華 廈 置 業 有 限 公 司

WAH HA REALTY COMPANY LIMITED

(Stock Code: 278)

• 2011 annual report • **50th anniversary** • 2011 annual report • **50th anniversary** •

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CORPORATE INFORMATION

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Cheung Kee Wee, *BBA, Chairman*
Aged 59. Joined the Group and appointed a director in 1976. Elected Chairman in 2000. A director in each of the subsidiaries. Has over 35 years' experience in the property and building construction industry in Hong Kong. Mainly responsible for the management and supervision of the Group's property portfolio. Brother of Messrs Cheung Lin Wee and Cheung Ying Wai, Eric.

Mr. Cheung Lin Wee, *BFin*
Aged 53. Joined the Group and appointed a director in 1985. A director in each of the subsidiaries. Has over 25 years' experience in property management. Mainly responsible for the property management activities of the Group. Brother of Messrs Cheung Kee Wee and Cheung Ying Wai, Eric.

Mr. Cheung Ying Wai, Eric, *BSc*
Aged 49. Joined the Group and appointed a director in 1999. A director in each of the subsidiaries. Mainly responsible for the general management of the Group. Brother of Messrs Cheung Kee Wee and Cheung Lin Wee.

Non-executive Directors

Mr. John Ho, *LLB*
Aged 65. Appointed an independent non-executive director in 1994 and re-designated as a non-executive director in 2004. Also appointed a member of the Audit Committee and the Remuneration Committee in 1998 and 2005 respectively. A practising solicitor in Hong Kong. Qualified as a solicitor and joined a major firm of solicitors in 1972. A consultant of Messrs John Ho & Tsui. An independent non-executive director of Wong's Kong King International (Holdings) Limited and also a CEO and an executive director of China Western Investments PLC., a London listed company.

Mr. Ng Kwok Tung, *LIA (Dip), Chinese Law (Dip), BCom, CPA (Practising), CA, FCPA, ATIHK, MSCA*
Aged 60. Appointed an independent non-executive director in 2001 and re-designated as a non-executive director in 2004. Also appointed a member of the Audit Committee and the Remuneration Committee in 2001 and 2005 respectively. A practising accountant in Hong Kong. A partner of Messrs Tony Kwok Tung Ng & Co.. An independent non-executive director of Fountain Set (Holdings) Limited and Universe International Holdings Limited.

Independent Non-executive Directors

Mr. Lam Hon Keung, Keith, *O.B.E., J.P.*

Aged 71. Appointed a director in 1993. Also elected as Chairman of the Audit Committee in 1998 and appointed a member of the Remuneration Committee in 2005. A Committee Member of Far East Exchange Limited (1975-86) and a Council Member of the Stock Exchange of Hong Kong Limited (1987-94). An ex-President of Rotary Club of Hong Kong South (1976-77), an appointed Legislative Councillor in 1984 and a member of the Social Welfare Advisory Committee (2000-06). Active in community and social involvements – Chairman of the Hong Kong Buddhist Hospital, Vice Chairman of the Hong Kong Buddhist Association, etc.. A Fellow of the Hong Kong Institute of Directors and a Fellow of Chartered Management Institute.

Mr. Chan Woon Kong

Aged 77. Appointed a director in 2004. Also appointed a member of the Audit Committee and the Remuneration Committee in 2004 and 2005 respectively. Has over 45 years' extensive experience in the banking industry in Hong Kong, serving in senior management of various banks including Far East Bank Limited, First Pacific Bank Limited, The Bank of East Asia, Limited and United Commercial Bank. Currently the Senior Vice President of East West Bank in Hong Kong.

Mr. Soo Hung Leung, Lincoln, *BScChE, MBA, J.P.*

Aged 66. Appointed a director in 2004. Also appointed a member of the Audit Committee in 2004 and elected as Chairman of the Remuneration Committee in 2005. A stock broker and Chairman of Soo Pei Shao & Co. Ltd., also an independent non-executive director of Wing Lung Bank Limited. A Committee member of the Spastics Association, Chairman of the English Advisory Committee of Hong Kong Baptist University and a member of the Company Law Reform Group.

Senior Management

Mr. Chu Wing Man, Raymond, *MFin, BBA, LLB, FCPA, FCCA, ACIS, Company Secretary*

Aged 49. A professional accountant. Joined the Group and appointed the Company Secretary of the Company in 1998. Has over 25 years' experience in the accounting field.

CORPORATE INFORMATION *(CONTINUED)*

AUDIT COMMITTEE

Mr. Lam Hon Keung, Keith *(Chairman)*
Mr. John Ho
Mr. Ng Kwok Tung
Mr. Chan Woon Kong
Mr. Soo Hung Leung, Lincoln

REMUNERATION COMMITTEE

Mr. Soo Hung Leung, Lincoln *(Chairman)*
Mr. Lam Hon Keung, Keith
Mr. John Ho
Mr. Ng Kwok Tung
Mr. Chan Woon Kong

AUTHORISED REPRESENTATIVES

Mr. Cheung Kee Wee
Mr. Chu Wing Man, Raymond

BANKER

The Bank of East Asia, Limited

AUDITOR

PricewaterhouseCoopers

SHARE REGISTRARS

Hongkong Managers and Secretaries Limited
Unit 3401-2, 34th Floor, AIA Tower
183 Electric Road
North Point
Hong Kong
Telephone: (852) 3528 0290
Fax: (852) 2887 2054

REGISTERED OFFICE

Room 2500, Dominion Centre
43-59 Queen's Road East
Wanchai
Hong Kong
Telephone: (852) 2527 1821
Fax: (852) 2861 3771

STOCK CODES

The Stock Exchange of Hong Kong Limited
278
Reuters
0278.HK

WEBSITE

http://www.wahha.com

GROUP STRUCTURE

As at 31st March 2011

	Effective percentage of equity held by the Group	Principal activities
Holding Company		
Wah Ha Realty Company Limited	–	Investment holding
Subsidiaries		
Festigood Company Limited	100	Property development
Galy Property Management Limited	100	Property management
Khanman Property Limited	100	Dormant
Tai Kong Shan Realty Limited	100	Property investment
Tinpoly Realty Limited	100	Property investment
Wah Ha Construction Company Limited	100	Building contractor
Wah Ha Real Estate Agency Limited	100	Property agency
WH Properties Limited	100	Dormant
Associated Companies		
Cantake Land Investment Company Limited	25	Property development
Chase Good Development Limited	25	Property development
Daily Eagle Development Limited	25	Property development
Eastern Tailor Enterprises Limited	25	Property investment
Fu Kung San Realty Limited	50	Investment holding
Fullion Realty Limited	50	Property investment
Fupoly Properties Limited	25	Property investment
Hinquand Enterprise Limited	50	Property investment
Kam Lee Wah Realty Limited (In liquidation)	50	Dormant
Keneva Company Limited	25	Property development
Kin Yuen Hing Investment Company Limited	50	Property development
Mass Collection Company Limited	50	Property development
Remadour Estate Limited	25	Property investment
Sing Mei Properties Limited	25	Property investment
Star Fortune Investments Limited	50	Provision of finance
Sun Prince Godown Limited	50	Property investment
Sun Tai Tsuen Godown Company Limited	50	Property investment
Wah Ha Property Development Limited	50	Property investment

All companies are incorporated in Hong Kong.

RESULTS

The profit attributable to equity holders of Wah Ha Realty Company Limited (the "Company") for the year ended 31st March 2011 amounted to HK$153,451,359 (2010 restated: 131,665,916). Earnings per share for the year was HK$1.27 (2010 restated: HK$1.09).

DIVIDENDS

The Company marks its 50th anniversary this year. In appreciation of the shareholders' continued support, the board of directors of the Company (the "Directors") (the "Board") has resolved to recommend a special dividend of HK22 cents (2010: HK2 cents) per share in addition to a final dividend of HK8 cents (2010: HK5 cents) per share for the year ended 31st March 2011 to the shareholders of the Company (the "Shareholders") whose names appear on the Register of Members of the Company on Friday, 2nd September 2011. Together with the interim dividend of HK5 cents (2010: HK3 cents) per share, total dividends for the year amount to HK35 cents (2010: HK10 cents) per share.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Group's revenues for the year ended 31st March 2011 amounted to HK$10.7 million, an increase of about 30.6% from the previous year. Our property-related businesses had brought about HK$1.9 million increase in revenues. Unlike previous years, the negative impact from the persistent low interest rates seemed to have diminished and an increase in interest income of HK$0.4 million was reported. Dividend income was HK$0.2 million greater than last year.

For the year under review, the Group's profit attributable to equity holders was HK$153.5 million (2010: HK$131.7 million). Earnings per share was HK$1.27 as compared with HK$1.09 last year. Last year, we have recorded a significant improvement of after-tax profit of HK$30.3 million from our investment portfolio as a result of the general rebound of the securities markets after the collapse of Lehman Brothers. This unusual outstanding result did not appear again. The corresponding after-tax profit from our investment portfolio was HK$9.9 million, a drop of HK$20.4 million from the previous year. This huge decrease was however offset by the further net increase in the value of the Group's investment properties for HK$22.7 million. Ignoring these, the Group's profit after tax was improved by HK$19.5 million which was mainly attributable to the net profit realised from the sales of the Group and its associated companies' properties.

BUSINESS REVIEW

Property Investment and Management

During the year under review, the contribution of the Group's Rental Business to net profit was HK$1.1 million below that of last year. The reason for this moderate drop was the losses of rental income as a result of certain properties being disposed of during the year. Neglecting these sales, the Group's Rental Business still performed well.

During the year under review, the Company had disposed of an industrial unit in Quarry Bay. A wholly owned subsidiary had also disposed of its interest in five industrial units in Tuen Mun. Further, two associated companies had disposed of their respective interests in an industrial unit and a whole industrial building in Fanling. The aggregate after-tax profits of these sales amounted to HK$19.6 million whereas the corresponding profits for the last year was HK$0.3 million.

Subsequent to the year end, an associated company had acquired certain residential units in Yau Ma Tei whereas another associated company had disposed of a residential unit in Fanling.

Apart from the aforesaid, the Group did not acquire or dispose of any property during the year under review and up to the date of this report.

For the year under review, the operating environment of the Group's Property Management Business was still tough and the impact of the enactment of minimum wage has to be observed. The performance of this business was comparable to that of last year.

Investments

Last year, the Group had recorded an unusual profit arising from the general rebound of securities market after the collapse of Lehman Brothers. The Group's investment portfolio was benefited from the consequent surge in securities prices. Following the stabilization of the global economy, such unusual profit disappeared. Instead, the Group had achieved a more realistic result. Although interest rates were persistently at low levels, the likelihood of further significant drop became more remote. The interest income was HK$0.4 million greater than that of last year. The overall performance of this business was satisfactory and the aggregate net profit was HK$15.4 million versus HK$33.9 million of last year.

PROSPECTS

For the year under review, ongoing improvements were observed in the local economy. The year-on-year 2011 1st Quarter GDP and private consumption expenditure grew by 7.2% and 7.6% respectively. The seasonally adjusted unemployment rate dropped gradually to 3.5% in the latest quarter.

