The Hong Kong Parkview Group Ltd.

僑福建設企業機構*

Annual Report 2011-2012　二零一一年至二零一二年度年報

Stock Code 股份代號: 207

* *For identification purposes only*　僅供識別

公司資料

Corporate Information

執行董事
黃健華—主席
黃又華
黃幼華
黃德華

Executive Directors
Wong Kin Wah, George – Chairman
Hwang Yiou Hwa, Victor
Hwang Yiu Hwa, Richard
Hwang Teh Hwa, Tony

獨立非執行董事
劉漢銓金紫荊星章，太平紳士
林建明
胡國祥榮譽勳章

Independent Non-executive Directors
Lau Hon Chuen, Ambrose, G.B.S., J.P.
Lam Kin Ming, Lawrence
Wu Kwok Cheung, MH

公司秘書
馬遙豪

Company Secretary
Ma Yiu Ho, Peter

法定代表
黃健華
馬遙豪

Authorised Representatives
Wong Kin Wah, George
Ma Yiu Ho, Peter

註冊辦事處
Clarendon House, Church Street
Hamilton HM11, Bermuda

Registered Office
Clarendon House, Church Street
Hamilton HM11, Bermuda

香港總辦事處
香港大潭水塘道88號

Principal Office in Hong Kong
88 Tai Tam Reservoir Road
Hong Kong

核數師
德勤 • 關黃陳方會計師行

Auditors
Deloitte Touche Tohmatsu

主要往來銀行
香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

Principal Bankers
The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited

股份登記及過戶處
卓佳廣進有限公司
香港灣仔
皇后大道東二十八號
金鐘匯中心二十六樓

Registrars and Share Transfer Office
Tricor Progressive Limited
26th Floor
Tesbury Centre
28 Queen's Road East
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www.hkparkviewgroup.com

Website
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股份代號
207

Stock Code
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Contents

On behalf of the Board of Directors, I present the 2011/12 Annual Report to the Shareholders.

RESULTS

The Group's audited results for the financial year ended 31 March 2012, was a total comprehensive income of HK$21.9 million attributable to the owners of the Company, a decrease of 30.7% compared to total comprehensive income of HK$31.6 million for previous year.

REVIEW & OUTLOOK

During the year ended 31 March 2012, the Group continued to record fair value appreciation of its investment property brought about by thriving commercial property market in Hong Kong. Robust demand for premium office spaces by multinational corporations and financial institutions contributed to high occupation rate and rising trend in both property prices and rental yields. Although the Group's investment property remained untenanted during the financial year, the Group still benefits from the increase in fair value of the property. The Group has concluded a lease with a tenant after the end of the financial year. The terms of lease are determined on prevailing market conditions and the Group believes that the lease so concluded is in the best interests of the Group and its shareholders as a whole.

In the meantime, the Group continues to explore opportunities for other investments with a view to expanding and diversifying the Group's investment portfolio.

APPRECIATION

Lastly, I would like to express my sincere thanks to all of our staff for their hard work and loyalty and to our shareholders for their continuous support.

Wong Kin Wah, George
Chairman

Hong Kong, 29 June 2012

BUSINESS REVIEW AND OUTLOOK

For the year ended 31 March 2012, the Group's total comprehensive income amounted to HK$21.9 million, which has decreased by 30.7% comparing to HK$31.6 million recorded for prior year. The decrease was mainly due to the increase in finance cost and the gain on deregistration of a jointly controlled entity recognised in the previous year, which was of one-off nature.

As at 31 March 2012, the investment property of the Group was valued at HK$400 million (31 March 2011: HK$360 million) by an independent professional valuator. A gain of approximately HK$40 million (2011: HK$30 million) in fair value was recognised in the consolidated statement of comprehensive income during the year.

The rental guarantee (the "Guarantee") was granted by related companies of the Group pursuant to the terms (the "Terms") of the acquisition carried out by the Group in January 2011, details of which were stated in the circular published by the Group on 14 December 2010. During the year, the Group has received rental guarantee amount of HK$1.5 million (2011: HK$1.5 million). The Guarantee was fully discharged in accordance with the Terms in July 2011. Upon expiration of the Guarantee, the Group recognised a gain from fair value change of the Guarantee of HK$0.4 million (2011: Nil).

The Group's investment property is situated in a prime location in Hong Kong Central Business District. During the year, commercial property sector, particularly top-grade commercial properties, in Hong Kong continued to be robust and both the prices and rental rates remained strong. Although the Group's investment property remains vacant during the financial year, the management concluded a lease agreement (the "Lease") with a quality tenant at fair market consideration after the year-end. The Lease has an initial tenure of 3 years, which commenced in June 2012. The management is positive about prospect of Hong Kong property market and considers that the current leasing arrangement will maximise interests of the Group and its shareholders as a whole. In the meantime, the management is also exploring other opportunities with a view to expanding the Group's investment portfolio.

Regarding the Group's other principal business of provision of management service. No revenue was derived during the year (2011: HK$1.2 million) since the management agreement with the Group's sole customer was not renewed after its expiration in January 2011. The management has no intention to abandon the management service business and has engaged in negotiation with several potential customers during the year. The Group is identifying any chance to engage into profitable management contracts.

FINANCIAL POSITION

Administrative expenses for the year amounted to HK$4.8 million, representing a 20% year-on-year decrease (2011: HK$6.0 million). The drop is mainly due to the non-recurring legal and professional fees incurred for the group reorganisation exercises carried out in latter half of 2010 whilst no such expenses were charged for current year. In addition, the Group had implemented measures for tightening costs and reducing expenditure, which has also contributed to the lower administrative expenses.

Finance costs for the year totalled HK$12 million (2011: HK$3.1 million). The increase was due to the imputed interest expenses on amounts due to related companies and on the deferred consideration payable to a related company based on an effective interest rate of 5% per annum.

In order to preserve financial resources for future expansion and operation of the Group, the Board did not recommend the payment of dividend for the year (2011: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

In order to maintain an optimal capital structure, the Group's operations are financed by a well-balanced combination of debts and equity. The Group's equity as at 31 March 2012 was approximately HK$187 million, increased by 14% as compared to approximately HK$164.3 million as at prior year-end.

