

Annual Report
2009/2010



WINFAIR INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 0287)

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Ng See Wah
Mr. Ng Tai Wai
Mr. Ng Tai Yin, Victor
(re-designated as executive
director on 9 March 2010)
Mr. Soo Cho Ling
(deceased on 5 January 2010)

NON-EXECUTIVE DIRECTORS

Mr. So Kwok Leung
Mr. So Kwok Wai, Benjamin
(appointed as alternate director
to the late Mr. Soo Cho Ling
for the period from
21 October 2009 to
5 January 2010; and
appointed as
non-executive director
on 9 March 2010)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Loke Yu alias Loke Hoi Lam
Mr. Ng Chi Yeung, Simon
Ms. Chan Suit Fei, Esther

ALTERNATE DIRECTOR

Ms. Ng Kwok Fun
(appointed as alternate director to Mr. Ng See Wah
on 21 October 2009)

AUDITORS

Wong Brothers & Co.
Certified Public Accountants

SOLICITORS

Latham & Watkins
Lo, Wong & Tsui

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited
Citic Bank International Limited

COMPANY SECRETARY

Ms. Miamoona Ma

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE

5/F, Lee Kiu Building
51 Jordan Road
Kowloon

CORPORATE WEBSITE

<http://www.winfairinvestment.com>

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Ng See Wah, aged 80, is the chairman of the company. He is the co-founder of the group and has extensive experience in property development and investment. He is responsible for the development of the corporate policy and the overall management of the group. He is the father of Mr. Ng Tai Wai and Mr. Ng Tai Yin, Victor who are also executive directors of the company and Ms. Ng Kwok Fun who is his alternate director. In addition, he is a director and shareholder of Rheingold Holdings Limited, a company holding 3,370,500 shares of the company.

Mr. Ng Tai Wai, aged 49, was appointed on 2 November 1987 as director of the company. He is also a member of the remuneration committee of the company. He is responsible for the general administration and financial management of the group. He is the son of Mr. Ng See Wah, the chairman and executive director of the company, the elder brother of Mr. Ng Tai Yin, Victor, executive director of the company and the younger brother of Ms. Ng Kwok Fun, alternate director of Mr. Ng See Wah. In addition, he is a director and shareholder of Rheingold Holdings Limited, a company holding 3,370,500 shares of the company.

Mr. Ng Tai Yin, Victor, aged 45, was appointed on 27 March 2008 as non-executive director of the company and a member of the audit committee of the company. On 9 March 2010, he was re-designated as executive director of the company and ceased to be a member of the audit committee of the company. He holds a Bachelor Degree of Applied Science from University of Regina, Canada. He has over 12 years of experience in property management as well as information technology. He is currently a director of several private companies with major business in property investment and property management. He is the son of Mr. Ng See Wah, the chairman and executive director of the company, and the younger brother of Mr. Ng Tai Wai, executive director of the company and Ms. Ng Kwok Fun, alternate director of Mr. Ng See Wah.

NON-EXECUTIVE DIRECTORS

Mr. So Kwok Leung, aged 52, was appointed on 28 October 1985 as director of the company. In previous years, he was responsible for the sale of properties developed by the group. He is the son of the late Mr. Soo Cho Ling, one of the founders of the company, and the elder brother of Mr. So Kwok Wai, Benjamin, non-executive director of the company.

Mr. So Kwok Wai, Benjamin, aged 47, was appointed on 9 March 2010 as non-executive director and a member of the audit committee of the company. He holds a Bachelor Degree of Business Administration in Management Information Systems and a Master Degree of Science in Computer Science from Eastern Washington University, U.S.A. He has over 10 years of experience in business development and systems design, as well as property investments and management related areas. He was appointed as alternate director to the late Mr. Soo Cho Ling, executive director of the company, for the period from 21 October 2009 to 5 January 2010 and is currently a director of several private companies and operating a chain stores business. He is the son of the late Mr. Soo Cho Ling, one of the founders of the company, and the younger brother of Mr. So Kwok Leung, non-executive director of the company.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Loke Yu alias Loke Hoi Lam, aged 60, was appointed as independent non-executive director, the chairman of the audit committee and a member of the remuneration committee of the company on 2 April 2007. He has over 35 years' experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration Degree from Universiti Teknologi Malaysia and a Doctor of Business Administration Degree from University of South Australia. Dr. Loke is a fellow member of The Institute of Chartered Accountants in England & Wales; The Hong Kong Institute of Certified Public Accountants; and The Hong Kong Institute of Directors. He is also an associate member of The Hong Kong Institute of Chartered Secretaries and Administrators and a member of Malaysian Institute of Accountants. He is currently the chairman of MHL Consulting Limited and serves as an independent non-executive director of several public companies, which are listed on The Stock Exchange of Hong Kong Limited.

Mr. Ng Chi Yeung, Simon, aged 52, is qualified as a solicitor in Hong Kong, England and Wales, an advocate and solicitor in Singapore, and a barrister in the Australian Capital Territory. He is the solicitor of Rowland Chow, Chan & Co., a law firm in Hong Kong. He is also an independent non-executive director of Kith Holdings Limited, a publicly listed company in Hong Kong. Mr. Ng holds a Bachelor Degree from the Manchester Metropolitan University in the United Kingdom and a Master Degree in Chinese and Comparative Law. He has been appointed as independent non-executive director of the company since 1 October 1995. He is also the chairman of the remuneration committee and a member of the audit committee of the company.

Ms. Chan Suit Fei, Esther, aged 52, is an associate member of The Hong Kong Institute of Company Secretaries and holds a higher diploma in Company Secretary and Administration from The Hong Kong Polytechnic University. She is a chartered secretary and has over 25 years experience in corporate advisory services and secretarial practice. She is currently a director of a secretarial service company. She has been appointed as independent non-executive director of the company since 28 September 2004. She is also a member of the audit committee and the remuneration committee of the company.

ALTERNATE DIRECTOR

Ms. Ng Kwok Fun, aged 50, was appointed as alternate director to Mr. Ng See Wah, the chairman and an executive director of the company on 21 October 2009. She holds a Bachelor Degree of Science from University of Toronto, majoring in Computer Science and Commerce. She has over 20 years of experience in information technology field providing system consultation and development services in various business. She is the daughter of Mr. Ng See Wah, and the elder sister of Mr. Ng Tai Wai and Mr. Ng Tai Yin, Victor, executive directors of the company.

COMPANY SECRETARY

Ms. MIMOONA MA, aged 36, was appointed as the qualified accountant and company secretary of the company on 1 October 2004 and 12 July 2006 respectively. She holds a Bachelor Degree in Business Administration, and is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. She has a number of years of experience in auditing, taxation and accounting services. She is the Head of the Accounting Department and is responsible for financial management and reporting, and reviewing the group's internal controls.

CHAIRMAN'S STATEMENT

On behalf of the board, I am delighted to report the group's financial results and activities for the year ended 31 March 2010.

RESULTS AND DIVIDENDS

For the year under review, the turnover of the group decreased by HK\$62,938,868, or 58%, to HK\$46,066,573 as there was no sale in developed property during the year. The group's profit for the year, increased by HK\$62,939,280, or 1,657%, to HK\$66,737,649. The increase was mainly contributed by fair value gain on both trading securities and investment properties and the absence of provision for impairment loss on long term listed share investments as a result of recent rebound of the economy. Also, the group disposed several long term listed share investments which generated profit of HK\$5,834,433 during the year.

In January 2010, an interim dividend of HK\$0.025 per share was paid. The board now recommends a final dividend of HK\$0.10 per share, absorbing a total of HK\$4,000,000. Subject to the approval by the shareholders, such dividends will be payable on 16 September 2010.

REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT

The group recorded no turnover in the property development business, as compared to the turnover of HK\$75,000,000 in last year. As a result of an increase in property value in the second half of the financial year 2009/10, the group recorded a profit of HK\$849,987 in the property development business which was mainly contributed by a fair value recovery of HK\$790,000 on property held for or under development. At present, the group's property projects had no significant development progress.

PROPERTY INVESTMENT

The rental income decreased by HK\$522,816, or 4.6%, to HK\$10,888,037, and the result (excluding the revaluation gain of investment properties) from the property leasing business decreased by HK\$624,455, or 7.7%, to HK\$7,518,832. The decrease was mainly due to an increase in vacancy of the group's properties for leasing as a result of the impact of financial turmoil in 2008. Following the rebound of the property market in Hong Kong, the fair value of investment properties increased by HK\$41,930,000, or 29%, to HK\$185,230,000, as compared to last year.

SHARE INVESTMENTS AND DIVIDEND INCOME

The revenue of the securities investment business increased by HK\$12,583,948 (or 56%) to HK\$35,178,356, as compared to last year. The increase was mainly attributable to an increase in dealings in trading securities and an increase in dividend income from listed shares.

During the year, the group transacted several securities dealings and recorded a profit margin of HK\$9,590,877 (2009: HK\$1,193,113). In addition, the group switched certain share investments in the long-term investment portfolio and realised a gain of HK\$5,834,433. With the recovery of the economy, the asset value for the year was improved. During the year, the group recorded an unrealised gain on trading securities of HK\$5,183,652 and an unrealised gain on available-for-sale financial assets of HK\$26,798,626. At 31 March 2010, the group's share investment portfolio had an aggregate fair value of HK\$142,631,114 (2009: HK\$96,280,862).

LIQUIDITY AND FINANCIAL RESOURCES

The group maintains a strong cash position without bank borrowings as at 31 March 2010. The management believes that the group's cash reserve is sufficient to meet its operating and project development expenditure. The group will continue to adopt prudent policy in financial management.

CHAIRMAN'S STATEMENT

PROSPECTS

Although the overall result for the year was remarkable as a consequence of an increase in the asset value in Hong Kong, the group is still facing challenges in the foreseeable future. In the midst of a persistent low interest rate environment, the management believes that property and securities market will be stable. Subsequent to the reporting date, the group entered into agreements to acquire certain properties for rental purposes. With a strong liquidity position, the group will keep monitoring the market change and make appropriate strategic adjustment on our assets portfolio in order to maximise the returns to shareholders.

APPRECIATION

I appreciate the support and co-operation of my fellow directors and staff of the group and thank them for their dedicated services and contribution.