Notwithstanding the escalating inflation, the global economy is still on its road to recovery though at a slower pace. The two rounds quantitative easing measures implemented by the United States had purposely rendered the interest rates at historical low levels. The resulting expansionary monetary policy and the flooding of liquidity had boasted up the world securities and commodities markets. The focus now turns to the economic recovery after the second round quantitative easing measures in the United States. The timeframe and the methodology of the United States addressing to the seriousness of its government deficits and resuming to normal levels of liquidity cast great uncertainties to the world economy. The continued fiscal strains in the Eurozone and political unrest in the Middle East and North Africa may be the additional factors leading to a more instable global economy. The United States and the Eurozone countries, in the process of dealing with their respective economic problems, may result in great shocks to the global securities and financial markets. It is also expected that the Chinese Government will continue to implement measures so as to facilitate soft landing of the economy. Recovery of economy may also be undermined by the disastrous earthquake and the consequent nuclear crisis in Japan.

Retail businesses in Hong Kong have enjoyed robust sales. Record high number of visitors and increasing purchasing power of Mainland visitors as a result of appreciation of Renminbi add momentum to retail market. The recent positive land auction results further fuelled market sentiments. Besides, the low mortgage loan interest rates and the steady income growth give support to buoyant property prices. Hong Kong will also benefit from the accelerating economic integration between Hong Kong and China. In particular, the development of Hong Kong into an offshore Renminbi financial centre will definitely lead to more growth opportunities in Hong Kong. On the other hand, the Government of the Hong Kong Special Administrative Region is more concerned with the escalating inflation, no matter it is imported as a result of the rises of global food and commodity prices or the weak US$. As HK$ is pegged with US$, Hong Kong cannot raise the interest rate to curb inflation. What the Government can do is to take executive measures such as the introduction of Special Stamp Duty and the enforcement of Hong Kong Monetary Authority's controls over banks and financial institutions. It is observed that many local major banks begin to increase the interest margin for mortgage loans and lower the mortgage loan-to-value ratio. These measures will, in the long run, result in a more sustainable property market in Hong Kong.

To move forward, Hong Kong should grasp the opportunities emerging from the main theme of the 12th Five-Year Plan of the Central Government of driving domestic demand, increasing the service industry content of GDP and speeding up urbanization. In facing these various uncertainties and opportunities, we shall act prudently but proactive in seeking business opportunities so as to deliver satisfactory return to our shareholders.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March 2011, the Group had less than twenty employees and their remuneration are maintained at competitive levels. Total staff costs (including Directors' remuneration) amounted to HK$4.5 million (2010: HK$4.2 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee regarding Directors and senior management. Employees' salaries are determined on performance basis with reference to the market trend. In addition, discretionary bonuses are granted to eligible employees by reference to the Group's results and individual performance. Other benefits include education subsidies, medical and retirement benefits.

LIQUIDITY AND FINANCIAL RESOURCES

The Group is virtually debt-free and generally finances its operations with internally generated cash flows. The Group's cash and cash equivalents amounted to HK$298.6 million at 31st March 2011. The Board believes that the Group has sufficient financial resources for its operations. The Group has no material exposure to foreign exchange rate fluctuation and material contingent liabilities.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to the Shareholders for their continued support and our staff for their hard work and dedication. I would also like to express my gratitude to my fellow Directors for their guidance and invaluable contribution.

Cheung Kee Wee
Chairman

Hong Kong, 28th June 2011

REPORT OF THE DIRECTORS

The Board has pleasure in submitting their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st March 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Group are investment holding, property investment and management.

SEGMENT INFORMATION

An analysis of the Group's turnover and results by principal activities for the year is shown in Note 28 to the consolidated financial statements.

RESULTS

Results of the Group for the year ended 31st March 2011 are shown on page 32.

DIVIDEND

The Board has resolved to recommend at the forthcoming annual general meeting ("AGM") to be held on Friday, 19th August 2011 a final dividend of HK8 cents (2010: HK5 cents) per share and a special dividend of HK22 cents (2010: HK2 cents) per share for the year ended 31st March 2011 to be paid on Tuesday, 6th September 2011 to the Shareholders whose names appear on the Register of Members of the Company on Friday, 2nd September 2011.

Together with the interim dividend of HK5 cents (2010: HK3 cents) per share paid on Monday, 24th January 2011, total dividends for the year will amount to HK35 cents (2010: HK10 cents) per share.

PARTICULARS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Particulars of subsidiaries and associated companies of the Company are shown in Notes 15 and 16 to the consolidated financial statements respectively.

FIVE YEAR FINANCIAL SUMMARY

A summary of the Group's results and of its assets and liabilities for the past five financial years is shown on page 85.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are shown in Note 23 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31st March 2011, the Company's reserves available for distribution to the Shareholders as calculated in accordance with the provisions of Section 79B of the Hong Kong Companies Ordinance amounted to HK$400,441,102 (2010 restated: HK$333,960,228).

PROPERTIES

Details of the movements in investment properties are shown in Note 14 to the consolidated financial statements. Details of the principal properties held by the Group for investment and sale purposes are shown on pages 87 to 90.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 22 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

Mr. Cheung Kee Wee *(Chairman)*
Mr. Cheung Lin Wee
Mr. Cheung Ying Wai, Eric

Non-executive Directors

Mr. John Ho
Mr. Ng Kwok Tung

Independent Non-executive Directors

Mr. Lam Hon Keung, Keith
Mr. Chan Woon Kong
Mr. Soo Hung Leung, Lincoln

In accordance with Article 103(A) of the Company's Articles of Association (the "Company's Articles"), Messrs Cheung Kee Wee, Cheung Ying Wai, Eric and Ng Kwok Tung will retire from office by rotation at the forthcoming AGM and they, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

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

The term of office of each Director is the period up to his retirement by rotation in accordance with the Company's Articles.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 2 and 3.

REMUNERATION OF DIRECTORS AND OF THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and of the five highest paid individuals in the Group are shown in Note 9 to the consolidated financial statements. No contribution to pension scheme for Directors and past Directors was paid for the year.

There was no compensation paid during the year or receivable by the Directors for the loss of office as a Director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save for those "Significant Related Party Transactions" described in Note 27 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March 2011, the interests or short positions of the Directors and Chief Executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such 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 which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of securities on the Stock Exchange (the "Listing Rules") as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in Ordinary Shares of the Company

Name of Director	Personal Interests	Corporate interests	Family interests	Total	% of issued share capital
Cheung Kee Wee	–	15,150,160 *(Note 1)*	–	15,150,160	12.52
Cheung Lin Wee	14,016,800	–	238,000 *(Note 2)*	14,254,800	11.79
Cheung Ying Wai, Eric	13,950,800	–	–	13,950,800	11.53

Notes:

(1) These shares were held by Biochoice Limited ("Biochoice") (in which Mr. Cheung Kee Wee ("CKW") and his spouse in aggregate owned 50% interest) through its wholly owned subsidiary, Humphrey Group Limited ("Humphrey"). Therefore, CKW was deemed to be interested in these shares under the SFO.

(2) The 238,000 shares were beneficially held by Ms. Wu Suet Yi, Rita, the spouse of Mr. Cheung Lin Wee ("CLW").

Save as disclosed above, as at 31st March 2011, none of the Directors or Chief Executives of the Company or any of their associates had or were deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such 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 which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

So far as is known to the Directors or Chief Executives of the Company, as at 31st March 2011, the following Shareholders (other than Directors or Chief Executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company were as follows:

Long Positions in Ordinary Shares of the Company

	Number of shares	**% of issued share capital**
Substantial Shareholders:		
Chin Lan Hong	32,162,800 *(Note 1)*	26.59
Kung So Ha, Anne	15,150,160 *(Note 2)*	12.52
Biochoice Limited	15,150,160 *(Note 3)*	12.52
Humphrey Group Limited	15,150,160 *(Note 3)*	12.52
Wu Suet Yi, Rita	14,254,800 *(Note 4)*	11.79
Hoh Kwok Hing, Corinne	13,950,800 *(Note 5)*	11.53
Persons other than Substantial Shareholders:		
Megabest Securities Limited	11,295,600 *(Note 6)*	9.34
Profit-taking Company Inc.	11,295,600 *(Note 6)*	9.34
Pullfield Company Limited	11,295,600 *(Note 6)*	9.34

Notes:

(1) Out of the 32,162,800 shares, 11,295,600 shares were held by Megabest Securities Limited ("Megabest") of which Madam Chin Lan Hong ("CLH") was interested in the entire issued share capital, through the chain of ownership being described in Note (6) below; and 20,867,200 shares were held under her personal interests.

(2) Ms. Kung So Ha, Anne is the wife of CKW and was taken to be interested in these shares in which her spouse was interested under the SFO. These 15,150,160 shares related to the same block of shares as described in Note (3) below.

(3) These 15,150,160 shares held by Biochoice and Humphrey respectively related to the same block of shares as described in "Corporate Interests" of CKW under the heading of "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures". These shares were held by Biochoice (in which CKW and his spouse in aggregate owned 50% interest) through its wholly owned subsidiary, Humphrey, the registered owner of the said 15,150,160 shares.

(4) Out of the 14,254,800 shares, 238,000 shares were beneficially held by Ms. Wu Suet Yi, Rita, and Ms. Wu was taken to be interested in the remaining 14,016,800 shares in which her spouse CLW was interested under the SFO.

(5) Ms. Hoh Kwok Hing, Corinne is the wife of Mr. Cheung Ying Wai, Eric and was taken to be interested in these shares in which her spouse was interested under the SFO.

(6) These 11,295,600 shares held by Megabest, Profit-taking Company Inc. ("Profit-taking") and Pullfield Company Limited ("Pullfield") respectively related to the same block of shares as described in Note (1) above. These shares were held by Megabest through its wholly owned subsidiary, Profit-taking, which in turn held the entire issued share capital of Pullfield, the registered owner of the said 11,295,600 shares of the Company.

Save as disclosed above, as at 31st March 2011, the Company has not been notified by any person (other than Directors or Chief Executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

MANAGEMENT CONTRACTS

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 the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers and five largest suppliers of the Group accounted for less than 30% by value of the Group's total revenues and revenue purchases respectively.

None of the Directors, their associates or any Shareholder who to the knowledge of the Directors owns more than 5% of the Company's issued share capital has an interest in the major customers or suppliers disclosed above.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31st March 2011, the Group had provided financial assistance to its affiliated companies amounting to HK$99,049,882 in aggregate which exceeded 8% under the assets ratio as defined under the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a combined balance sheet of and the Group's attributable interest in these affiliated companies as at 31st March 2011 are set forth below:

	Combined Balance Sheet HK$	Group's Attributable Interests HK$
Non-current assets	1,120,000,000	250,000,000
Current assets	265,518,394	84,860,299
Non-current liabilities	(443,160,456)	(87,119,051)
Current liabilities	(164,921,781)	(48,888,749)
Net current assets	100,596,613	35,971,550
Net assets	777,436,157	198,852,499

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 20 to 29.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float throughout the year ended 31st March 2011 and up to the date of this report pursuant to the Listing Rules.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Cheung Kee Wee
Chairman

Hong Kong, 28th June 2011

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board and the management believe that good and high standard of corporate governance practices are very important for maintaining and promoting investor confidence and for the continued growth of the Group. The Company has made continued efforts to maintain and approve the quality of corporate governance so as to ensure an effective board, sound internal control, and transparency and accountability to its Shareholders.

The Company has applied the principles and complies with the provisions contained in the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 to the Listing Rules throughout the financial year ended 31st March 2011, except for certain deviations of the code provisions in respect of the roles of the Chairman and Chief Executive Officer ("CEO") of the Company (i.e. A.2.1); and service term of its Non-executive Directors ("NEDs") (i.e. A.4.1). The considered reasons for the aforesaid deviations will be discussed in the later part of this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors' securities transactions in the Company. All Directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31st March 2011.