In order to meet repayment of certain commitments falling due in April 2012, the Group secured banking facilities in the year in the amount of HK$190 million. All of these facilities had been drawn down and as a result, the Group's bank borrowings at year-end 2012 stood at HK$186.3 million (2011: Nil). The Group's bank deposits and balances (including pledged deposits), and cash also grew to HK$188.5 million (2011: HK$1.7 million).

The financial position of the Group remained healthy. The gearing ratio, represented by the ratio of total bank borrowings to total assets, was 32% (2011: Nil).

All borrowings of the Group and the majority of its income and expenditure are dominated in Hong Kong Dollars. Hence the Group's exposure to fluctuations in the exchange rate is considered to be minimal and there is seldom the need to make use of financial instruments for hedging purposes.

As at 31 March 2012, the Group had net current liabilities of HK$212.8 million (2011: net current assets of HK$2.4 million). In order to maintain sufficient liquidity for the Group's operations, the Group has entered into a new facility arrangement with a bank in respect of a term loan (the "New Loan") up to HK$212.5 million. Details of the New Loan are published in the Group's announcement dated 30 April 2012. The New Loan is on a 2-year committed basis and hence, would provide a more stable and longer-term financing for the Group's operations. The management will consider proceeding with some future funding plans, including but not limited to arranging new long-term debt finance, when the market circumstances are considered appropriate. Coupled with the steady rental income generated by leasing of the Group's property, in the opinion of the directors of the Company, the Group should be able to continue as a going concern in the coming year.

CHARGES ON ASSETS

The Group has pledged its investment property and certain bank deposits to secure banking facility granted to the Group as at 31 March 2012 (2011: Nil).

CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities (2011: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2012, there were 4 (31 March 2011: 4) employees in the Group. Their remuneration, promotion and salary increments were assessed according to individual performance, as well as professional and working experience, and in accordance with prevailing industry practices.

The Group reviews remuneration packages from time to time and adjustments are made when necessary. In addition to monthly salary, other staff benefits include contributions to retirement benefit scheme and medical insurance scheme.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The board of directors of the Company (the "Board") believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders' value.

The chairman has taken primary responsibility for ensuring that good corporate governance practices and procedures are established. He encourages directors with different views to voice their concerns, allows sufficient time for discussion of issues and builds consensus.

The Board considers that the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing" Rules") on The Stock Exchange of Hong Kong Limited.

Key corporate governance principles and practices of the Company are summarized below.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the review year.

THE BOARD COMPOSITION AND BOARD PRACTICES

The Board is responsible for overseeing the Group's business and affairs with the objective of enhancing shareholders' value including setting and approving the Group's strategic direction and planning all other important matters such as interim and annual results, dividends, annual financial budget, business and operation plans and etc., while delegating day-to-day operations of the Group to management. Besides, each member of the Board is expected to make a full and active contribution to the Board's affairs and ensure that the Board acts in the best interests of the Company and its shareholders as a whole.

The Board currently comprises 7 Directors, including 4 Executive Directors ("EDs") and 3 Independent Non-executive Directors ("INEDs").

All Directors are kept abreast of their collective responsibility. The Company provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Company continuously updates all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements so as to enhance their awareness of regulatory compliance and good corporate governance practices.

Every Director is aware that he should give sufficient time and attention to the affairs of the Group. The Directors have satisfactory attendance rates at both board meetings and committee meetings. Board meetings are held formally at least 4 times a year and involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

THE BOARD COMPOSITION AND BOARD PRACTICES (Continued)

During the year, the Board had held 4 physical Board meetings. Out of the 4 Board meetings, 2 of them were held to discuss and/or approve the annual and the interim financial performance/results of the Group while the others were held to discuss, among other things, operations and compliance matters of the Group. The attendances of each of the Directors at the above Board meetings are presented as follows:

	Attendance
Executive Directors	
Mr. Wong Kin Wah, George *(Chairman)*	4/4
Mr. Hwang Yiou Hwa, Victor	1/4
Mr. Hwang Yiu Hwa, Richard	1/4
Mr. Hwang Teh Hwa, Tony	1/4
Independent Non-Executive Directors	
Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P.	4/4
Mr. Lam Kin Ming, Lawrence	4/4
Mr. Wu Kwok Cheung, MH	4/4

Save as that the 4 EDs are brothers of each other, none of the Directors has any relationship with the others.

The Company has received annual confirmation of independence from the 3 INEDs in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the INEDs are independent within the definition of the Listing Rules.

An agenda and accompanying board papers are sent in full to all Directors in a timely manner and at least 3 days before the intended date of a full Board meeting. They also have unrestricted access to the advice and service of the Company Secretary, who is responsible for providing Directors with board papers and related materials, assisting the Chairman in preparing agenda for meetings and ensuring that Board procedures and all applicable rules and regulations are followed.

The Company Secretary keeps detailed minutes of each meeting, which are available to all Directors. A draft of the minutes is circulated to all Directors for comment and approval as soon as practicable after the meeting.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board has appointed Mr. Wong Kin Wah, George, as Chairman, who ensures that the Board works effectively and that all important issues are discussed in a timely manner. The positions of the Chairman and Chief Executive Officer are held by separate individuals as to maintain an effective segregation of duties. None of the Directors is related to the Chief Executive Officer.

The Chief Executive Officer, Mr. Sin Kit Leung, Peter, is responsible for day-to-day management of the Group's operations and conducts regular meetings with the EDs and senior management, at which operational issues and financial performance are evaluated.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

On 15 March 2012, the Board established the Nomination Committee in compliance with the requirements of the relevant CG Code provision. It is responsible for formulating policy and making recommendations to the Board on nomination, appointment of Directors and Directors succession. Details of the Nomination Committee are set out in the section of "Nomination Committee" below.

The Nomination Committee shall ensure the Board comprises members with mixed skills and experience with appropriate weights necessary to accomplish the Group's business development, strategies, operation, challenges and opportunities.