Ng See Wah

Chairman

Hong Kong, 16 July 2010

CORPORATE GOVERNANCE REPORT

The company is committed to maintaining highest standards of corporate governance practice emphasising transparency, independence and accountability. The board believes that good corporate governance practice better safeguards the assets and protects the interests of the shareholders of the company.

The company has devised and adopted its own code of practice which essentially follows all Code Provisions and the relevant Recommended Best Practices under the Code on Corporate Governance Practices (“the Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except the deviations described below.

CORPORATE GOVERNANCE PRACTICE

Save for the exceptions below, the company has complied with all the Code Provisions of the Code throughout the year ended 31 March 2010:

1. The group has not designated any chief executive officer. In normal practice, prior approvals by all executive directors are required for all strategic decisions in formal board meeting or under written resolutions. The group believes that the existing organisation and decision making procedures are adequate for the group to cope with the ever-changing economic environment;
2. The non-executive and independent non-executive directors of the company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the company; and
3. Directors appointed to fill casual vacancy are not subject to election by shareholders at the first general meeting after their appointment. They will hold office until the next annual general meeting in which they are eligible for re-election.

DIRECTORS’ SECURITIES TRANSACTIONS

The company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Specific enquiry was made to all directors that the required standard set out in the Model Code was complied with.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

As at 31 March 2010, the board comprised eight directors, including three executive directors (one of them is chairman of the board), two non-executive directors and three independent non-executive directors. Biographical details of the directors are set out in the section "Directors and Senior Management" on pages 3 and 4.

The board is responsible for formulation of the group's strategy, overseeing the management of the business and affairs of the company. The board has delegated the following responsibilities to the management which is under the leadership of the three executive directors. These responsibilities include implementation of the decisions of the board; supervision and monitoring of the daily operation; monitoring and safeguarding the group's assets, and making recommendations for the group's development. As company's normal practice, prior approvals by all three executive directors are required for all strategic decisions such as acquisition and disposal of the group's assets. The major decisions are then confirmed in formal board meetings or under written resolutions. The management reports to the board their work and business decision in regular meetings. The key and important decisions including approval of interim and annual results, directors' report, corporate governance report, dividend policy and nomination of directors are fully discussed at board meetings. Other issues reserved to the full board for decision includes any matters involving a conflict of interest for a substantial shareholder or director, major transactions involving acquisition or disposals of assets, investment and capital projects, treasury policies, risk management policies and key human resources issues.

More than one-third of the board members are independent non-executive directors and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise.

During the year, four full board meetings were held with 97% attendance rate. Individual attendance of directors is shown in the following table.

Table – Number of full board meetings and committee meetings attended by each director during the year

	Scheduled board meetings	Audit committee meetings	Remuneration committee meetings
Executive directors			
Mr. Ng See Wah	4/4	N/A	N/A
Mr. Ng Tai Wai	4/4	N/A	3/3
Mr. Ng Tai Yin, Victor (i)	4/4	2/2	N/A
Late Mr. Soo Cho Ling (ii)	3/3	N/A	N/A
Non-executive directors			
Mr. So Kwok Leung	4/4	N/A	N/A
Mr. So Kwok Wai, Benjamin (iii)	1/1	N/A	N/A
Independent non-executive directors			
Dr. Loke Yu alias Loke Hoi Lam	4/4	2/2	3/3
Mr. Ng Chi Yeung, Simon	4/4	2/2	3/3
Ms. Chan Suit Fei, Esther	3/4	1/2	2/3

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS *(Continued)*

- (i) Re-designated from non-executive director to executive director and ceased to be a member of the audit committee on 9 March 2010.
- (ii) Deceased on 5 January 2010.
- (iii) Appointed as non-executive director and a member of the audit committee on 9 March 2010.
- (iv) 4/4 denotes attendance of 4 out of total of 4 meetings, and so on
- (v) N/A – not applicable

Regarding the full board meetings, the directors received at least 14 days prior written notice of the meeting and an agenda with supporting papers no less than 3 days prior to the meeting. With respect to other ad hoc meetings, the directors will be given as much notice as is reasonable and practicable in the circumstances.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Ng See Wah is the chairman of the board and none of directors is designated as chief executive officer.

The chairman directed the company secretary to draw up the agenda for each board meeting. With the assistance of the directors and the company secretary, the chairman ensured that all directors were properly briefed on the issues discussed at the board meetings and all directors received adequate, complete and reliable information in a timely manner.

The role of chief executive officer was jointly performed by the three executive directors. The responsibilities include: providing leadership of the management; implementing and reporting to the board on the company's strategy; monitoring the performance of day-to-day management; establishing, maintaining and periodically reviewing proper internal controls, disclosures and procedures; and discharging the duties delegated by the board.

NON-EXECUTIVE DIRECTORS

The non-executive and independent non-executive directors of the company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the company.

REMUNERATION COMMITTEE

The remuneration committee, consisting of three independent non-executive directors and one executive director, has been established since 15 December 2004. The committee reviews the remuneration package of the executive directors, non-executive directors and senior management, and makes appropriate recommendations to the board. Staff remuneration is determined by the group's management by reference to their qualification, work experience, performance and prevailing market conditions.

The chairman of the remuneration committee is Mr. Ng Chi Yeung, Simon and the committee members are Dr. Loke Yu alias Loke Hoi Lam, Mr. Ng Tai Wai and Ms. Chan Suit Fei, Esther.

During the year, three meetings of the committee were held with 92% attendance rate. Individual attendance of member is shown on page 8 in the section "Board of directors".

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE *(Continued)*

The work performed by the remuneration committee during the year included the following:

- Recommended percentage of salary increment for all executive directors and senior management of the company;
- Recommended directors' fee increment for all executive directors of the company;
- Endorsed the double-pay/bonus paid to the co-founder directors;
- Reviewed ex gratia payment to the late Mr. Soo Cho Ling, one of the co-founder director; and
- Recommended salary for the re-designated director.

NOMINATION OF DIRECTORS

No nomination committee has been set up, and hence the nomination and selection processes are performed by the board.

New appointment of directors is first considered by any one of the directors. His/her recommendations are then put to the board for decision. Thereafter, all newly appointed directors are subject to election by shareholders at the annual general meeting in their first year of appointment.

At each annual general meeting, one-third of the directors (if the number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and eligible for re-election.

In considering the new appointment or re-appointment of directors, the board will base its decision on criteria such as integrity, independence, experience, skill and the ability to commit time and effort to carry out his/her duties and responsibilities, etc.

During the year, the issues of rotation of directors and re-designation/appointment of executive/non-executive directors were considered in two of the regular board meetings with 97% attendance rate. Attendance of individual member is shown on page 8 in the section "Board of directors". The board reviewed the adequacy of the size and composition of the board and conducted an annual review of the independence of the independent non-executive directors. The board received the independence confirmation from all independent non-executive directors.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

An analysis of remuneration in respect of audit and non-audit services, which included taxation, review of interim accounts and advisory services, provided by the auditors and its common control entity during the year ended 31 March 2010 is as follows:

	HK\$
Audit fee	144,000
Other non-audit services	
Taxation services	25,000
Interim review	26,000
	51,000
Other non-audit professional services provided by affiliated company	95,267
Total	290,267

AUDIT COMMITTEE

The audit committee currently consists of three independent non-executive directors and one non-executive director. The chairman of the audit committee is Dr. Loke Yu alias Loke Hoi Lam and the committee members are Mr. Ng Chi Yeung, Simon, Mr. So Kwok Wai, Benjamin, and Ms. Chan Suit Fei, Esther. The terms of reference of the audit committee align with the Code Provisions of the Code.

During the year, two meetings were held with 88% attendance rate. Attendance of individual member is shown on page 8 in the section "Board of directors".

The work performed by the audit committee during the year included the following:

- Review of and discussion with the management the accounting principles and practices adopted by the group and other financial reporting matters;
- Review of the annual report and interim report for the completeness, accuracy and truth and fairness of the financial statements of the group;
- Review of the results of external audit and discussion with the external auditors on any significant audit findings and issues;
- Discussion of the effectiveness of the system of internal controls of the group; and
- Review of the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY

The directors acknowledge their responsibility for preparing the financial statements of the company which give a true and fair view in accordance with Hong Kong Financial Reporting Standards. The directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgement of the board and management with an appropriate consideration of materiality.

The directors, having made appropriate enquires, are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the company's ability to continue as going concern. Accordingly, the directors have prepared the financial statements of the company on a going concern basis.

The board has conducted a review of the effectiveness of the system of internal controls, including financial, operational and compliance controls and risk management functions.

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the company and of the group for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The principal activities of the company and its subsidiaries are property and share investments, property development and securities dealing. There were no significant changes in the nature of the activities during the year.

An analysis of the group's performance for the year by business segments is set out in note 5 to the financial statements.

FINANCIAL STATEMENTS

The results of the group for the year ended 31 March 2010 and the state of affairs of the company and of the group at that date are set out in the financial statements on pages 20 to 55.

DIVIDENDS

An interim dividend of HK\$0.025 per share totaling HK\$1,000,000 was paid during the year.

The directors now recommend that a final dividend of HK\$0.10 per share on 40,000,000 shares in issue totaling HK\$4,000,000 be payable in respect of the year ended 31 March 2010.

NON-CURRENT ASSETS

The movements in property, plant and equipment and investment properties during the year are set out in notes 13 and 14 to the financial statements respectively.

RESERVES

The movements in reserves of the group and the company during the year are set out in note 24 to the financial statements.

SUBSIDIARIES

The particulars of the subsidiaries of the company as at 31 March 2010 are set out in note 17 to the financial statements.

DIRECTORS' REPORT

DIRECTORS

The directors who held office during the year and up to the date of this report are:-

EXECUTIVE DIRECTORS:

Ng See Wah

Ng Tai Wai

Ng Tai Yin, Victor

Late Soo Cho Ling

(re-designated from non-executive director to executive director on 9 March 2010)

(deceased on 5 January 2010)

NON-EXECUTIVE DIRECTORS:

So Kwok Leung

So Kwok Wai, Benjamin

(appointed as alternate director to the late Soo Cho Ling for the period from 21 October 2009 to 5 January 2010; and appointed as non-executive director on 9 March 2010)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Loke Yu alias Loke Hoi Lam

Ng Chi Yeung, Simon

Chan Suit Fei, Esther

ALTERNATE DIRECTOR:

Ng Kwok Fun

(appointed as alternate director to Ng See Wah on 21 October 2009)

In accordance with articles 110 and 111 of the company's articles of association, Mr. Ng Tai Wai, Mr. So Kwok Leung and Ms. Chan Suit Fei, Esther will retire by rotation and, being eligible, offer themselves for re-election.

