has about 9 years' experience in financial information analysis and research field. He graduated from the Queen Mary & Westfield College of London University in United Kingdom and obtained a Bachelor's degree in Molecular Biology. He is a Regional Research Manager of a multinational firm which designs, develops and markets a suite of technologically advanced software, communications and analytical products to the investment banking industry.

Miss Vivian Chua, aged 29, was appointed as a Non-executive Director of the Company on 15 April 2008. Miss Chua joined the Group in 2005. She is a Marketing and Planning Analyst of Nan Sing Plastics Limited and Deputy Manager responsible for the Group's property management. She graduated from The University of British Columbia in Canada and obtained a Bachelor's degree in Commerce.

Mr. Se Ying Kin, aged 67, was appointed as an Executive Director in 1973 and was redesignated as a Non-executive Director of the Company on 1 April 2008. He graduated from University College of London University in United Kingdom and obtained a Bachelor's degree (Honours) in Electrical and Electronic Engineering.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Siu Ting, aged 57, was appointed as an Independent Non-executive Director of the Company and Chairman of the Audit Committee in 2006. Mr. Chan has been practising as a Certified Public Accountant in Hong Kong for over 10 years. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and a member of The Institute of Chartered Accountants in England and Wales. He is currently a Director of Wong Chan Lau C.P.A. Company Limited, Certified Public Accountants (Practising).

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. James L. Kwok, aged 57, was appointed as an Independent Non-executive Director of the Company in 1994 and was further appointed as a member of the Audit Committee and Chairman of the Remuneration Committee in 2001 and 2005 respectively. Mr. Kwok obtained a MBA degree from the Wharton School, University of Pennsylvania. He started his career in banking and had held the position of manager of the Asian portfolios of a major American bank in Hong Kong. For the past two decades, he held a management position in a group of private companies in Hong Kong and North America which were involved in general trading, property investment and garment business.

Mr. Wong Shek Keung, aged 66, was appointed as an Independent Non-executive Director of the Company and a member of the Audit Committee and Remuneration Committee in 2005. Mr. Wong has over 30 years' extensive experience in banking, finance and administration. He had held a senior position of a reputable French bank's Hong Kong Branch and had been an advisor to the Chairman of a down manufacturing company in China.

SENIOR MANAGEMENT

Mr. Choy Tin Woo, Johnnie, aged 54, is the Executive Director and Responsible Officer of Stockwell Securities Limited. He is also a Director of other companies in the Group. Mr. Choy joined the Group in 1976 and is responsible for the Group's securities and commodities dealings.

Mr. Fu Ka Tsang, aged 51, is the General Manager of the Company and he is also a Director of other companies in the Group. Mr. Fu joined the Group in 1995 and is responsible for the Group's property investment and development business.

Miss Chan Sin Yee, Lomeria, aged 52, joined the Group in the 4th quarter of 2008 as the Personal Assistant to Group Chairman and Group Human Resources & Administration Director. Prior to joining the Group, Ms. Chan has undertaken different key management positions in multinational companies.

Mr. Shoom Chin Wan, aged 44, is the Financial Controller of the Company. Mr. Shoom is a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Association of International Accountants of the United Kingdom; The Institute of Chartered Secretaries and Administrators; The Hong Kong Institute of Chartered Secretaries and The Taxation Institute of Hong Kong. Mr. Shoom has more than 17 years working experience in the finance and accounting field. Prior to joining the Group in May 2009, Mr. Shoom had worked as the chief financial officer and company secretary of a company listed on the Main Board of The Hong Kong Stock Exchange. Mr. Shoom is responsible for all accounting and finance operations of the Group.

SENIOR MANAGEMENT (Cont'd)

Mr. Chan Chit Ming, Joeie, aged 36, joined the Group as Company Secretary and Internal Audit Manager in November 2008. Mr. Chan is an associate of the Institute of Chartered Accountants in England and Wales, a fellow of the Association of Chartered Certified Accountants as well as a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, he had worked as a finance manager and company secretary of a company listed on the Main Board of The Hong Kong Stock Exchange. Mr. Chan has 15 years of solid finance, accounting, auditing experience in various industries and extensive experience and knowledge in company secretarial field. Mr. Chan received his MBA from the University of Hull in United Kingdom.

Messrs. Chua Nai Tuen, Chua Nai King, Jimmy Siy Tiong, Luis Siy (formerly known as Mr. Luis Chua), Rene Siy Chua and Tsai Han Yung are brothers and they are brothers-in-law of Mr. Se Ying Kin. Both Mr. Gilson Chua and Mr. Nelson Junior Chua are the sons of Mr. Chua Nai Tuen and Miss Vivian Chua is the daughter of Mr. Chua Nai King. Mr. Siy Yap Samuel is the nephew of Messrs. Chua Nai Tuen, Chua Nai King, Jimmy Siy Tiong, Luis Siy (formerly known as Luis Chua), Rene Siy Chua, Tsai Han Yung and Se Ying Kin and he is the cousin of Mr. Nelson Junior Chua, Mr. Gilson Chua and Miss Vivian Chua. Save as disclosed, the directors and senior management do not have any relationships as set out in Rule 12 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On behalf of the Board of Directors, I am pleased to submit to the Shareholders the Annual Report of the Group for the year ended 31 March 2009.

RESULTS

During the year, the Group's profits attributable to Shareholders was HK$17.6 million (2007/2008: HK$36.0 million). Earnings per share was 8.9 cents (2007/2008: 18.2 cents). Turnover was HK$368.0 million (2007/2008: HK$402.5 million).

During the year, the Group's profit before tax was HK$21.2 million (2007/2008: HK$46.2 million). Given below is an analysis of the profit/(loss) from operations of the Group's principal activities

	2009	2008
	HK$'000	HK$'000
Property investments and development/hotel	**14,885**	6,428
Manufacturing and trading of plastic packaging materials	**(3,246)**	501
Stock broking and finance	**5,583**	28,405
Revaluation surplus of investment properties	**12,063**	27,026
Profit from operations	**29,285**	62,360
Finance costs	**(8,327)**	(16,860)
Share of profit of associated companies	**200**	706
Profit before tax	**21,158**	46,206

DIVIDENDS

No interim dividend was paid during the year (2007/2008: Nil). The Directors now recommend for the adoption at the Annual General Meeting to be held on Friday, 28 August 2009 the payment on 4 September 2009 of a final dividend of 3.0 cents per share (2007/2008: 3.5 cents per share) in respect of the financial year ended 31 March 2009 to Shareholders on record as at 28 August 2009, absorbing a total amount of HK$5.9 million (2007/2008: HK$6.9 million).

BONUS ISSUE

The Directors recommend a bonus issue of 1 new share for every 10 shares held by Shareholders whose names appear on the register of members of the Company on 28 August 2009 and subject to the following conditions: (i) the passing by the Shareholders at the extraordinary general meeting of the Company of an ordinary resolution approving the increase in authorised share capital; (ii) the passing by the Shareholders at the forthcoming Annual General Meeting of an ordinary resolution approving the bonus issue; and (iii) the Listing Committee of the Stock Exchange agreeing to grant the approval for the listings of, and permission to deal in, the bonus shares to be issued pursuant to the bonus issue. Such new shares will rank pari passu with the existing issued shares of the Company in all respects, except that they will not rank for the final dividend for the year ended 31 March 2009. Certificates for the new shares issued under the bonus issue are expected to be dispatched on or before 18 September 2009.

DISCUSSION & ANALYSIS OF THE GROUP'S PERFORMANCE

Business Review

Property Investments and Development

During the year, the American sub-prime mortgage crisis has triggered a global financial tsunami, which has led to a credit crunch, economic decline, heavy squeeze in consumption; and correspondingly damaged the capital market. While China's economy and exports volume slowed and reversed, Hong Kong was not exceptional. We recorded a downturn in foreign tourist arrivals, whereas both the real estate and the stock market had hit the record highest and dropped down. The Group registered an increase in the fair value of property investment of HK$12.1 million during the year, which was HK$14.9 million or equivalent to 55.4% lower than that of the previous financial year.

The Group's properties, namely, the shops on the Ground Floor of Hotel Benito, the office unit in Silvercord at Tsimshatsui, the residential property at Essex Road, Kowloon Tong, the whole block of Nan Sing Industrial Building and the office/warehouse units in Kwai Tak Industrial Centre at Kwai Chung, together with the office units in Chao Shan Building and the residential property in Ming Yue Hua Yuan at Shenzhen, were all leased out and that generated a stable rental income of the Group during the year. The Group's rental income amounted to HK$15.9 million, exhibiting an increase of 13.4% over last year.

The Group disposed a residential property which had served as a staff quarters at Hong Keung Street, San Po Kong, and realised a gain of HK$1.2 million.

Hotel

Since its inception, Hotel Benito has been able to earn the recognition of her guests and achieve satisfactory results in its occupancy and average room rate through its superior location, stylish decors, personalised service and reasonable room rates. During the year, the Group's hotel revenue rose up to HK$14.3 million, showing significant growth when compared with the income of HK$3.7 million during the last year.

Manufacturing and Distribution of Plastic Packaging Materials

During the year, this business recorded a turnover of HK$311.5 million representing a decrease of 7.6% from last year. Gross profit and gross profit margin were HK$31.1 million and 10.0% respectively. Operating loss before finance costs, share of loss of associates and profits tax was HK$3.2 million.

This year witnessed an extremely volatile resin market whereby resin price increases steadily from US$1,300/MT in April to an all time high of US$1,850/MT in June before tumbling down to US$800/MT in November. The fluctuation in the resin prices coupled with the global financial crisis have adversely impacted our customers' sentiment towards their sales forecast, which in turn led to a more cautious approach in their procurement decision.

Given such adverse market conditions, the PRC Government promptly released a series of policies to stimulate the economy and expand the domestic demand, such as, the increase in export tax rebate from 5% to 9% in November 2008 and strengthening liquidity in the financial market.

With the general perception that shopping carriers are non-environmental friendly and the recent food safety scandals, the Group has grasped this opportunity and began reallocating production capacity for food packaging products and expanding the Mainland China market. We have enjoyed a 100% growth in the Mainland China market from last year and introduced our own branded retail products in Southern and Eastern China in the first quarter of 2009.

Stock broking and finance

Experiencing the world financial crisis and the uncertainties in macroeconomic environment, most investors became prudent and pessimistic during the year. The Hang Seng index dropped to 13,576 at the end of March 2009 with low volume in turnover. Our stock broking and finance business recorded an undesired performance during the financial year.

Our total turnover for the financial year recorded a decrease by nearly 40% as compared to the last financial year while operating profit before finance costs amounted to HK$5.6 million (2007/08: HK$28.4 million), representing a decrease of over 80.4% as compared to previous period. In light of the above, our stock broking business is facing keen competition from the industry and are forced to reduce commission to secure major clients. Besides, our business was also affected by weak market sentiment, a decrease in interest income as less margin financing was granted and the fair value changes on the Group's listed securities.

Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 31 March 2009, cash and bank balances were HK$60.1 million (31/3/2008: 13.3 million) with trade and other receivables at HK$92.5 million (31/3/2008: 194.7 million). Trade and other payables were HK$92.8 million (31/3/2008: HK$237.3 million). The significant decreases in trade receivables and trade payables were mainly due to the reduced total turnover in our stock broking business.

At the year end date, the Group's bank borrowings decreased from HK$243.6 million of the last year end date to HK$205.4 million of this year, in which the short term borrowings amounted to HK$128.8 million (31/3/2008: HK$183.8 million) and long term borrowings amounted to HK$76.6 million (31/3/2008: HK$59.8 million). The Group's current year net debt to equity ratio was 29% (2008: 46%), calculated on the basis of the Group's net borrowings (after bank balances and cash) over Shareholders' funds. The decreases in bank borrowings and the net debt to equity ratio during the year were mainly due to the decreases in inventories and trade receivables of the Group. This is in line with the Group's policy to improve liquidity of its funds for future expansion.

To minimise exposure on foreign exchange fluctuations, the Group's borrowings are primarily denominated in Hong Kong dollars and United States dollars. Foreign currency risk exposure on other foreign currencies is normally covered by forward exchange contracts. The Group has no significant exposure to foreign exchange rate fluctuations.

Capital Structure

As at 31 March 2009, the Group's Shareholders' funds amounted to HK$497.6 million (2007/2008: HK$508.1 million). The Group's consolidated net assets per share as at the year end date was HK$2.52.

Pledge of Assets

Details of pledge of assets are set out in note 38 to the financial statements on page 103.

Contingent Liabilities

Details of contingent liabilities are set out in note 39 to the financial statements on page 104.

Employees

The Group had about 854 employees as at 31 March 2009. Employees were remunerated according to nature of the job and market trend.

Retirement Scheme

The Group had joined a Mandatory Provident Fund Scheme to conform with the requirements as stipulated in the Mandatory Provident Schemes Ordinance. Details of the scheme are set out in note 35 to the financial statements on page 102.

OUTLOOK

Looking ahead, we do not expect the global economy to rebound rapidly. Nevertheless, there is no sign it would deteriorate further. The continued support of China coupled with the relatively low interest rate, Hong Kong is on its road to recovery and still looks promising in the long run.

The Group anticipates that its property investments at prime locations will lead to an increase in rental income. Even though there are fewer foreign tourists, hotel revenue should not decrease significantly when compare with this year as the increase in occupancy would offset the decrease in average room rate.

The plastic packaging materials manufacturing and distribution business will benefit from the additional 4% export tax rebate (from 9% to 13%) announced by the PRC Government and a stable Renminbi exchange rate.

The Group will focus on expanding our production capacity for food packaging products and acquire further accreditations in the area of Food Packaging Safety Standards. We will also increase our marketing efforts for our own-branded retail products in the Mainland China with the aim of establishing brand recognition and strengthening our market share significantly in the near term.

For the stock broking business, the launch of market rescue measures by the US Government has fuelled inflationary fears and weakened the US Dollars. International investors are forced to explore overseas investment opportunities in commodities, properties and securities etc. so as to maintain the value of their assets and China is regarded as one of the markets with the most potential. This will hopefully lead to an inflow of funds into the Hong Kong Stock market, generating more transactions in the coming year.

The Group will continue to review the credit control measures in order to secure a healthy liquidity position. Meanwhile, we would also endeavour to strengthen our client's base and improve the trading platforms to foster greater efficiencies.

APPRECIATION

I would like to take this opportunity to express my deepest gratitude to Mr. Siy Yap, who was appointed as the Director of the Company in 1978 and has just retired, for his kind support, full dedication and invaluable contribution to the Company over the last 30 years. We sincerely wish him a relaxing and pleasant retirement life.

Last but not least, I would like to thank the Board and all the staff for their diligence and dedication in the past year.

Chua Nai Tuen
Chairman

Hong Kong, 17 July 2009

(A) CORPORATE GOVERNANCE PRACTICES

During the financial year ended 31 March 2009, all those principles as set out in the Code on Corporate Governance Practices in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Code") were applied by the Company, and the relevant Code provisions were met by the Company, with the exception of two deviations as set out under sections (D) and (E) below. The application of the relevant principles and the reasons for the abovementioned deviations from the Code provisions are stated in the following sections.