According to the Bye-laws of the Company, one third of the directors for the time being (or, if their numbers is not a multiple of three, the number nearest to but not greater than one third) should retire from office by rotation at each annual general meeting of the Company provided that every director shall be subject to retirement by rotation at least once every three years. Furthermore, any director appointed to fill a casual vacancy or as an addition to the existing Board should hold office only until next general meeting (in the case of filling a casual vacancy) or until the next following annual general meeting (in the case of an addition to the Board), and would then be eligible for re-election at that meeting. All the Independent Non-executive Directors are appointed for a specific term which complied with the CG Code.

REMUNERATION COMMITTEE

Throughout the review year, the Company has maintained a Remuneration Committee. The Remuneration Committee is composed of the 3 INEDs, namely Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P., Mr. Wu Kwok Cheung, MH and Mr. Lam Kin Ming, Lawrence. The Committee is chaired by Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P.

The Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration, compensation and benefits of Directors and senior management. The terms of reference of the Remuneration Committee are available and accessible on the Company's website at http://hkparkviewgroup.com/remu_terms.html.

The Remuneration Committee meets at least once a year. During the year, one committee meeting was held to review and discuss the remuneration of Directors and senior management and all committee members were present at the meeting.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 15 March 2012 as required under the CG Code. The Nomination Committee is composed of 1 ED and the 3 INEDs and is chaired by Mr. Wong Kin Wah, George. The Nomination Committee is responsible for making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. The terms of reference of the Nomination Committee are available and accessible on the Company's website at http://hkparkviewgroup.com/nomi_terms.html.

AUDIT COMMITTEE

The Audit Committee currently consists of 3 members, all of whom are INEDs and are not involved in the day-to-day management of the Company. The Audit Committee is responsible for considering the appointment of external auditor, reviewing the interim and annual financial statements before submission to the Board and the Group's internal control systems. The terms of reference of the Audit Committee are available and accessible on the Company's website at http://hkparkviewgroup.com/terms.html.

During the year, the Audit Committee had held 2 physical meetings. Annual/interim results of the Group were discussed during the meetings. Attendance of individual members is as follows:

	Attendance
Members	
Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P. *(chairman of committee)*	2/2
Mr. Lam Kin Ming, Lawrence	2/2
Mr. Wu Kwok Cheung, MH	2/2

For the financial year ended 31 March 2012, the Audit Committee had performed the following duties:

— reviewed and commented on the half-yearly and the annual financial report of the Group of the financial year under review before submission to the Board for adoption and publication;

— met with the auditor to discuss the financial matters of the Group and reviewed their findings, recommendations and representations;

— reviewed and approved the terms of engagement and scope of services of the auditor; and

— reviewed the Company's works on internal control.

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for preparing the accounts of the Group. In preparing the accounts for the financial year under review, the Directors have:

— based on a going concern basis;

— selected suitable accounting policies and applied them consistently; and

— made judgments and estimates that were prudent, fair and reasonable.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report from pages 16 to 17.

REMUNERATION POLICY

The remunerations of the employees of the Group and EDs were based on operating results of the Group and external market conditions and will be reviewed from time to time.

The remuneration of the employees is generally consists of:

— fixed salary/allowance — which is set according to the duties, responsibilities, skills, experiences and market influences;

— pension — which is based on the Mandatory Provident Fund Contribution Scheme;

— short-term variable incentive — which may include discretionary cash bonus depending on the achievement of short-term corporate objectives and/or personal targets;

The remuneration of the INEDs, if any, was at a fixed annual/quarterly payment.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for establishing, maintaining and reviewing an effective system of internal control and safeguarding the assets and the interests of the Group and the shareholders as well.

Procedures have been set up for safeguarding assets against unauthorized use or disposition, controlling over expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. Management of the Group maintains and monitors the internal control system on an ongoing basis.

The Board monitors and has conducted a review of the effectiveness of its internal control systems through a programme of internal audit. The review report showed that the Group maintained an adequate and effective internal control system and no major control deficiency had been identified. The scope and findings of the review had been reported to and reviewed by the Audit Committee.

AUDITOR'S REMUNERATION

During financial year 2011/12, fees paid and payable for audit and non-audit services of review on annual results announcement to Deloitte Touche Tohmatsu were HK$533,000.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of maintaining effective communication with the shareholders of the Company. The Company establishes various communication tools to ensure the shareholders are kept well informed of timely information of the Company. These include the Annual General Meeting, Special General Meetings, the Annual and Interim Reports, announcements, circulars, notices. Such documents are accessible on the Company's website at http://hkparkviewgroup.com/reports.html.

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are property investment and provision of corporate management services. The activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 March 2012 are set out in the consolidated statement of comprehensive income on page 18.

RESERVES

As at 31 March 2012, the Company does not have reserves available for distribution in accordance with the Companies Act of Bermuda. The reserves (excluding accumulated deficit) and accumulated deficit were HK$283,201,639 and HK$446,079,601 respectively.

FIXED ASSETS

Details of the movements during the year in the property, plant and equipment and investment property of the Group are set out in notes 17 and 18 to the consolidated financial statements respectively.

SHARE CAPITAL

There has been no movement in the Company's share capital during the year.

DIRECTORS

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

Executive Directors

Mr. Wong Kin Wah, George
Mr. Hwang Yiou Hwa, Victor
Mr. Hwang Yiu Hwa, Richard
Mr. Hwang Teh Hwa, Tony

Independent Non-executive Directors

Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P.
Mr. Lam Kin Ming, Lawrence
Mr. Wu Kwok Cheung, MH

In accordance with the Company's Bye-laws, Messrs. Hwang Yiou Hwa, Victor and Wu Kwok Cheung, MH shall retire from the board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS (Continued)

The term of office of each Non-executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

Save as disclosed in note 33 to the consolidated financial statements, no contracts of significance to which the Company, its subsidiaries, its ultimate holding company or any subsidiaries of its ultimate holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

The Independent Non-executive Directors confirm that these transactions have been entered into by the Group in the ordinary course of its business, on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

No director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

MANAGEMENT PROFILES

A. Executive Directors

Mr. Wong Kin Wah, George, aged 60, is Chairman of the Group. He has been engaged in construction and real estate business in Taiwan and Hong Kong since graduating in building construction design in 1973. He was appointed as Director in 1992. He is a director of several member companies of the Group.