In accordance with article 115 of the company's articles of association, Mr. So Kwok Wai, Benjamin will retire, and being eligible, offer himself for re-election at the forthcoming annual general meeting.

The company has received confirmation from each of the independent non-executive directors as regards their independence to the company for the year and considers that each of the independent non-executive directors is independent to the company.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2010, the interests and short positions of the directors of the company in the shares, underlying shares and debentures of the company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors had taken or deemed to have under the provisions of the SFO) or which were recorded in the register required to be kept by the company under section 352 of the SFO or as otherwise notified to the company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

	Number of shares held				Total
	Personal interests	Family interests	Corporate interests	Other interests	
Executive directors:					
Ng See Wah	7,941,423	910,000	3,370,500*	–	12,221,923
Ng Tai Wai	3,899,077	–	3,370,500*	–	7,269,577
Ng Tai Yin, Victor	1,886,000	–	–	–	1,886,000
Non-executive directors:					
So Kwok Leung	5,961,077	–	–	–	5,961,077
So Kwok Wai, Benjamin	432,000	36,000	–	–	468,000
Independent non-executive directors:					
Loke Yu alias Loke Hoi Lam	–	–	–	–	–
Ng Chi Yeung, Simon	–	–	–	–	–
Chan Suit Fei, Esther	–	–	–	–	–
Alternate director:					
Ng Kwok Fun	105,000	–	–	–	105,000

* 3,370,500 shares attributable to Mr. Ng See Wah and Mr. Ng Tai Wai were held by Rheingold Holdings Limited, a company beneficially owned by Mr. Ng See Wah and Mr. Ng Tai Wai.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the directors in trust for the company, none of the directors or their associates had any interests or short positions in any shares, underlying shares or debentures of the company or any of its associated corporations.

None of the directors, their spouses or their children under the age of 18 had any right to subscribe for the shares of the company.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2010, the following person (other than certain directors of the company) had interest or short positions in the shares or underlying shares of the company which have rights to exercise or control the exercise of 5% or more of the voting power at any general meetings of the company, as recorded in the register required to be kept by the company pursuant to section 336 of the SFO:

Name	Capacity	Number of shares held	Total	% of total Issued shares
Soo Cho Ling (deceased)	Beneficial owner	5,008,423	5,008,423	12.52%

Save as disclosed above, according to the register kept by the company under section 336 of the SFO and so far as was known to the company, there was no other person who, as at 31 March 2010, had an interest or short position in the shares or underlying shares of the company.

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had any direct or indirect interest in significant contracts with the company or its subsidiaries during or at the end of the year.

None of the directors had any arrangement with the company or its subsidiaries to enable them to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate during or at the end of the year.

MANAGEMENT CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has any unexpired service contract with the company which is not determinable within one year without payment of compensation, other than statutory compensation.

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during or at the end of the year.

SHARE PURCHASE, SALE OR REDEMPTION

Neither the company nor any of its subsidiaries purchased, sold or redeemed any of the company's issued shares during the year under review.

MAJOR CUSTOMERS AND SUPPLIERS

In relation to the group's property leasing business, the percentages of gross rental income for the year ended 31 March 2010 attributable to the largest tenant and the five largest tenants in aggregate were 31% and 73% respectively.

None of the directors, their associates or any shareholders (who to the knowledge of the directors own more than 5% of the company's issued capital) had any beneficial interests in the group's five largest tenants.

The group had no significant purchases during the year.

DIRECTORS' REPORT

RETIREMENT SCHEME

Particulars of the retirement scheme are set out in note 4.13 to the financial statements.

PUBLIC FLOAT

Based on the information that is publicly available and to the best of the knowledge of the directors, as at the date of this report there is sufficient public float of not less than 25% of the company's issued shares as required under the Listing Rules.

AUDITORS

The company's auditors, Messrs. Wong Brothers & Co., Certified Public Accountants, have acted as the company's auditors for the preceding three years. A resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

On behalf of the board

Ng See Wah
Chairman

Hong Kong, 16 July 2010

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Shareholders of

WINFAIR INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Winfair Investment Company Limited and its subsidiaries set out on pages 20 to 55, which comprise the consolidated and company statements of financial position as at 31 March 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

INDEPENDENT AUDITORS' REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2010 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.

Wong Brothers & Co.

Certified Public Accountants

Hong Kong, 16 July 2010

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 HK\$	2009 HK\$
Turnover	6	46,066,573	109,005,441
Cost of sales			
Carrying amount of trading securities sold		(19,977,422)	(17,617,161)
Cost of property units		-	(63,790,864)
		(19,977,422)	(81,408,025)
Gross profit		26,089,151	27,597,416
Other revenue	7	326,133	669,416
Other net income/(loss)	7	11,807,368	(13,562,649)
Fair value gain/(loss) on investment properties		41,930,000	(2,970,000)
Administrative and general expenses		(5,837,966)	(6,645,589)
Finance cost		-	(41,801)
Profit before taxation	8	74,314,686	5,046,793
Taxation	11	(7,577,037)	(1,248,424)
Profit after taxation attributable to the equity shareholders of the company		66,737,649	3,798,369
Earnings per share (Basic and diluted)	12	HK\$1.668	HK\$0.095

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	HK\$	HK\$
Profit for the year	66,737,649	3,798,369
Other comprehensive income for the year		
Increase/(decrease) in fair value of available-for-sale financial assets	26,798,626	(38,370,603)
Reclassification adjustment relating to disposal of available-for-sale financial assets	(4,136,324)	–
Reclassification adjustment relating to impairment loss of available-for-sale financial assets	–	8,000,000
	22,662,302	(30,370,603)
Total comprehensive income, net of tax, for the year attributable to equity shareholders of the company	89,399,951	(26,572,234)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Notes	2010		2009	
		HK\$	HK\$	HK\$	HK\$
ASSETS					
Non-current assets					
Property, plant and equipment	13		875,705		921,764
Investment properties	14		185,230,000		143,300,000
Leasehold land	15		1,461,829		1,499,312
Properties held for or under development	16		9,900,000		9,100,000
Available-for-sale financial assets – equity shares listed in Hong Kong			96,255,332		67,644,149
			293,722,866		222,465,225
Current assets					
Trading securities – equity shares listed in Hong Kong			46,375,782	28,636,713	
Trade and other receivables	18		1,269,747	3,820,198	
Tax recoverable			–	50,116	
Cash and bank balances	19		66,603,664	59,610,584	92,117,611
Current liabilities					
Trade and other payables	20		7,035,429	3,774,648	
Tax payable			1,986,451	1,818,492	
Provision for long service payments	21		879,700	1,737,800	(7,330,940)
					(9,901,580)
Net current assets			104,347,613		84,786,671
Total assets less current liabilities			398,070,479		307,251,896
Non-current liabilities					
Provision for long service payments	21		466,000	466,000	
Deferred taxation	22		15,595,133	9,212,946	(9,678,946)
NET ASSETS			382,009,346		297,572,950
CAPITAL AND RESERVES					
Share capital	23		40,000,000		40,000,000
Reserves	24		342,009,346		257,572,950
			382,009,346		297,572,950

Approved by the board of directors on 16 July 2010

Ng See Wah
DirectorSo Kwok Leung
Director

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Notes	2010		2009	
		HK\$	HK\$	HK\$	HK\$
ASSETS					
Non-current assets					
Property, plant and equipment	13		12,526		13,918
Investment properties	14		2,830,000		2,600,000
Interests in subsidiaries	17		94,894,601		93,091,833
			97,737,127		95,705,751
Current assets					
Trading securities – equity shares listed in Hong Kong			46,375,782	28,636,713	
Trade and other receivables	18		342,083	639,337	
Cash and bank balances	19		63,977,345	59,284,732	88,560,782
Current liabilities					
Trade and other payables	20		888,045	1,057,590	
Tax payable			170,000	–	
Provision for long service payments	21		390,000	780,000	(1,837,590)
			109,247,165		86,723,192
Net current assets					
Total assets less current liabilities					
206,984,292					
182,428,943					
Non-current liabilities					
Provision for long service payments	21		210,000	210,000	
Deferred taxation	22		393,862	–	(210,000)
NET ASSETS					
206,380,430					
182,218,943					
CAPITAL AND RESERVES					
Share capital	23		40,000,000		40,000,000
Reserves	24		166,380,430		142,218,943
206,380,430					
182,218,943					

Approved by the board of directors on 16 July 2010

Ng See Wah
DirectorSo Kwok Leung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

	Attributable to equity shareholders of the Company				
	Share capital HK\$	Capital reserve HK\$	Fair value reserve HK\$	Retained profits HK\$	Total HK\$
At 1 April 2008	40,000,000	251,046	43,037,659	248,867,976	332,156,681
Total comprehensive income for the year	–	–	(30,370,603)	3,798,369	(26,572,234)
Dividends paid					
– 2007/08 final dividend (HK\$0.10 per share)	–	–	–	(4,000,000)	(4,000,000)
– 2007/08 special dividend (HK\$0.10 per share)	–	–	–	(4,000,000)	(4,000,000)
– 2008/09 interim dividend (HK\$0.02 per share)	–	–	–	(800,000)	(800,000)
Unclaimed dividend forfeited	–	–	–	788,503	788,503
At 31 March 2009 and 1 April 2009	40,000,000	251,046	12,667,056	244,654,848	297,572,950
Total comprehensive income for the year	–	–	22,662,302	66,737,649	89,399,951
Dividends paid					
– 2008/09 final dividend (HK\$0.10 per share)	–	–	–	(4,000,000)	(4,000,000)
– 2009/10 interim dividend (HK\$0.025 per share)	–	–	–	(1,000,000)	(1,000,000)
Unclaimed dividend forfeited	–	–	–	36,445	36,445
At 31 March 2010	40,000,000	251,046	35,329,358	306,428,942	382,009,346