(B) DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors of the Company, they have confirmed that they have complied with the Mode Code during the year.

(C) BOARD OF DIRECTORS

(i) Composition of the Board, number of Board meetings and Directors' attendance

The Board comprises fifteen Directors as at the date of this report. On 30 September 2008, Mr. Siy Yap resigned as a Non-executive Director and Mr. Siy Yap Samuel was appointed as a Non-executive Director of the Company respectively. Biographical details of Directors, relationship among Directors are disclosed in "Directors and Senior Management Profile" of the Annual Report. The Company's Board has a balance of skills and experience and a balanced composition of executive and non-executive directors. Four full board meetings were held during the year. Senior management executives may, from time to time, be invited to attend the board meetings for making presentation and/or answering any queries that may be raised by the Board. The composition of the Board and attendance of the Directors are set out below:

Directors	Attendance at Meetings
Chairman and Managing Director	
Mr. Chua Nai Tuen	4/4
Deputy Chairman	
Mr. Chua Nai King	4/4
Executive Director	
Mr. Gilson Chua	4/4

Directors	Attendance at Meetings
Non-executive Directors	
Mr. Chan Man Hon, Eric	4/4
Mr. Jimmy Siy Tiong	2/4
Mr. Luis Siy (formerly known as Mr. Luis Chua)	4/4
Mr. Rene Siy Chua	2/4
Mr. Tsai Han Yung	4/4
Mr. Siy Yap Samuel (Appointed on 30 September 2008)	1/2
Mr. Nelson Junior Chua	3/4
Miss Vivian Chua	4/4
Mr. Se Ying Kin	0/4
Mr. Siy Yap (Resigned on 30 September 2008)	2/2
Independent Non-executive Directors	
Mr. Chan Siu Ting	4/4
Mr. James L. Kwok	2/4
Mr. Wong Shek Keung	4/4

Each Director of the Company has been appointed on the strength of his/her calibre, experience and his/her potential to contribute to the proper guidance of the Group and its businesses. Apart from formal meetings, matters requiring board approval were arranged by means of circulation of written resolutions.

(ii) Operation of the Board

The Company is headed by an effective Board which takes decisions objectively in the interests of the Company. The Company's management has closely monitored changes to regulations that affect its corporate affairs and businesses and changes to accounting standards, and adopted an appropriate reporting format in its interim report, annual report and other documents to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. Where these changes are pertinent to the Company or Directors' disclosure obligations, the Directors are briefed during Board Meetings to keep them abreast of their responsibilities and of the conduct, business activities and development of the Group. Newly appointed Directors receive information on their legal and other responsibilities as a Director and the role of the Board. The Company has also provided appropriate information in a timely manner to the Directors to enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company. Decisions on important matters, including those affecting the Group's strategic policies, major investments and funding decisions are specifically reserved to the Board whereas decisions on the Group's general operations are delegated to the management.

Moreover, the Company has maintained a procedure for its directors to seek independent professional advice, in appropriate circumstances, at the Company's expense in discharging their duties to the Company.

(D) CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chua Nai Tuen serves as the Chairman and also the chief executive officer of the Company. This is a deviation from the Code Provision with respect to the roles of Chairman and chief executive officer to be performed by different individuals.

After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company.

As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

(E) NON-EXECUTIVE DIRECTORS

Pursuant to the Code Provision, non-executive directors should be appointed for a specific term. Currently, non-executive directors are not appointed for a specific term but they are subject to retirement by rotation under the articles of association of the Company. The deviation is deemed appropriate as the retirement by rotation has given the Company's Shareholders the right to approve or disapprove the continuation of the service of non-executive directors.

(F) REMUNERATION OF DIRECTORS

The Company has set up a Remuneration Committee consisting of two independent non-executive directors and one non-executive director.

One Remuneration Committee meeting was held during the year. Attendance of the members is set out below:

Members	**Attendance at Meeting**
Mr. James L. Kwok *(Chairman)*	1/1
Mr. Chan Man Hon, Eric	1/1
Mr. Wong Shek Keung	1/1

The terms of reference of the Remuneration Committee are aligned with the provisions set out in the Code. Given below are the main duties of the Remuneration Committee:

(i) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management;

(ii) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management;

(iii) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(iv) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment;

(v) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct; and

(vi) to ensure that no director or any of his associates is involved in deciding his own remuneration.

The work performed by the Remuneration Committee during the year is summarised below:

(i) review of the Company's policy and structure of all remuneration of Directors and senior management;

(ii) consideration of the emoluments for all Directors and senior management; and

(iii) review of the level of Directors' fees.

The basis of determining the emoluments payable to its Directors and senior management by the Company ties with their duties and responsibilities within the Group. The Directors' fees are from time to time approved by the Shareholders of the Company and they are regularly reviewed and compared with other listed companies in Hong Kong.

(G) NOMINATION OF DIRECTORS

The Company does not have a nomination committee as the role and the function of such committee are performed by the Board.

The Board is responsible for the formulation of nomination policies, making recommendations to Shareholders on Directors standing for re-election, providing sufficient biographical details of Directors to enable Shareholders to make an informed decision on the re-election, and where necessary, nominating Directors to fill casual vacancies. The Chairman, Deputy Chairman and the Executive Director from time to time review the composition of the Board with particular regard to ensuring that there is appropriate number of Directors on the Board independent of management. They also identify and nominate qualified individuals for appointment as new Directors of the Company. New Directors of the Company will be appointed by Board. Any and all new Directors are subject to retirement from the Board at the Annual General Meeting of the Company immediately following his or her appointment and may stand for re-election at the Annual General Meeting.

(H) AUDITORS' REMUNERATION

The fees in relation to the audit and non-audit services provided by external auditors of the Company for the financial year ended 31 March 2009 amounted to HK$732,312 and HK$100,000 respectively.

(I) AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive directors and two non-executive directors.

All Members have sufficient experience in reviewing audited financial statements as aided by the auditor of the Group whenever required. In addition, Mr. Chan Siu Ting has the appropriate professional qualifications and experience in financial matters.

Three Audit Committee meetings were held during the year. Attendance of the Members is set out below:

Members	**Attendance at Meetings**
Mr. Chan Siu Ting *(Chairman)*	3/3
Mr. Chan Man Hon, Eric	3/3
Mr. James L. Kwok	3/3
Mr. Tsai Han Yung	3/3
Mr. Wong Shek Keung	3/3

The terms of reference of the Audit Committee are aligned with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants. Given below are the main duties of the Audit Committee:

(i) to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of that auditors;

(ii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard. The audit committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(iii) to review the Company's annual report and accounts, half-year report and quarterly reports before submission to the Board, the committee should focus particularly on:

   (a) any changes in accounting policies and practices;
   (b) major judgmental areas;
   (c) significant adjustments resulting from audit;
   (d) the going concern assumptions and any qualifications;
   (e) compliance with accounting standards; and
   (f) compliance with the Listing Rules and other legal requirements in relation to financial reporting;

(iv) to discuss problems and reservations arising from the audits, and any matters the external auditor may wish to discuss; and

(v) to review the audit programme, and ensure co-ordination with external auditors, of the internal audit function.

The work performed by the Audit Committee during the year is summarised below:

(i) review of the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(ii) review of half-year and annual financial statements before submission to the Board, with particular consideration of the points mentioned in paragraph (iii) above regarding the duties of the Audit Committee;

(iii) discussion with the external auditors, the nature and scope of the audit; and

(iv) review of the group's internal control systems.

(J) DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of accounts for the financial year ended 31 March 2009, which give a true and fair view of the affairs and results of the Company and of the Group and in compliance with requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules.

In preparing the accounts for the financial year ended 31 March 2009:

(i) appropriate accounting policies are selected, applied consistently and in accordance with the Hong Kong Financial Reporting Standards;

(ii) prudent and reasonable judgments and estimates are made; and

(iii) the reasons for any significant departure from applicable accounting standards are stated, if applicable.

(K) REVIEW OF INTERNAL CONTROL

The Directors are ultimately responsible for the internal control system of the Group and, through the Audit Committee, have reviewed the effectiveness of the system.

A review of the effectiveness of the Group's internal control system and procedures covering all controls, including financial, operational and compliance and risk management, was conducted by the Audit Committee and subsequently reported to the Board during the year. Based on the result of the review, in respect of the year ended 31 March 2009, the Directors considered that the internal control system and procedures of the Group were effective and adequate.

Chua Nai Tuen
Chairman and Managing Director

Hong Kong, 17 July 2009

The Directors submit their report and the audited financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property investment and those of its subsidiaries are shown in note 42 to the financial statements on pages 106 to 107.

Further information on the segmental details is provided in note 5 to the financial statements on pages 69 to 70.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2009 are set out in note 42 to the financial statements on pages 106 to 107.

RESULTS & APPROPRIATIONS

The results of the Group for the year ended 31 March 2009 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 29 to 109.

DIVIDENDS

No interim dividend was paid during the year. The Directors have recommended for adoption at the Annual General Meeting to be held on Friday, 28 August 2009 the payment of a final dividend of 3.0 cents per share in respect of the financial year ended 31 March 2009 on 4 September 2009 to Shareholders on record as at 28 August 2009. This recommendation has been disclosed in the financial statements.

BONUS ISSUE

The Directors have recommended a bonus issue of 1 new share for every 10 shares held by Shareholders whose names appear on the register of members of the Company on 28 August 2009. These shares shall not rank for the final dividend.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 112.

RESERVES

Movements in reserves during the year are set out in note 32 to the financial statements on pages 98 and 99.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 16 to the financial statements on pages 80 to 82.

BANK LOANS AND OVERDRAFTS

Particulars of all bank loans and overdrafts of the Group at 31 March 2009 repayable on demand or within a period not exceeding one year and those which fall due for repayment after a period of one year are set out in note 28 to the financial statements on page 93.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and sales for the year attributable to the major suppliers and customers respectively were as follows:

Percentage of purchases attributable to the Group's largest supplier	20%
Percentage of purchases attributable to the Group's five largest suppliers	38%
Percentage of sales attributable to the Group's largest customer	13%
Percentage of sales attributable to the Group's five largest customers	41%

None of the Directors or their associates, nor does any Shareholder owning (to the knowledge of the Directors) more than 5% of the Company's issued share capital hold, any interests in the share capital of the suppliers and customers noted above.

DIRECTORS

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

Executive Directors:

Mr. Chua Nai Tuen *(Chairman & Managing Director)*
Mr. Chua Nai King *(Deputy Chairman)*
Mr. Gilson Chua

Non-executive Directors:

Mr. Chan Man Hon, Eric
Mr. Jimmy Siy Tiong
Mr. Luis Siy (formerly known as Mr. Luis Chua)
Mr. Rene Siy Chua
Mr. Tsai Han Yung
Mr. Siy Yap Samuel (Appointed on 30 September 2008)
Mr. Nelson Junior Chua
Miss Vivian Chua
Mr. Se Ying Kin
Mr. Siy Yap (Resigned on 30 September 2008)

Independent Non-executive Directors:

Mr. Chan Siu Ting
Mr. James L. Kwok
Mr. Wong Shek Keung

In accordance with Article 107(A) of the Company's Articles of Association, Messrs. Rene Siy Chua, Tsai Han Yung, Chan Siu Ting, and James L. Kwok shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. In accordance with Article 98 of the Company's Articles of Association, Mr. Siy Yap Samuel shall also retire at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

The Company confirms that it has received written confirmation from each of the independent non-executive directors confirming their independence pursuant to Rule 3.13 of the Listing Rules, and the Company still considers the independent non-executive directors to be independent.

None of the Directors has a service contract with the Company or its subsidiaries, which is not determinable by the employer within one year without payment of compensation.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31 March 2009, Directors of the Company had the following beneficial interests, all being long positions, in the share capitals of the Company, the subsidiaries and associate companies of the Company:

		Number of shares held				
		Personal Interests	Family Interests	Corporate Interests	Other Interests	% of the Issued Share Capital
(a)	**The Company**					
	(Ordinary shares of HK$1.00 per share)					
	Chua Nai Tuen	2,172,475	–	76,769,495 *(Note 1)*	–	39.94
	Chua Nai King	6,941,593	–	2,558,514 *(Note 1)*	15,373,050 *(Note 2)*	12.58
	Gilson Chua	1,126,392	–	–	–	0.57
	Jimmy Siy Tiong	6,390,796	–	–	–	3.23
	Luis Siy (formerly known as Luis Chua)	8,696,754	–	–	–	4.40
	Rene Siy Chua	8,696,754	2,000	–	–	4.40
	Tsai Han Yung	4,512,754	–	–	–	2.28
	Siy Yap Samuel	1,282,435	–	–	–	0.65
	Nelson Junior Chua	138,000	–	–	–	0.07
	Se Ying Kin	5,709,988	–	–	–	2.89
(b)	**Nan Sing Plastics Limited**					
	(Ordinary shares of HK$100.00 each)					
	Chua Nai Tuen	–	6,965	–	–	4.64
(c)	**Titan Dragon Properties Corporation**					
	(Capital stock of Philippines Peso 1,000.00 each)					
	Chua Nai Tuen	4,000	13,600	4,000 *(Note 1)*	–	27.00
	Rene Siy Chua	3,200	–	–	–	4.00

DIRECTORS' INTERESTS IN SHARE CAPITAL (Cont'd)

Note 1: The shares regarding 'Corporate interests' in which Messrs. Chua Nai Tuen and Chua Nai King were taken to be interested as stated above were the interests of corporations in general meetings of which they were either entitled to exercise (or were taken under Part XV of the Securities and Futures Ordinance (the "SFO") to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.

Note 2: The shares regarding 'Other Interests' against the name of Mr. Chua Nai King represented an interest comprised in trust properties in which Mr. Chua was taken, under provisions in Part XV of the SFO which are applicable to a director or chief executive of a listed company, to be interested.

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers:

(a) there were no interests, both long and short positions, held as at 31 March 2009 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), and

(b) there existed during the financial year no rights to subscribe for shares, underlying shares or debentures of the Company which were held by any of the Directors or Chief Executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial year of any such rights by any of them.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than persons who are Directors of the Company, which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 31 March 2009 as recorded in the register kept by the Company under section 336 of the SFO:

	No. of Ordinary Shares held	% of the Issued Share Capital
J & N International Limited ("J & N")	48,306,189	24.44
Sonliet Investment Company Limited ("Sonliet")	28,463,306	14.40
HSBC International Trustee Limited ("HSBC")	15,373,050	7.77

For the avoidance of doubts and double counting, it should be noted that J & N's and Sonliet's interests are entirely duplicated with Mr. Chua Nai Tuen's interests and HSBC's interests are entirely duplicated with Mr. Chua Nai King's interests as recorded in the preceding note.