THE BOARD

The Board, led by the Chairman, is responsible for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

The Chairman of the Board is responsible for the leadership and effective running of the Board, while the Executive Directors ("EDs") and the Board Committees of the Company are delegated with the authority to manage the business of the Group in all aspects effectively. With the assistance of the Company Secretary, the Chairman approves Board meeting agendas and ensures that the Directors are properly briefed and timely receive adequate and reliable information on all Board matters.

EDs are responsible for different business and functional divisions of the Group in accordance with their respective areas of expertise. Daily operations and administration are delegated to the management under supervision which is given clear directions as to their powers in particular with respect to the circumstances under which they should report back to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Board currently comprises eight members, of whom three are EDs including the Chairman of the Board, two are NEDs and three are Independent Non-executive Directors (the "INEDs"). More than one third of the Board is INEDs, each of them comes from different business and professional background and at least one of them has accounting or related financial management expertise. The Board has received from each INED an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules and continues to consider each of them to be independent up to the date of this annual report (the "AR").

The Board includes a balanced composition of EDs, NEDs and INEDs so that there is a strong independent element on the Board to exercise independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointment and standards of conduct.

Biographical details of the Directors and the relationship among the Directors are set out on pages 2 and 3 of the AR.

THE BOARD *(Continued)*

The Board meets regularly and holds at least four regular meetings at approximately quarterly intervals in a year and additional meetings are held as and when significant events or important issues are required to be discussed and resolved. For the financial year 2010/2011, four physical meetings were respectively held in July, October and November of 2010 and March 2011. Details of individual attendance of each Director at the meetings are set forth below:

Directors	**Meetings Attended/Held**
Executive Directors	
Mr. Cheung Kee Wee *(Chairman)*	4/4
Mr. Cheung Lin Wee	3/4
Mr. Cheung Ying Wai, Eric	3/4
Non-executive Directors	
Mr. John Ho	4/4
Mr. Ng Kwok Tung	4/4
Independent Non-executive Directors	
Mr. Lam Hon Keung, Keith	2/4
Mr. Chan Woon Kong	4/4
Mr. Soo Hung Leung, Lincoln	4/4

In order to give all Directors adequate time to plan their schedules to attend the meeting, at least fourteen days' formal notice would be given to all Directors before each regular meeting. To enable Directors to make informed decisions on matters to be considered at the Board and Board Committee meetings, board papers and related material are given to the Directors not less than three days before the intended date of a Board or Board Committee meeting.

Directors need to declare their interest in the matters to be passed in the resolution, if applicable. If a substantial shareholder or a Director has a material conflict of interest in a matter to be considered by the Board, the matter will be dealt with pursuant to applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter.

In addition to the Board meetings, certain issues are dealt with by way of circular written resolutions, so that all Directors can note and comment thereon before the Board's approval on the matters.

Directors are kept informed in a timely manner of any major changes that may affect the Group's business as well as changes in relevant rules and regulations. They have full access to the Company Secretary and key officers of the Company Secretarial Department for relevant information in respect of the Group. They are also able to obtain independent professional advice by written procedure adopted by the Company at the expense of the Company in appropriate circumstances.

THE COMPANY SECRETARY

The Company Secretary is responsible to the Board for ensuring that the procedures and all applicable rules and regulations are strictly and fully complied with and that activities of the Board are running efficiently and effectively by assisting the Chairman to prepare agendas for meetings and by preparing and disseminating Board papers and relevant material to the Directors and Board Committee members in a timely and comprehensive manner.

The Company Secretary attends all Board meetings and advises on corporate governance and statutory compliance, if appropriate. Draft and final versions of minutes of meetings of the Board and the Board Committees are circulated to all Directors concerned for comments and records respectively. All the minutes record in sufficient detail the matters considered and decisions reached by the Board and the Board Committees of the Company and are kept by the Company Secretary, which are open for inspection at any reasonable time on reasonable notice by any Director.

The Company Secretary also advises the Directors on their obligations for disclosure of interests in securities, connected transactions and price-sensitive information and ensures that the standards and disclosures required by the Listing Rules are observed and, where required, reflected in the Report of the Directors.

CHAIRMAN AND CEO

Under the code provision A.2.1 of the CG Code, the roles of the Chairman and CEO should be separate and should not be performed by the same individual. Mr. Cheung Kee Wee is the Chairman of the Board and there is not a post of CEO in the Company. The roles of the CEO are performed by all the EDs with clear division of responsibilities under the leadership of the Chairman. The Board considers that this arrangement allows contributions from all EDs with different expertise and can ensure the balance of power and authority between the Board and the management of the Group. The Board therefore believes that this structure can enable the Group to make and implement decisions promptly and efficiently and is beneficial to the business prospect of the Group.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Company has not established a Nomination Committee. The nomination and selection process of Directors is performed by the Board in accordance with the Company's Articles.

When considering a potential Director who is recommended by the EDs, the Board will take into consideration certain criteria such as the candidate's professional knowledge and experience, integrity and personal skills, possible conflicts of interests and time commitment to the Company. A newly appointed Director will receive reference material of the Company such as interim and annual reports with a view to familiarizing him/her with the business operation of the Company and the corporate structure of the Group. The Directors are also kept informed of the updated legal and other regulatory requirements and the business and governance policies of the Company.

Under the code provision A.4.1 of CG Code, NEDs should be appointed for a specific term and subject to re-election. All the five NEDs of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the AGM in accordance with the Company's Articles.

In accordance with Article 94 of the Company's Articles, a newly appointed Director is subject to re-election by the Shareholders at the next following AGM of the Company after his/her appointment, but shall not be taken into account in determining the Directors who are to retire by rotation and re-election at the AGM in accordance with Article 103(A) of the Company's Articles.

There are eight Directors including five NEDs of the Company for the time being. As one-third of the eight Directors shall retire from office by rotation at each AGM, each of them shall retire at least once every three years. The Board is of the view that the current practice of appointing Directors which include NEDs without specific terms but otherwise subject to retirement by rotation and re-election by the Shareholders at the AGM is reasonable and appropriate to the needs of the Company.

The Company may by an ordinary resolution remove a Director before the expiration of his/her period of office notwithstanding anything in the Company's Articles or in any agreement between the Company and such Director. Special notice is required of a resolution to remove a Director or to appoint somebody in place of a Director so removed at the general meeting at which he/she is removed in accordance with the Companies Ordinance.

During the year ended 31st March 2011, there was no change in the Board composition. The names and details of the retiring Directors who will offer themselves for re-election at the forthcoming AGM of the Company are set out in Appendix I to the Company's circular dated 15th July 2011.

REMUNERATION COMMITTEE

Remuneration Committee of the Company was established in 2005. The Committee consists of three INEDs, namely Messrs Soo Hung Leung, Lincoln (Chairman), Lam Hon Keung, Keith and Chan Woon Kong, and two NEDs, namely Messrs John Ho and Ng Kwok Tung. The Company Secretary of the Company is the secretary of the Committee.

The principal responsibilities of the Remuneration Committee, under its terms of reference which was prepared on terms no less exacting than those set out in the CG Code and adopted in May 2005, is to assist the Board to develop and administer a formal and transparent procedure for setting policy on the remuneration of all the Directors and senior management of the Company. The adopted terms of reference of the Committee are posted on the Company's website.

The Remuneration Committee has met once during the financial year ended 31st March 2011 with the presence of all the members except Mr. Lam Hon Keung, Keith who was absent in the meeting.

During such meeting, the remuneration package of the EDs was reviewed by reference to the Group's performance and profitability as well as the remuneration level of directors in eight selected listed corporations in the industry. It was resolved that the Director's fee of HK$80,000 per annum for each of the EDs would remain unchanged. Details of the remuneration of Directors are set out in Note 9 to the financial statements on page 65 of the AR.

REMUNERATION OF AUDITOR

For the year ended 31st March 2011, the remuneration paid and payable to PricewaterhouseCoopers, the Company's external auditor, for audit services to the Group amounted to HK$439,000 and for non-audit services amounted to HK$148,500.

AUDIT COMMITTEE

The Audit Committee of the Company was established in 1998 and currently consists of three INEDs, namely Messrs Lam Hon Keung, Keith (Chairman), Chan Woon Kong and Soo Hung Leung, Lincoln and two NEDs, namely Messrs John Ho and Ng Kwok Tung. The Committee members possess sufficient financial and accounting experience and expertise to discharge their duties. The Company Secretary of the Company acts as the secretary of the Committee.

The operation of the Audit Committee is guided by its written terms of reference which follow the requirements of the CG Code and the guidelines published by the Hong Kong Institute of Certified Public Accountants. They have been modified from time to time and adopted by the Board. The terms of reference, which were revised and adopted in January 2009, are posted on the Company's website.

The major duties of the Audit Committee set out in its terms of reference include:–

1. recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and approval of their terms of engagement;

2. reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of audit process in accordance with applicable standard;

3. monitoring the integrity of financial statements of the Company and the Company's AR and financial statements, interim report and quarterly report (if applicable), and reviewing significant financial reporting judgements contained in them;

4. oversight of the Company's financial controls, internal control and risk management systems; and

5. reviewing the financial information of the Company.

During the financial year ended 31st March 2011, two meetings of the Audit Committee were held in July and November of 2010 respectively with the external auditor of the Company for discussion and review of the reporting of financial and other information to the Shareholders (including the 2009/2010 final results and 2010/2011 interim results of the Company before they were submitted to the Board for approval), the accounting principles and practices adopted by the Group and the issue on internal control of the Company. The Committee also keeps under review the independence of the external auditor of the Company. Details of individual attendance of each of the members of the Committee at the meetings are as follows:

Committee Members	**Meetings Attended/Held**
Independent Non-executive Directors	
Mr. Lam Hon Keung, Keith *(Chairman)*	2/2
Mr. Chan Woon Kong	2/2
Mr. Soo Hung Leung, Lincoln	1/2
Non-executive Directors	
Mr. John Ho	1/2
Mr. Ng Kwok Tung	2/2

The financial statements of the Company for the year ended 31st March 2011 were reviewed and discussed by the Audit Committee together with the external auditor of the Company at a meeting held in late June 2011.

ACCOUNTABILITY AND AUDIT

The Board was provided with explanation and information by the management of the Company, so that Directors have an informed assessment of the financial and other information of the Company put before the Board for approval.

All the Directors have acknowledged their responsibilities for preparing and reviewing the Company's financial statements and ensure that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March 2011 and of the profit and cash flows of the Group for the year then ended. In preparing the Company's financial statements for the year ended 31st March 2011, the Board has selected suitable accounting policies and principles generally accepted in Hong Kong and applied them consistently, has made prudent and reasonable judgements and estimates, and has prepared the financial statements on a going concern basis. The statement by the auditor of the Company regarding their reporting responsibilities on the financial statements of the Company and the Group is set out in the "Independent Auditor's Report" on pages 30 and 31 of the AR.

ACCOUNTABILITY AND AUDIT *(Continued)*

The Board's endeavors to ensure a balanced, clear and understandable assessment of the Group's position and prospects extend to annual and interim reports, other price-sensitive announcements and financial disclosures of the Company required under the Listing Rules and other applicable rules, and to report to regulators as well as to information required to be disclosed pursuant to statutory requirements. Accordingly, due authorization will be made on the publication of relevant announcements and reports as and when the occasion arises.