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2010

	2010 HK\$	2009 HK\$
Operating activities		
Profit before taxation	74,314,686	5,046,793
Adjustments for:		
Gain on disposal of available-for-sale financial assets	(5,834,433)	–
Provision for impairment loss on properties held for or under development (reversed)/charged	(790,000)	320,000
Fair value (gain)/loss on trading securities	(5,183,652)	5,242,649
Fair value (gain)/loss on investment properties	(41,930,000)	2,970,000
Holding (gain)/loss on trading securities realised	(1,026,036)	69,318
Impairment loss on available-for-sale financial assets	–	8,000,000
Interest income	(211,251)	(624,506)
Interest expense	–	41,801
Changes in provision for long service payments	(858,100)	171,200
Amortisation of leasehold land	37,483	37,483
Depreciation	49,792	51,255
Loss on disposal of property, plant and equipment	717	–
Operating profit before working capital changes	18,569,206	21,325,993
Increase in trading securities	(11,529,381)	(21,713,785)
Decrease in stock of property units	–	63,790,864
Decrease/(increase) in trade and other receivables	2,550,451	(2,589,675)
Increase in time deposits with original maturities over three months	(10,000,000)	–
Increase/(decrease) in trade and other payables	3,297,226	(7,978,903)
Cash generated from operations	2,887,502	52,834,494
Profits tax paid	(976,775)	(1,453,708)
Net cash generated from operating activities	1,910,727	51,380,786
Investing activities		
Purchase of property, plant and equipment	(4,450)	–
Increase in properties held for or under development	(10,000)	(20,000)
Purchase of available-for-sale financial assets	(8,017,557)	(7,126,448)
Proceeds from disposal of available-for-sale financial assets	7,903,109	–
Interest received	211,251	624,506
Net cash generated from/(used in) investing activities	82,353	(6,521,942)
Financing activities		
Repayment of bank borrowings	–	(19,600,000)
Dividends paid	(5,000,000)	(8,800,000)
Interest paid	–	(41,801)
Net cash used in financing activities	(5,000,000)	(28,441,801)
Net (decrease)/increase in cash and cash equivalents	(3,006,920)	16,417,043
Cash and cash equivalents at beginning of year	59,610,584	43,193,541
Cash and cash equivalents at end of year	56,603,664	59,610,584

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1. GENERAL INFORMATION

The company is a limited liability company incorporated in Hong Kong and its registered office and principal place of business are disclosed in the corporate information section of the annual report.

The principal activities of the company and its subsidiaries are property and share investments, property development and securities dealings.

2. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, trading securities, and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which includes Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and comply with the applicable disclosure requirements under the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the group has applied, for the first time, a number of new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the group's financial year beginning on 1 April 2009. Of these, the following are relevant to the group's financial statements:

HKAS 1 (Revised)	Presentation of Financial Statements
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

The adoption of the new and revised HKFRSs has no material effect on the reported results and financial position of the group for the current or prior accounting periods. Except for certain changes in presentation and disclosures as described below and in note 5 to the financial statements, the adoption of the above standards and amendments do not have significant impact on the financial statements of the group for the current and/or prior accounting years. Accordingly, no prior period adjustment is required.

HKAS 1 (REVISED) PRESENTATION OF FINANCIAL STATEMENTS

The standard has introduced a number of terminology changes, including revised titles for the consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. The measurement and recognition of the group's assets, liabilities, income and expenses are unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 affects the presentation of changes in equity and introduces a "Statement of Comprehensive Income". Comparatives have been regrouped to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

3. ADOPTION OF NEW AND REVISED HKFRSs (Continued)**AMENDMENTS TO HKFRS 7 – FINANCIAL INSTRUMENTS: DISCLOSURES**

The amendments expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also amend the disclosures required in relation to liquidity risk. The group has not provided comparative information for the additional disclosures in accordance with the transitional provision set out in the amendments.

STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT EFFECTIVE

The HKICPA has issued the following new and revised standards, interpretations and amendments which are not effective for the group's financial statements for the year ended 31 March 2010:

		Effective for accounting periods beginning on or after
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvement to HKFRSs 2008	1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2009	1 July 2009 and 1 January 2010
HKFRSs (Amendments)	Improvements to HKFRSs 2010	1 July 2010 and 1 January 2011
HKAS 24 (Revised)	Related Party Disclosures	1 January 2011
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKAS 32 (Amendment)	Classification of Right Issues	1 February 2010
HKAS 39 (Amendment)	Eligible Hedged Items	1 July 2009
HKFRS 1 (Revised)	First-time Adoption of HKFRSs	1 July 2009
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters	1 January 2010
HKFRS 1 (Amendment)	Limited Exemption for Comparative HKFRS 7 Disclosure for First-time Adopters	1 July 2010
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions	1 January 2010
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HKFRS 9	Financial Instruments	1 January 2013
HK(IFRIC) – Int 11 (Amendment)	HKFRS 2 – Group and Treasury Share Transactions	1 January 2010
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement	1 January 2011
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners	1 July 2009
HK(IFRIC) – Int 18	Transfer of Assets from Customers	1 July 2009
HK(IFRIC) – Int 19	Extinguish Financial Liabilities with Equity Instruments	1 July 2010

The group has not early adopted any new or revised standard, amendment or interpretation that is not effective for the current accounting year.

The group is in the process of making an assessment of the impact of these new standards, interpretations, improvements and amendments to standards and is not yet in a position to state whether they would have a significant impact on the group's results and financial position.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the company and all subsidiaries made up to 31 March 2010. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective date of acquisition or disposal respectively.

All significant intra-group transactions and balances have been eliminated on consolidation.

4.2 SUBSIDIARIES

A subsidiary is a company in which the company, directly or indirectly, controls more than half of the voting power or issued share capital or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities. Investments in subsidiaries are carried at cost less impairment loss where appropriate.

4.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less aggregate depreciation and impairment losses where appropriate. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its present 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 profit or loss 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 assets, the expenditure is capitalised as an additional cost of the assets. When assets are sold or retired, their cost and aggregate depreciation/impairment losses are eliminated from the accounts and any gain or loss resulting from their disposal is included in profit or loss.

Depreciation is provided to write off the cost less residual value of each property, plant and equipment, over its expected useful life at the following annual rates and methods:-

Leasehold buildings	- 2.5% straight-line basis
Leasehold improvement	- 10% reducing balance method
Furniture, fixtures and equipment	- 10% reducing balance method

4.4 INVESTMENT PROPERTIES

Investment properties are land and/or buildings which are owned or held under leasehold interest to earn rental income and/or for capital appreciation, and stated at fair values. Gains or losses arising from changes in the fair values are taken to profit or loss. All property interests held under operating leases, which would otherwise meet the definition of investment properties, are classified and accounted for as investment properties.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction. Investment properties under construction are measured at fair value at the end of the reporting period. Any difference between the fair value of the investment properties under construction and their carrying amount is recognised in profit or loss in the period in which they arise.

Gain or loss on retirement or disposal of an investment property is determined as the difference between the net disposal proceeds and the carrying amount, and is recognised in profit or loss in the period of retirement or disposal.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.5 LEASEHOLD LAND

Leasehold land represents the up-front payments to acquire long-term interests in lessee occupied properties. The land is stated at cost less amortisation and impairment loss, if any. Amortisation is calculated on the cost of the land over the term of the lease on a straight-line basis.

4.6 PROPERTIES HELD FOR OR UNDER DEVELOPMENT

Properties held for or under development are stated at cost less impairment losses where appropriate. Cost comprises land cost, development costs and other direct costs incurred during the development period.

4.7 IMPAIRMENT OF ASSETS

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:–

- Investments in subsidiaries
- Property, plant and equipment
- Leasehold land
- Properties held for or under development

If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates resulting in an increase of the recoverable amount. A reversal of impairment losses 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 profit or loss in the year in which the reversals are recognised.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.8 OTHER INVESTMENTS IN EQUITY SECURITIES

The group's policies for investments in equity securities, other than investments in subsidiaries are as follows:

- **TRADING SECURITIES**

Trading securities are held by the group for short-term or designated as such upon acquisition, except those do not have a quoted market price in an active market and whose fair value cannot be reliably measured. They are carried at fair value in the statement of financial position and changes therein are recognised in profit or loss. When the share investments are sold, the gain or loss representing the difference between the net disposal proceeds and the carrying amount of the share investments is recognised in profit or loss in the period of disposal. The net gain or loss recognised in profit or loss does not include any dividends earned on these investments as they are recognised in accordance with the policies set out in note 4.14.

- **AVAILABLE-FOR-SALE FINANCIAL ASSETS**

Available-for-sale financial assets are share investments, other than investments in subsidiaries, held for long-term or designated as such on initial acquisition. They are initially measured at fair value plus transaction costs, and thereafter at the end of each reporting period the fair value is re-measured. Changes in the fair value are recognised in other comprehensive income and transferred to the fair value reserve. When the share investments are sold, the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments recognised in other comprehensive income and retained in the fair value reserve are reclassified from the fair value reserve to profit or loss as a reclassification adjustment.

The group assesses at the end of each reporting period whether there is objective evidence that the available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of the shares below their cost is considered as an indicator to determine whether the shares are impaired. If any such evidence exists, the cumulative losses (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) are reclassified from the fair value reserve to profit or loss. Such losses shall not be reversed through profit or loss.

All regular way purchases and sales of other investments in equity securities are recognised on trade date. Regular way purchases or sales are purchases or sales of other investments in equity securities that require delivery of assets within the period generally established by regulation or convention in the marketplace.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.9 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using effective interest method, less allowance for impairment of doubtful debts.

An allowance for impairment of doubtful debts of trade and other receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Objective evidence of impairment includes observable data that comes to the attention of the group about one or more of the following loss events:

- significant financial difficulty of the debtors;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological market, economic or legal environment that have an adverse effect on the debtor.

The amount of the provision is the difference between the carrying amount of the assets and the present value of estimated future cash flows, discounted at the effective interest rate, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts. The amount of the provision is recognised in profit or loss.

4.10 TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

4.11 TAXATION

Taxation represents the sum of the current income tax and deferred tax.

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

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

Deferred tax liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, and taxable temporary differences arising on the initial recognition (other than in a business combination) of assets and liabilities that affects neither the taxable profit nor the accounting profit.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.11 TAXATION *(Continued)*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. It is charged or credited in profit or loss, except when it relates to items recognised in other comprehensive income.