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Cont'd)

All the interests stated above represented long positions and as at 31 March 2009, there were no short positions recorded in the said register.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, consultancy fees of HK$1,709,295 were paid by the Group to Sonliet Investment Company Limited ("Sonliet"), and Tonwell Investment Company (Hong Kong) Limited ("Tonwell") of which Mr. Chua Nai Tuen was the director of Sonliet and Mr. Chua Nai King was the director of Tonwell respectively. The consultancy fees are part of the aforesaid directors' remuneration and have been disclosed in note 11 to the financial statements on pages 75 to 77.

A tenancy agreement was made on normal commercial terms during the year in connection with the leasing of a premises owned by a company controlled by Mr. Chua Nai Tuen to the Company's subsidiary at an annual rent of HK$696,000 for the operation of plastic bags business. Furthermore, an unsecured financial assistance was made by a company in which Mr. Chua Nai Tuen had controlling interest to the Company on normal commercial terms. Details of which are set out in note 27 to the financial statements on page 93.

Apart from the foregoing, no contracts of significance to which the Company, or any of its subsidiaries 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 year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts for the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 March 2009.

AUDITORS

The financial statements now presented have been audited by Messrs. K. L. Young & Company who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Chua Nai Tuen
Managing Director

Hong Kong, 17 July 2009

To the shareholders of
Southeast Asia Properties & Finance Limited
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Southeast Asia Properties & Finance Limited (the "Company") set out on pages 29 to 109, which comprise the consolidated and company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year 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 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. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

K.L. Young & Company
Certified Public Accountants

20th Floor, Capitol Centre
5-19 Jardine's Bazaar
Causeway Bay, Hong Kong

Hong Kong, 17 July 2009

For the year ended 31 March 2009

	Note	**2009** **HK$**	2008 HK$ (Restated)
Turnover	6	**367,971,773**	402,458,138
Cost of sales		**(294,301,279)**	(316,642,675)
Gross profit		**73,670,494**	85,815,463
Other revenue	7	**8,787,826**	18,923,243
Fair value changes on investment properties		**12,063,450**	27,025,561
Distribution expenses		**(14,860,858)**	(14,510,746)
Administrative expenses		**(47,694,561)**	(51,030,870)
Other operating expenses		**(2,681,745)**	(3,863,444)
Profit from operations	8	**29,284,606**	62,359,207
Finance costs	9	**(8,327,027)**	(16,859,954)
Share of profit of associates		**200,385**	706,633
Profit before tax		**21,157,964**	46,205,886
Tax	10	**(3,696,167)**	(10,469,041)
Profit for the year		**17,461,797**	35,736,845
Profit attributable to:			
Equity holders of the Company	12	**17,634,549**	36,012,929
Minority interests		**(172,752)**	(276,084)
		17,461,797	35,736,845
Proposed dividends	13	**5,929,605**	6,917,873
Earnings per share	14	**8.9 cents**	18.2 cents

For the year ended 31 March 2009

	SHARE CAPITAL HK$	PROPERTY REVALUATION RESERVE HK$	EXCHANGE RESERVE HK$	RETAINED PROFITS HK$	PROPOSED DIVIDEND HK$	MINORITY INTERESTS HK$	AVAILABLE-FOR-SALE SECURITIES REVALUATION RESERVE HK$	TOTAL HK$
AT 1 APRIL 2008, AS RESTATED	197,653,500	2,555,496	39,094,368	261,945,049	6,917,873	13,998,181	(43,246)	522,121,221
2008 FINAL DIVIDENDS PAYMENT	–	–	–	–	(6,917,873)	–	–	(6,917,873)
	197,653,500	2,555,496	39,094,368	261,945,049	–	13,998,181	(43,246)	515,203,348
EXCHANGE DIFFERENCE ARISING FROM CONSOLIDATION	–	–	(3,417,870)	–	–	(32,022)	–	(3,449,892)
SHARE OF RESERVES IN ASSOCIATES	–	–	216,262	–	–	–	–	216,262
CHANGE IN FAIR VALUE	–	–	–	–	–	–	(17,998,592)	(17,998,592)
NET INCOME RECOGNISED DIRECTLY IN EQUITY	–	–	(3,201,608)	–	–	(32,022)	(17,998,592)	(21,232,222)
REALISED UPON DISPOSAL OF AVAILABLE-FOR-SALE SECURITIES	–	–	–	–	–	–	(14,759)	(14,759)
PROFIT (LOSS) FOR THE YEAR	–	–	–	17,634,549	–	(172,752)	–	17,461,797
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR	–	–	(3,201,608)	17,634,549	–	(204,774)	(18,013,351)	(3,785,184)
DISPOSAL OF A SUBSIDIARY	–	–	–	–	–	(229,536)	–	(229,536)
PROPOSED DIVIDENDS	–	–	–	(5,929,605)	5,929,605	–	–	–
	–	–	(3,201,608)	11,704,944	5,929,605	(434,310)	(18,013,351)	(4,014,720)
AT 31 MARCH 2009	197,653,500	2,555,496	35,892,760	273,649,993	5,929,605	13,563,871	(18,056,597)	511,188,628
AT 1 APRIL 2007, AS PREVIOUSLY REPORTED	197,653,500	2,555,496	13,185,121	229,584,194	5,929,605	15,567,920	–	464,475,836
PRIOR YEAR ADJUSTMENT	–	–	–	3,265,799	–	–	–	3,265,799
AT 1 APRIL 2007, AS RESTATED	197,653,500	2,555,496	13,185,121	232,849,993	5,929,605	15,567,920	–	467,741,635
2007 FINAL DIVIDENDS PAYMENT	–	–	–	–	(5,929,605)	–	–	(5,929,605)
	197,653,500	2,555,496	13,185,121	232,849,993	–	15,567,920	–	461,812,030
EXCHANGE DIFFERENCE ARISING FROM CONSOLIDATION	–	–	25,758,251	–	–	41,838	–	25,800,089
SHARE OF RESERVES IN ASSOCIATES	–	–	150,996	–	–	–	–	150,996
CHANGE IN FAIR VALUE	–	–	–	–	–	–	(43,246)	(43,246)
NET INCOME RECOGNISED DIRECTLY IN EQUITY	–	–	25,909,247	–	–	41,838	(43,246)	25,907,839
PROFIT (LOSS) FOR THE YEAR, AS RESTATED	–	–	–	36,012,929	–	(276,084)	–	35,736,845
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR	–	–	25,909,247	36,012,929	–	(234,246)	(43,246)	61,644,684
DIVIDEND PAID TO MINORITY INTERESTS	–	–	–	–	–	(1,335,493)	–	(1,335,493)
PROPOSED DIVIDENDS	–	–	–	(6,917,873)	6,917,873	–	–	–
	–	–	25,909,247	29,095,056	6,917,873	(1,569,739)	(43,246)	60,309,191
AT 31 MARCH 2008, AS RESTATED	197,653,500	2,555,496	39,094,368	261,945,049	6,917,873	13,998,181	(43,246)	522,121,221

As at 31 March 2009

	Note	**2009 HK$**	2008 HK$ (Restated)
NON-CURRENT ASSETS			
Investment properties	15	**308,818,959**	296,314,744
Property, plant and equipment	16	**180,316,346**	193,659,841
Leasehold land and land use right	17	**43,902,912**	44,678,134
Interests in associates	19	**64,359,669**	74,052,607
Available-for-sale financial assets	20	**19,131,267**	22,909,711
Intangible assets	21	**3,702,706**	3,702,706
Deferred tax assets	30	**170,699**	–
Other assets		**1,200,000**	1,200,000
		621,602,558	636,517,743
CURRENT ASSETS			
Inventories	22	**41,233,957**	81,535,208
Trading properties		**–**	440,765
Trade and other receivables	23	**92,469,137**	194,720,719
Financial assets at fair value through profit or loss	24	**4,908,687**	14,189,024
Deposits and prepayments		**4,759,318**	5,519,233
Tax prepaid		**1,090,017**	526,209
Time deposits	25	**7,100,000**	7,880,000
Trust accounts of shares dealing clients		**20,288,690**	97,849,674
Cash and bank balances		**60,123,714**	13,316,746
		231,973,520	415,977,578
CURRENT LIABILITIES			
Trade and other payables	26	**92,788,255**	237,315,176
Amount due to a related company	27	**12,748,515**	12,776,240
Bank loans and overdrafts	28	**128,827,039**	183,809,849
Amount due to an associate		**955,109**	451,046
Financial liabilities at fair value through profit or loss	29	**263,007**	4,427,756
Taxation		**1,002,245**	2,857,378
		236,584,170	441,637,445
NET CURRENT LIABILITIES		**(4,610,650)**	(25,659,867)
TOTAL ASSETS LESS CURRENT LIABILITIES		**616,991,908**	610,857,876

As at 31 March 2009

	Note	2009 HK$	2008 HK$ (Restated)
NON-CURRENT LIABILITIES			
Long-term borrowings	28	**76,547,167**	59,824,800
Deferred tax liabilities	30	**29,256,113**	28,911,855
		105,803,280	88,736,655
		511,188,628	522,121,221
CAPITAL AND RESERVES			
Share capital	31	**197,653,500**	197,653,500
Reserves	32	**294,041,652**	303,551,667
Proposed dividend		**5,929,605**	6,917,873
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**497,624,757**	508,123,040
Minority interests		**13,563,871**	13,998,181
TOTAL EQUITY		**511,188,628**	522,121,221

CHUA NAI TUEN
DIRECTOR

CHUA NAI KING
DIRECTOR

The accompanying note on pages 37 to 109 form an integral part of the financial statements.

As at 31 March 2009

	Note	2009 HK$	2008 HK$
NON-CURRENT ASSETS			
Investment properties	15	**1,270,129**	1,241,744
Property, plant and equipment	16	**1,047,785**	1,233,261
Interest in subsidiaries	18	**244,186,159**	263,933,172
Interests in associates	19	**22,231,554**	23,789,754
Available-for-sale financial assets	20	**5,070,269**	6,475,889
		273,805,896	296,673,820
CURRENT ASSETS			
Trade and other receivables		**510,188**	81,563
Deposits and prepayments		**779,957**	648,699
Cash and bank balances		**874,598**	741,293
		2,164,743	1,471,555
CURRENT LIABILITIES			
Trade and other payables		**5,209,575**	5,023,665
Amount due to a related company	27	**12,748,515**	12,776,240
Bank loans and overdrafts	28	**9,038,782**	12,400,540
Amount due to an associate		**955,109**	451,046
Amounts due to subsidiaries		**23,597,881**	8,742,411
		51,549,862	39,393,902
NET CURRENT LIABILITIES		**(49,385,119)**	(37,922,347)
TOTAL ASSETS LESS CURRENT LIABILITIES		**224,420,777**	258,751,473
NON-CURRENT LIABILITIES			
Long-term borrowings	28	**–**	2,200,000
		–	2,200,000
		224,420,777	256,551,473

As at 31 March 2009

	Note	**2009** HK$	2008 HK$
CAPITAL AND RESERVES			
Share capital	31	**197,653,500**	197,653,500
Reserve	32	**20,837,672**	51,980,100
Proposed dividend		**5,929,605**	6,917,873
Shareholders' fund		**224,420,777**	256,551,473

CHUA NAI TUEN
DIRECTOR

CHUA NAI KING
DIRECTOR

The accompanying note on pages 37 to 109 form an integral part of the financial statements.

For the year ended 31 March 2009

	Note	**2009 HK$**	2008 HK$ (Restated)
NET CASH INFLOW FROM OPERATIONS	34	**113,634,484**	98,134,702
Interest received		**5,374,487**	12,362,847
Interest paid		**(7,606,886)**	(16,224,892)
Dividend paid		**(6,793,294)**	(5,536,080)
Profits tax refunded		**–**	89,239
Profits tax paid		**(5,899,861)**	(4,184,758)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**98,708,930**	84,641,058
INVESTING ACTIVITIES			
Purchase of property, plant & equipment		**(4,596,991)**	(19,471,125)
Proceeds from disposal of property, plant & equipment		**1,703,449**	1,844,388
Dividend received from financial assets at fair value through profit or loss		**1,620,541**	1,589,989
Repayment to associates		**(1,589,279)**	(5,272,847)
Proceeds from sales of land use rights		**–**	8,253,968
Payment for aquiring intangible assets		**–**	(1,000,000)
Increase of other assets		**–**	(400,000)
Purchase of available-for-sale financial assets		**(25,713,568)**	(13,854,272)
Proceeds from disposal of available-for-sale financial assets		**10,499,071**	–
Purchase of financial assets at fair value through profit or loss		**(15,705,584)**	(7,038,748)
Proceeds from sales of financial assets at fair value through profit or loss		**15,677,384**	7,373,317
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(18,104,977)**	(27,975,330)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	Note	2009 HK$	2008 HK$ (Restated)
FINANCING ACTIVITIES			
New bank loans		**406,091,564**	3,840,154,478
Repayment of bank loans		**(440,157,761)**	(3,891,603,443)
Other finance costs paid		**(769,284)**	(797,552)
Increase (Decrease) in advance from associates		**504,063**	(577,041)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(34,331,418)**	(52,823,558)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**46,272,535**	3,842,170
Cash and cash equivalents at the beginning of the year		**9,083,719**	1,831,414
Effect of foreign exchange rate changes		**4,728,678**	3,410,135
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**60,084,932**	9,083,719
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balance		**60,123,714**	13,316,746
Bank overdrafts		**(38,782)**	(4,233,027)
		60,084,932	9,083,719

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong and listed on the Main Board of the Hong Kong Stock Exchange Limited. The registered office of the Company is located at Units 407-410, 4th Floor, Tower 2 Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding, property investment and development, hotel ownership and management, manufacturing and trading of plastic packaging materials, stock broking and finance during the year.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of The Rules Governing the Listing of Securities on the HKEx (the "Listing Rules"). The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Impact of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

The Group has not adopted the following new interpretations and amendments to HKFRSs ("new HKFRSs) for the first time of the current year's financial statements. The directors of the Company consider that the new HKFRSs have no material impact on the results and the financial position of the Group for the current year.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2: *Group and Treasury Share Transactions*
HK(IFRIC) – Int 12	*Service Concession Arrangements*
HK(IFRIC) – Int 14	HKAS 19: *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations, which have not been adopted since they are only effective after 31 March 2009.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that apart from Improvements to HKFRSs which may have some impact, the adoption of the other new standards and interpretations is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements including possible restatement of comparative amounts in the first period of adoption:

	Effective for accounting periods beginning on or after
HKAS 1 (Revised), 'Presentation of Financial Statements'	1 January 2009
HKAS 23 (Revised), 'Borrowing costs'	1 January 2009
HKAS 27 (Revised) 'Consolidated and Separate Financial Statements'	1 July 2009
HKFRS 8, 'Operating segments'	1 January 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2009.

(a) Subsidiaries

Subsidiaries are all 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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 interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (Note 2.9(a)). 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 income statement.

Adjustments are made to bring into line any dissimilar accounting policies that may exist in the Group. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

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

Minority interests represent the interests of an outside shareholder not held by the Group in the results and net assets of a subsidiary of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Consolidation (Cont'd)

(b) Associates

Associates are all 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 by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 2.9(a)).