Mr. Hwang Yiou Hwa, Victor, aged 58, held a Bachelor Degree in Administration and Finance. He has been involved in the Group's overseas business developments. He was appointed as Director in 1992. He is a director of a member company in the Group.

Mr. Hwang Yiu Hwa, Richard, aged 57, held a Bachelor Degree of Science in Civil Engineering. He has been involved in construction field since 1982. He was appointed as Director in 1993.

Mr. Hwang Teh Hwa, Tony, aged 56, held a Master Degree in Management and Organisational Development. He is responsible for the development of business in mainland China. He was appointed as Director in 1992.

Mr. Wong Kin Wah, George, Mr. Hwang Yiou Hwa, Victor, Mr. Hwang Yiu Hwa, Richard and Mr. Hwang Teh Hwa, Tony are brothers.

MANAGEMENT PROFILES (Continued)

B. Independent Non-executive Directors

Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P., aged 64, is the Senior Partner of Messrs. Chu & Lau, Solicitors and Notaries. He obtained a Bachelor of Laws Degree from the University of London and is a Solicitor of the High Court of the HKSAR, a China-Appointed Attesting Officer and a Notary Public. In 2001, Mr. Lau was awarded the "Gold Bauhinia Star" by the Hong Kong Special Administration Region (the "HKSAR") Government. He is also a Standing Committee Member of the National Committee of Chinese People's Political Consultative Conference and a Non-executive Director of several listed companies. He was appointed as an Independent Non-executive Director in 1995.

Mr. Lam Kin Ming, Lawrence, aged 57, is the Senior Vice President of PCCW, a company whose principal business is to provide telecom equipment and related services. He has been serving the Company since 2006. Prior to that, Mr. Lam was a senior executive of a company that involved in property management and investment. Mr. Lam graduated from the University of Toronto in 1978. He was appointed as Independent Non-executive Director of the Company in 2004.

Mr. Wu Kwok Cheung, MH, aged 80, has served as a Director and Chief Executive Officer of several companies in Hong Kong and the PRC, and has also been appointed to several public offices. He was appointed as Independent Non-executive Director in 2006.

C. Senior Management Staff

Mr. Sin Kit Leung, Peter, aged 72, is the Chief Executive Officer of the Group. He held a diploma in Business Management. Mr. Sin has extensive experience in investment and real estate development. Mr. Sin joined the Group in 1990 and is responsible for business development of the Group. He is a director of several member companies of the Group.

Mr. Chan Chi Fai, Brian, aged 57, is a fellow member of The Association of Chartered Certified Accountants of the United Kingdom and the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in banking and commercial sectors. Mr. Chan joined the Group in 1990 and is now responsible for the overall management of the Group. He is a director of several member companies of the Group.

Mr. Ng Chan Shing, Lawrence, aged 68, has over 30 years of experience in government and commercial sectors. Before joining the Group in 1997, Mr. Ng was a director of a diversified public company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

DIRECTORS' INTERESTS IN SHARES

At 31 March 2012, the interests of the directors and their associates in the shares, underlying shares and convertible loan notes of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long Positions – ordinary shares of HK$0.10 each of the Company

Name of directors	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Wong Kin Wah, George	Beneficial owner	2,000,000	0.4%
	Held by controlled corporation *(Notes 1 & 2)*	391,674,138	73.2%
		393,674,138	73.6%
Mr. Hwang Yiou Hwa, Victor	Held by controlled corporation *(Note 2)*	293,674,138	54.9%
Mr. Hwang Yiu Hwa, Richard	Held by controlled corporation *(Note 2)*	293,674,138	54.9%
Mr. Hwang Teh Hwa, Tony	Held by controlled corporation *(Note 2)*	293,674,138	54.9%
Mr. Lam Kin Ming, Lawrence	Beneficial owner	6,000	0.001%

Notes:

1. 98,000,000 shares were held by High Return Trading Limited in which Mr. Wong Kin Wah, George was deemed to have interests since he was entitled to exercise more than one-third of the voting power at the general meetings of High Return Trading Limited. This interest has also been disclosed under the section headed "SUBSTANTIAL SHAREHOLDERS".

2. Messrs. Wong Kin Wah, George, Hwang Yiou Hwa, Victor, Hwang Yiu Hwa, Richard and Hwang Teh Hwa, Tony are directors and shareholders of Kompass International Limited which owned 293,674,138 shares in the Company. This interest has also been disclosed under the section headed "SUBSTANTIAL SHAREHOLDERS".

Other than as disclosed above, none of the directors, chief executives, nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 March 2012.

At no time during the year was the Company, its subsidiaries, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2012, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Future Ordinance shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long Positions – ordinary shares of HK$0.10 each of the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Kompass International Limited	Beneficial owner	293,674,138 *(Note)*	54.9%
High Return Trading Limited	Beneficial owner	98,000,000 *(Note)*	18.3%
Multi-Power International Limited	Beneficial owner	40,000,000	7.47%
Huang Jianquan	Beneficial owner	40,000,000	7.47%

Note: These shares represented the same parcel of shares as disclosed above under "DIRECTORS' INTERESTS IN SHARES".

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2012.

MAJOR CUSTOMERS AND SUPPLIERS

The Group did not have turnover or purchases during the year.

CONVERTIBLE SECURITIES, WARRANTS OF OPTIONS

There are no convertible securities, warrants or options issued by the Company or its subsidiaries during the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, there was no purchase, sale or redemption of the Company's listed securities by the Company, or any of its subsidiaries.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board of Directors of the Company (the "Board") considers that the Company has complied with the code provisions as set out in the Code of Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2012.