4.12 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the group or the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.13 EMPLOYEE BENEFITS

Salaries and other short-term employee benefits are recognised as an expense in the period during which the employees render services to the group.

The group operates a mandatory provident fund scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all eligible employees. The scheme is a defined contribution scheme administered by independent trustees. Under the scheme, the employer and employees are required to make contributions to the scheme at 5% of the employees' relevant income, subject to a maximum of monthly contribution of HK\$1,000. Contributions to the scheme vest immediately and are recognised as an expense in profit or loss as incurred.

4.14 REVENUE RECOGNITION

Sales of trading securities are recognised on trade date basis.

Rental income from investment properties under operating leases is recognised on a straight-line basis over the lease term.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

Interest income on bank deposits is recognised on a time proportion basis.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

4.15 CASH AND CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

4.16 RELATED PARTIES

The parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Key management personnel also classified as related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the company.

5. SEGMENT INFORMATION

The group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 requires segment disclosure to be based on the way that the group's chief operating decision maker regards and manages the group, with the amounts reported for each reportable segment being the measures reported to the group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The group regards the Executive Directors as the chief operating decision maker.

The group's Executive Directors concluded that the operating segments determined in accordance with HKFRS 8 are the same as the group's principal business segments as previously identified under the superseded standard, HKAS 14 "Segment Reporting". Accordingly, the adoption of HKFRS 8 has not resulted in a redesignation of the group's reportable segments as compared with the reportable segments determined in accordance with HKAS 14 and any change in the basis of measurement of segment profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

5. SEGMENT INFORMATION (Continued)

The following is an analysis of the group's revenue and results by operating segment for the year:

	Securities investments		Property leasing		Property development		Consolidated total	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
INCOME STATEMENT								
Segment revenue	35,178,536	22,594,588	10,888,037	11,410,853	-	75,000,000	46,066,573	109,005,441
Segment results	18,904,673	(1,864,054)	7,518,832	8,143,287	59,987	10,319,466	26,483,492	16,598,699
Gain on disposal of available-for-sale financial assets	5,834,433	-	-	-	-	-	5,834,433	-
Fair value gain/(loss) on investment properties	-	-	41,930,000	(2,970,000)	-	-	41,930,000	(2,970,000)
Provision for impairment loss on properties held for or under development reversed/(charged)	-	-	-	-	790,000	(320,000)	790,000	(320,000)
Impairment loss on available-for-sale financial assets	-	(8,000,000)	-	-	-	-	-	(8,000,000)
Results before interest, tax and corporate expenses	24,739,106	(9,864,054)	49,448,832	5,173,287	849,987	9,999,466	75,037,925	5,308,699
Interest income							211,251	624,506
Interest expenses							-	(41,801)
Unallocated corporate expenses							(934,490)	(844,611)
Profit before taxation							74,314,686	5,046,793
Taxation							(7,577,037)	(1,248,424)
Profit after taxation							66,737,649	3,798,369

All the group's activities are carried out in Hong Kong.

The group does not allocate finance costs and certain corporate expenses to individual reportable segments.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

5. SEGMENT INFORMATION (Continued)

An analysis of the group's segment assets and liabilities are as follows:–

	Securities investments		Property leasing		Property development		Consolidated total	
	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
STATEMENT OF FINANCIAL POSITION								
Assets:								
Segment assets	143,261,099	157,783,271	190,840,586	147,462,148	9,940,491	9,167,219	344,042,176	314,412,638
Tax recoverable	-	-	-	50,116	-	-	-	50,116
Unallocated corporate assets							63,929,883	120,082
	143,261,099	157,783,271	190,840,586	147,512,264	9,940,491	9,167,219	407,972,059	314,582,836
Liabilities:								
Segment liabilities	684,606	1,175,532	6,922,878	3,954,744	171,000	163,382	7,778,484	5,293,658
Tax payable and deferred taxation	170,000	-	15,692,810	9,326,670	1,718,774	1,704,768	17,581,584	11,031,438
Unallocated corporate liabilities							602,645	684,790
	854,606	1,175,532	22,615,688	13,281,414	1,889,774	1,868,150	25,962,713	17,009,886
OTHER INFORMATION								
Capital expenditure	-	-	4,450	-	10,000	20,000	14,450	20,000
Purchase of available-for-sale financial assets	8,017,557	7,126,448	-	-	-	-	8,017,557	7,126,448
Depreciation	1,378	1,532	48,414	49,723	-	-	49,792	51,255
Amortisation of leasehold land	-	-	37,483	37,483	-	-	37,483	37,483
Fair value gain/(loss) on trading securities	5,183,652	(5,242,649)	-	-	-	-	5,183,652	(5,242,649)

Segment assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of certain corporate assets (including fixed deposits and bank accounts). Segment liabilities include all liabilities and borrowings directly attributable to and managed by each segment with the exception of certain corporate liabilities.

In the past, the group had allocated fixed deposits and bank accounts to securities investment segment and property leasing segment. In the absence of any sales or trading transactions between the operating segments for allocating resources and for better performance assessment between segments, fixed deposits and bank accounts are now classified as corporate assets to reflect central treasury management at corporate level. On 1 April 2009, the group reallocated fixed deposits and bank accounts in aggregate of HK\$58,691,885 and HK\$592,847 respectively from securities investments segment and property leasing segment to corporate level as unallocated corporate assets.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

6. TURNOVER

	The group	
	2010	2009
	HK\$	HK\$
Sales of property units	–	75,000,000
Sales of trading securities	29,568,299	18,810,274
Gross rental income from investment properties	10,888,037	11,410,853
Dividend income from share investments listed in Hong Kong		
– trading securities	1,710,495	575,665
– available-for-sale financial assets	3,899,742	3,208,649
	46,066,573	109,005,441

7. OTHER REVENUE AND OTHER NET INCOME/(LOSS)

	The group	
	2010	2009
	HK\$	HK\$
Other revenue		
Bank interest income	211,251	624,506
Sundry income	114,882	44,910
	326,133	669,416
Other net income/(loss)		
Net gain on disposal of available-for-sale financial assets	5,834,433	–
Fair value gain/(loss) on trading securities	5,183,652	(5,242,649)
Provision for impairment loss on property held for or under development reversed/(charged)	790,000	(320,000)
Impairment loss on available-for-sale financial assets	–	(8,000,000)
Loss on disposal of property, plant and equipment	(717)	–
	11,807,368	(13,562,649)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

8. PROFIT BEFORE TAXATION

	The group	
	2010 HK\$	2009 HK\$
Profit before taxation is stated after charging:		
Auditors' remuneration		
– audit services	144,000	133,000
– taxation services	25,000	24,000
– other services	26,000	54,000
– other non-audit professional services provided by affiliated company	95,267	68,444
Amortisation of leasehold land	37,483	37,483
Depreciation	49,792	51,255
Interest on bank borrowings wholly repayable within five years	–	41,801
Direct operating expenses in respect of investment properties		
– that generated rental income	300,452	248,624
– that did not generate rental income	257,875	10,989
And after crediting:		
Net gain on trading securities	9,590,877	1,193,113

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

9. DIRECTORS' REMUNERATION

The remuneration of the directors is as follows:–

	2010			
	Fees HK\$	Other emoluments		Total HK\$
		Salaries and other benefits HK\$	Mandatory provident fund contribution HK\$	
Executive directors –				
Ng See Wah	70,000	1,091,298	–	1,161,298
Ng Tai Wai	70,000	507,050	12,000	589,050
Ng Tai Yin, Victor (i)	70,000	20,774	1,000	91,774
Soo Cho Ling (ii)	70,000	2,069,490	–	2,139,490
Non-executive directors –				
So Kwok Leung	70,000	–	–	70,000
So Kwok Wai, Benjamin (iii)	4,411	–	–	4,411
Independent non-executive directors –				
Loke Yu alias Loke Hoi Lam	70,000	–	–	70,000
Ng Chi Yeung, Simon	70,000	–	–	70,000
Chan Suit Fei, Esther	70,000	–	–	70,000
	564,411	3,688,612	13,000	4,266,023
	2009			
		Other emoluments		
	Fees HK\$	Salaries and other benefits HK\$	Mandatory provident fund contribution HK\$	Total HK\$
Executive directors –				
Ng See Wah	30,000	1,039,310	–	1,069,310
Ng Tai Wai	30,000	482,898	12,000	524,898
Ng Tai Yin, Victor (i)	70,000	–	–	70,000
Soo Cho Ling (ii)	30,000	1,039,310	–	1,069,310
Non-executive directors –				
So Kwok Leung	70,000	–	–	70,000
So Kwok Wai, Benjamin (iii)	–	–	–	–
Independent non-executive directors –				
Loke Yu alias Loke Hoi Lam	70,000	–	–	70,000
Ng Chi Yeung, Simon	70,000	–	–	70,000
Chan Suit Fei, Esther	70,000	–	–	70,000
	440,000	2,561,518	12,000	3,013,518

Notes:

- (i) Re-designated from non-executive director to executive director on 9 March 2010.
- (ii) Deceased on 5 January 2010. The amount of remuneration includes ex gratia payment of HK\$1,135,160 which was recognised as expenses in prior years. (Inclusive of the long service payment of HK\$878,255 under Hong Kong Employment Ordinance)
- (iii) Appointed as non-executive director on 9 March 2010.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

10. STAFF COST

	The group	
	2010	2009
	HK\$	HK\$
Directors' fees and salaries	3,117,863	3,001,518
Salaries and other benefits	1,004,949	1,090,828
Mandatory provident fund contribution	47,721	46,184
Provision for long service payments	20,155	171,200
	4,190,688	4,309,730

Among the five highest paid individuals of the group, three (2009: three) are executive directors whose emoluments are set out in note 9 to the financial statements. The emoluments of the other two (2009: two) individuals are as follows:–

	The group	
	2010	2009
	HK\$	HK\$
Salaries	704,150	670,610
Mandatory provident fund contribution	24,000	24,000
	728,150	694,610

The aggregate emoluments of each employee are within the emolument band ranging from HK\$Nil to HK\$1,000,000.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

11. TAXATION

	The group	
	2010 HK\$	2009 HK\$
Current income tax		
Provision for Hong Kong Profits Tax for current year	1,195,006	2,775,768
(Over)/under-provision for prior year	(156)	132,497
	1,194,850	2,908,265
Deferred tax		
Origination and reversal of temporary differences	6,382,187	(842,484)
Impact of over-claimed allowance in respect of certain investment properties in prior years	-	(207,938)
Impact of decrease in tax rate	-	(609,419)
Total deferred tax	6,382,187	(1,659,841)
Total income tax	7,577,037	1,248,424

Provision for Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) on the estimated assessable profit for the year.