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 associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in associates are stated at cost less provision for impairment losses. The results of associates are accounted for by the Company on the basis of dividend received and receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Segment reporting

A business segment is a group of assets and operations engaged in providing products and 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 and 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.

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.

Segment assets consist primarily of non-current assets, inventories, receivables, operating cash and interests in associates. Segment liabilities comprise operating liabilities and exclude certain corporate borrowing. Capital expenditure comprises additions to property, plant and equipment.

In respect of geographical segment reporting, sale, total assets and capital expenditure are based on the destination country to which goods are shipped and location of assets respectively.

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) 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 at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Foreign currency translation (Cont'd)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

(ii) income and expenses for each income statement are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Property, plant and equipment and depreciation (Cont'd)

Building transferred from investment properties are stated at deemed cost, which is equal to its fair value at the date of change in use.

Construction in progress comprises properties under construction, and other property, plant and equipment under installation, and is stated at cost which includes development and construction expenditure incurred and other direct costs attributable to the development less any impairment losses. No depreciation is provided on construction in progress until such time as the relevant assets are completed and put into use. When the assets concerned are brought into use, the costs are transferred to other components of property, plant and equipment and depreciated in accordance with the policy stated below.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is provided to write off the cost of an asset over its estimated useful life using the following rates per annum:

Buildings	Over the shorter of its useful life or unexpired period of the lease of land
Plant and machinery	10% – 20% on reducing balance method
Furniture, fixtures and equipment	15% – 25% on reducing balance method
Motor vehicles	15% – 25% on reducing balance method

The assets' residual values, useful lives and the depreciation method are reviewed and adjusted if appropriate, at least 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 (Note 2.13).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Leasehold land and land use rights

Leasehold land and land use rights represent upfront premium paid for land cost and is charged to income statement over the term of relevant land leases on a straight line basis.

Medium term lease is defined as a lease of over 10 years but not more than 50 years.

2.9 Intangible assets

(a) 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 or associates at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in interests in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill on acquisitions that occurred prior to 31 March 2001 was eliminated against reserves. Upon disposal of subsidiaries or associates that were acquired prior to the said date, the relevant portion of attributable goodwill previously written off to retained profits is released and charged to the income statement in arriving at the gain or loss on sale of the investments.

Goodwill is allocated to cash generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose.

(b) Trading rights

Trading rights held in The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited (the "Stock Exchange trading rights" and "Futures Exchange trading right" respectively) are classified as intangible assets. Trading rights have an indefinite useful life and are carried at cost less accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Intangible assets (Cont'd)

(c) Membership

The membership of The Chinese Gold & Silver Exchange Society and a club membership are recognised as an intangible asset on the balance sheet. The membership has an indefinite useful life and is carried at cost less accumulated impairment losses.

Intangible assets that have an indefinite useful life are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.10 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and is not occupied by the companies in the Group, is classified as an investment property.

Investment properties comprise land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment properties when the rest of the definition of investment properties is met. The operating lease is accounted for as if it were a finance lease.

Investment properties are measured initially at their cost, including related transaction costs.

After initial recognition, investment properties are carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed annually by external valuers. Changes in fair values are recognised in the income statement for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement for the year in which the item is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, in the case of financial assets not at fair value through profit or loss, they are measured at fair value plus directly attributable transaction costs.

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

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Realised gains or losses on investments held for trading are recognised in the income statement. At each balance sheet date the fair value will be re-measured, with any resulting gains or losses are recognised in the income statement.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as "other revenue"

When the fair value of unlisted equity securities cannot be reliably measured, such securities are stated at cost less any impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables and interest-bearing loans and borrowings are initially stated at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

The related interest expense is recognised within "finance costs" in the income statement.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on liabilities held for trading are recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Financial liabilities (Cont'd)

(iii) Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities.

Financial guarantees contracts are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") 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. Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in income statement on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2.18 if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Impairment of assets

(i) *Impairment of investments in equity securities and other receivables*

Investment in equity securities (other than investments in subsidiaries, associates and jointly controlled entities) and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

– For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses arising on equity securities are not reversed (including those provided during the interim financial reporting).

– For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets) where the effect of discounting is material.

– If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

– For available-for-sale financial assets, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Impairment of assets (Cont'd)

(i) Impairment of investments in equity securities and other receivables (Cont'd)

Impairment losses recognised in the income statement in respect of available-for-sale equity investments are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in available-for-sale securities revaluation reserves in equity.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade receivables whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off are directly recognised in the income statement.

(ii) Impairment of other assets

The carrying amounts of non-current assets other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

– Recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash generating unit).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Impairment of assets (Cont'd)

(ii) Impairment of other assets (Cont'd)

– Recognition of impairment losses

An impairment loss is recognised as an expense in the income statement whenever the carrying amount exceeds the recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill located to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on pro- rata basis except that the carrying value of an asset will be reduced below its individual fair value less costs sell, or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed (including those provided during the interim financial reporting).

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

2.14 Trading properties

Trading properties are properties held for sale stated at the lower of cost and net realisable value. Cost includes the acquisition cost, financing cost and decoration cost capitalised. Net realisable value is the estimated selling price at which a property can be realised less related expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average cost method. The cost of finished goods comprises direct materials, direct labour and related proportion of production overheads. Net realisable value is based on estimated selling prices less further costs expected to completion and costs to be incurred in selling and distribution.

2.16 Income tax

(a) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the consolidated income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

(b) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(c) Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may be capable to support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences. However, the taxable temporary differences to be reversed should be related to the same taxing authority and the same taxing entity from which the deductible temporary differences arise.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit provided that they are not part of a business combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Income tax (Cont'd)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

(d) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Group has the legally enforceable right to set off current tax assets against current tax liabilities.

2.17 Employee benefits

(i) Discretionary bonus

The expected cost of discretionary bonus payments are recognised as a liability when the group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for discretionary bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(ii) Retirement benefit costs

The Group's contributions to the defined contribution retirement schemes 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 schemes are held separately from those of the Group in independently administered funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Employee benefits (Cont'd)

(ii) Retirement benefit costs (Cont'd)

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to the retirement plans certain percentage of the basic salaries of its employees, and has no further obligations for the actual payment of post-retirement benefits.

2.18 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. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.19 Contingent liabilities

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, the liability will then be recognised as a provision.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Revenue recognition

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.

(i) Rental income under operating leases is recognised, on a straight-line basis over the lease terms.

(ii) Hotel income is recognised when hotel services are provided.

(iii) Income from sale of goods is recognised when goods are delivered and title has passed to customers.

(iv) Income from sale of trading properties is recognised when the relevant contract is made and properly executed.

(v) Brokerage income is recognised when the relevant contract note is made and properly executed.

(vi) Dividend income from financial assets is recognised when the shareholders' right to receive payment has been established. Dividend income from subsidiaries is recognised in the period to which the dividend relates.

(vii) Interest income is recognised as it accrues using the effective interest method.

2.21 Capitalisation of borrowing costs

Borrowing costs that directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Operating leases

Leases which do not transfer substantially all the risks and reward of ownership to the Group are classified as operating leases. Where the Group has the use of assets held under operating leases, payments made under the leases are charged to income statement in equal instalments over the accounting periods covered by the lease term.

2.23 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends are approved by the shareholders and declared, they are recognised as a liability.

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

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

2.25 Forward exchange contracts

Forward exchange contracts are recognised initially at fair value. When the forward exchange contracts are exercised, relevant gain or loss is immediately charged to income statement in the period in which they arise. At each balance sheet date the fair value is re-measured. Forward exchange contracts are carried as financial assets at fair value through profit or loss when the fair value is positive and as financial liabilities at fair value through profit or loss when the fair value is negative.

Any gain or loss from change in fair value is recognised directly to income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.26 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

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

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

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

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

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

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

3. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial assets are classified in the following categories:

Group	Loans and receivables	Available-for-sale financial assets	Fair value through profit or loss (held for trading)	Total
	HK$	HK$	HK$	HK$
2009				
Available-for-sale financial assets	**–**	**19,131,267**	**–**	**19,131,267**
Other assets	**1,200,000**	**–**	**–**	**1,200,000**
Trade and other receivables	**92,469,137**	**–**	**–**	**92,469,137**
Financial assets at fair value through profit or loss	**–**	**–**	**4,908,687**	**4,908,687**
Deposits and prepayments	**4,759,318**	**–**	**–**	**4,759,318**
Time deposits	**7,100,000**	**–**	**–**	**7,100,000**
Trust accounts of shares dealing clients	**20,288,690**	**–**	**–**	**20,288,690**
Cash and bank balances	**60,123,714**	**–**	**–**	**60,123,714**
	185,940,859	**19,131,267**	**4,908,687**	**209,980,813**
2008				
Available-for-sale financial assets	–	22,909,711	–	22,909,711
Other assets	1,200,000	–	–	1,200,000
Trade and other receivables	194,720,719	–	–	194,720,719
Financial assets at fair value through profit or loss	–	–	14,189,024	14,189,024
Deposits and prepayments	5,519,233	–	–	5,519,233
Time deposits	7,880,000	–	–	7,880,000
Trust accounts of shares dealing clients	97,849,674	–	–	97,849,674
Cash and bank balances	13,316,746	–	–	13,316,746
	320,486,372	22,909,711	14,189,024	357,585,107

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

The Company's financial assets are classified in the following categories:

Company	Loans and receivables	Available-for-sale financial assets	Total
	HK$	HK$	HK$
2009			
Available-for-sale financial assets	**–**	**5,070,269**	**5,070,269**
Trade and other receivables	**510,188**	**–**	**510,188**
Deposits and prepayments	**779,957**	**–**	**779,957**
Cash and bank balances	**874,598**	**–**	**874,598**
	2,164,743	**5,070,269**	**7,235,012**
2008			
Available-for-sale financial assets	–	6,475,889	6,475,889
Trade and other receivables	81,563	–	81,563
Deposits and prepayments	648,699	–	648,699
Cash and bank balances	741,293	–	741,293
	1,471,555	6,475,889	7,947,444

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

The Group's financial liabilities are classified in the following categories:

Group	Financial liabilities at amortised cost	Fair value through profit or loss (held for trading)	Total
	HK$	HK$	HK$
2009			
Trade and other payables	**92,788,255**	**–**	**92,788,255**
Amount due to a related company	**12,748,515**	**–**	**12,748,515**
Amount due to an associate	**955,109**	**–**	**955,109**
Bank borrowings	**205,374,206**	**–**	**205,374,206**
Financial liabilities at fair value through profit or loss	**–**	**263,007**	**263,007**
	311,866,085	**263,007**	**312,129,092**
2008			
Trade and other payables	237,315,176	–	237,315,176
Amount due to a related company	12,776,240	–	12,776,240
Amount due to an associate	451,046	–	451,046
Bank borrowings	243,634,649	–	243,634,649
Financial liabilities at fair value through profit or loss	–	4,427,756	4,427,756
	494,177,111	4,427,756	498,604,867

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

The Company's financial liabilities are classified in the following categories:

Company	Financial liabilities at amortised cost
	HK$
2009	
Trade and other payables	**5,209,575**
Amount due to a related company	**12,748,515**
Amount due to an associate	**955,109**
Amounts due to subsidiaries	**23,597,881**
Bank borrowings	**9,038,782**
	51,549,862
2008	
Trade and other payables	5,023,665
Amount due to a related company	12,776,240
Amount due to an associate	451,046
Amounts due to subsidiaries	8,742,411
Bank borrowings	14,600,540
	41,593,902

The risks associated with these financial instruments and policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

Market risk

(i) Currency risk

The Group is exposed to currency risk mainly arising from sales and purchases, trade receivables and trade payables denominated in currencies other than the Group's functional currency.

The currencies giving rise to this risk are mainly United State Dollars ("USD") and Reminbi ("RMB").

Since HK dollars is pegged to US dollars, there is no significant exposure expected on US dollars transactions and balances.

The Group uses forward exchange contracts to hedge its currency risk in RMB. All of the forward exchange contracts have maturities of less than one year after the balance sheet date.

At 31 March 2009, the Group had forward exchange contracts hedging forecast transactions with a net fair value of HK$194,066 (2008: HK$381,799) recognised as financial assets at fair value through profit or loss.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	2009		2008	
	USD	**RMB**	USD	RMB
Assets				
Trade and other receivables	**3,007,586**	**13,992,682**	3,707,291	18,632,436
Cash and bank balances	**301,913**	**5,511,656**	40,628	9,751,989
Liabilities				
Trade and other payables	**(250,421)**	**(9,537,671)**	(2,642,683)	(20,054,756)
Overall net exposure	**3,059,078**	**9,966,667**	1,105,236	8,329,669

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

Market risk (Cont'd)

(i) Currency risk (Cont'd)

Sensitivity analysis

The sensitivity analysis below has been determined assuming a 10% increase/decrease in RMB against HKD had occurred at the balance sheet date with all other variables held constant and had been applied to the exposure to currency risk for the relevant financial instruments in existence at that date. The change in foreign exchange rate represents management's assessment of a reasonably possible change in foreign exchange rate at that date over the period until the next annual balance sheet date.

	2009 **HK$'000**	2008 HK$'000
Increase/(Decrease) in equity	**1,130/(1,130)**	923/(923)

Results of the analysis as presented above represent the effect on the Group's equity with RMB translated into HKD at closing rate at the balance sheet date.

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

Market risk (Cont'd)

(ii) Interest rate risk

The Group has exposure on cash flow interest rate risk, which is mainly arising from its variable-rate borrowings. The Group currently does not have an interest rate hedging policy. However, management manages its interest cost by obtaining adequate banking facilities, diversifying the funding sources and repaying the corresponding borrowings when it has surplus funds.

The carrying amounts of the Group's variable-rate borrowings at the reporting date are as follows:

	2009 **HK$'000**	2008 HK$'000
Bank loans and overdrafts	**128,827**	183,809
Long term borrowings	**76,547**	59,825
Variable-rate borrowings	**205,374**	243,634

Sensitivity analysis

The sensitivity analysis below presents the effects on the Group's post-tax profit for the year as a result of change in interest expense on variable-rate borrowings. The analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. The change in interest rate represents management's assessment of a reasonably possible change in interest rates at the date over the period until the next annual balance sheet date.

	2009 **HK$'000**	2008 HK$'000
Decrease in post-tax profit if interest rate is 0.25% higher	**(377)**	(502)
Increase in post-tax profit if interest rate is 0.25% lower	**377**	502

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

Market risk (Cont'd)

(iii) Equity price risk

The Group is exposed to equity price risk arising from equity investments classified as available-for-sale financial assets and financial assets at fair value through profit or loss. Management manages the exposure by maintaining a portfolio of securities with different risk class and monitors the performance regularly.

Sensitivity analysis

The sensitivity analysis below presents the effects on the Group's post-tax profit for the year end and on equity as a result of a change in equity price, assuming the change had occurred at the balance date and had been applied to the exposure to the equity price for the relevant financial instruments in existence at that date. The changes in equity price represent management's assessment of a reasonably possible change in equity price at that date over the period until the next annual balance sheet date.