INTERNAL CONTROL

The Board acknowledges its responsibility in maintaining effective and sound internal control system for the Group to safeguard the Group's assets and protect the interest of the Shareholders. The internal control system is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

The Board has conducted an annual review of the effectiveness of the system of internal control of the Group. The review covered all material controls, including financial, operational and compliance controls and risk management functions. The Board considers that the Company has adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

Based on the results of the review, the Board has concluded that the Group's overall system of internal control has been effectively exercised during the year. The Group will continue to improve its system of internal control.

COMMUNICATION WITH THE SHAREHOLDERS

The Company's AGM is one of the principal communication channels between the Company and the Shareholders as it provides a forum for the Shareholders to raise questions and comments and exchange views with the Board.

At the 2010 AGM of the Company, respective Chairmen of the Board, the Audit Committee and the Remuneration Committee of the Company were present and available to answer questions raised by the Shareholders at the meeting. A separate resolution was proposed at the AGM on each substantially separate issue, such as the re-election of individual Directors.

The Company has other means of communication with the Shareholders, including the publication of annual and interim reports, circulars, announcements and availability of updated and key information about the Group on the Company's website. The Shareholders or any interested parties can also contact the Company by sending e-mail to enquiry@wahha.com.

The Company arranges for the notice to the Shareholders to be sent out in the case of annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings. It is proposed that the 2011 AGM of the Company will be held on Friday, 19th August 2011 at 12:00 noon. Notice of the AGM will be published and dispatched to the Shareholders in mid July 2011.

VOTING BY POLL

The Company regularly informs the Shareholders of the procedures for voting by poll and ensures that it complies with the requirements about voting by poll as contained in the Listing Rules and the Company's Articles.

Since 2005, the Shareholders were given an explanation of the rights and procedures for demanding and conducting a poll in accordance with Article 74 of the Company's Articles at the commencement of each AGM of the Company.

Pursuant to the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. The Chairman of the 2011 AGM will therefore put each of the resolutions to be proposed at the meeting to be voted by way of a poll pursuant to the Listing Rules and Article 74 of the Company's Articles.

Save as disclosed above, the Company has complied with all the code provisions as set out in the CG Code throughout the financial year ended 31st March 2011.

INDEPENDENT AUDITOR'S REPORT

PRICEWATERHOUSECOOPERS

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF WAH HA REALTY COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Wah Ha Realty Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 32 to 84, which comprise the consolidated and company balance sheets as at 31st March 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 this report.

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March 2011, and of the profit and cash flows of the Group 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28th June 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2011

	Note	2011 HK$	2010 HK$ (Restated)
Revenues	5	**10,678,132**	8,174,782
Changes in fair value of investment properties	14	**13,100,000**	14,150,000
Gain on disposal of investment properties		**8,592,373**	–
Net fair value gains on financial assets at fair value through profit or loss		**11,202,820**	32,772,344
Fair value gains on derivative financial instruments		**576,059**	3,292,785
Other gains	6	**1,478,056**	225,302
Direct outgoings in relation to properties that generate income	7	**(975,958)**	(617,902)
Cost of completed properties sold	7	**(231,750)**	(43,000)
Staff costs	7	**(4,491,490)**	(4,243,424)
Other operating expenses	7	**(1,162,996)**	(1,074,384)
Operating profit		**38,765,246**	52,636,503
Share of profits less losses of associated companies	8	**116,730,880**	86,642,077
Profit before income tax		**155,496,126**	139,278,580
Income tax expense	11	**(2,044,767)**	(7,612,664)
Profit and total comprehensive income attributable to equity holders of the Company		**153,451,359**	131,665,916
Dividends	12	**42,336,000**	12,096,000
Earnings per share (Basic and diluted)	13	**1.27**	1.09

The notes on pages 39 to 84 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st March 2011

	Note	31st March 2011 HK$	31st March 2010 HK$ (Restated)	1st April 2009 HK$ (Restated)
ASSETS				
Non-current assets				
Investment properties	*14*	**64,800,000**	64,700,000	50,550,000
Investments in associated companies	*16*	**423,493,053**	352,622,173	269,375,096
Amounts due from associated companies	*16*	**41,968,200**	53,891,429	55,623,929
Available-for-sale financial assets	*17*	**250,448**	250,448	250,448
Deferred income tax assets	*24*	**800**	861	928
		530,512,501	471,464,911	375,800,401
Current assets				
Completed properties held for sale	*18*	**6,524,147**	6,754,397	6,795,897
Amounts due from associated companies	*16*	**40,071,682**	45,056,218	51,223,187
Trade and other receivables	*19*	**1,415,056**	1,276,082	1,108,336
Tax recoverable		**2,832,215**	4,923	328,193
Financial assets at fair value through profit or loss	*20*	**2,555,263**	75,917,332	43,162,010
Cash and bank balances	*21*	**375,584,483**	230,891,825	213,253,287
		428,982,846	359,900,777	315,870,910
Total assets		**959,495,347**	831,365,688	691,671,311
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	*22*	**78,624,000**	78,624,000	78,624,000
Retained profits	*23*			
– Proposed dividends		**36,288,000**	8,467,200	4,838,400
– Others		**817,462,312**	706,346,953	586,777,037
		853,750,312	714,814,153	591,615,437
Total equity		**932,374,312**	793,438,153	670,239,437

CONSOLIDATED BALANCE SHEET *(CONTINUED)*

As at 31st March 2011

	Note	**31st March 2011 HK$**	31st March 2010 HK$ (Restated)	1st April 2009 HK$ (Restated)
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	*24*	**10,092,550**	8,615,251	848,953
Current liabilities				
Amounts due to associated companies	*16*	**14,187,367**	26,869,608	17,962,433
Trade and other payables	*25*	**2,682,020**	2,378,461	2,591,083
Tax payable		**159,098**	64,215	29,405
		17,028,485	29,312,284	20,582,921
Total liabilities		**27,121,035**	37,927,535	21,431,874
Total equity and liabilities		**959,495,347**	831,365,688	691,671,311
Net current assets		**411,954,361**	330,588,493	295,287,989
Total assets less current liabilities		**942,466,862**	802,053,404	671,088,390

Cheung Kee Wee
Director

Cheung Lin Wee
Director

The notes on pages 39 to 84 are an integral part of these consolidated financial statements.

BALANCE SHEET

As at 31st March 2011

	Note	31st March 2011 HK$	31st March 2010 HK$ (Restated)	1st April 2009 HK$ (Restated)
ASSETS				
Non-current assets				
Investment properties	*14*	**64,800,000**	64,700,000	50,550,000
Investments in subsidiaries	*15*	**110,344**	110,344	110,344
Investments in associated companies	*16*	**1,140,618**	1,140,618	1,140,618
Amounts due from associated companies	*16*	**41,968,200**	53,891,429	55,623,929
Available-for-sale financial assets	*17*	**250,448**	250,448	250,448
		108,269,610	120,092,839	107,675,339
Current assets				
Completed properties held for sale	*18*	**690,408**	690,408	690,408
Amounts due from subsidiaries	*15*	**290,585**	250,423	1,169,999
Amounts due from associated companies	*16*	**40,071,682**	45,056,218	51,223,187
Trade and other receivables	*19*	**1,206,209**	485,178	368,472
Tax recoverable		**2,820,607**	–	328,164
Financial assets at fair value through profit or loss	*20*	**2,555,263**	75,917,332	43,162,010
Cash and bank balances	*21*	**369,069,833**	225,000,546	206,434,507
		416,704,587	347,400,105	303,376,747
Total assets		**524,974,197**	467,492,944	411,052,086
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	*22*	**78,624,000**	78,624,000	78,624,000
Retained profits	*23*			
– Proposed dividends		**36,288,000**	8,467,200	4,838,400
– Others		**364,153,102**	325,493,028	290,194,167
		400,441,102	333,960,228	295,032,567
Total equity		**479,065,102**	412,584,228	373,656,567

BALANCE SHEET *(CONTINUED)*
As at 31st March 2011

	Note	**31st March 2011 HK$**	31st March 2010 HK$ (Restated)	1st April 2009 HK$ (Restated)
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	*24*	**10,092,550**	8,615,251	848,953
Current liabilities				
Amounts due to subsidiaries	*15*	**19,455,279**	17,595,471	16,493,244
Amounts due to associated companies	*16*	**14,187,367**	26,869,608	17,962,433
Trade and other payables	*25*	**2,173,899**	1,828,386	2,090,889
		35,816,545	46,293,465	36,546,566
Total liabilities		**45,909,095**	54,908,716	37,395,519
Total equity and liabilities		**524,974,197**	467,492,944	411,052,086
Net current assets		**380,888,042**	301,106,640	266,830,181
Total assets less current liabilities		**489,157,652**	421,199,479	374,505,520

Cheung Kee Wee
Director

Cheung Lin Wee
Director

The notes on pages 39 to 84 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2011

	Note	2011 HK$	2010 HK$ (Restated)
Cash flows from operating activities			
Profit before income tax		**155,496,126**	139,278,580
Gain on disposal of investment properties		**(8,592,373)**	–
Changes in fair value of investment properties		**(13,100,000)**	(14,150,000)
Share of profits less losses of associated companies		**(116,730,880)**	(86,642,077)
Operating profit before working capital changes		**17,072,873**	38,486,503
Decrease in completed properties held for sale		**230,250**	41,500
Increase in trade and other receivables		**(138,974)**	(167,746)
Decrease/(increase) in financial assets at fair value through profit or loss		**73,362,069**	(32,755,322)
Increase/(decrease) in trade and other payables		**303,559**	(212,622)
Net cash generated from operations		**90,829,777**	5,392,313
Hong Kong profits tax (paid)/refunded		**(3,299,816)**	511,781
Net cash generated from operating activities		**87,529,961**	5,904,094
Cash flows from investing activities			
Net sales proceeds from disposal of investment properties		**21,592,373**	–
Increase in bank deposits with maturity over three months		**(76,993,763)**	–
Dividends received from associated companies		**42,970,000**	–
Advances to associated companies		**(43,185,276)**	(422,500)
Repayment of advances to associated companies		**50,300,800**	20,624,144
Net cash (used in)/generated from investing activities		**(5,315,866)**	20,201,644
Cash flows from financing activity			
Dividends paid to the Company's equity holders		**(14,515,200)**	(8,467,200)
Net increase in cash and cash equivalents		**67,698,895**	17,638,538
Cash and cash equivalents at beginning of the year		**230,891,825**	213,253,287
Cash and cash equivalents at end of the year	*21*	**298,590,720**	230,891,825

The notes on pages 39 to 84 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2011

	Note	2011 HK$	2010 HK$
Total equity at beginning of the year			
As previously reported		**783,995,848**	661,335,391
Effect on adoption of HKAS 17 (Amendment)		**9,442,305**	8,904,046
As restated		**793,438,153**	670,239,437
Profit and total comprehensive income for the year	*23*	**153,451,359**	131,665,916
Dividends	*23*	**(14,515,200)**	(8,467,200)
Total equity at end of the year		**932,374,312**	793,438,153

The notes on pages 39 to 84 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.

The principal activities of the Company are investment holding and property investment. The activities of the subsidiaries and associated companies are shown in Notes 15 and 16 to the consolidated financial statements respectively.