Reconciliation between income tax and accounting profit at applicable tax rate

	The group	
	2010 HK\$	2009 HK\$
Profit before taxation	74,314,686	5,046,793
Notional tax on profit before taxation, calculated at Hong Kong Profits Tax rate of 16.5% (2009: 16.5%)	12,261,923	832,721
Tax effect of non-deductible expenses	15,952	1,384,927
Tax effect of non-taxable revenue	(2,053,577)	(760,456)
Tax effect of unused tax losses not recognised	-	870,217
Tax effect of unused tax losses and unrecognised deductible temporary differences utilised	(2,650,818)	(394,462)
Tax effect of decrease in tax rate (note (a))	-	(609,419)
Tax effect of over-claimed allowance in respect of certain investment properties in prior years	-	(207,938)
Others	3,557	132,834
Income tax	7,577,037	1,248,424

Note (a) There was a change in the Hong Kong profits tax rate from 17.5% to 16.5% that was effective from 1 April 2008.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit after tax of HK\$66,737,649 (2009: HK\$3,798,369) and on 40,000,000 (2009: 40,000,000) ordinary shares in issue during the year.

Diluted earnings per share equals to the basic earnings per share as the company had no dilutive potential financial instrument in issue during the year (2009: Nil).

13. PROPERTY, PLANT AND EQUIPMENT

The group	Leasehold buildings HK\$	Leasehold improvement HK\$	Furniture, fixtures and equipment HK\$	Total HK\$
Cost				
At 1 April 2008, 31 March 2009 and 1 April 2009	1,315,636	570,900	182,213	2,068,749
Additions	–	–	4,450	4,450
Disposals	–	–	(4,300)	(4,300)
At 31 March 2010	1,315,636	570,900	182,363	2,068,899
Aggregate depreciation				
At 1 April 2008	526,254	446,017	123,459	1,095,730
Charge for the year	32,891	12,488	5,876	51,255
At 31 March 2009 and 1 April 2009	559,145	458,505	129,335	1,146,985
Charge for the year	32,891	11,239	5,662	49,792
Written back on disposals	–	–	(3,583)	(3,583)
At 31 March 2010	(592,036)	(469,744)	(131,414)	(1,193,194)
Net book value				
At 31 March 2010	723,600	101,156	50,949	875,705
At 31 March 2009	756,491	112,395	52,878	921,764

The company	Furniture, fixtures and equipment	
	2010 HK\$	2009 HK\$
Cost		
At the beginning and end of the year	40,709	40,709
Aggregate depreciation		
At the beginning of the year	26,791	25,244
Charge for the year	1,392	1,547
At the end of the year	(28,183)	(26,791)
Net book value	12,526	13,918

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

14. INVESTMENT PROPERTIES

	The group		The company	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Fair value				
At the beginning of the year	143,300,000	146,270,000	2,600,000	2,400,000
Increase/(decrease) in fair value	41,930,000	(2,970,000)	230,000	200,000
At the end of the year	185,230,000	143,300,000	2,830,000	2,600,000

All investment properties of the group are situated in Hong Kong and held under following lease terms:-

	The group		The company	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Medium term leases	167,130,000	130,900,000	2,830,000	2,600,000
Long leases	18,100,000	12,400,000	-	-
	185,230,000	143,300,000	2,830,000	2,600,000

The group's investment properties were revalued on 31 March 2010 by RHL Appraisal Limited, an independent firm of professional surveyors, on an open market value basis. In determining the fair value of the investment properties, the surveyors use assumptions and estimates that reflect, amongst other things, comparable market transactions, rental income from current leases and assumption about rental income from future leases in the light of current market conditions.

15. LEASEHOLD LAND

	The group	
	2010 HK\$	2009 HK\$
Cost		
At the beginning and end of the year	2,443,324	2,443,324
Aggregate amortisation		
At the beginning of the year	944,012	906,529
Provided for the year	37,483	37,483
At the end of the year	(981,495)	(944,012)
Net book value	1,461,829	1,499,312

The leasehold land is situated in Hong Kong and held under medium term leases.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

16. PROPERTIES HELD FOR OR UNDER DEVELOPMENT

	The group	
	2010	2009
	HK\$	HK\$
Cost at the beginning of the year	28,694,334	28,674,334
Additions	10,000	20,000
Cost at the end of the year	28,704,334	28,694,334
Provision for impairment loss	(18,804,334)	(19,594,334)
	9,900,000	9,100,000

The properties held for or under development are situated in Hong Kong and held under medium term leases. Provision for impairment loss is calculated by reference to the open market value of the properties at the end of the reporting period as appraised by an independent firm of professional surveyors.

17. INTERESTS IN SUBSIDIARIES

	The company	
	2010	2009
	HK\$	HK\$
Unlisted investments at cost	6,481,102	6,481,102
(a) Advances to subsidiaries		
– Interest free	78,521,069	86,142,789
– Interest bearing	46,256,313	47,768,314
Provision for impairment loss	124,777,382	133,911,103
	(19,713,346)	(20,791,860)
	105,064,036	113,119,243
(b) Advances from subsidiaries		
– Interest free	(16,650,537)	(26,508,512)
Total	94,894,601	93,091,833

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

17. INTERESTS IN SUBSIDIARIES (Continued)

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

Subsidiary	Place of incorporation/ operation	Principal activity	Issued share capital HK\$	Percentage of holding directly
Hing Full Far East Development Limited	Hong Kong	Dormant	10,000	100%
Hing Lung Properties Limited	Hong Kong	Dormant	10,000	100%
Hing Shing Far East Development Limited	Hong Kong	Share investment	10,000	100%
Konchoy Limited	Hong Kong	Property investment	2	100%
Wang Fung Far East Development Limited	Hong Kong	Property investment/ development	10,000	100%
Winful Far East Limited	Hong Kong	Property investment/ development	100	100%
Yick Fu Investment Company Limited	Hong Kong	Property investment	1,800,000	100%
YLH Limited	Hong Kong	Property investment	10,000	100%

Advances among group companies are unsecured and carry no fixed term of repayment. Interest is charged on interest bearing advances at 2% per annum.

Impairment losses in respect of advances to subsidiaries are recorded using an allowance account unless recovery of the amount is remote, the movement in the allowance during the year is as follows:

	The company	
	2010 HK\$	2009 HK\$
At the beginning of the year	20,791,860	23,672,767
Impairment loss written back for the year	(1,078,514)	(2,880,907)
At the end of the year	19,713,346	20,791,860

At 31 March 2010, the amounts due from subsidiaries were individually determined to be impaired on the basis of its net assets held by the subsidiaries. The company does not hold any collateral over these balances. Amounts due from subsidiaries that are not impaired are HK\$95,270,545 (2009: HK\$80,331,571).

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

18. TRADE AND OTHER RECEIVABLES

	The group		The company	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Rental receivables	337,629	562,554	–	–
Other receivables	407,724	181,065	201,862	38,096
Loan and receivables, unimpaired	745,353	743,619	201,862	38,096
Deposits and prepayments	524,394	3,076,579	140,221	601,241
	1,269,747	3,820,198	342,083	639,337

The rental and other receivables of the group and the company were current and within normal credit period of 3 months. Further details on the credit policy are set out in note 29(a). The group does not hold any collateral over these balances.

19. CASH AND BANK BALANCES

	The group		The company	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Time deposits with original maturities				
– over 3 months	10,000,000	–	10,000,000	–
– within 3 months	–	40,000,537	–	40,000,537
Cash at banks and in hand	56,603,664	19,610,047	53,977,345	19,284,195
	66,603,664	59,610,584	63,977,345	59,284,732

Cash and cash equivalents are as follows:

	The group		The company	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Time deposits with original maturities within 3 months	–	40,000,537	–	40,000,537
Cash at banks and in hand	56,603,664	19,610,047	53,977,345	19,284,195
	56,603,664	59,610,584	53,977,345	59,284,732

The time deposits have a term for original maturity of 9 months (2009: 2 months) and bear interest at 0.5% (2009: 0.26% to 0.265%) per annum.

Cash at banks of the group and the company amounting to HK\$53,394,817 (2009: HK\$18,266,803) earns interest at floating rates based on daily bank deposits rates.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

20. TRADE AND OTHER PAYABLES

	The group		The company	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Rental deposits received	1,765,250	2,185,450	49,000	29,000
Deposits received (note (a))	4,000,000	–	–	–
Receipts in advance	27,484	38,891	–	–
Construction cost payable	–	45,882	–	–
Unclaimed dividends (note 25(a))	385,643	387,770	385,643	387,770
Accrued expenses	857,052	1,116,655	453,402	640,820
	7,035,429	3,774,648	888,045	1,057,590

Note (a) Deposits received represented initial and further deposits for disposal of investment properties and the sale of which was completed in June 2010.