	2009 Effect on post-tax profit for the year HK$'000	2008 Effect on post-tax profit for the year HK$'000	**2009 Effect on equity HK$'000**	2008 Effect on equity HK$'000
10% increase/ (decrease) in market price of listed equity securities	**372/(372)**	929/(929)	**1,058/(1,058)**	1,436/(1,436)

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

Credit Risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet.

Certain subsidiaries of the Group suffer concentration of credit risk on trade receivables, clearing house and cash clients and secured margin clients arising from the ten largest customers or clients for respective receivables.

In order to minimize the credit risk, management of the Group has delegated a team responsible for determination and review of credit limit and payment term on each individual customer and client. Based on different credit risk exposure of different businesses under the Group, cash deposit, collateral and payment by letter of credit are required from relevant customers and clients to ensure the recoverability of trade debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity Risk

The Group is exposed to liquidity risk on financial liabilities. The management of the Group adopts a prudent policy to maintain a sufficient level of cash and cash equivalent and financial assets to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any liquidity requirements in the short term.

3. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

Liquidity Risk (Cont'd)

The remaining contractual maturities at the balance sheet date of the Group's non-derivative financial liabilities are as follows:

Group	Carrying amount at year end HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Over 5 years HK$'000
2009						
Trade and other payables	**92,788**	**92,788**	**92,788**	**–**	**–**	**–**
Amount due to a related company	**12,749**	**12,749**	**12,749**	**–**	**–**	**–**
Amount due to an associate	**955**	**955**	**955**	**–**	**–**	**–**
Bank borrowings	**205,374**	**216,353**	**131,735**	**18,828**	**36,246**	**29,544**
	311,866	**322,845**	**238,227**	**18,828**	**36,246**	**29,544**
2008						
Trade and other payables	237,315	237,315	237,315	–	–	–
Amount due to a related company	12,776	12,776	12,776	–	–	–
Amount due to an associate	451	451	451	–	–	–
Bank borrowings	243,635	249,825	186,898	21,391	37,918	3,618
	494,177	500,367	437,440	21,391	37,918	3,618

Fair Value Estimation

The fair values of financial assets and financial liabilities are determined as follows:

a) *Listed equity securities*

Fair value is based on quoted market price at the balance sheet date without any deduction for transaction costs.

b) *Forward exchange contracts*

The fair value of the forward exchange contract is based on mark-to-market value at the balance sheet date provided by the counterparty institutions.

Other financial instruments are carried at amounts not materially different from their fair values as at 31 March 2009 and 2008.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies which are described in Note 2, management has made the following judgements that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Allowance on bad and doubtful debts

The policy for provision of impairment loss on trade and other receivables of the Group is based on the evaluation of collectibility and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provisions may be required.

Profits taxes

The Group is subject to profits taxes in various jurisdictions. Significant judgement is required in determining provision for profit tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit 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 income tax and deferred tax provisions in the year in which such determination is made.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation expenses for the Group's property, plant and equipment. Management will revise the depreciation expenses where useful lives are different to previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience and selling goods of similar nature. It could change significantly as a result of change in market condition. Management will reassess the estimations at the balance sheet date.

Valuation of investment properties

Investment properties are included in the balance sheet at their open market value, which is assessed annually by independent qualified valuers, after taking into consideration the net income allowing for reversionary potential.

The assumptions adopted in the property valuations are based on the market conditions existing at the balance sheet date, with reference to current market sales prices and the appropriate capitalisation rate.

5. SEGMENT INFORMATION

1) Business Segment

	Property development and investment/hotel		Manufacturing and trading of plastic packaging material		Stock broking and finance		Eliminations		Consolidated	
	2009 HK$	2008 HK$ (Restated)	**2009 HK$**	2008 HK$ (Restated)	**2009 HK$**	2008 HK$ (Restated)	**2009 HK$**	2008 HK$ (Restated)	**2009 HK$**	2008 HK$ (Restated)
Turnover										
External sales	**30,142,846**	17,715,874	**311,519,320**	337,078,385	**26,309,607**	47,663,879			**367,971,773**	402,458,138
Inter-segment sales	**3,980,772**	3,989,675	**-**	–	**-**	–	**(3,980,772)**	(3,989,675)	**-**	–
Total revenue	**34,123,618**	21,705,549	**311,519,320**	337,078,385	**26,309,607**	47,663,879	**(3,980,772)**	(3,989,675)	**367,971,773**	402,458,138
Operation result	**14,884,586**	6,427,516	**(3,245,846)**	500,864	**5,582,416**	28,405,266			**17,221,156**	35,333,646
Fair value changes on investment properties	**12,063,450**	27,025,561	**-**	–	**-**	–			**12,063,450**	27,025,561
Segment result	**26,948,036**	33,453,077	**(3,245,846)**	500,864	**5,582,416**	28,405,266			**29,284,606**	62,359,207
Finance costs									**(8,327,027)**	(16,859,954)
Share of (loss) profit of associates	**3,448,277**	3,797,003	**(3,247,892)**	(3,090,370)	**-**	–			**200,385**	706,633
Profit before tax									**21,157,964**	46,205,886
Taxation	**(2,039,308)**	(5,350,937)	**(759,459)**	(582,421)	**(897,400)**	(4,535,683)			**(3,696,167)**	(10,469,041)
Profit after tax									**17,461,797**	35,736,845
Minority interests	**(17,478)**	(11,613)	**190,230**	321,074	**-**	(33,377)			**172,752**	276,084
Profit attributable to shareholders									**17,634,549**	36,012,929
Segment assets	**311,230,798**	320,614,556	**320,525,122**	377,948,158	**138,329,222**	256,970,289			**770,085,142**	955,533,003
Interest in associates	**53,085,405**	58,232,708	**11,274,264**	15,819,899	**-**	–			**64,359,669**	74,052,607
Unallocated corporate assets									**19,131,267**	22,909,711
Total assets	**364,316,203**	378,847,264	**331,799,386**	393,768,057	**138,329,222**	256,970,289			**853,576,078**	1,052,495,321
Segment liabilities	**37,041,648**	48,413,781	**33,443,017**	63,481,840	**66,528,579**	174,843,830			**137,013,244**	286,739,451
Unallocated liabilities									**205,374,206**	243,634,649
Consolidated total liabilities									**342,387,450**	530,374,100
Minority interests	**311,264**	293,786	**13,252,607**	13,474,863	**-**	229,532			**13,563,871**	13,998,181
Depreciation for the year	**4,359,352**	3,358,000	**9,347,655**	9,404,025	**425,203**	507,459			**14,132,210**	13,269,484
Amortisation of leasehold land and land use rights	**722,425**	710,937	**328,658**	248,234	**-**	–			**1,051,083**	959,171
Capital expenditure incurred during the year	**1,418,757**	9,266,800	**2,999,798**	8,619,923	**178,436**	1,584,402			**4,596,991**	19,471,125

5. SEGMENT INFORMATION (Cont'd)

II) Geographical Segment

	Turnover	
	2009	2008
	HK$	HK$
Other Asian countries	**118,937,983**	131,500,094
Hong Kong	**84,548,695**	86,726,325
North America	**58,558,253**	77,955,967
Oceania	**39,426,442**	46,112,381
Europe	**40,697,206**	40,937,187
Mainland China	**24,674,498**	18,093,765
Other	**1,128,696**	1,132,419
	367,971,773	402,458,138

	Carrying amount of segment assets		Additions to Property, plant and equipment	
	2009	2008	**2009**	2008
	HK$	HK$	**HK$**	HK$
Other Asian countries	**4,671,780**	9,386,071	**–**	–
Hong Kong	**622,948,708**	731,150,807	**1,737,783**	10,930,420
North America	**7,791,036**	10,681,194	**–**	–
Oceania	**7,391,654**	6,620,336	**–**	–
Europe	**4,430,625**	6,010,311	**–**	–
Mainland China	**206,290,642**	288,646,602	**2,859,208**	8,540,705
Others	**51,633**	–	**–**	–
	853,576,078	1,052,495,321	**4,596,991**	19,471,125

6. TURNOVER

Turnover comprises the aggregate of gross invoiced values of goods sold less discounts and returns, gross rental income, brokerage commission, hotel income, gains on foreign exchange dealings and dividend income.

	2009 HK$	2008 HK$
Sale of goods	**311,519,320**	337,078,385
Gross rental income	**15,865,539**	13,991,927
Brokerage commission	**24,689,066**	45,665,130
Underwriting commission for securities	**–**	88,000
Hotel income	**14,277,307**	3,723,947
Gains on foreign exchange dealings	**–**	320,760
Dividend income		
– Unlisted equity securities	**65,600**	–
– Listed equity securities	**1,554,941**	1,589,989
	367,971,773	402,458,138

7. OTHER REVENUE

	2009 HK$	2008 HK$
Interest income	**5,350,388**	12,300,016
Other income	**3,564,181**	4,057,610
Gain on disposal of land use right	**–**	6,301,277
Net gain (loss) on disposal of property, plant and equipment	**829,345**	(176,889)
Consultancy & management fee	**280,800**	280,800
Impairment loss on trade and other receivables written back	**3,254,706**	–
Bad debts recovered	**38,434**	121,978
Change in fair value of equity accumulators	**1,881,448**	(1,881,448)
Net (loss) gain on disposal of trading securities	**(38,869)**	334,570
Net gain on disposal of available-for-sale financial assets	**426,030**	–
Change in fair value of trading securities	**(6,798,637)**	(2,414,671)
	8,787,826	18,923,243

8. PROFIT FROM OPERATIONS

	2009 HK$	2008 HK$
Profit from operations is arrived at after charging:		
Auditors' remuneration	**732,312**	735,138
Cost of inventories sold	**243,473,275**	262,324,037
Loss on disposal of property, plant and equipment	**–**	176,889
Impairment loss of trade and other receivables	**4,312,918**	3,311,412
Impairment loss on available-for-sale financial assets	**1,405,620**	–
Staff costs (including directors' remuneration)	**41,436,089**	42,976,572
Salaries, wages and allowance	**37,214,541**	37,084,324
Benefits	**2,982,057**	4,838,282
Defined contribution plans	**729,607**	735,802
Severance payment	**509,884**	318,164
Operating lease rental in respect of land and buildings	**1,833,097**	1,495,768
Depreciation	**14,132,210**	13,269,484
Amortisation of leasehold land and land use right	**1,051,083**	959,171
Realised loss on forward exchange contract	**145,486**	–
Exchange loss	**495,062**	666,458
and after crediting:		
Change in fair value of forward exchange contracts	**194,720**	227,705
Realised gain on forward exchange contracts	**–**	204,885
Net rental income	**15,413,898**	13,584,367
Gross rental income from investment properties	**15,865,539**	13,991,927
Less: outgoings	**(451,641)**	(407,560)

9. FINANCE COSTS

	2009 HK$	2008 HK$
Interest on:		
Bank loans and overdrafts wholly repayable:		
within five years	**6,525,396**	13,761,853
over five years	**450,991**	754,827
Other borrowings	**581,357**	1,545,722
Bank charges	**769,283**	797,552
	8,327,027	16,859,954

10. TAX

	2009 HK$	2008 HK$ (Restated)
The amount of tax in the consolidated income statement represents:		
Current tax-Hong Kong profits tax		
Tax for the year	**5,572,102**	5,348,575
Benefit of previously unrecognized tax losses	**(1,932,660)**	(45,771)
Over-provision in prior year	**(116,834)**	–
	3,522,608	5,302,804
Current tax-Overseas tax		
Tax for the year	**–**	212,362
	–	212,362
Deferred tax		
Origination and reversal of temporary differences	**(978,429)**	499,213
Change in fair value of investment properties	**562,003**	4,729,473
Benefit of tax losses recognized	**(23,358)**	(390,398)
Reversal of tax losses previously recognized	**613,343**	115,587
	173,559	4,953,875
Total charge for tax	**3,696,167**	10,469,041
Effective tax rate	**17.5%**	22.7%
Reconciliation between tax charge and accounting profit at applicable tax rates:		
Profit before tax	**21,157,964**	46,205,886

10. TAX (Cont'd)

	2009 HK$	2008 HK$ (Restated)
Notional tax on profit before tax, calculated at Hong Kong profits tax rate of 16.5% (2008: 17.5%)	**3,491,064**	8,086,030
Tax effect of:		
Different tax rates in other tax jurisdiction	**(1,346,756)**	(649,413)
Non-deductible expenses	**6,676,995**	4,218,736
Non-taxable revenue	**(423,951)**	(2,646,308)
Current year's tax loss not recognized	**891,247**	1,230,599
Previous tax losses utilized in current year	**(1,932,660)**	(45,771)
Reversal of tax losses previously recognized	**311,609**	115,587
Decrease in tax rate on opening deferred tax balance	**(4,244,793)**	–
Net (over) under-provision in priors years	**(119,782)**	159,581
Origination and reversal of unrecognized temporary differences	**428,794**	–
Write-back of temporary difference previously recognised	**(35,600)**	–
Actual charge for taxation	**3,696,167**	10,469,041

The provision for Hong Kong profits tax is based on the profit before tax as adjusted for tax purposes at the rate of 16.5% (2008: 17.5%). In 2008, the Hong Kong SAR government enacted a reduction in the profits tax rate of 17.5% to 16.5% for the fiscal year 2008/09. Tax on overseas profits has been calculated on the estimated assessable profits for the year at the rates of tax prevailing in the countries in which the businesses operate.

11. DIRECTORS' AND EMPLOYEES' REMUNERATION

The remuneration of every Director for the year ended 31 March 2009 is set out below:

Name of Directors	Salary and other benefits HK$ *Note*	Director fee HK$	MPF contribution HK$	Total HK$
Executive Director				
Chua Nai Tuen	2,521,200	40,000	13,000	2,574,200
Chua Nai King	953,295	30,000	–	983,295
Gilson Chua	537,293	30,000	12,000	579,293
Non-executive Directors				
Chan Man Hon, Eric	–	30,000	–	30,000
Jimmy Siy Tiong	–	30,000	–	30,000
Luis Siy	–	30,000	–	30,000
Rene Siy Chua	–	30,000	–	30,000
Tsai Han Yung	–	30,000	–	30,000
Siy Yap Samuel	–	30,000	–	30,000
Nelson Junior Chua	–	30,000	–	30,000
Vivian Chua	–	30,000	–	30,000
Se Ying Kin	–	30,000	–	30,000
Siy Yap	–	30,000	–	30,000
Independent Non-executive Directors				
Chan Siu Ting	–	30,000	–	30,000
James L. Kwok	–	30,000	–	30,000
Wong Shek Keung	–	30,000	–	30,000
	4,011,788	490,000	25,000	4,526,788

Note: Including consultancy fees were paid to Sonliet Investment Company Limited ("Sonliet") and Tonwell Investment Co. (HK) Limited ("Tonwell") of which Messrs. Chua Nai Tuen was the director of Sonliet and Mr. Chua Nai King was the director of Tonwell.