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report of this Annual Report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Wong Kin Wah, George
Chairman

Hong Kong, 29 June 2012

Deloitte.
德勤

TO THE MEMBERS OF
THE HONG KONG PARKVIEW GROUP LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of The Hong Kong Parkview Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 18 to 57, which comprise the consolidated statement of financial position as at 31 March 2012 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 disclosure requirements of 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 90 of the Bermuda Companies Act, 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 the 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 Group as at 31 March 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 June 2012

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	**2012** **HK$**	2011 HK$
Revenue	7	**—**	1,238,263
Direct operating costs		**(501,388)**	(1,035,397)
Gross (loss) profit		**(501,388)**	202,866
Other income	9	**1,403,600**	2,246,552
Other gains and losses	9	**(351,486)**	4,319,721
Change in fair value of investment property	18	**39,914,200**	30,000,000
Recovery from a fully impaired investment	11	**—**	4,896,892
Exchange gain realised on deregistration of a jointly controlled entity and disposal of subsidiaries		**—**	12,133,047
Administrative expenses		**(4,751,102)**	(6,000,242)
Other expenses	11	**—**	(3,004,778)
Other operating expenses	11	**(1,616,112)**	(1,640,760)
Impairment loss recognised in respect of amount due from an associate		**—**	(16,982,563)
Share of losses of an associate		**—**	(5,876,463)
Gain on deregistration of a jointly controlled entity		**—**	24,541,207
Finance costs	10	**(11,972,704)**	(3,060,599)
Profit before taxation	11	**22,125,008**	41,774,880
Taxation	14	**(209,000)**	—
Profit for the year attributable to owners of the Company		**21,916,008**	41,774,880
Other comprehensive income (expense)			
Exchange difference arising on translation of foreign operations		**—**	1,924,457
Reclassification adjustment of exchange reserve on liquidation, disposal and deregistration of foreign operations		**—**	(12,133,047)
		—	(10,208,590)
Total comprehensive income for the year attributable to the owners of the Company		**21,916,008**	31,566,290
Basic earnings per share	16	**HK4.09 cents**	HK7.80 cents

	Notes	2012 HK$	2011 HK$
Non-current assets			
Property, plant and equipment	17	**—**	366,289
Investment property	18	**400,000,000**	360,000,000
Interests in an associate	19	**—**	—
Available-for-sale investments	20	**—**	2,236,300
		400,000,000	362,602,589
Current assets			
Other receivables and prepayments		**239,859**	203,580
Investments held for trading	21	**85,200**	375,000
Rental guarantee	22	**—**	1,206,226
Pledged bank deposits	23	**5,650,785**	—
Bank deposits	23	**171,238,055**	—
Bank balances and cash	23	**11,593,425**	1,715,280
		188,807,324	3,500,086
Current liabilities			
Other payables and accrued charges	24	**2,223,161**	1,118,649
Amounts due to related companies	26	**64,172,605**	—
Secured bank loan	25	**186,333,332**	—
Deferred consideration payable to a related company	27	**148,906,066**	—
		401,635,164	1,118,649
Net current (liabilities) assets		**(212,827,840)**	2,381,437
Total assets less current liabilities		**187,172,160**	364,984,026

Consolidated Statement of Financial Position

AT 31 MARCH 2012

	Notes	2012 HK$	2011 HK$
Capital and reserves			
Share capital	28	**53,535,926**	53,535,926
Reserves		**133,427,234**	110,809,433
Equity attributable to owners of the Company		**186,963,160**	164,345,359
Non-current liabilities			
Amounts due to related companies	26	**—**	58,935,479
Deferred consideration payable to a related company	27	**—**	141,703,188
Deferred tax liability	29	**209,000**	—
		209,000	200,638,667
		187,172,160	364,984,026

The consolidated financial statements on pages 18 to 57 were approved and authorised for issue by the Board of Directors on 29 June 2012 and are signed on its behalf by:

Wong Kin Wah, George
DIRECTOR

Hwang Yiou Hwa, Victor
DIRECTOR

	Share capital *HK$*	Capital redemption reserve *HK$*	Capital reduction reserve *HK$*	Contributed surplus *HK$* *(Note a)*	Shareholder's contribution reserve *HK$*	Exchange reserve *HK$*	Accumulated deficit *HK$*	Total *HK$*
At 1 April 2010	53,535,926	2,382,000	85,844,959	329,928,202	—	10,208,590	(412,699,852)	69,199,825
Profit for the year	—	—	—	—	—	—	41,774,880	41,774,880
Exchange difference arising in translation of foreign operation and other comprehensive income for the year	—	—	—	—	—	1,924,457	—	1,924,457
Reclassification of exchange reserve on liquidation and disposal of foreign operations	—	—	—	—	—	(12,133,047)	—	(12,133,047)
Other comprehensive expenses for the year	—	—	—	—	—	(10,208,590)	—	(10,208,590)
Total comprehensive (expense) income for the year	—	—	—	—	—	(10,208,590)	41,774,880	31,566,290
Contribution from a shareholder *(note 30) (Note b)*	—	—	—	—	63,579,244	—	—	63,579,244
At 31 March 2011	53,535,926	2,382,000	85,844,959	329,928,202	63,579,244	—	(370,924,972)	164,345,359
Profit for the year and total comprehensive income for the year	—	—	—	—	—	—	21,916,008	21,916,008
Deemed contribution from a related company *(note 33)*	—	—	—	—	701,793	—	—	701,793
At 31 March 2012	53,535,926	2,382,000	85,844,959	329,928,202	64,281,037	—	(349,008,964)	186,963,160

Notes:

(a) The contributed surplus represented HK$1,200,422,356 from the elimination of the entire share premium account and reduction of par value of the issued capital from HK$1 to HK$0.10 of the Company at the time of the capital restructuring of the Group as at 7 November 2001, less HK$870,494,154 distributed out of the contributed surplus during the year ended 31 March 2002.

(b) During the year ended 31 March 2011, the Group disposed of certain subsidiaries and an associate to Kompass International Limited ("Kompass"), the major controlling shareholder of the Company with net assets disposed of and loan assignment of HK$140,359,915. At the same time, the Group acquired a subsidiary from a related party with net assets acquired and loan assignment of HK$343,841,627. The fair value net consideration payable for these series of transactions is HK$139,902,468. The difference of these items of HK$63,579,244 was deemed as a shareholder's contribution and was credited to equity (see notes 30 and 31 for details).