21. PROVISION FOR LONG SERVICE PAYMENTS

	The group		The company	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
At the beginning of the year	2,203,800	2,032,600	990,000	902,000
Provision for the year	20,155	171,200	–	88,000
Utilised during the year	(878,255)	–	(390,000)	–
At the end of the year	1,345,700	2,203,800	600,000	990,000
Classification in the statement of financial position:				
Current	879,700	1,737,800	390,000	780,000
Non-current	466,000	466,000	210,000	210,000
	1,345,700	2,203,800	600,000	990,000

Provision for long service payments is made for all employees, including the directors, who had worked under continuous contract for a minimum of five years as at the end of the reporting period, and is calculated in accordance with the provisions of the Hong Kong Employment Ordinance. The employees will only be entitled to the long service payments when the conditions under the Hong Kong Employment Ordinance are met upon termination of employment.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

22. DEFERRED TAXATION

The components of deferred tax (assets)/liabilities recognised in the consolidated and the company statements of financial position and its movements are as follows:

The group	Property revaluation surplus	Accelerated depreciation allowances	Unused tax losses	Total
Deferred tax arising from:	HK\$	HK\$	HK\$	HK\$
At 1 April 2008	10,313,155	879,264	(319,632)	10,872,787
Credited to profit or loss	(917,512)	(132,910)	–	(1,050,422)
Effect of change in tax rate	(571,262)	(38,157)	–	(609,419)
At 31 March 2009 and 1 April 2009	8,824,381	708,197	(319,632)	9,212,946
Charged to profit or loss	6,020,025	73,801	288,361	6,382,187
At 31 March 2010	14,844,406	781,998	(31,271)	15,595,133

The company	Property revaluation surplus	Accelerated depreciation allowances	Unused tax losses	Total
Deferred tax arising from:	HK\$	HK\$	HK\$	HK\$
At 1 April 2008	340,541	2,314	(342,855)	–
Charged/(credited) to profit or loss	33,000	(190)	(32,810)	–
Effect of change in tax rate	(19,459)	(124)	19,583	–
At 31 March 2009 and 1 April 2009	354,082	2,000	(356,082)	–
Charged/(credited) to profit or loss	37,950	(170)	356,082	393,862
At 31 March 2010	392,032	1,830	–	393,862

Deferred tax assets unrecognised

Deferred tax asset is not recognised in respect of the following items as it is uncertain whether there will be sufficient future profits to allow the benefit of the deferred tax asset to be utilised:

	The group		The company	
	2010	2009	2010	2009
	HK\$	HK\$	HK\$	HK\$
Unused tax losses	–	10,390,010	–	10,384,465
Deductible temporary difference in respect of deficit on revaluation of investment properties	–	5,675,553	–	–
	–	16,065,563	–	10,384,465

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

23. SHARE CAPITAL

	2010		2009	
	No. of shares	Amount HK\$	No. of shares	Amount HK\$
Authorised				
Ordinary shares of HK\$1 each	60,000,000	60,000,000	60,000,000	60,000,000
Issued and fully paid				
Ordinary shares of HK\$1 each	40,000,000	40,000,000	40,000,000	40,000,000

24. RESERVES

The Group	Notes	Capital reserve HK\$	Fair value reserve HK\$	Retained profits HK\$	Total HK\$
At 1 April 2008		251,046	43,037,659	248,867,976	292,156,681
Profit for the year		–	–	3,798,369	3,798,369
Decrease in fair value of available-for-sale financial assets		–	(38,370,603)	–	(38,370,603)
Impairment loss on available-for-sale financial assets recognised in profit or loss		–	8,000,000	–	8,000,000
Dividends paid	25	–	–	(8,800,000)	(8,800,000)
Unclaimed dividend forfeited	25	–	–	788,503	788,503
At 31 March 2009 and 1 April 2009		251,046	12,667,056	244,654,848	257,572,950
Profit for the year		–	–	66,737,649	66,737,649
Increase in fair value of available-for-sale financial assets		–	26,798,626	–	26,798,626
Transfer to profit or loss upon disposal of available-for-sale financial assets		–	(4,136,324)	–	(4,136,324)
Dividends paid	25	–	–	(5,000,000)	(5,000,000)
Unclaimed dividend forfeited	25	–	–	36,445	36,445
At 31 March 2010		251,046	35,329,358	306,428,942	342,009,346

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

24. RESERVES *(Continued)*

The company	Retained profits	
	2010	2009
	HK\$	HK\$
At the beginning of the year	142,218,943	145,826,284
Profit for the year	29,125,042	4,404,156
Dividends paid	(5,000,000)	(8,800,000)
Unclaimed dividend forfeited	36,445	788,503
	<hr/>	<hr/>
At the end of the year	166,380,430	142,218,943

Distributable reserves of the company at the end of the reporting period, calculated under section 79B of the Hong Kong Companies Ordinance amounted to HK\$166,380,430 (2009: HK\$142,218,943).

25. DIVIDENDS

	2010	2009
	HK\$	HK\$
Dividends attributable to the year –		
Interim dividend at HK\$0.025 (2009: HK\$0.02) per share paid during the year	1,000,000	800,000
Final dividend at HK\$0.10 (2009: HK\$0.10) per share proposed after the reporting period	4,000,000	4,000,000
	<hr/>	<hr/>
	5,000,000	4,800,000
Unclaimed dividend forfeited <i>(note (a))</i>	(36,445)	(788,503)
	<hr/>	<hr/>
	4,963,555	4,011,497

Note (a) Pursuant to Article 145 of the Articles of Association of the company, on 9 March 2010, the board of directors resolved that the dividends for the financial years 1980/81 to 2003/04 amounting to HK\$36,445 payable on or before 8 January 2004 remained unclaimed on 9 March 2010 be forfeited and recognised in the equity.

Note (b) The final dividend proposed after the reporting period has not been recognised as a liability at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

26. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

	The company	
	2010	2009
	HK\$	HK\$
Profit attributable to the shareholders and dealt with in the financial statements of the company, including dividend income from subsidiaries of HK\$12,900,000 (2009: HK\$5,400,000)	29,125,042	4,404,156

27. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the total future minimum lease receipts under non-cancellable operating leases for the following periods were:-

	The group		The company	
	2010	2009	2010	2009
	HK\$	HK\$	HK\$	HK\$
Not later than one year	7,519,091	8,493,213	294,000	22,500
Later than one year and not later than five years	5,260,836	3,711,801	135,000	-
	12,779,927	12,205,014	429,000	22,500

The operating leases normally run from one to three years.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

28. CAPITAL MANAGEMENT

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

The group monitors capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the group defines net debt as total debt (which includes interest-bearing loans and borrowings, trade and other payables) plus proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity less proposed dividends.

The group aims to maintain a manageable net debt-to-adjusted capital ratio. In order to maintain the capital structure, the group may adjust the amount of dividends to be paid to shareholders, issue new shares, or sell assets to reduce debt, or increase borrowings for acquisition of assets in the light of changes in the group's business portfolio and economic conditions.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirement.

29. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, and market (including interest rate) risks arises in the normal course of the group's business. The group is also exposed to equity price risk arising from its equity investments in other entities. Exposures to these risks are controlled by the group's financial management policies and practices described below. No derivative financial instruments are used to hedge any exposure to these risks.

(a) CREDIT RISK

The group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of bank balances and trade and other receivables.

The group monitors its rental receivables on an ongoing basis. The group holds sufficient rental deposits from tenants to address potential exposure to credit risk. Further, evaluation is made for the tenants with reference to their credit history and financial strength, as well as the economic environment in which the tenant operates. There is no significant concentration of credit risk with respect to rental receivables.

Other receivables represented dividend receivable from listed investments, interest receivables from financial institutions and other receivables. Investments and deposits are only made to the listed companies and financial institution, who have obtained high credit rating with good credit standing, and the default risks are assessed low by the management.

Cash deposits are placed with reputable financial institutions to minimise exposure to credit risk.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

29. FINANCIAL INSTRUMENTS (Continued)**(b) LIQUIDITY RISK**

The group regularly and closely monitors its current and expected liquidity position to ensure adequate funds are available for its short term and long term requirement. Management believes that the group has found liquidity position and has sufficient cash reserve for its operations and capital commitment obligation.

The following table details the remaining contractual maturities at the end of the reporting period of the group's and the company's non-derivative financial liabilities, which is based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date of payment by the group and the company:

The group	Carrying amounts HK\$	Total undiscounted cash flow HK\$	Within 1 year or on demand HK\$	More than 1 year but less than 2 years HK\$	More than 2 years but less than 5 years HK\$	More than 5 years HK\$
At 31 March 2010						
Rental deposit received	1,765,250	1,765,250	1,765,250	-	-	-
Construction cost payable	-	-	-	-	-	-
Unclaimed dividends	385,643	385,643	385,643	-	-	-
	2,150,893	2,150,893	2,150,893	-	-	-
At 31 March 2009						
Rental deposit received	2,185,450	2,185,450	2,185,450	-	-	-
Construction cost payable	45,882	45,882	45,882	-	-	-
Unclaimed dividends	387,770	387,770	387,770	-	-	-
	2,619,102	2,619,102	2,619,102	-	-	-
The company						
	Carrying amounts HK\$	Total undiscounted cash flow HK\$	Within 1 year or on demand HK\$	More than 1 year but less than 2 years HK\$	More than 2 years but less than 5 years HK\$	More than 5 years HK\$
At 31 March 2010						
Rental deposit received	49,000	49,000	49,000	-	-	-
Unclaimed dividends	385,643	385,643	385,643	-	-	-
	434,643	434,643	434,643	-	-	-
At 31 March 2009						
Rental deposit received	29,000	29,000	29,000	-	-	-
Unclaimed dividends	387,770	387,770	387,770	-	-	-
	416,770	416,770	416,770	-	-	-

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

29. FINANCIAL INSTRUMENTS *(Continued)*

(c) CASH FLOW INTEREST RATE RISK

As the group has its fixed deposits placed with banks at floating interest rates, interest rate risk arises from changes in market interest rates which affects the group's level of interest income. Except for the above surplus funds retained with banks and detailed in note 19 to the financial statements, the group has no other significant interest-bearing assets at floating interest rates which affects the group's level of interest income. The group periodically reviews the market interest rates and manages the risk on an ongoing basis.

As at 31 March 2010, the group and the company had no significant interest-bearing borrowings. The management considers that the risk is limited as the range of interest rates fluctuation is not significant and accordingly, the sensitivity analysis is not presented.

(d) PRICE RISK

The group is exposed to equity price changes on share investments classified as trading securities and available-for-sale financial assets.

The group's share investments are listed on The Stock Exchange of Hong Kong. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the index and other industry indicators, as well as the group's liquidity needs. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for their performance against expectations. The portfolio is diversified in terms of industry distribution.

Management monitors the market conditions and securities price fluctuation and reponds so as to minimise adverse effects on the group's financial performance. At the end of the reporting period, the approximate change in the group's profit or loss and other comprehensive income in response to reasonably possible changes of an increase/decrease in relevant prices of the listed investments by 10% is as the follows:

- profit or loss for the year and retained profits would increase/decrease by approximately HK\$3.8 million (2009: HK\$2.9 million) due to increase/decrease in the fair value of trading securities.
- total equity would increase/decrease by approximately HK\$9.6 million (2009: HK\$6.8 million) due to increase/decrease in fair value of available-for-sale investments.