These consolidated financial statements are presented in Hong Kong dollar (HK$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28th June 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties which are carried at fair value.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Basis of preparation *(Continued)*

The adoption of new/revised standards, amendments to existing standards and interpretations

The Group adopted the new/revised accounting standards, amendments and interpretations of HKFRS below, which are relevant to its operations.

HKFRS 3 (Revised)	Business Combinations
HKFRS 8 (Amendment)	Operating Segments
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 17 (Amendment)	Leases
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 36 (Amendment)	Impairment of Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
HK – Int 4 (Amendment)	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
Improvements to HKFRSs – HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

The Group has assessed the impact of the adoption of these revised standards, amendments and interpretations and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the financial statements except for the amendment to HKAS 17.

The amendment to HKAS 17 requires the land element of a property lease to be classified as a finance lease rather than an operating lease if it transfers substantially all the risks and rewards of ownership. The previous guidance stated that the land element of a property lease would normally be classified as an operating lease unless title to the land was expected to pass to lessee at the end of the lease term.

In prior years, the Group's long-term leases of the land in Hong Kong were accounted for as operating leases and included under the completed properties held for sale and were amortised over the lease period on a straight line basis. Upon the adoption of this amendment, the Group has reassessed all its long-term leases of the land in Hong Kong and considers they are finance leases. As such, the Group's long-term leases of the land now follow the accounting policy for completed properties held for sale under HKAS 2 "Inventories" and are carried at the lower of cost or net realisable value. This represents a change in the accounting policy which is applied retrospectively.

The consolidated balance sheets at 1st April 2009, 31st March 2010 and 2011 and the consolidated statements of comprehensive income for the years ended 31st March 2010 and 2011 have been restated to reflect the effect of adoption of this amendment to HKAS 17 which are presented as follows:

Group

	31st March 2011 HK$	31st March 2010 HK$	1st April 2009 HK$
Increase/(decrease)			
Consolidated balance sheet			
Assets			
Investments in associated companies	8,967,165	8,476,896	7,968,044
Deferred income tax assets	(151,111)	(154,851)	(150,041)
Completed properties held for sale	1,139,552	1,156,173	1,120,959
Less:			
Liabilities			
Deferred income tax liabilities	36,910	35,913	34,916
	9,918,696	9,442,305	8,904,046
Equity			
Retained profits	9,918,696	9,442,305	8,904,046

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Basis of preparation *(Continued)*

The adoption of new/revised standards, amendments to existing standards and interpretations (Continued)

Group *(Continued)*

	Year ended 31st March 2011 HK$	Year ended 31st March 2010 HK$
Consolidated statement of comprehensive income		
Decrease in direct outgoings in relation to properties that generate income	45,925	48,624
Increase in cost of completed properties sold	(62,546)	(13,410)
Increase in share of profits less losses of associated companies	490,269	508,852
Decrease/(increase) in income tax expense	2,743	(5,807)
Increase in profit and total comprehensive income attributable to equity holders of the Company	476,391	538,259

Company

	31st March 2011 HK$	31st March 2010 HK$	1st April 2009 HK$
Increase/(decrease)			
Balance sheet			
Assets			
Completed properties held for sale	223,707	217,661	211,615
Less:			
Liabilities			
Deferred income tax liabilities	36,910	35,913	34,916
	186,797	181,748	176,699
Equity			
Retained profits	186,797	181,748	176,699

(b) Standards, amendments to existing standards and interpretations that are not yet effective

The following new/revised standards, amendments and interpretations are effective for the accounting periods of the Group beginning on or after 1st April 2011 and are relevant to its operations and have not been early adopted by the Group:

Effective for year ending 31st March 2012

HKFRS 3 (Revised)	Business Combinations
HKAS 24 (Amendment)	Related Party Disclosure
HKAS 34 (Amendment)	Interim Financial Reporting
HK (IFRIC) – 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for year ending 31st March 2013

HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets

Effective for year ending 31st March 2014 or later

HKFRS 9	Financial Instruments
HK (IFRIC) – Int 14 Amendment	Prepayments of a Minimum Funding Requirement

The Group has already commenced an assessment of the impact of these new/revised standards, amendments and interpretations and considers that they will not have any significant impact on its results of operations and financial position, except for the amendment to HKAS 12.

The Group has assessed the impact of the amendment to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" issued in December 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Standards, amendments to existing standards and interpretations that are not yet effective *(Continued)*

This amendment provides an exception to the principles in the existing standard for measuring deferred tax assets or liabilities when an investment property is measured at fair value. The amendment introduces a presumption that an investment property measured at fair value will be recovered entirely through sale rather than over time through operations. The implication is that deferred tax liabilities are not provided as capital gains upon sale are not taxed in Hong Kong. The amendment is effective for the financial periods beginning on or after 1st January 2012 and full retrospective application will be required.

At 31st March 2011, the Group has provided deferred income tax liabilities of HK$61.2 million (2010: HK$44.6 million) in relation to fair value gains on investment properties, of which HK$10.0 million (2010: HK$9.8 million) relates to the Group's investment properties and HK$51.2 million (2010: HK$34.8 million) relates to associated companies' investment properties.

For the year ended 31st March 2011, the Group also recognised respective deferred income tax charge in the statement of comprehensive income of HK$16.6 million (2010: HK$14.5 million), of which HK$0.2 million (2010: HK$2.3 million) relates to the Group's investment properties and HK$16.4 million (2010: HK$12.2 million) relates to associated companies' investment properties.

Taking into account the tax consequence of presuming to recover the value of investment properties through sale, the deferred income tax liabilities mentioned above will be reversed upon adoption of the amendment to HKAS 12.

(c) Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31st March.

(i) Subsidiaries

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

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

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Consolidation *(Continued)*

(i) Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the accounting policies adopted by the Group.

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

(ii) Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associated companies include goodwill identified on acquisition, net of any accumulated impairment losses.

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

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

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

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the securities, and other changes in the carrying amount of the securities. Translation differences related to changes in the amortised cost are recognised in the statement of comprehensive income, and other changes in carrying amount are recognised in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Foreign currency translation *(Continued)*

(ii) Transactions and balances (Continued)

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

(e) Investment properties

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

Investment property comprises land held under finance leases and buildings held under finance leases.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value and is not depreciated. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, alternative valuation methods such as recent prices on less active markets or discounted cash flow projections are used. These valuations are performed at least annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflow that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

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

Changes in fair values are recognised in the income statement.

(f) Impairment of investments in subsidiaries, associated companies and non-financial assets

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

Impairment testing of the investments in subsidiaries or associated companies is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associated company in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(g) Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Financial assets *(Continued)*

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest method. Loans and receivables of the Group include trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than those that meet the definition of loans and receivables and those the Group designates as available-for-sale or at fair value through profit or loss.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories including financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. All other financial assets are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables, and held-to maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the income statement.

Changes in the fair value of monetary securities denominated in a foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. The translation differences resulting from changes in the amortised cost are recognised in the income statement, and other changes in carrying amount are recognised in equity. Changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as "gains and losses from available-for-sale financial assets".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Financial assets *(Continued)*

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

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of receivables is described in Note 2(h).

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(i) Completed properties held for sale

Completed properties held for sale is classified under current assets and carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with financial institutions with original maturities of three months or less.

(k) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(k) Current and deferred tax *(Continued)*

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Employee benefits

The Group participates in two defined contribution retirement benefits schemes. The Group's contributions under the schemes are charged to the income statement as incurred. The amount of the Group's contributions is based on specified percentages of the salaries of employees.

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

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(n) Operating leases

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

(o) Revenue recognition

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

Sales of investment properties and completed properties are recognised upon completion of the sales agreements.

Management fee income is recognised when services are rendered.

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

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

Construction supervision fee income is recognised when services are rendered to customers.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

(q) Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Directors/equity holders.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to various types of financial risks which include market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects it may have on the Group's financial performance.

(i) Market risk – foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the functional currencies of the entities of the Group.

The majority of the Group's monetary assets and monetary liabilities and the rental income are denominated in Hong Kong dollar, except for certain financial assets at fair value through profit or loss and bank deposits which are denominated in the United States dollar and Renminbi ("RMB") respectively.

The Group's exposure to foreign exchange risk arising from financial assets denominated in United States dollar is insignificant as Hong Kong dollar is pegged to the United States dollar.

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

At 31st March 2011, if Hong Kong dollar had weakened or strengthened by 1% (2010: nil) against RMB, with all other variables held constant, profit before income tax for the year would have been higher or lower by approximately HK$594,000 (2010: nil) as a result of foreign exchange gains/losses arising from deposits.

(ii) Market risk – price risk

Financial assets at fair value through profit or loss

The Group is exposed to price risk arising from investments classified as financial assets at fair value through profit or loss. The Group's price risk is mainly concentrated on listed securities and unlisted bonds. To manage its price risk arising from financial assets at fair value through profit or loss, the Group diversifies its portfolio.

The sensitivity analyses below have been determined based on the exposure to price risk at the balance sheet date.

If market prices of investments had been 10% higher/lower, the Group's post-tax profit for the year ended 31st March 2011 would increase/decrease by approximately HK$256,000 (2010: HK$6,377,000).

(iii) Market risk – Interest rate risk

The Group is exposed to changes in market interest rates through bank deposits.

The following analyses the impact on the Group's post-tax profit assuming a reasonable possible change in interest rates for bank deposits, with all other variables held constant.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Financial risk factors *(Continued)*

(iii) Market risk – Interest rate risk (Continued)

As at 31st March 2011, if market interest rates had been 50 basis points higher/lower, the Group's post-tax profit would increase/decrease by approximately HK$1,866,000 (2010: HK$1,149,000).

The Group has no interest bearing liabilities.

(iv) Credit risk

The carrying amounts of bank deposits, financial assets at fair value through profit or loss, trade and other receivables and amounts due from associated companies represent the Group's maximum exposure to credit risk in relation to financial assets.

Bank deposits and financial assets at fair value through profit or loss were placed with banks and a financial institution with sound credit ratings to mitigate the risk.

The Group has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases and sale proceeds are received before the assignments of properties are executed. Amounts due from associated companies are generally supported by the underlying assets and the Group monitors the credibility of associated companies continuously. At each balance date, the Group reviews the recoverable amount of each debtor to ensure that adequate provision is made for irrecoverable amounts.

(v) Liquidity risk

To achieve the prudent liquidity risk management the Group holds sufficient cash for operation.

The Group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The table below analyses the Group's financial liabilities and derivative financial instruments that will be settled on a gross basis into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	HK$	HK$	HK$	HK$
Group				
At 31st March 2011				
Amounts due to associated companies	**14,187,367**	**–**	**–**	**14,187,367**
Trade and other payables	**2,173,359**	**86,114**	**422,547**	**2,682,020**
At 31st March 2010				
Amounts due to associated companies	26,869,608	–	–	26,869,608
Trade and other payables	1,908,927	46,987	422,547	2,378,461
Company				
At 31st March 2011				
Amounts due to subsidiaries	**19,455,279**	**–**	**–**	**19,455,279**
Amounts due to associated companies	**14,187,367**	**–**	**–**	**14,187,367**
Trade and other payables	**1,751,352**	**–**	**422,547**	**2,173,899**
At 31st March 2010				
Amounts due to subsidiaries	17,595,471	–	–	17,595,471
Amounts due to associated companies	26,869,608	–	–	26,869,608
Trade and other payables	1,405,839	–	422,547	1,828,386

3 FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to support future development of the business. The Group's strategy remains unchanged from the year ended 31st March 2010 and is to maintain net cash position.

The Group considers the total equity of the Group as its capital.