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

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Cont'd)

The remuneration of every Director for the year ended 31 March 2008 is set out below:

Name of Directors	Salary and other benefits HK$ *Note*	Director fee HK$	MPF contribution HK$	Total HK$
Executive Director				
Chua Nai Tuen	2,457,475	40,000	13,126	2,510,601
Chua Nai King	967,287	30,000	–	997,287
Se Ying Kin	2,176,436	30,000	–	2,206,436
Non-executive Directors				
Chan Man Hon, Eric	–	30,000	–	30,000
Jimmy Siy Tiong	–	30,000	–	30,000
Luis Chua	–	30,000	–	30,000
Rene Siy Chua	–	30,000	–	30,000
Tsai Han Yung	–	30,000	–	30,000
Siy Yap	–	30,000	–	30,000
Independent Non-executive Directors				
Chan Siu Ting		30,000		30,000
James L. Kwok	–	30,000	–	30,000
Wong Shek Keung	–	30,000	–	30,000
	5,601,198	370,000	13,126	5,984,324

Note: Including consultancy fees paid to Sonliet Investment Company Limited, Tonwell Investment Co. (H.K.) Limited and Holytex Investment Company Limited of which Mr. Chua Nai Tuen was the director of Sonliet, Mr. Chua Nai King was the director of Tonwell and Mr. Se Ying Kin was the manager of Holytex.

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Cont'd)

Five highest paid employees

The five highest paid employees of the Group during the year included two directors, details of whose remuneration are disclosed above. The remuneration of the other three employees disclosed were as follows:

	2009 HK$	2008 HK$
Salaries and other allowances	**1,564,119**	1,205,033
MPF contribution	**55,602**	40,145
Bonus	**–**	35,000
Severance payment	**390,000**	–
Commission	**536,991**	–
	2,546,712	1,280,178

The remuneration of the other three employees fell within the following band:

	2009 Number of employees	2008 Number of employees
Nil – HK$1,000,000	**2**	2
HK$1,000,001 – HK$1,500,000	**1**	–
	3	2

12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	2009 HK$	2008 HK$
Dealt with in the financial statements of the Company	**(25,212,823)**	2,757,400
Retained by subsidiaries	**42,646,986**	32,548,896
Retained by associates	**200,386**	706,633
	17,634,549	36,012,929

13. PROPOSED DIVIDENDS

	2009 **HK$**	2008 HK$
Proposed final dividend of HK$3.0 cents per share (2008: HK$3.5 cents)	**5,929,605**	6,917,873

14. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to shareholders of HK$17,634,549 (2008: HK$36,012,929) and the outstanding number of ordinary shares in issue during the year 197,653,500 (2008: 197,653,500).

15. INVESTMENT PROPERTIES

Group

	Medium term lease in Hong Kong HK$	**Medium term lease in Mainland China** HK$	**Total** HK$
Valuation			
At 1 April 2007	268,380,000	909,183	269,289,183
Fair value gain	26,693,000	332,561	27,025,561
At 31 March 2008	295,073,000	1,241,744	296,314,744
At 1 April 2008	295,073,000	1,241,744	296,314,744
Transfer from trading property	–	440,765	440,765
Fair value gain	11,682,000	381,450	12,063,450
At 31 March 2009	**306,755,000**	**2,063,959**	**308,818,959**

15. INVESTMENT PROPERTIES (Cont'd)

Company

	Medium term lease in Mainland China HK$	Total HK$
Valuation		
At 1 April 2007	909,183	909,183
Fair value gain	332,561	332,561
At 31 March 2008	1,241,744	1,241,744
At 1 April 2008	1,241,744	1,241,744
Fair value gain	28,385	28,385
At 31 March 2009	**1,270,129**	**1,270,129**

Investment properties were revalued at their open market value at 31 March 2009. The revaluation was carried out by K.T. Liu Surveyors Limited, an independent valuer.

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings						
	Medium term lease in Hong Kong HK$	Medium term lease in the Mainland China HK$	Construction in progress HK$	Plant and Machinery HK$	Furniture, fixtures & equipment HK$	Motor vehicles HK$	Total HK$
Cost							
At 1 April 2008	52,513,433	81,363,541	8,122,834	131,938,357	28,500,074	7,799,140	310,237,379
Additions	821,865	513,636	1,346,958	933,529	981,003	–	4,596,991
Transfer	–	1,349,893	(1,963,668)	453,704	160,071	–	–
Cost over provided	–	–	(5,670,220)	–	–	–	(5,670,220)
Disposals	(27,230)	–	–	(7,630,904)	–	(611,197)	(8,269,331)
Exchange realignments	–	1,854,624	185,154	2,597,955	137,762	109,600	4,885,095
At 31 March 2009	**53,308,068**	**85,081,694**	**2,021,058**	**128,292,641**	**29,778,910**	**7,297,543**	**305,779,914**
Accumulated depreciation							
At 1 April 2008	6,363,547	21,711,082	–	70,611,725	13,199,298	4,691,886	116,577,538
Charge for the year	2,408,199	2,020,192	–	6,300,082	2,799,231	604,506	14,132,210
Written back on disposals	(19,606)	–	–	(6,855,712)	–	(522,775)	(7,398,093)
Exchange realignments	–	499,928	–	1,491,422	77,652	82,911	2,151,913
At 31 March 2009	**8,752,140**	**24,231,202**	**–**	**71,547,517**	**16,076,181**	**4,856,528**	**125,463,568**
Net book value as at 31 March 2009	**44,555,928**	**60,850,492**	**2,021,058**	**56,745,124**	**13,702,729**	**2,441,015**	**180,316,346**
Net book value as at 31 March 2008	46,149,886	59,652,459	8,122,834	61,326,632	15,300,776	3,107,254	193,659,841

16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group

	Buildings						
	Medium term lease in Hong Kong HK$	Medium term lease in the Mainland China HK$	Construction in progress HK$	Plant and Machinery HK$	Furniture, fixtures & equipment HK$	Motor vehicles HK$	Total HK$
Cost							
At 1 April 2007	31,522,942	70,723,771	25,470,212	121,063,323	21,234,608	8,400,734	278,415,590
Additions	–	2,752,434	7,431,968	3,602,286	4,771,239	913,198	19,471,125
Transfer	21,620,041	986,691	(25,439,255)	31,561	2,800,962	–	–
Disposals	(629,550)	–	–	(1,757,643)	(803,324)	(1,941,857)	(5,132,374)
Exchange realignments	–	6,900,645	659,909	8,998,830	496,589	427,065	17,483,038
At 31 March 2008	52,513,433	81,363,541	8,122,834	131,938,357	28,500,074	7,799,140	310,237,379
Accumulated depreciation							
At 1 April 2007	5,387,460	18,013,028	–	61,080,001	10,468,565	5,367,034	100,316,088
Charge for the year	1,207,631	1,838,370	–	6,378,276	3,076,622	768,584	13,269,483
Written back on disposals	(231,544)	–	–	(1,506,998)	(627,016)	(1,749,773)	(4,115,331)
Exchange realignments	–	1,859,684	–	4,660,446	281,127	306,041	7,107,298
At 31 March 2008	6,363,547	21,711,082	–	70,611,725	13,199,298	4,691,886	116,577,538
Net book value as at 31 March 2008	46,149,886	59,652,459	8,122,834	61,326,632	15,300,776	3,107,254	193,659,841
Net book value as at 31 March 2007	26,135,482	52,710,743	25,470,212	59,983,322	10,766,043	3,033,700	178,099,502

16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company

	Furniture, fixtures & equipment HK$	Motor vehicles HK$	Total HK$
Cost			
At 1 April 2008	3,059,712	1,337,202	4,396,914
Additions	29,634	–	29,634
Disposals	–	(12,036)	(12,036)
At 31 March 2009	3,089,346	1,325,166	4,414,512
Accumulated depreciation			
At 1 April 2008	2,622,606	541,047	3,163,653
Charge for the year	93,317	119,005	212,322
Written back on disposals	–	(9,248)	(9,248)
At 31 March 2009	2,715,923	650,804	3,366,727
Net book value as at			
31 March 2009	373,423	674,362	1,047,785
Cost			
At 1 April 2007	2,981,948	2,935,864	5,917,812
Additions	87,764	–	87,764
Disposals	(10,000)	(1,598,662)	(1,608,662)
At 31 March 2008	3,059,712	1,337,202	4,396,914
Accumulated depreciation			
At 1 April 2007	2,518,339	1,834,917	4,353,256
Charge for the year	109,047	140,498	249,545
Written back on disposals	(4,780)	(1,434,368)	(1,439,148)
At 31 March 2008	2,622,606	541,047	3,163,653
Net book value as at			
31 March 2008	437,106	796,155	1,233,261

17. LEASEHOLD LAND AND LAND USE RIGHT

Group

	HK$
Cost	
At 1 April 2008	55,237,264
Disposals	(18,479)
Exchange alignment	359,800
At 31 March 2009	55,578,585
At 1 April 2007	57,676,453
Disposals	(3,842,409)
Exchange alignment	1,403,220
At 31 March 2008	55,237,264
Amortisation	
At 1 April 2008	10,559,130
Charge for the year	1,051,083
Written back on disposal	(8,753)
Exchange alignment	74,213
At 31 March 2009	11,675,673
At 1 April 2007	10,199,943
Charge for the year	959,171
Written back on disposal	(876,725)
Exchange alignment	276,741
At 31 March 2008	10,559,130
Net book value at	
31 March 2009	43,902,912
31 March 2008	44,678,134

18. INTERESTS IN SUBSIDIARIES

Company

	2009 HK$	2008 HK$
Unlisted shares, at cost	**47,064,774**	47,064,774
Less: disposal	**750,000**	–
	46,314,774	47,064,774
Amounts due from subsidiaries	**267,439,551**	269,542,093
	313,754,325	316,606,867
Impairment loss		
At the beginning of the year	**52,673,695**	52,208,771
Provided for the year	**16,894,471**	464,924
At the end of the year	**69,568,166**	52,673,695
	244,186,159	263,933,172

Details of the Company's principal subsidiaries at 31 March 2009 are set out in note 42 to the financial statements.

The amounts due from subsidiaries are unsecured and have no fixed repayment terms. At 31 March 2009, an amount of HK$172,158,856 (2008: HK$170,734,625) bears interest at Hong Kong dollar prime rate, quoted by Standard Chartered Bank (Hong Kong) Limited, minus 2% to 3.25% and the remaining balance is interest free.

19. INTERESTS IN ASSOCIATES

	2009 HK$	2008 HK$
Group		
Share of net assets at 1 April	**37,590,154**	30,497,857
Share of associates' results		
– profit before tax	**200,386**	706,633
Other equity movements	**216,262**	150,996
Exchange (loss) gain arising from consolidation	**(6,962,107)**	6,234,668
Share of net assets at 31 March	**31,044,695**	37,590,154
Amounts due from associates	**33,314,974**	36,462,453
	64,359,669	74,052,607
Investment at cost	**18,562,601**	18,562,601

	2009 HK$	2008 HK$
Company		
Investment at cost	**13,921,154**	13,921,154
Amounts due from associates	**8,310,400**	9,868,600
	22,231,554	23,789,754

Details of the Group's associates at 31 March 2009 are set out in note 43 to the financial statements.

19. INTERESTS IN ASSOCIATES (Cont'd)

Summary financial information on associates

	Assets	Liabilities	Equity	Revenue	Profit
	At 31 March 2009				
	HK$	**HK$**	**HK$**	**HK$**	**HK$**
100 per cent	**175,671,081**	**(116,513,700)**	**59,157,381**	**3,614,554**	**3,345,285**
Group's effective interest	**75,043,992**	**(43,999,293)**	**31,044,699**	**1,271,427**	**200,386**

	Assets	Liabilities	Equity	Revenue	Profit
	At 31 March 2008				
	HK$	HK$	HK$	HK$	HK$
100 per cent	193,821,341	(124,245,919)	69,575,422	6,993,687	2,843,304
Group's effective interest	85,489,022	(47,898,869)	37,590,153	3,153,386	706,633

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2009	2008	**2009**	2008
	HK$	HK$	**HK$**	HK$
Equity securities at cost				
Unlisted in Hong Kong	**5,400,649**	5,400,649	**3,664,649**	3,664,649
Unlisted outside Hong Kong	**3,146,340**	3,146,340	**2,811,240**	2,811,240
	8,546,989	8,546,989	**6,475,889**	6,475,889
Equity securities at fair value				
Listed in Hong Kong	**11,989,898**	14,362,722	**–**	–
	20,536,887	22,909,711	**6,475,889**	6,475,889
Impairment loss on unlisted equity securities outside Hong Kong	**(1,405,620)**	–	**(1,405,620)**	–
	19,131,267	22,909,711	**5,070,269**	6,475,889

21. INTANGIBLE ASSETS

Group

	Stock Exchange trading rights HK$	Futures Exchange trading right HK$	Membership of The Chinese Gold & Silver Exchange Society HK$	Club Membership HK$	Total HK$
At 1 April 2008	2,220,001	201,205	300,000	981,500	3,702,706
Addition	–	–	–	–	–
At 31 March 2009	2,220,001	201,205	300,000	981,500	3,702,706
At 1 April 2007	1,220,001	201,205	300,000	981,500	2,702,706
Addition	1,000,000	–	–	–	1,000,000
At 31 March 2008	2,220,001	201,205	300,000	981,500	3,702,706

22. INVENTORIES

Group

	2009 HK$	2008 HK$
Raw materials	**21,714,524**	54,654,773
Work in progress	**2,966,214**	5,255,592
Finished goods	**16,553,219**	21,624,843
	41,233,957	81,535,208

23. TRADE AND OTHER RECEIVABLES

The Group's trade receivables arose from stockbroking and finance, manufacturing and trading of plastic packing materials and property development and hotel services for the year.

Group

	2009 **HK$**	2008 HK$
Trade receivables	**38,116,930**	47,959,060
Clearing house and cash clients	**12,281,207**	92,062,234
Secured margin clients	**39,362,372**	47,931,823
Less: Allowance on bad and doubtful debts	**(8,276,871)**	(7,223,621)
	81,483,638	180,729,496
Others	**10,985,499**	13,991,223
	92,469,137	194,720,719

The Group allows a credit period up to the respective settlement dates for securities transactions. (normally two business days after the respective trade date for cash clients) Each secured margin client has a credit limit.

Included in the 2009 trade receivables, HK$35,675,140 (net of allowance on bad and doubtful debts) (2008: HK$49,961,891) falls into the general credit term ranged from 30-90 days except for a credit period mutually agreed between the Company and the customers.

The group maintains straight control over its outstanding receivables. Overdue balances are reviewed regularly by managers and senior management. In view of the abovementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, in the opinion of the directors of the Company there is no significant concentration of credit risk as at 31 March 2009.

The carrying amounts of the Group's trade and other receivables approximate to their fair values.