The sensitivity analysis has been determined assuming that the reasonably possible changes in listed shares prices had increased/decreased by 10% with all other variables held constant at the end of reporting period. The changes represent management's assessment of reasonably possible changes in the relevant share prices over the period until the next financial year end. The analysis is performed on the same basis for 2009.

(e) FAIR VALUE ESTIMATION

The carrying amounts of receivables and payables are assumed to approximate their fair value.

The fair values of group's listed investments traded in active market are quoted market price at the end of the reporting period. Unlisted investments for which fair values cannot be reliably measured are stated at cost less impairment losses.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

29. FINANCIAL INSTRUMENTS (Continued)**(f) FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE**

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7 “Financial Instruments: Disclosure” with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 31 March 2010				
Available-for-sale financial assets				
– listed shares in HK	96,255,332	–	–	96,255,332
Trading securities				
– listed shares in HK	46,375,782	–	–	46,375,782
	142,631,114	–	–	142,631,114
As at 31 March 2009				
Available-for-sale financial assets				
– listed shares in HK	67,644,149	–	–	67,644,149
Trading securities				
– listed shares in HK	28,636,713	–	–	28,636,713
	96,280,862	–	–	96,280,862
The company				
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 31 March 2010				
Trading securities				
– listed shares in HK	46,375,782	–	–	46,375,782
As at 31 March 2009				
Trading securities				
– listed shares in HK	28,636,713	–	–	28,636,713

During the year, there is no transfer of financial instruments between different levels of fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

30. EVENTS AFTER THE END OF REPORTING PERIOD

In May 2010, the group entered into agreements with independent third parties to acquire investment properties at total consideration of HK\$44,000,000. The transactions are expected to be completed on or before 18 August 2010 and deposits amounting to HK\$4,400,000 was paid in respect of the transactions.

On 14 July 2010, the group has entered into a provisional agreement with an independent third party to acquire another investment property at a consideration of HK\$23,000,000 and initial deposit amounting to HK\$700,000 was paid in respect of the transaction. In view that an injunction application was taken out against the seller of the said property, the acquisition was put on hold until the finalisation of the law suit.

During the year, the group entered into an agreement with an independent third party to dispose investment properties at the consideration of HK\$20,000,000. The carrying value of the aforesaid premises was HK\$20,000,000 at the end of reporting period. The transaction was completed on 21 June 2010 and deposit amounting to HK\$4,000,000 was received at the end of reporting period.

SCHEDULE OF PROPERTIES HELD BY THE GROUP

AS AT 31 MARCH 2010

(A) PROPERTIES HELD FOR OR UNDER DEVELOPMENT

Location	Site area sq. ft.	Gross floor area sq. ft.	Lot No.	Construction progress	Expected completion date	Group's interest	Existing use
(1) Lot No. 2784 of D.D.130 Lam Tei, Tuen Mun	3,470	-	Remaining portion Lot No. 2784 D.D.130	*	-	100%	Partially Let
(2) Lots Nos. 42RP, 122 RP and 129 RP Demarcation District No. 121, Yuen Long, New Territories	24,506	-	Lot No. 42 RP, 122 RP and 129 RP Demarcation District No. 121, Yuen Long, New Territories	*	-	100%	Partially Let

* No significant development progress

(B) PROPERTIES HELD FOR INVESTMENT

Location	Lot No.	Usage	Group's interest	Lease term
(1) Wing Tak Building, Nos. 18-22 Fan Wa Street, Cha Kwo Ling, Kowloon:- Shops A and C on ground floor and shops B and C on basement floor	New Kowloon Inland Lot No. 4914	Commercial	100%	Medium
(2) Winfair Building, Nos. 6-10B, Yuk Wah Crescent, Tsz Wan Shan, Kowloon:- Shops 1-10 on lower ground floor, shops 1-6 on ground floor, 1st and 2nd floor	New Kowloon Inland Lot No. 5762	Commercial	100%	Medium
(3) Wing Shing Building, Nos. 70-82 Sheung Fung Street, Tsz Wan Shan, Kowloon:- Shops A and B on ground floor and Stores A and B on mezzanine floor	New Kowloon Inland Lot No. 5020	Commercial	100%	Medium
(4) Lee Kiu Building, No. 51 Jordan Road, Kowloon:- Office No. A on 4th floor	Kowloon Inland Lot No. 9894	Commercial	100%	Medium
(5) Metropolitan Factory and Warehouse Building, Nos. 30-32 Chai Wan Kok Street, Tsuen Wan, New Territories:- Flat B on 5th and 6th floor	Sec. B of Tsuen Wan Inland Lot. No. 34	Industrial	100%	Medium

SCHEDULE OF PROPERTIES HELD BY THE GROUP

AS AT 31 MARCH 2010

Location	Lot No.	Usage	Group's interest	Lease term
(6) No. 238 Electric Road, North Point, Hong Kong:- 4th floor	Sec. C of Inland Lot No. 1618	Residential	100%	Medium
(7) No. 96 Bonham Strand East, Sheung Wan, Hong Kong	Sec. E. of Inland Lot No. 863	Residential & Commercial	100%	Long
(8) No. 92 Bonham Strand East, Sheung Wan, Hong Kong:- 3rd floor	RP of SS1 of Sec. F of Inland Lot No. 863	Residential	100%	Long
(9) Pearl Oriental Tower, No. 225 Nathan Road, Kowloon:- 1st floor	Kowloon Inland Lot No. 6397	Commercial	100%	Medium
(10) Nos. 4, 6 and 6A, Nam Kok Road, Kowloon:- Ground floor and 1st floor	Remaining Portion of New Kowloon Inland Lot Nos. 1822, 1824 and 2183	Commercial	100%	Medium
(11) Nos. 8 and 10, Nam Kok Road, Kowloon:- Ground floor	Remaining Portion of New Kowloon Inland Lot Nos. 1936, 2278, 2279, 2280 and 2281	Commercial	100%	Medium
(12) No. 19, Nam Kok Road, Kowloon:- Ground floor	Remaining Portion of New Kowloon Inland Lot Nos. 2394, 2395 and 2678	Commercial	100%	Medium
(13) Nos. 21 and 23, Nam Kok Road, Kowloon:- Ground floor	Remaining Portion of New Kowloon Inland Lot Nos. 2394, 2395 and 2678	Commercial	100%	Medium

FIVE YEAR FINANCIAL SUMMARY

	For the year ended 31 March				2010
	2006 HK\$'000	2007 HK\$'000	2008 HK\$'000	2009 HK\$'000	HK\$'000
Consolidated income statement					
Turnover	20,337	18,434	26,903	109,005	46,067
Profit before tax	34,081	24,185	49,118	5,046	74,315
Taxation	(1,114)	(2,038)	(3,446)	(1,248)	(7,577)
Profit for the year	32,967	22,147	45,672	3,798	66,738
Consolidated statement of financial position					
Property, plant and equipment	1,066	1,025	973	922	876
Investment properties	121,445	127,550	146,270	143,300	185,230
Properties held for or under development	9,200	9,200	9,400	9,100	9,900
Leasehold land	1,612	1,574	1,537	1,499	1,462
Available-for-sale financial assets	76,933	102,792	98,888	67,644	96,255
Current assets	86,262	89,041	120,450	92,118	114,249
Current liabilities	(10,399)	(9,471)	(34,173)	(7,331)	(9,902)
Non-current liabilities	(29,567)	(28,392)	(11,188)	(9,679)	(16,061)
Net assets	256,552	293,319	332,157	297,573	382,009

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Members of the company will be held at Tang Room, 3rd Floor, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Tuesday, 31 August 2010 at 9:30 a.m. for the following purposes:-

1. To receive and consider the Reports of the Directors and of the Auditors, and the audited financial statements of the company and of the group for the year ended 31 March 2010.
2. To approve a Final Dividend of HK\$0.10 per share as recommended by the Directors.
3. To re-elect Directors and to fix their remuneration.
4. To re-appoint Auditors and to authorise the Board to fix their remuneration.
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:-

“THAT

- (a) subject to paragraph (c), pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the company during the Relevant Period of all the powers of the company to allot, issue and deal with additional shares in the capital of the company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue, shall not exceed 20 percent of the aggregate nominal amount of the share capital of the company in issue and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:-

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:-

- (i) the conclusion of the next Annual General Meeting of the company;
- (ii) the expiration of the period within which the next Annual General Meeting of the company is required by the Companies Ordinance to be held; and
- (iii) the revocation or variation of the authority hereby expressly given under this Resolution by ordinary resolution of the shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

By Order of the Board
Mimoona MA
Company Secretary

Hong Kong, 16 July 2010

Registered Office:
Rooms 501-2, Lee Kiu Building
51 Jordan Road
Kowloon

NOTES:

- (1) The Register of Members of the company will be closed from Wednesday, 25 August 2010 to Tuesday, 31 August 2010, both days inclusive, during which period no transfer of shares can be registered. All transfer documents accompanied by the relevant share certificates must be lodged with the company's Share Registrar, Computershare Hong Kong Investor Services Limited, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 24 August 2010.
- (2) A Member entitled to attend and vote at the above meeting is entitled to appoint one or two proxies to attend and, on a poll, vote in his stead. A proxy need not be a Member of the company. In order to be valid, the proxy form must be deposited at the company's registered office at least 48 hours before the time appointed for holding the meeting.
- (3) A Member who is a corporation may by resolution of its Directors or other governing body authorise any of its officials or any other persons to act as its representative in the meeting and exercise the same powers on its behalf as if he had been an individual member of the company and such corporation shall be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (4) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all resolutions set out in this notice will be decided by poll at the meeting.
- (5) Pursuant to Articles 110 and 111 of the Articles of Association of the Company, Mr. Ng Tai Wai, Mr. So Kwok Leung and Ms. Chan Suit Fei, Esther will retire by rotation from office and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.
- (6) In accordance with Article 115 of the Articles of Association of the Company, Mr. So Kwok Wai Benjamin will retire and being eligible, offers himself for re-election at the forthcoming Annual General Meeting.
- (7) Details of all retiring Directors, their interests in the shares of the company and their remuneration are set out under heading “Directors and Senior Management”, “Directors' Interest in Securities” in the Directors' Report and “Directors' Remuneration” in Note 9 to Financial Statements respectively in the Annual Report 2009/2010.