The Group reviews the capital structure periodically and manages its overall capital structure through payment of dividends.

(c) Fair value estimation

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined on the basis set out in Note 2(g).

The carrying amounts of trade and other receivables, cash and bank deposits and trade and other payables approximate their fair values. The fair value of other financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group's financial instruments are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity securities classified as financial assets at fair value through profit or loss.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Fair value of investment properties

The fair values of investment properties are determined by an independent valuer on an open market for existing use basis with reference to comparable market transactions. In making the judgement, the Group considers information from a variety of sources including:

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(a) Fair value of investment properties *(Continued)*

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

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals, expected future market rentals, maintenance requirements and appropriate discount rates. These valuations are regularly compared to actual market yield data, actual transactions by the Group and those reported by the market. The valuations are reviewed annually by an external valuer.

(b) Income taxes

The Group is subject to income taxes in Hong Kong. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5 REVENUES

	2011	2010
	HK$	HK$
Rental income		
Investment properties	**903,016**	1,283,839
Other properties	**3,115,466**	1,782,754
Sale of completed properties held for sale	**1,094,000**	232,500
Management fee income	**1,138,115**	1,190,952
Bank interest income	**1,718,014**	1,284,195
Dividend income		
Listed investments	**2,325,921**	2,123,328
Unlisted investments	**–**	14
Construction supervision fee income	**383,600**	277,200
	10,678,132	8,174,782

6 OTHER GAINS

	2011	2010
	HK$	HK$
Net exchange gains	**1,474,795**	162,582
Sundries	**3,261**	62,720
	1,478,056	225,302

7 EXPENSES BY NATURE

	2011 HK$	2010 HK$ (Restated)
Direct outgoings in relation to properties that generate income		
Investment properties	**781,864**	134,079
Other properties	**194,094**	483,823
	975,958	617,902
Cost of completed properties sold	**231,750**	43,000
Staff costs (including Directors' remuneration)		
Salaries and other emoluments	**4,259,090**	4,022,665
Contributions to retirement schemes *(Note 10)*	**232,400**	220,759
	4,491,490	4,243,424
Other operating expenses		
Auditor's remuneration		
Audit fees	**439,000**	399,025
Non-audit fees	**148,500**	135,000
Others	**575,496**	540,359
	1,162,996	1,074,384

8 SHARE OF PROFITS LESS LOSSES OF ASSOCIATED COMPANIES

The Group's share of results of associated companies included the Group's share of fair value gains on investment properties held by associated companies net of related taxation amounting to HK$88,731,335 (2010: HK$65,168,343).

9 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of each of the Directors of the Company is set out below:

	Fees	
	2011	2010
	HK$	HK$
Executive Directors		
Mr. Cheung Kee Wee	**80,000**	80,000
Mr. Cheung Lin Wee	**80,000**	80,000
Mr. Cheung Ying Wai, Eric	**80,000**	80,000
Non-executive Directors		
Mr. John Ho	**80,000**	80,000
Mr. Ng Kwok Tung	**80,000**	80,000
Independent Non-executive Directors		
Mr. Lam Hon Keung, Keith	**80,000**	80,000
Mr. Chan Woon Kong	**80,000**	80,000
Mr. Soo Hung Leung, Lincoln	**80,000**	80,000
Directors' fees	**640,000**	640,000

No other emoluments were paid and none of the Directors has waived the right to receive their emoluments for the years ended 31st March 2011 and 2010.

Details of the emoluments paid to the five individuals, none of whom are Directors, whose emoluments were the highest in the Group are:

	2011	2010
	HK$	HK$
Salaries and other emoluments	**2,003,833**	1,880,622
Contributions to retirement schemes	**109,387**	104,305
	2,113,220	1,984,927

The emoluments of each of the five highest paid individuals are below HK$1,000,000 for the years ended 31st March 2011 and 2010.

10 RETIREMENT SCHEMES

The Group operates two defined contribution retirement schemes in Hong Kong which comply with the respective requirements of the Occupational Retirement Schemes Ordinance ("ORSO") and Mandatory Provident Fund ("MPF") Schemes Ordinance. The schemes cover all the employees of the Group. All the assets under the schemes are held separately from the Group under independently administered funds. Contributions to the MPF Scheme follow the MPF Schemes Ordinance while contributions to the ORSO Scheme are based on a percentage of employee salary depending upon the length of employment.

11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year.

	2011	2010
	HK$	HK$
		(Restated)
Hong Kong profits tax		
Provision for the year	**567,407**	199,085
Over-provision in prior years	**–**	(352,786)
Deferred income tax *(Note 24)*	**1,477,360**	7,766,365
	2,044,767	7,612,664

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong, the country in which the Group operates, as follows:

	2011	2010
	HK$	HK$
		(Restated)
Profit before income tax	**155,496,126**	139,278,580
Share of profits less losses of associated companies	**(116,730,880)**	(86,642,077)
	38,765,246	52,636,503
Calculated at a tax rate of 16.5% (2010: 16.5%)	**6,396,265**	8,685,022
Over-provision in prior years	**–**	(352,786)
Income not subject to tax	**(2,368,218)**	(759,123)
Expenses not deductible for tax purposes	**182**	182
Reversal of previously recognised temporary difference	**(2,011,546)**	–
Tax losses not recognised	**28,095**	37,169
Others	**(11)**	2,200
Income tax expense	**2,044,767**	7,612,664

12 DIVIDENDS

	2011 HK$	2010 HK$
Interim dividend paid of HK5 cents (2010: HK3 cents) per share	**6,048,000**	3,628,800
Proposed final dividend of HK8 cents (2010: HK5 cents) per share	**9,676,800**	6,048,000
Proposed special dividend of HK22 cents (2010: HK2 cents) per share	**26,611,200**	2,419,200
	42,336,000	12,096,000

At the Board meeting held on Tuesday, 28th June 2011, the Board of Directors proposed a final dividend of HK8 cents per share and a special dividend of HK22 cents per share. These proposed dividends will be accounted for as an appropriation of retained profits for the year ending 31st March 2012.

13 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2011 HK$	2010 HK$ (Restated)
Profit attributable to equity holders of the Company	**153,451,359**	131,665,916
Weighted average number of ordinary shares in issue	**120,960,000**	120,960,000
Earnings per share (Basic and diluted)	**1.27**	1.09

The Company has no dilutive potential ordinary shares.

14 INVESTMENT PROPERTIES

	Group and Company	
	2011	2010
	HK$	HK$
At valuation		
At beginning of the year	**64,700,000**	50,550,000
Disposal	**(13,000,000)**	–
Fair value gains	**13,100,000**	14,150,000
At end of the year	**64,800,000**	64,700,000

The investment properties are held on finance leases of over 50 years in Hong Kong. As at 31st March 2011 and 2010, the investment properties were revalued on an open market value basis by C S Surveyors Limited, an independent qualified professional valuer.

The Group leases out its investment properties under operating leases. Leases typically run for an initial period of one to two years, with some having the option to renew, at which time all terms are renegotiated.

15 SUBSIDIARIES

	Company	
	2011	2010
	HK$	HK$
Unlisted shares, at cost less provision	**110,344**	110,344

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

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

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

15 SUBSIDIARIES *(Continued)*

Amounts due from subsidiaries are unsecured, interest-free and have no specific repayment terms.

	Company	
	2011	2010
	HK$	HK$
Amounts due from subsidiaries	**1,679,583**	1,487,421
Less: provision for impairment	**(1,388,998)**	(1,236,998)
	290,585	250,423

Movements in the provision for impairment of amounts due from subsidiaries are as follows:

	Company	
	2011	2010
	HK$	HK$
At beginning of the year	**1,236,998**	1,011,998
Charge to the income statement	**152,000**	225,000
At end of the year	**1,388,998**	1,236,998

Amounts due to subsidiaries are unsecured, interest-free and have no specific repayment terms.

	Company	
	2011	2010
	HK$	HK$
Amounts due to subsidiaries	**19,455,279**	17,595,471

16 ASSOCIATED COMPANIES

	2011 HK$	2010 HK$ (Restated)
Group – share of net assets		
As previously reported	**423,493,053**	344,145,277
Effect on adoption of HKAS 17 (Amendment)	**–**	8,476,896
As restated	**423,493,053**	352,622,173
Company – unlisted shares, at cost less provision	**1,140,618**	1,140,618

	Group and Company	
	2011 HK$	2010 HK$
Amounts due from associated companies		
– Non-current portion *(Note a)*	**58,978,200**	73,791,429
Less: provision for impairment *(Note c)*	**(17,010,000)**	(19,900,000)
	41,968,200	53,891,429
– Current portion *(Note b)*	**40,071,682**	45,056,218
	82,039,882	98,947,647
Amounts due to associated companies *(Note b)*	**(14,187,367)**	(26,869,608)
	67,852,515	72,078,039

Notes:

(a) The Company confirmed that these balances are unsecured, interest free and have no specific repayment terms but are not expected to be repaid within one year.

(b) Amounts due from/to associated companies are unsecured, interest free and have no specific repayment terms.

16 ASSOCIATED COMPANIES *(Continued)*

Notes: (Continued)

(c) Movements in the provision for impairment of amounts due from associates are as follows:

	Group and Company	
	2011	2010
	HK$	HK$
At beginning of the year	**19,900,000**	23,295,000
Credited to the income statement	**(2,890,000)**	(3,395,000)
At end of the year	**17,010,000**	19,900,000

The Group has not provided any guarantees in respect of any borrowings or facilities of the associated companies and has not entered into any agreements to make further advances to the associated companies.

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

(a) Results

	2011	2010
	HK$	HK$
		(Restated)
Revenues	**29,646,963**	31,472,983
Profit for the year	**116,730,880**	86,642,077

(b) Net assets

	2011	2010
	HK$	HK$
		(Restated)
Assets	**583,145,439**	510,837,171
Liabilities	**(159,652,386)**	(158,214,998)
Net assets	**423,493,053**	352,622,173

Particulars of the associated companies are as follows:

Name	Principal activities	Particulars of issued share capital	Effective percentage of equity held by the Group
Cantake Land Investment Company Limited	Property development	6,000,000 ordinary shares of HK$1 each	25
Chase Good Development Limited	Property development	4 ordinary shares of HK$1 each	25
Daily Eagle Development Limited	Property development	4 ordinary shares of HK$1 each	25
Eastern Tailor Enterprises Limited	Property investment	10,000 ordinary shares of HK$1 each	25
Fu Kung San Realty Limited	Investment holding	100 ordinary shares of HK$10 each	50
Fullion Realty Limited	Property investment	4 ordinary shares of HK$10 each	50
Fupoly Properties Limited	Property investment	10,000 ordinary shares of HK$10 each	25
Hinquand Enterprise Limited	Property investment	1,000 ordinary shares of HK$10 each	50
Kam Lee Wah Realty Limited (In liquidation)*	Dormant	100,000 ordinary shares of HK$1 each	50
Keneva Company Limited	Property development	20 ordinary shares of HK$10 each	25
Kin Yuen Hing Investment Company Limited	Property development	200,000 ordinary shares of HK$1 each	50
Mass Collection Company Limited	Property development	2 ordinary shares of HK$1 each	50

16 ASSOCIATED COMPANIES *(Continued)*

Name	Principal activities	Particulars of issued share capital	Effective percentage of equity held by the Group
Remadour Estate Limited	Property investment	10,000 ordinary shares of HK$1 each	25
Sing Mei Properties Limited	Property investment	69,513 ordinary shares of HK$100 each	25
Star Fortune Investments Limited	Provision of finance	2 ordinary shares of HK$1 each	50
Sun Prince Godown Limited	Property investment	100,000 ordinary shares of HK$10 each	50
Sun Tai Tsuen Godown Company Limited	Property investment	100,000 ordinary shares of HK$10 each	50
Wah Ha Property Development Limited	Property investment	10 ordinary shares of HK$10 each	50

* *By a special resolution dated 17th May 2010, Kam Lee Wah Realty Limited (In liquidation) commenced members' voluntary winding up.*

All associated companies are incorporated and operate in Hong Kong and are held directly by the Company except for Sing Mei Properties Limited which is 50% owned by a 50% owned associated company, Fu Kung San Realty Limited.