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	HK$	*HK$*
OPERATING ACTIVITIES		
Profit before taxation	**22,125,008**	41,774,880
Adjustments for:		
Interest earned on bank deposits	**(1,238,192)**	(10,539)
Interest income from interest-bearing amount due from an associate	**—**	(1,109,002)
Dividend income	**(165,408)**	—
Fair value adjustment of rental guarantee	**(390,548)**	—
Fair value adjustment of non-current interest-free amounts due to related companies	**—**	(3,706,207)
Change in fair value of investment property	**(39,914,200)**	(30,000,000)
Interest expense	**1,804,856**	145,572
Imputed interest expense on amounts due to related companies	**2,964,970**	1,114,307
Imputed interest expense on deferred consideration payable to a related company	**7,202,878**	1,800,720
Recovery from a fully impaired investment	**—**	(4,896,892)
Exchange gain realised on deregistration of a jointly controlled entity and disposal of subsidiaries	**—**	(12,133,047)
Depreciation of property, plant and equipment	**107,082**	269,821
Write off of other payable	**—**	(193,463)
Impairment loss recognised in respect of available-for-sale investments	**436,300**	—
Impairment loss recognised in respect of amounts due from associates	**—**	16,982,563
Share of losses of associates	**—**	5,876,463
Gain on deregistration of a jointly controlled entity	**—**	(24,541,207)
Operating cash flows before movements in working capital	**(7,067,254)**	(8,626,031)
Increase in other receivables and prepayments	**(36,279)**	(176,374)
Decrease in investments held for trading	**289,800**	150,000
Increase (decrease) in other payables and accrued charges	**1,104,512**	(427,710)
Cash used in operations	**(5,709,221)**	(9,080,115)
Income taxes refunded	**—**	2,481
NET CASH USED IN OPERATING ACTIVITIES	**(5,709,221)**	(9,077,634)

	Notes	2012 HK$	2011 HK$
INVESTING ACTIVITIES			
Interest received on bank deposits		**1,238,192**	10,539
Interest received from an associate		**—**	1,109,002
Dividend received		**165,408**	—
Advances to an associate		**—**	(23,057,963)
Addition to investment property		**(85,800)**	—
Proceeds on disposal of property, plant and equipment		**36,000**	—
Proceeds on disposal of available-for-sale investments		**1,800,000**	—
Recovery from a fully impaired investment		**—**	4,896,892
Repayment by a staff		**—**	385,909
Cash distribution upon deregistration of a jointly controlled entity		**—**	5,830,718
Disposal of subsidiaries and an associate	*31*	**—**	(5,064,505)
Acquisition of a subsidiary	*30*	**—**	363,837
Placement of pledged bank deposits		**(5,650,785)**	—
Placement of bank deposits		**(171,238,055)**	—
NET CASH USED IN INVESTING ACTIVITIES		**(173,735,040)**	(15,525,571)
FINANCING ACTIVITIES			
New secured bank loan raised		**190,000,000**	—
Repayments of secured bank loan		**(3,666,668)**	—
Advances from related companies		**4,793,930**	19,934,153
Interest paid		**(1,804,856)**	(145,572)
Advance from bank overdrafts		**—**	168,177
NET CASH FROM FINANCING ACTIVITIES		**189,322,406**	19,956,758
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**9,878,145**	(4,646,447)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**1,715,280**	6,361,727
CASH AND CASH EQUIVALENTS, END OF YEAR, represented by bank balances and cash		**11,593,425**	1,715,280

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is Kompass International Limited ("Kompass"), a company incorporated in the British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed in "Corporate Information" section of the annual report.

The functional currency of the Company is Hong Kong dollars ("HK$") and the consolidated financial statements are presented in HK$.

The Company is an investment holding company and the principal activities of its principal subsidiaries are provision of corporate management services and investment holding. From the year ended 31 March 2011, the Company and its subsidiaries (the "Group") commenced in property investment activity.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given due and careful consideration to the future liquidity of the Group in light of the Group's net current liabilities position of HK$212,827,840 as at 31 March 2012. On 17 April 2012, the Group entered into a new tenancy agreement with an independent third-party for the leasing of the Group's investment property for a term of 3 years at a monthly rental of approximately HK$850,000. On 30 April 2012, the Group entered into a facility letter with a bank in respect of a term loan facility of up to HK$212.5 million repayable within 2 years from the date of the drawdown. The proceeds of this new term loan are partially used to repay the outstanding bank loan of approximately HK$186.3 million as at 31 March 2012. The Group drew down the new bank loan and repaid the outstanding bank loan of HK$186.3 million in May 2012.

Having considered the new bank loan facility obtained in April 2012, the estimated cash flows generated from the Group's operations and the other financial resources available to the Group, the directors of the Company are satisfied that the Group will have sufficient working capital for its present requirements. On this basis, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountant (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related party disclosures
Amendments to HK(IFRIC)–INT 14	Prepayments of a minimum funding requirement
HK(IFRIC)–INT 19	Extinguishing financial liabilities with equity instruments

The application of these new and revised HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009–2011 cycle[2]
Amendments to HKFRS 7	Disclosures — Transfers of financial assets[1]
	Disclosures — Offsetting financial assets and financial liabilities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[4]
HKAS 19 (as revised in 2011)	Employee benefits[2]
HKAS 27 (as revised in 2011)	Separate financial statements[2]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[5]
HK(IFRIC)–INT 20	Stripping costs in the production phase of a surface mine[2]

1 Effective for annual periods beginning on or after 1 July 2011.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2015.
4 Effective for annual periods beginning on or after 1 July 2012.
5 Effective for annual periods beginning on or after 1 January 2014.