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Ageing analysis

An aged analysis of the trade receivables (net of allowance on bad and doubtful debts) as at the balance sheet date, based on the invoice date, is as follows:

	2009	2008
	HK$	HK$
0 – 1 month	**28,103,781**	116,554,608
2 – 3 months	**13,805,315**	14,641,691
More than 3 months	**1,778,890**	2,157,555
	43,687,986	133,353,854

Included in trade receivables, HK$37,795,652 (net of allowance on bad and doubtful debts) (2008: HK$47,375,642) are advances to margin clients, which are secured by client's listed securities held by the Group as collateral and are interest bearing. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 31 March 2009, the total market value of securities pledged as collateral by the customers in respect of the advances to customers is HK$92,027,413 (2008: HK$104,930,294). No ageing analysis is disclosed as, in the opinion of the directors, an ageing analysis is not meaningful in view of the revolving nature of the business of securities margin financing.

(b) Impairment of trade receivables

The movement in the allowance for bad and doubtful debts during the year is as follows:

	2009	2008
	HK$	HK$
At 1 April	**7,223,621**	3,907,777
Impairment loss recognised	**4,410,217**	3,414,722
Impairment loss reversed	**(3,484,689)**	(98,878)
Exchange loss	**127,722**	–
At 31 March	**8,276,871**	7,223,621

23. TRADE AND OTHER RECEIVABLES (Cont'd)

(b) Impairment of trade receivables (Cont'd)

Our wholly-owned subsidiary, Southeast Asia Properties and Finance (China) Limited, has agreed to sale back a piece of land approximate 58,000 m^2 located in Zhang Mu Tou (樟木頭), China to the Zhang Mu Tou Town People's Government 樟木頭鎮人民政府 ("Town Government") in November 2006 with an agreed amounts of RMB7,540,000 (the "debts"). The first installment of RMB1,000,000 has not been received until February 2008. In the opinion of the directors, an allowance on bad and doubtful debts amounting to RMB2,870,000 has been made for the doubtful recovery of the total sum in the year of 2007/08. After negotiations with the Town Government, RMB4,000,000 has been received up to the date of this report and the Town Government has arranged a repayment schedule with more regular pattern of debts repayment. The previous impairment loss of RMB2,870,000 (equivalent to HK$3,254,706) was then written back.

(c) Trade receivables that are not impaired

An aged analysis of the trade receivables at the balance sheet date, based on the settlement due date that are neither individually nor collectively considered to be impaired is as follows:

	2009 **HK$**	2008 HK$
Neither past due nor impaired	**33,747,558**	119,577,493
Less than 1 month past due	**4,974,039**	8,603,543
2-3 months past due	**2,987,627**	4,121,738
More than 3 months past due	**1,978,762**	1,051,080
	43,687,986	133,353,854

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

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

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	2009 HK$	2008 HK$
Trading securities listed in Hong Kong	**4,451,614**	11,260,917
Forward exchange contracts	**457,073**	2,928,107
	4,908,687	14,189,024

25. TIME DEPOSITS

Group

	2009 HK$	2008 HK$
Short term bank deposits		
– secured time deposits	**6,100,000**	6,100,000
– secured certificate of deposits	**1,000,000**	1,000,000
– unsecured time deposits	**–**	780,000
	7,100,000	7,880,000

The certificate of deposits bear interest at a fixed rate of 3.1% p.a. with maturity in September 2009. The amounts represent deposits pledged to banks to secure short term banking facilities granted to the Group and are therefore classified as current assets.

The effective interest rates on time deposits ranged from 0.02% to 3.1% (2008: 1.62% to 3.36%) and these deposits have maturity ranged from 17 days to 169 days.

26. TRADE AND OTHER PAYABLES

The Group's trade payables arose from stockbroking and finance, manufacturing and trading of plastic packing materials and property development and hotel services for the year.

Group

	2009 HK$	2008 HK$
Trade payables	**10,458,793**	38,106,793
Clearing house and cash clients	**49,302,762**	129,785,037
Secured margin clients	**12,531,863**	38,445,274
Others	**20,494,837**	30,978,072
	92,788,255	237,315,176

The carrying amounts of the Group's trade and other payables approximate to their fair values.

The ageing analysis of the Group's trade payables at the balance sheet date, based on the invoice billing date is as follows:

	2009 HK$	2008 HK$
0 – 1 month	**67,952,310**	198,749,719
2 – 3 months	**4,339,308**	7,585,585
More than 3 months	**1,800**	1,800
	72,293,418	206,337,104

Included in 2009 trade payables, HK$49,302,762 (2008: HK$129,785,037) are amounts payable to cash clients and clearing house which would be due within 1 month.

27. AMOUNT DUE TO A RELATED COMPANY

The amounts due was unsecured and had no fixed repayment terms. At 31 March 2009 an amount of HK$14,500,000 (2008: HK$14,500,000) was charged interest at Hong Kong dollar prime rate, quoted by Standard Chartered Bank (Hong Kong) Limited, minus 2% and the amount of HK$1,751,485 (2008: HK$1,723,760) due from related company was interest free.

28. BORROWINGS

	Group		Company	
	2009	2008	**2009**	2008
	HK$	HK$	**HK$**	HK$
Secured bank overdrafts	**38,782**	4,233,027	**–**	540
Secured bank loans	**200,740,254**	225,848,697	**9,038,782**	14,600,000
Unsecured bank loans	**4,595,170**	13,552,925	**–**	–
	205,374,206	243,634,649	**9,038,782**	14,600,540
Bank loans and overdrafts repayable:				
Within one year	**128,827,039**	183,809,849	**9,038,782**	12,400,540
More than one year but not exceeding two years	**37,949,742**	50,366,751	**–**	2,200,000
More than two years but not exceeding five years	**13,529,055**	5,958,049	**–**	–
Over five years	**25,068,370**	3,500,000	**–**	–
	205,374,206	243,634,649	**9,038,782**	14,600,540
Portion due within one year included under current liabilities	**(128,827,039)**	(183,809,849)	**(9,038,782)**	(12,400,540)
Portion due after one year	**76,547,167**	59,824,800	**–**	2,200,000

The carrying amount of bank loans approximates to its fair value and is denominated in Hong Kong dollar and Renminbi. The effective interest rate at 31 March 2009 ranged from 1.17% to 3.76% (2008: 5.02% to 6.86%)

29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	2009 **HK$**	2008 HK$
Equity accumulators	**–**	1,881,448
Forward exchange contracts	**263,007**	2,546,308
	263,007	4,427,756

30. DEFERRED TAXATION

Group

a. Deferred tax assets and liabilities recognized

The components of deferred tax assets and liabilities recognized in the consolidated balance sheet and the movements during the year are as follows:

	Depreciation allowance in excess of related depreciation HK$	**Revaluation of investment properties** HK$	**Future benefit of tax losses** HK$	**Others** HK$	**Total** HK$
At 1 April 2008	4,529,653	25,441,395	(1,658,857)	599,664	28,911,855
Charged (Credited) to income statement	42,990	473,737	589,985	(933,153)	173,559
At 31 March 2009	4,572,643	25,915,132	(1,068,872)	(333,489)	29,085,414
At 1 April 2007, as restated	3,604,058	20,711,922	(1,384,046)	1,026,046	23,957,980
Charged (Credited) to income statement	925,595	4,729,473	(274,811)	(426,382)	4,953,875
At 31 March 2008	4,529,653	25,441,395	(1,658,857)	599,664	28,911,855

30. DEFERRED TAXATION (Cont'd)

	2009 HK$	2008 HK$ (Restated)
Net deferred tax liabilities recognized on the balance sheet	**29,256,113**	28,911,855
Net deferred tax assets recognized on the balance sheet	**(170,699)**	–

b. *Deferred tax asset unrecognized*

Deferred tax asset has not been recognized in respect of the following item:

	2009 HK$	2008 HK$
Tax losses	**1,751,362**	1,836,827

The tax losses do not expire under current tax legislation.

30. DEFERRED TAXATION (Cont'd)

Company

a. *Deferred tax assets and liabilities recognized*

The components of deferred tax assets and liabilities recognized in the company balance sheet and the movements during the year are as follows:

	Depreciation allowance in excess of related depreciation HK$	Future benefit of tax losses HK$	Total HK$
At 1 April 2008	165,106	(165,106)	–
Charged (Credited) to income statement	(24,894)	24,894	–
At 31 March 2009	140,212	(140,212)	–
At 1 April 2007	200,045	–	200,045
Credited to income statement	(34,939)	(165,106)	(200,045)
At 31 March 2008	165,106	(165,106)	–

	2009 HK$	2008 HK$
Net deferred tax liabilities recognized on the balance sheet	**–**	–
Net deferred tax assets recognized on the balance sheet	**–**	–

30. DEFERRED TAXATION (Cont'd)

b. *Deferred tax asset unrecognized*

Deferred tax asset has not been recognized in respect of the following item:

	2009 **HK$**	2008 HK$
Tax losses	**1,386,631**	363,689

The tax losses do not expire under current tax legislation.

31. SHARE CAPITAL

	2009 **HK$**	2008 HK$
Authorized:		
200,000,000 shares of HK$1.00 each	**200,000,000**	200,000,000
Issued and fully paid:		
197,653,500 shares of HK$1.00 each	**197,653,500**	197,653,500

32. RESERVES

Group	Available-for-sale securities revaluation reserve HK$	Property revaluation reserve HK$	Exchange reserve HK$	Retained profits HK$	Total HK$
AT 1 APRIL 2008, AS RESTATED	(43,246)	2,555,496	39,094,368	261,945,049	303,551,667
EXCHANGE DIFFERENCE ARISING FROM CONSOLIDATION	–	–	(3,417,870)	–	(3,417,870)
REALISED UPON DISPOSAL OF AVAILABLE-FOR-SALE SECURITIES	(14,759)	–	–	–	(14,759)
CHANGE IN FAIR VALUE	(17,998,592)	–	–	–	(17,998,592)
SHARE OF RESERVES IN ASSOCIATES	–	–	216,262	–	216,262
PROFIT FOR THE YEAR	–	–	–	17,634,549	17,634,549
PROPOSED DIVIDENDS	–	–	–	(5,929,605)	(5,929,605)
AT 31 MARCH 2009	**(18,056,597)**	**2,555,496**	**35,892,760**	**273,649,993**	**294,041,652**
Attributable to:					
Company and subsidiaries	(18,056,597)	2,555,496	35,676,498	251,387,267	271,562,664
Associates	–	–	216,262	22,262,726	22,478,988
	(18,056,597)	2,555,496	35,892,760	273,649,993	294,041,652
AT 1 APRIL 2007, AS PREVIOUSLY REPORTED	–	2,555,496	13,185,121	229,584,194	245,324,811
PRIOR YEAR ADJUSTMENT	–	–	–	3,265,799	3,265,799
AT 1 APRIL 2007, AS RESTATED	–	2,555,496	13,185,121	232,849,993	248,590,610
EXCHANGE DIFFERENCE ARISING FROM CONSOLIDATION	–	–	25,758,251	–	25,758,251
CHANGE IN FAIR VALUE	(43,246)	–	–	–	(43,246)
SHARE OF RESERVES IN ASSOCIATES	–	–	150,996	–	150,996
PROFIT FOR THE YEAR, AS RESTATED	–	–	–	36,012,929	36,012,929
PROPOSED DIVIDENDS	–	–	–	(6,917,873)	(6,917,873)
AT 31 MARCH 2008	(43,246)	2,555,496	39,094,368	261,945,049	303,551,667
Attributable to:					
Company and subsidiaries	(43,246)	2,555,496	38,943,372	239,882,708	281,338,330
Associates	–	–	150,996	22,062,341	22,213,337
	(43,246)	2,555,496	39,094,368	261,945,049	303,551,667

32. RESERVES (Cont'd)

Company	Retained profits HK$
AT 1 APRIL 2008	51,980,100
LOSS FOR THE YEAR	(25,212,823)
PROPOSED DIVIDENDS	(5,929,605)
AT 31 MARCH 2009	20,837,672
AT 1 APRIL 2007	56,140,573
PROFIT FOR THE YEAR	2,757,400
PROPOSED DIVIDENDS	(6,917,873)
AT 31 MARCH 2008	51,980,100

Reserves of the Company attributable to shareholders amount to HK$20,837,672 (2008: HK$51,980,100).

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain the Group's ability to continue operating as a going concern and to preserve healthy capital structure ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares and raise or repay debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2009 and 31 March 2008 respectively.

Consistently, the Group monitors capital on the basis of net debt to equity ratio calculated on the basis of the Group's net bank borrowings (after cash and bank balances) over shareholders' funds. The Group's policy is to keep the net debt to equity ratio at a reasonable level.

33. CAPITAL MANAGEMENT (Cont'd)

The net debt to equity ratio at 31 March 2009 and 2008 was as follows:

Group

	2009 HK$'000	2008 HK$'000
Total bank borrowings	**205,374**	243,635
Less:		
Cash and bank balances	**60,123**	13,316
Net debt	**145,251**	230,319
Shareholders' fund	**497,624**	508,123
Net debt to equity ratio	**29.2%**	45.3%

The decrease in the net debt to equity ratio during the year was mainly attributable to the decrease of interest-bearing debts borrowed from banks and increase in operating cashflows.

The Group is subject to some bank loans covenants and certain subsidiaries of the Group are regulated entities under Securities and Futures Commission ("SFC") of Hong Kong or The Chinese Gold & Silver Exchange Society, thus subject to the respective minimum capital requirements.

The Group has complied with all externally imposed capital requirements for the year.

34. RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH INFLOW FROM OPERATIONS

	2009 HK$	2008 HK$ (Restated)
Profit before tax	**21,157,964**	46,205,886
Fair value changes on investment properties	**(12,063,450)**	(27,025,561)
Fair value changes of trading securities	**6,798,637**	2,414,671
Change in fair value of equity accumulator	**(1,881,448)**	1,881,448
Change in fair value of forward exchange contracts	**(194,720)**	(227,705)
Share of profit of associates	**(200,385)**	(706,633)
Dividend income	**(1,620,541)**	(1,589,989)
Interest income	**(5,350,388)**	(12,300,016)
Foreign exchange loss	**495,062**	666,458
Finance costs	**8,327,027**	16,859,954
Impairment loss on trade & other receivables written back	**(3,254,706)**	–
Impairment loss on trade & other receivables	**4,312,918**	3,189,434
Depreciation	**14,132,210**	13,269,484
Amortisation of leasehold land and land use right	**1,051,083**	959,171
Impairment loss on available-for-sale financial assets	**1,405,620**	–
Gain on disposal of land use right	**–**	(6,301,277)
Net (gain) loss on disposal of property, plant & equipment	**(829,345)**	176,889
Net loss (gain) on disposal of trading securities	**38,869**	(334,570)
Net gain on disposal of available-for-sale financial assets	**(426,030)**	–
Operating profit before working capital changes	**31,898,377**	37,137,644
Decrease (increase) in inventories	**40,301,251**	(10,398,577)
Decrease in time deposits	**780,000**	1,978,153
Decrease (increase) in clients' trust money	**77,560,984**	(73,237,514)
Decrease in trade and other receivables	**101,169,271**	4,132,844
Decrease in deposits and prepayments	**759,915**	1,361,957
Decrease in amount due to related company	**(27,725)**	(3,021,429)
(Decrease) increase in trade and other payable	**(138,807,589)**	140,181,624
NET CASH INFLOW FROM OPERATIONS	**113,634,484**	98,134,702

35. RETIREMENT BENEFIT COSTS

The Group operates a Mandatory Provident Fund Scheme (MPF Scheme) under the rules and regulations of Mandatory Provident Fund Scheme Ordinance for all its employees up to a maximum of HK$1,000 per person per month. The employees also contribute a corresponding amount to the MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid. The Group also makes voluntary contribution which are in excess of the MPF Scheme requirement for certain employees. Before the voluntary contributions become fully vested in the employees, the relevant portion of the voluntary contributions forfeited will be reverted to the Group to offset future employer's contributions. The assets of the MPF Scheme and voluntary contributions are held separately from those of the Group in an independently administered fund.