17 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2011	2010
	HK$	HK$
Unlisted shares, at cost	**250,448**	250,448

The Directors are of the opinion that the fair value of the available-for-sale financial assets cannot be reliably measured since there are no recent market transactions between knowledgeable, willing parties on an arm's length basis and future cash flows available from the available-for-sale financial assets cannot be determined reliably. Accordingly, the available-for-sale financial assets are stated at cost.

18 COMPLETED PROPERTIES HELD FOR SALE

	Group		Company	
	2011	2010	**2011**	2010
	HK$	HK$	**HK$**	HK$
		(Restated)		(Restated)
Completed properties held for sale in Hong Kong				
At beginning of the year				
As previously reported	**5,598,224**	5,674,938	**472,747**	478,793
Effect on adoption of HKAS 17 (Amendment)	**1,156,173**	1,120,959	**217,661**	211,615
As restated	**6,754,397**	6,795,897	**690,408**	690,408
Disposals	**(230,250)**	(41,500)	**–**	–
At end of the year	**6,524,147**	6,754,397	**690,408**	690,408

The completed properties held for sale in Hong Kong are held on finance leases of between 10 to 50 years.

19 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	**2011**	2010
	HK$	HK$	**HK$**	HK$
Trade receivables				
Within 3 months	**565,134**	381,181	**385,725**	145,000
Between 4 and 6 months	**–**	52,470	**–**	–
Over 6 months	**–**	466,810	**–**	–
	565,134	900,461	**385,725**	145,000
Other receivables	**662,489**	162,565	**657,325**	151,763
Prepayments and utility deposits	**187,433**	213,056	**163,159**	188,415
	1,415,056	1,276,082	**1,206,209**	485,178

19 TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

(a) Trade receivables represent rental and management fee receivables. Rental receivable is normally due for payment upon presentation of debit note at the beginning of each rental period (normally on a monthly basis). The trade receivables are generally fully covered by the rental deposits from corresponding tenants. Management fee receivable is normally due for payment upon presentation of debit note at the end of each month. The above ageing analysis is based on the debit note date.

Receivables are denominated in Hong Kong dollar and the Directors consider that the fair value of these receivables at the balance sheet date was approximately their carrying amounts.

(b) As at 31st March 2011, trade receivables of HK$335,134 (2010: HK$770,461) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default.

(c) At 31st March 2011, there are no trade receivables of the Group and the Company individually determined to be impaired (2010: nil).

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2011	2010
	HK$	HK$
Listed shares – Hong Kong	**–**	73,603,800
Listed shares – Overseas	**2,555,263**	2,313,532
	2,555,263	75,917,332

Financial assets at fair value through profit or loss are denominated in Hong Kong dollar except for listed shares in overseas market which are denominated in United States dollar.

21 CASH AND BANK BALANCES

	Group		Company	
	2011	2010	**2011**	2010
	HK$	HK$	**HK$**	HK$
Bank deposits with maturity over three months	**76,993,763**	–	**76,993,763**	–
Cash and cash equivalents				
Cash in hand	**12,000**	12,000	**–**	–
Bank balances	**2,296,487**	1,003,685	**1,449,021**	746,421
Bank deposits with maturity less than three months	**296,282,233**	229,876,140	**290,627,049**	224,254,125
	298,590,720	230,891,825	**292,076,070**	225,000,546
Total	**375,584,483**	230,891,825	**369,069,833**	225,000,546

Bank deposits and bank balances are placed with the following banks in Hong Kong:

	Group		Company	
	2011	2010	**2011**	2010
	HK$	HK$	**HK$**	HK$
The Bank of East Asia, Limited	**375,072,483**	230,870,927	**368,569,833**	224,991,648
Others	**500,000**	8,898	**500,000**	8,898
	375,572,483	230,879,825	**369,069,833**	225,000,546

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

	Group		Company	
	2011	2010	**2011**	2010
	HK$	HK$	**HK$**	HK$
Hong Kong dollar	**314,866,593**	138,879,410	**308,351,943**	132,988,131
United States dollar	**1,342,890**	92,012,415	**1,342,890**	92,012,415
Renminbi	**59,375,000**	–	**59,375,000**	–
	375,584,483	230,891,825	**369,069,833**	225,000,546

22 SHARE CAPITAL

	Company	
	2011	2010
	HK$	HK$
Authorised:		
150,000,000 ordinary shares of HK$0.65 each	**97,500,000**	97,500,000
Issued and fully paid:		
120,960,000 ordinary shares of HK$0.65 each	**78,624,000**	78,624,000

23 RETAINED PROFITS

	Group	**Company**
	HK$	HK$
	(Restated)	(Restated)
At 31st March 2009, as previously reported	582,711,391	294,855,868
Effect on adoption of HKAS 17 (Amendment)	8,904,046	176,699
At 31st March 2009, as restated	591,615,437	295,032,567
Profit for the year, as restated	131,665,916	47,394,861
2009 final dividend	(4,838,400)	(4,838,400)
2010 interim dividend	(3,628,800)	(3,628,800)
At 31st March 2010, as restated	714,814,153	333,960,228
At 31st March 2010, as previously reported	705,371,848	333,778,480
Effect on adoption of HKAS 17 (Amendment)	9,442,305	181,748
At 31st March 2010, as restated	714,814,153	333,960,228
Profit for the year	153,451,359	80,996,074
2010 final dividend	(6,048,000)	(6,048,000)
2010 special dividend	(2,419,200)	(2,419,200)
2011 interim dividend	(6,048,000)	(6,048,000)
At 31st March 2011	**853,750,312**	**400,441,102**

24 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a tax rate of 16.5% (2010: 16.5%).

	2011 **HK$**	2010 HK$ (Restated)
Group		
Deferred income tax assets	**800**	861
Deferred income tax liabilities	**(10,092,550)**	(8,615,251)
	(10,091,750)	(8,614,390)
Company		
Deferred income tax liabilities	**(10,092,550)**	(8,615,251)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The above assets/(liabilities) shown in the consolidated balance sheet are determined after appropriate offsetting of the relevant amounts.

A substantial portion of deferred income tax assets and liabilities will be recovered/settled after twelve months from the balance sheet date.

24 DEFERRED INCOME TAX *(Continued)*

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Assets/(liabilities)				
	Tax losses HK$	**Amortisation of leasehold land** HK$	**Accelerated depreciation allowances** HK$	**Fair value gains on investment properties** HK$	**Total** HK$
Group					
At 31st March 2009					
As previously reported	6,743,194	184,957	(124,592)	(7,466,627)	(663,068)
Effect on adoption of HKAS 17 (Amendment)	–	(184,957)	–	–	(184,957)
As restated	6,743,194	–	(124,592)	(7,466,627)	(848,025)
Charged to income statement *(Note 11)*	(5,423,697)	–	(7,918)	(2,334,750)	(7,766,365)
At 31st March 2010	1,319,497	–	(132,510)	(9,801,377)	(8,614,390)
At 31st March 2010					
As previously reported	1,319,497	190,764	(132,510)	(9,801,377)	(8,423,626)
Effect on adoption of HKAS 17 (Amendment)	–	(190,764)	–	–	(190,764)
As restated	1,319,497	–	(132,510)	(9,801,377)	(8,614,390)
Charged to income statement *(Note 11)*	(1,319,497)	–	(7,909)	(149,954)	(1,477,360)
At 31st March 2011	**–**	**–**	**(140,419)**	**(9,951,331)**	**(10,091,750)**
Company					
At 31st March 2009					
As previously reported	6,743,194	34,916	(125,520)	(7,466,627)	(814,037)
Effect on adoption of HKAS 17 (Amendment)	–	(34,916)	–	–	(34,916)
As restated	6,743,194	–	(125,520)	(7,466,627)	(848,953)
Charged to income statement *(Note 11)*	(5,423,697)	–	(7,851)	(2,334,750)	(7,766,298)
At 31st March 2010	1,319,497	–	(133,371)	(9,801,377)	(8,615,251)
At 31st March 2010					
As previously reported	1,319,497	35,913	(133,371)	(9,801,377)	(8,579,338)
Effect on adoption of HKAS 17 (Amendment)	–	(35,913)	–	–	(35,913)
As restated	1,319,497	–	(133,371)	(9,801,377)	(8,615,251)
Charged to income statement *(Note 11)*	(1,319,497)	–	(7,848)	(149,954)	(1,477,299)
At 31st March 2011	**–**	**–**	**(141,219)**	**(9,951,331)**	**(10,092,550)**

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. Deferred tax assets of HK$315,000 (2010: HK$290,000) arising from unused tax losses of HK$1,912,000 (2010: HK$1,760,000) have not been recognised in the financial statements. These tax losses have no expiry date.

25 TRADE AND OTHER PAYABLES

	Group		**Company**	
	2011	2010	**2011**	2010
	HK$	HK$	**HK$**	HK$
Trade payables				
Within 90 days	**379**	334	**–**	–
Other payables	**1,022,524**	1,039,394	**1,013,346**	1,030,304
Amount due to a related company	**–**	2,100	**–**	–
Rental and utility deposits received	**898,736**	789,373	**610,147**	439,397
Accrued expenses	**760,381**	547,260	**550,406**	358,685
	2,682,020	2,378,461	**2,173,899**	1,828,386

The amount due to a related company was unsecured, interest free and payable on demand.

26 OPERATING LEASE RENTAL RECEIVABLE

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

	Group		**Company**	
	2011	2010	**2011**	2010
	HK$	HK$	**HK$**	HK$
First year	**3,306,406**	2,030,933	**2,109,600**	1,397,500
Second to fifth years inclusive	**3,688,207**	5,048,480	**3,441,700**	4,910,000
	6,994,613	7,079,413	**5,551,300**	6,307,500

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions carried out in the normal course of the Group's business during the year, other than those disclosed elsewhere in the financial statements.

	2011	2010
	HK$	HK$
Related company		
Estate agency fee income	**150,000**	150,000

The Group provided estate agency services to a related company at a fixed annual fee.

The key management of the Company refer to the Directors and their remuneration are set out in Note 9.

28 SEGMENT INFORMATION

The principal activities of the Group include those relating to investment holding, property investment and management in Hong Kong. There is no other significant identifiable separate business. In accordance with the Group's internal financial reporting provided to the chief operating decision-maker for the purpose of allocating resources, assessing performance of the operating segments and making strategic decision, the reportable operating segments are property investment and management and investments.

Segment assets consist of investment properties, financial assets at fair value through profit or loss, receivables and completed properties held for sale and exclude items such as cash and bank balances, tax recoverable and deferred income tax assets. Segment liabilities comprise operating liabilities and exclude items such as tax payable and deferred income tax liabilities.