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment property, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies used in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost as adjusted thereafter to recognise the Group's share of the profit or loss, and other comprehensive income of the associates. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

From 1 April 2010 onwards, upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

Where a group entity transacts with an associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Investments in jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit and loss and other comprehensive income of the jointly controlled entities. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in jointly controlled entities (Continued)

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

From 1 April 2010 onwards, upon disposal of a jointly controlled entity that results in the Group losing joint control over that jointly controlled entity, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the jointly controlled entity attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the jointly controlled entity. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that jointly controlled entity on the same basis as would be required if that jointly controlled entity had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that jointly controlled entity would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses joint control over that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

Non-cash assets received from jointly controlled entities are recognised at fair value at the date of transfer. Such amount, after being adjusted by eliminating unrealised profits to the extent the Group's interest, becomes the deemed cost for subsequent accounting. Any excess of the deemed cost over the consideration paid and payable is recognised as deemed distribution by jointly controlled entities.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Management fee income is recognised when the relevant services are provided.

Interest income from a financial assets is recognised when it is probable that the economic benefit will flow to the Group and the amount of revenue can be measured reliability. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

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

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds to the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

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

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as and included in finance costs in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property", such properties are presumed to be recovered through sale. Such a presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuates significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange reserve. On the deregistration/disposal of the Group's foreign operations, the relevant exchange reserve will be reclassified to profit or loss.

Retirement benefits costs

Payments to the defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets held for trading, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

A financial asset at FVTPL is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets held for trading are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

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

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including other receivables, pledged bank deposits, bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment. Impairment loss on available-for-sale equity investments will not be reversed through profit or loss.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including other payables and accrued charges, amounts due to related companies, deferred consideration payable to a related company, and secured bank loan are subsequently measured at amortised cost, using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Rental guarantee

Rental guarantee is measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligation are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, comprising amounts due to related companies, secured bank loan and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through addition of new debts or the repayment of existing debts.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2012	2011
	HK$	*HK$*
Financial assets		
Investments held for trading	**85,200**	375,000
Available-for-sale investments	**—**	2,236,300
Loans and receivables (including cash and cash equivalents)	**188,568,834**	1,772,217
Rental guarantee	**—**	1,206,226
Financial liabilities		
Amortised cost	**400,174,682**	201,215,095

Financial risk management objectives and policies

The Group's financial instruments include investments held for trading, available-for-sale investments, rental guarantee, other receivables, pledged bank deposits, bank deposits, bank balances and cash, other payables and accrued charges, amounts due to related companies, deferred consideration payable to a related company and secured bank loan. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

At 31 March 2012 and 2011, all the monetary assets and monetary liabilities of the Group are denominated in HK$. The directors consider the Group's exposure to currency risk is not significant.

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed rate pledged bank deposits and bank deposits. The Group also has exposure to cash flow interest rate risk through the impact of the rate changes on secured bank loan which are carried at variable interest rate. The Group currently does not have any interest rate hedging policy. However, management monitors the interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The directors consider the Group's exposure to interest rate risk of pledged bank deposits and bank deposits is not significant as the interest rate is relatively low so no sensitivity analysis is presented.

The Group did not have any secured bank loan, pledged bank deposits and bank deposits at 31 March 2011 while the bank balances were insignificant as at 31 March 2011. Accordingly, no sensitivity analysis was presented for the year ended 31 March 2011. The sensitivity analysis of the Group's exposure to interest rate risk of secured bank loan at 31 March 2012 is presented below.

6. **FINANCIAL INSTRUMENTS** (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The analysis is prepared assuming the amount of secured bank loan outstanding at the end of the reporting period were outstanding for the whole year. 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2012 would decrease/increase by approximately HK$389,000.

Other price risk

The Group is exposed to risk through fluctuation of equity securities price risk through its investments held for trading. Details of investments held for trading are set out in note 21.

Sensitivity analysis

If the prices of the investments held for trading had been 10% higher/lower while all other variables were held constant, profit for the year would increase/decrease as follows:

A positive number indicates an increase in post-tax profit for the year whereas a negative number indicates a decrease in post-tax profit for the year.

	2012	2011
	HK$	*HK$*
Investments held for trading		
Price, higher by 10%	**7,000**	31,000
Price, lower by 10%	**(7,000)**	(31,000)

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

As at the end of the reporting period, the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2012 and 2011 in relation to each class of recognised financial assets is the carrying amount of those asset as stated in the consolidated statement of financial position.

At 31 March 2012 and 2011, the Group's financial assets, other than the pledged bank deposits, bank deposits and bank balances, are insignificant.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on pledged bank deposits, bank deposits and bank balances held at a few banks as at 31 March 2012 and 2011, the Group had no significant concentration of credit risk.

Liquidity risk

The Group had net current liabilities of HK$212,827,840 as at 31 March 2012. In order to mitigate the liquidity risk, as disclosed in note 2, the Group arranged a 2-year bank facility subsequent to the end of the reporting period. Moreover, on 17 April 2012, the Group entered into a new tenancy agreement with an independent third-party for the leasing of the Group's investment property for a term of 3 years. The directors of the Company consider that the Group has sufficient working capital for its present requirements. The directors of the Company will continue to closely monitor the liquidity of the Group in order to maintain a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, secured bank loan with a repayment on demand clause are included in the earliest time band regardless of the probability of the bank choosing to exercise its right. The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest rate risk tables

	Weighted average effective interest rate	Repayable on demand or less than 3 months	3–6 months	6 months to 1 year	1–2 years	Over 2 years	Total undiscounted cash flows	Carrying amount at 31.3.2012
		HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
2012								
Non-derivative financial liabilities								
Other payables and accrued charges	**—**	**762,679**	**—**	**—**	**—**	**—**	**762,679**	**762,679**
Amounts due to related companies	**5%**	**64,913,842**	**—**	**—**	**—**	**—**	**64,913,842**	**64,172,605**
Deferred consideration payable to a related company	**5%**	**148,906,066**	**—**	**—**	**—**	**—**	**148,906,066**	**148,906,066**
Secured bank loan	**2.05%**	**186,333,332**	**—**	**—**	**—**	**—**	**186,333,332**	**186,333,332**
		400,915,919	**—**	**—**	**—**	**—**	**400,915,919**	**400,174,682**