The aggregate employer's contributions, net of forfeited contributions, which have been dealt with in the income statement for the year amounted to:

Group	**2009** **HK$**	2008 HK$
Gross employer's contributions	**729,607**	740,407
Less: Forfeited contributions utilized to offset employer's contribution for the year	**(1,483)**	(4,605)
	728,124	735,802

36. COMMITMENTS

As at 31 March 2009, the Group had commitments under non-cancelable operating leases in respect of land and buildings to make payment in the following periods as follows:

Group	**2009** **HK$**	2008 HK$
Within one year	**967,713**	1,440,702
More than one year but not exceeding five years	**3,062,400**	2,966,988
Over five years	**584,490**	1,227,355
	4,614,603	5,635,045

For leasing period exceeds two years, lease rental will be adjusted bi-yearly to reflect market rent.

37. FUTURE MINIMUM LEASE PAYMENTS RECEIVABLE

As at 31 March 2009, the total future rental incomes receivable under non-cancellable operating leases are analyzed as follows:

	Group		Company	
	2009	2008	**2009**	2008
	HK$	HK$	**HK$**	HK$
Within one year	**15,027,091**	9,491,565	**333,409**	306,001
More than one year but not exceeding five years	**14,181,896**	7,356,845	**85,053**	409,110
Total	**29,208,987**	16,848,410	**418,462**	715,111

38. PLEDGE OF ASSETS

At 31 March 2009, the Group had the following assets pledged to banks to secure general banking facilities granted to the Group:

(i) the Group's investment properties and leasehold land with a total carrying value of approximately HK$217,081,602 (2008: HK$215,408,200) together with assignments of sales proceeds, insurance proceeds, rental income, revenues and all other income generated from the relevant properties;

(ii) the Group's hotel buildings and leasehold land with a total carrying value of approximately HK$34,804,337 (2008: HK$ 35,981,449);

(iii) the Group's owner occupied properties and leasehold land with a total carrying value of approximately HK$39,681,261 (2008: HK$40,844,000);

(iv) Time deposits of HK$7,100,000 (2008: HK$7,100,000);

(v) Financial assets at fair value through income statement of HK$4,407,700 (2008: HK$6,650,500);

(vi) Available-for-sale financial assets of HK$3,104,920 (2008: HK$Nil).

39. CONTINGENT LIABILITIES

	Group		Company	
	2009	2008	**2009**	2008
	HK$	HK$	**HK$**	HK$
a. Financial guarantees issued to banks in favour of				
– subsidiaries	**–**	–	**196,335,425**	224,856,008
Guarantees issued by bank in favour of				
– subsidiaries	**1,121,000**	3,530,000	**1,121,000**	3,530,000
– associates	**450,000**	1,058,000	**450,000**	1,058,000
Guarantees issued to trade creditors in respect of outstanding balances due by subsidiaries	**–**	–	**1,327,014**	8,405,261

The Company has not recognized any deferred income for the financial guarantees given for subsidiaries as their fair value cannot be reliably measured and their transaction price was HK$Nil.

As at the balance sheet date, the directors do not consider it is probable that a clamin will be made against the Company under any of the guarantees.

b. The Company had unsettled tax dispute regarding the deductibility of interest expenses incurred in the year 2000/2001.

c. During the year, the constructor for the hotel renovation works claimed against the Company and SAP Realty Company Limited ("SAR"), a wholly owned subsidiary of the Group for an overdue balance of approximately HK$5,009,115. However, SAR has made a counter claim to that constructor for the amount overpaid to him of about HK$5,459,314, having taken into account the cost and the expenses incurred by SAR to rectify the defect in the works and the loss and damage caused by the constructor's failure to complete the works on time. Up to the date of this report, the outcome of the proceedings is still uncertain. As the directors considered it is premature and not practical to draw a conclusion of the outcome of the claims and that the ultimate liability, if any, will not have a material adverse impact on the Group's financial position, no provision was made as of 31 March 2009.

40. CAPITAL COMMITMENTS

Group	**2009 HK$**	2008 HK$
Contracted for but not provided in the financial statements in respect of factory renovation and purchase of machines	**2,131,060**	–

41. RELATED PARTY TRANSACTIONS

During the year, in addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following transactions with related parties at normal commercial terms:

		2009 HK$	2008 HK$
(a)	Income received from associates of the Group:		
	– consultancy and management fee	**280,800**	280,800
	– interest income	**1,081,207**	898,338
	– sales of finished goods	**745,145**	7,934,486
	– sales of raw materials	**–**	4,842,439
	– sharing of production overheads	**409,119**	562,111
(b)	Payment to an associate of the Group:		
	– purchase of raw materials & production material	**94,078**	158,360
	– commission	**–**	162,584
	– sub-contracting charge	**162,982**	–
(c)	Payment to a company in which the Chairman of the Group has controlling interest – rental expenses	**696,000**	696,000
(d)	Interest payment to related companies in which the Chairman of the Group has controlling interest	**492,367**	925,842
(e)	In addition to the directors' remuneration as disclosed in note 11, remuneration of the other key management personnel was disclosed as follows:		
	short-term employee benefits	**2,528,623**	1,504,745
	MPF contribution	**83,313**	43,460
(f)	Remuneration paid to close family members of key management personnel	**775,827**	1,459,684

42. PRINCIPAL SUBSIDIARIES

Name of Company	Place of incorporation/operation	Nominal value of issued ordinary share capital/ registered capital	Percentage of equity interest held by Company	Percentage of equity interest held by Group	Principal activities
Always Best Company Limited	British Virgin Islands/ Mainland China	US$1	–	95	Investment holding
Hotel Benito Management Limited	Hong Kong	HK$1,000	100	100	Hotel operation
Dongguan Nan Sing Plastics Limited [(c)]	Mainland China	HK$160,000,000 [(a)]	–	95	Manufacture of plastics products
Dongguan Nanryo Super Plastics Limited [(c)]	Mainland China	HK$20,000,000 [(b)]	–	95	Manufacture of plastics products
Fortune State Investments Limited	Hong Kong	HK$2	100	100	Investment holding
Happy Dragon Investment Limited	Hong Kong	HK$2	100	100	Investment holding
K.W.& Associates Company Limited	Hong Kong	HK$2,000,000	100	100	Property investment
Nan Sing Holdings Limited	Hong Kong	HK$10,000	100	100	Investment holding
Nan Sing Plastics Limited	Hong Kong	HK$15,000,000	–	95	Trading of Plastics products
Nanryo Super Plastics (Hong Kong) Limited	Hong Kong	HK$19,500,000	–	71.5	Trading of Plastics products
Nan Sing Plastics International Limited	British Virgin Islands	US$10	–	95	Provision of Consultancy services
Southeast Asia Properties & Finance (China) Limited	Hong Kong	HK$2	100	100	Property investment and development
Southeast Asia Properties & Finance (Nominees) Limited	Hong Kong	HK$10,000	100	100	Nominees and estate management

(a) Paid up capital up to 31 March 2009 amounted to HK$152,175,718

(b) Paid up capital up to 31 March 2009 amounted to HK$14,151,600

(c) Subsidiaries not audited by K.L. Young & Co.

42. PRINCIPAL SUBSIDIARIES (Cont'd)

Name of Company	Place of incorporation/operation	Nominal value of issued ordinary share capital/ registered capital	Percentage of equity interest held by Company	Group	Principal activities
SAP Realty Company Limited	Hong Kong	HK$100	100	100	Property investment
Stockwell Securities Limited	Hong Kong	HK$30,000,000	100	100	Stock broking
Tanpar Company Limited	Hong Kong	HK$2	–	95	Trading and nominee
Top Epoch Limited	Hong Kong	HK$1	100	100	Property investment
Tsen Hsin Industrial Company Limited	Hong Kong	HK$400,000	–	95	Property investment

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

43. ASSOCIATES

Name of Company	Place of incorporation/operation	Particulars of issued ordinary share capital/ registered capital	Business Structure	Percentage of equity interest held by Company	Percentage of equity interest held by Group	Principal activities
Wisestar Holdings Limited	Hong Kong	2 ordinary shares of HK$1 each	Company	–	47.7	Trading of Plastics products
Donguan Wisestar Plastics Limited	Mainland China	HK$8,000,000	Company	–	47.7	Manufacturing of plastics products
Ongoing Investments Limited	British Virgin Islands/ Mainland China	100 ordinary shares of US$1 each	Company	–	20	Property investment
Sequin Development Limited	British Virgin Islands/ Mainland China	100 ordinary shares of US$1 each	Company	–	20	Property investment
Titan Dragon Properties Corporation	Philippines	80,000 ordinary shares of Peso 1,000 each	Company	30	49	Property investment

All associates except Wisestar Holdings Limited are not audited by K.L. Young & Co.

A former associate, Redi Bag (USA) LLC, is not classified as an associate of the Group during the year as the Group has ceased to have significant influence over that company, the Group's interest in that company is HK$Nil.

44. PRIOR YEAR ADJUSTMENT

Prior year adjustment represented the reversal of losses shared by the Group in relation to an associate in previous years in order that the amount of losses shared has not exceeded the cost of investment in that associate. As a result of the adjustment, interests in associates and retained profits as at 31 March 2008 were increased by HK$3,440,059, and profit before tax for the year ended 31 March 2008 by HK$174,260. Comparative figures for all previous years presented were also restated.

45. POST BALANCE SHEET EVENT

On 17 July 2009, the directors of the Company proposed that a bonus issue of shares of HK$1.00 each be made to shareholders on the basis of one bonus share for every ten shares held by shareholders whose names appear on the register of members on 28 August 2009. The bonus shares will be credited as fully paid up by capitalisation of part of retained profits of the Company and will rank pari passu with the existing shares in all respects except that they will not rank for the final dividend proposed for the year ended 31 March 2009.

The bonus issue of shares is conditional upon the passing of the ordinary resolution to approve the bonus issue at the annual general meeting to be held on 28 August, 2009 and the Listing Committee of the Stock Exchange of Hong Kong Limited granting listings of and permission to deal in the bonus shares.

46. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

47. APPROVAL AND AUTHORIZATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 17 July 2009.

As at 31 March 2009

I. PROPERTIES HELD FOR INVESTMENT

	Location	Use	Category of lease	Group's Interest
(1)	Shops, G/F, 7-7B Cameron Road Tsimshatsui Kowloon	Commercial	Medium term lease	100%
(2)	Room 406, 4/F, Tower 2, Silvercord 30 Canton Road Tsimshatsui Kowloon.	Commercial	Medium term lease	100%
(3)	Nan Sing Industrial Building 57-59, Kwok Shui Road Kwai Chung New Territories	Industrial	Medium term lease	95%
(4)	9/F, Chao Shan Building, Dong Men Nan Road, Shenzhen, PRC.	Commercial	Medium term lease	100%
(5)	Flats C & D, 2/F, Block 2, Kwai Tak Industrial Centre, Kwai Chung, New Territories	Industrial	Medium term lease	95%
(6)	Flat 15E Tower 1, Ming Yue Hua Yuan Yitian Road, Futian Shenzhen, PRC	Residential	Medium term lease	100%

As at 31 March 2009

2. PROPERTIES UNDER DEVELOPMENT

	Location	Approximate Site Area (sq.m.)	Use	Group's interest
(1)	Nan Shan Development Zone Zhangmutou Dongguan PRC	104,788	Industrial	95%
(2)	Nan Sing Building Town centre Zhangmutou Dongguan PRC *(see note)*	1,350	Residential/ Commercial	100%

Note: Development plans are under consideration.

3. PROPERTIES HELD FOR SELF USE

	Location	Use	Category of lease
(1)	Residential Block, 7-7B Cameron Road, Tsimshatsui, Kowloon.	Hotel operation	Medium term lease
(2)	Room 407-410, 4/F, Tower 2, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon.	Commercial	Medium term lease
(3)	24, Essex Crescent, Kowloon Tong, Kowloon.	Residential	Medium term lease
(4)	Nan Sing Industrial Estate, Nan Shan Development Zone Zhangmutou, Dongguan, PRC	Industrial	Medium term lease
(5)	Car Park Space No. 20 on G/F., Kwai Tak Industrial Centre, Kwai Chung, N. T.	Carpark	Medium term lease

The consolidation results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements are as follows:

	2009	2008	2007	2006	2005
	HK$	HK$	HK$	HK$	HK$
		(Restated)	(Restated)	(Restated)	(Restated)
RESULTS					
Turnover	**367,971,773**	402,458,138	340,807,836	338,046,877	269,010,159
Profit attributable to shareholders	**17,634,549**	36,012,929	37,506,722	51,688,909	5,856,100
ASSETS AND LIABILITIES					
Investment properties	**308,818,959**	296,314,744	269,289,183	241,592,385	255,812,893
Property, plant and equipment	**180,316,346**	193,659,841	178,099,502	147,659,505	128,344,489
Leasehold land and land use rights	**43,902,912**	44,678,134	47,476,510	49,262,498	45,540,327
Interests in associates	**64,359,669**	74,052,607	57,867,208	52,438,963	21,159,286
Available-for-sale financial assets	**19,131,267**	22,909,711	8,546,989	6,475,889	6,475,889
Other non-current assets	**5,073,405**	4,902,706	3,502,706	2,932,706	7,053,757
Current assets	**231,973,520**	415,977,578	573,022,222	285,469,297	258,674,966
Liabilities	**(236,584,170)**	(441,637,445)	(672,324,741)	(362,926,494)	(338,070,992)
Minority interests	**(13,563,871)**	(13,998,181)	(15,567,920)	(14,727,113)	(11,876,331)
Shareholders' equity	**603,428,037**	596,859,695	449,911,659	408,177,636	373,114,284
EARNINGS PER SHARE	**8.9 cents**	18.2 cents	19.0 cents	26.2 cents	3.0 cents
DIVIDENDS PER SHARE	**3.0 cents**	3.5 cents	3.0 cents	3.0 cents	1.5 cents

Figures for 2005 to 2008 were restated as result of the prior year adjustments as set out in note 44.