	Property investment and management HK$	Investments HK$	Total HK$
Year ended 31st March 2011			
Revenues	**6,634,197**	**4,043,935**	**10,678,132**
Segment results	**25,608,334**	**17,297,608**	**42,905,942**
Unallocated costs			**(4,140,696)**
Operating profit			**38,765,246**
Share of profits less losses of associated companies	**116,730,880**	**–**	**116,730,880**
Profit before income tax			**155,496,126**
Income tax expense			**(2,044,767)**
Profit attributable to equity holders of the Company			**153,451,359**
Segment assets	**154,380,355**	**3,204,441**	**157,584,796**
Associated companies	**423,493,053**	**–**	**423,493,053**
Unallocated assets			**378,417,498**
Total assets			**959,495,347**
Segment liabilities	**16,614,041**	**–**	**16,614,041**
Unallocated liabilities			**10,506,994**
Total liabilities			**27,121,035**
Changes in fair value of investment properties	**13,100,000**	**–**	**13,100,000**

28 SEGMENT INFORMATION *(Continued)*

	Property investment and management HK$ (Restated)	Investments HK$	Total HK$ (Restated)
Year ended 31st March 2010			
Revenues	4,767,245	3,407,537	8,174,782
Segment results	16,815,707	39,635,248	56,450,955
Unallocated costs			(3,814,452)
Operating profit			52,636,503
Share of profits less losses of associated companies	86,642,077	–	86,642,077
Profit before income tax			139,278,580
Income tax expense			(7,612,664)
Profit attributable to equity holders of the Company			131,665,916
Segment assets	171,776,811	76,069,095	247,845,906
Associated companies	352,622,173	–	352,622,173
Unallocated assets			230,897,609
Total assets			831,365,688
Segment liabilities	29,033,119	–	29,033,119
Unallocated liabilities			8,894,416
Total liabilities			37,927,535
Changes in fair value of investment properties	14,150,000	–	14,150,000

Revenues of approximately HK$1,560,000 (2010: HK$130,000) are derived from a single external customer. These revenues are attributable to the property investment and management segment.

FIVE YEAR FINANCIAL SUMMARY

	2011	2010	2009	2008	2007
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
Results					
Year ended 31st March					
Revenues/turnover	**10,678**	8,175	10,061	18,430	20,286
Profit before income tax	**155,496**	139,279	5,119	71,316	50,823
Profit attributable to equity holders of the Company	**153,451**	131,666	8,927	71,549	49,034
Dividends	**6,048**	12,096	7,258	7,258	4,838
Assets and liabilities					
As at 31st March					
Investment properties	**64,800**	64,700	50,550	44,180	34,000
Investments in associated companies	**423,493**	352,622	269,375	247,309	158,313
Amounts due from associated companies	**41,968**	53,891	55,624	63,086	92,155
Available-for-sale financial assets	**250**	250	250	250	250
Deferred income tax assets	**1**	1	1	1	22
Current assets	**428,983**	359,902	315,871	343,989	423,942
Total assets	**959,495**	831,366	691,671	698,815	708,682
Share capital	**78,624**	78,624	78,624	78,624	78,624
Retained profits	**853,750**	714,814	591,615	589,946	525,655
Total equity	**932,374**	793,438	670,239	668,570	604,279
Deferred income tax liabilities	**10,093**	8,616	849	4,751	5,131
Current liabilities	**17,028**	29,312	20,583	25,494	99,272
Total liabilities	**27,121**	37,928	21,432	30,245	104,403
Total equity and liabilities	**959,495**	831,366	691,671	698,815	708,682

* *2007-2010 figures have been restated for the adoption of HKAS17 (Amendment).*

FINANCIAL SUMMARY OF ASSOCIATED COMPANIES

A significant portion of the Group's property development and investment activities is undertaken by associated companies. However, none of the individual associated company is significant in relation to the results and net assets of the Group. To provide equity holders with information on the financial performance and position of the associated companies, the following is a summary of the aggregated results and net assets of the Group's associated companies for the year ended 31st March 2011:

	2011	2010
	HK$	HK$
		(Restated)
Results		
Revenues	**102,007,177**	111,283,686
Operating profit	**110,969,189**	90,018,306
Changes in fair value of investment properties	**410,039,027**	315,117,210
Profit before income tax	**521,008,216**	405,135,516
Income tax expense	**(78,926,271)**	(63,355,162)
Profit for the year	**442,081,945**	341,780,354
Group's share of profits less losses after income tax	**116,730,880**	86,642,077
Net assets		
Non-current assets	**1,880,973,790**	1,558,492,408
Current assets	**284,249,217**	283,410,354
Net amounts due to equity holders	**(394,069,073)**	(429,107,247)
Non-current liabilities	**(204,727,126)**	(142,760,513)
Current liabilities	**(55,756,136)**	(46,766,275)
Net assets	**1,510,670,672**	1,223,268,727
Group's share of net assets	**423,493,053**	352,622,173

* *2010 figures have been restated for the adoption of HKAS17 (Amendment).*

(A) FOR INVESTMENT

Description	Lot No.	Type	Lease Term	Registered Owner
GROUP				
Hong Kong				
Flats B and C on 2/F, Hin Wah Building at Nos. 446-450 Hennessy Road, Causeway Bay	The Remaining Portion ("RP") of Sub-Section ("Subsec.") 1 of Section ("Sec.") A of Marine Lot No. 269; RP of Sec. A of Marine Lot No. 269; and RP of Sec. E of Marine Lot No. 201	Commercial	Long Lease	Wah Ha Realty Company Limited
Apartment B on 1/F and 2/F and 2 carparks, Repulse Bay Towers at No. 119A Repulse Bay Road, Repulse Bay	Sec. B of Rural Building Lot No. 168; RP of Sec. A of Rural Building Lot No. 168; and Sec. B of Subsec. 3 of Sec. A of Rural Building Lot No. 168	Residential	Long Lease	Wah Ha Realty Company Limited
ASSOCIATED COMPANIES				
Hong Kong				
Flat 11 on G/F of Montane Mansion at King's Road, Quarry Bay	Sec. C of Inland Lot No. 8104	Commercial	Long Lease	Wah Ha Property Development Limited
G/F and 2/F, Midland Centre (82 shops) at No. 328 Queen's Road Central	Inland Lot No. 8426	Commercial	Long Lease	Hinquand Enterprise Limited
Flat 2 on G/F and Basement and 2 carparks on Basement, Stewart Terrace at Nos. 81-95 Peak Road	Rural Building Lot Nos. 299-306	Residential	Medium Lease	Wah Ha Property Development Limited

PRINCIPAL PROPERTIES *(CONTINUED)*

As at 31st March 2011

(A) FOR INVESTMENT *(Continued)*

Description	Lot No.	Type	Lease Term	Registered Owner
ASSOCIATED COMPANIES *(Continued)*				
Hong Kong *(Continued)*				
Flat A on 6/F and 1 carpark, Mountain Lodge at No. 44 Mount Kellett Road	Rural Building Lot No. 199	Residential	Long Lease	Wah Ha Property Development Limited
Belvedere (5 townhouses and 12 carparks) at No. 41 Chung Hom Kok Road, Chung Hom Kok	Rural Building Lot No. 968	Residential	Long Lease	Remadour Estate Limited
Vista Stanley (8 duplex units, 4 flats and 23 carparks) at No. 20 Stanley Village Road, Stanley	RP of Rural Building Lot No. 239	Residential	Long Lease	Eastern Tailor Enterprises Limited
Horizon Plaza at No. 2 Lee Wing Street, Ap Lei Chau West, Aberdeen	Ap Lei Chau Inland Lot No. 122	Commercial	Medium Lease	Daily Eagle Development Limited and Double Joy Investment Company Limited
New Territories				
Belair Villa (14 townhouses, 24 duplex units and 52 carparks) at No. 9 Yu Tai Road, Kai Leng, Fanling	Fanling Sheung Shui Town Lot No. 116	Residential	Medium Lease	Cantake Land Investment Company Limited

(B) FOR SALE

Description	Lot No.	Type	Approximate Gross Floor Area *(sq. ft.)*	Registered Owner	Group's Effective Interest *(%)*
Hong Kong					
Eight Commercial Tower (186 office/industrial units, 69 shops on G/F and 1/F and 162 carparks) at junction of Sun Yip Street and On Yip Street, Chai Wan	Chai Wan Inland Lot No. 144	Office/Industrial Commercial (G/F and 1/F)	238,590 36,853	Keneva Company Limited	25
Fully Building Shop 1 on G/F, 76 Wanchai Road, Wanchai	Subsec. 1 of Sec. A of Marine Lot No. 119; RP of Sec. A of Marine Lot No. 119; RP of Subsec. 1 of Sec. B of Marine Lot No. 119; Subsec. 2 of Sec. B of Marine Lot No. 119; RP of Sec. B of Marine Lot No. 119; and RP of Subsec. 2 of Sec. A of Marine Lot No. 119	Commercial	379	Fupoly Properties Limited	25
Kowloon					
Flat A on G/F, May Wah Court at Nos. 111 – 113 Chatham Road, Tsimshatsui	RP of Kowloon Inland Lot No. 9935 and RP of Kowloon Inland Lot No. 9936	Commercial	2,860	Wah Ha Realty Company Limited	100

PRINCIPAL PROPERTIES *(CONTINUED)*

As at 31st March 2011

(B) FOR SALE *(Continued)*

Description	Lot No.	Type	Approximate Gross Floor Area *(sq. ft.)*	Registered Owner	Group's Effective Interest *(%)*
New Territories					
Festigood Centre (4 units) at No. 8 Lok Yip Road, On Lok Tsuen, Fanling	Fanling Sheung Shui Town Lot No. 98	Industrial/ Godown	6,784	Festigood Company Limited	100
Delya Industrial Centre (25 units and 18 carparks) at Shek Pai Tau Road, Tuen Mun	Tuen Mun Town Lot No. 164	Industrial/ Godown	25,406	Tinpoly Realty Limited and Delya Realty Limited	50
Texaco Road Industrial Centre (27 units and 7 carparks) at Nos. 256-264 Texaco Road, Tsuen Wan	Tsuen Wan Town Lots Nos. 242 and 243	Industrial/ Godown	74,794	Sun Prince Godown Limited and Sun Tai Tsuen Godown Company Limited	50
Wing Kin Industrial Building (workshop on G/F and 6 carparks) at Nos. 4-6 Wing Kin Road, Kwai Chung	Kwai Chung Town Lot No. 273	Industrial	13,456	Tai Kong Shan Realty Limited and Good Fully Realty Limited	50
Good Harvest Centre (17 units and 1 carpark) at No. 33 On Chuen Street, On Lok Tsuen, Fanling	Fanling Sheung Shui Town Lot No. 100	Industrial/ Godown	25,598	Mass Collection Company Limited	50
Tsing Yi Industrial Centre at Nos. 1-33 Cheung Tat Road, Tsing Yi (Phase I: 11 units and 8 carparks) (Phase II: 6 units and 14 carparks)	Tsing Yi Town Lot No. 65	Industrial/ Godown	103,100 (Phase I: 91,644) (Phase II: 11,456)	Sing Mei Properties Limited	25
World Trade Square (159 units and 11 carparks) at No. 21 On Lok Mun Road, On Lok Tsuen, Fanling	Fanling Sheung Shui Town Lot No. 12	Industrial/ Godown	168,556	Kin Yuen Hing Investment Limited and Kin Ngai Enterprises Limited	25