	Weighted average effective interest rate	Repayable on demand or less than 3 months	3–6 months	6 months to 1 year	1–2 years	Over 2 years	Total undiscounted cash flows	Carrying amount at 31.3.2011
		HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
2011								
Non-derivative financial liabilities								
Other payables and accrued charges	—	576,428	—	—	—	—	576,428	576,428
Amounts due to related companies	5%	—	—	—	62,641,686	—	62,641,686	58,935,479
Deferred consideration payable to a related company	5%	—	—	—	148,906,066	—	148,906,066	141,703,188
		576,428	—	—	211,547,752	—	212,124,180	201,215,095

Bank loan with a repayment on demand clause is included in the "repayable on demand or less than 3 months" time band in the above maturity analysis. As at 31 March 2012, the undiscounted principal amount of this bank loan amounted to HK$186,333,332. Taking into account the Group's financial position, the directors do not believe that it is probable that the bank will exercise its discretionary right to demand immediate repayment. The Group early repaid such bank loan in May 2012 upon drawdown of the new loan from a bank which requires to repay two years after the drawdown date in accordance with the new facility agreement signed with the bank in April 2012. At 31 March 2012, if the Group repaid the loan following repayment schedule, the aggregate principal and interest cash outflows would amount to HK$217,658,924 (HK$11,110,879 repayable within 1 year, HK$40,997,653 repayable 1–2 years and HK$165,550,392 repayable over 2 years).

6. FINANCIAL INSTRUMENTS (Continued)

Fair value

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

- the fair values of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices;

- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Fair value measurements recognised in the consolidated statement of financial position

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 and 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 March 2012, the investments held for trading of HK$85,200 (2011: HK$375,000) of the Group was grouped into Level 1.

7. REVENUE

Revenue, which is also turnover of the Group, represents the management fee income received and receivable by the Group during the year as follows:

	2012	2011
	HK$	*HK$*
Management fee income	**—**	1,238,263

Regarding the Group's business of provision of management service, no revenue was derived during the year ended 31 March 2012 (2011: HK$1,238,263) since the management agreement with the Group's sole customer was not renewed after its expiration in January 2011. Management has no intention to abandon the management service business and has engaged in negotiation with several potential customers. The Group is identifying any chance to engage into profitable management contracts.

8. SEGMENT INFORMATION

The chief operating decision maker ("CODM"), being the Chairman of the Group, reviews the consolidated statement of comprehensive income of the Group as a whole and focus the review on the Group's profit for the year and share of results of associates for purposes of resource allocation and performance assessment. Further, the CODM does not review segment assets and liabilities. Accordingly, no segment analysis is presented other than entity-wide disclosures.

The revenue of the Group is set out in note 7.

Geographical information

The Group's operations are located in Hong Kong (2011: Hong Kong and the People's Republic of China (the "PRC")).

The Group's revenue from external customer, representing revenue arising from rendering management services to the customer in the PRC, and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers	
	2012	2011
	HK$	*HK$*
The PRC	—	1,238,263

	Non-current assets	
	2012	2011
	HK$	*HK$*
Hong Kong	**400,000,000**	360,366,289

Note: Non-current assets exclude financial instruments.

Information about major customer

Revenues from customer of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2012	2011
	HK$	*HK$*
Customer A	—	1,238,263

9. OTHER INCOME, OTHER GAINS AND LOSSES

	2012	2011
	HK$	*HK$*
Other income		
Dividend income	**165,408**	—
Interest earned on bank deposits	**1,238,192**	10,539
Interest income from an associate	**—**	1,109,002
Others	**—**	1,127,011
	1,403,600	2,246,552
Other gains and losses		
Fair value adjustment of non-current interest-free amounts due to related companies	**—**	3,706,207
Net change in fair value of investments held for trading	**(305,734)**	(150,000)
Bad debts recovered	**—**	500,000
Write off of other payable	**—**	193,463
Impairment loss recognised in respect of available-for-sale investments	**(436,300)**	—
Net exchange gain	**—**	70,051
Fair value adjustment of rental guarantee	**390,548**	—
	(351,486)	4,319,721

10. FINANCE COSTS

	2012	2011
	HK$	*HK$*
Interest on bank overdrafts	**—**	145,572
Interest on secured bank loan wholly repayable within 5 years	**1,804,856**	—
Imputed interest expense on amounts due to related companies	**2,964,970**	1,114,307
Imputed interest expense on deferred consideration payable to a related company	**7,202,878**	1,800,720
	11,972,704	3,060,599

11. PROFIT BEFORE TAXATION

	2012	2011
	HK$	*HK$*
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**515,000**	510,000
Depreciation on property, plant and equipment	**107,082**	269,821
Other expenses *(Note a)*	**—**	3,004,778
Other operating expenses *(Note b)*	**1,616,112**	1,640,760
Staff costs (included in direct operating costs and administrative expenses):		
— Salaries and other benefits	**1,659,707**	3,881,246
— Retirement benefits scheme contributions	**29,565**	57,593
	1,689,272	3,938,839
Recovery from a fully impaired investment *(Note c)*	**—**	(4,896,892)

Notes:

(a) Amount represented legal and professional fees in connection to transactions constituting as very substantial acquisition and disposal under the Listing Rules in year 2011.

(b) Amount represented direct operating expenses arising from investment property that did not generate rental income.

(c) Amount represented receipt of cash in respect of the Group's available-for-sale investment of an unlisted entity which was liquidated in previous years.

12. DIRECTORS' EMOLUMENTS

During the years ended 31 March 2012 and 31 March 2011, no emoluments were paid to the directors.

13. EMPLOYEES EMOLUMENTS

Five highest paid employees

	2012	2011
	HK$	*HK$*
Salaries and other emoluments	**1,659,707**	2,514,342
Retirement benefits costs	**29,565**	20,862
	1,689,272	2,535,204

	2012	2011
	Number of employees	
HK$1,000,000 or below	**3**	4
HK$1,000,001 to HK$1,500,000	**1**	1
	4	5

Note: The Group only had 4 employees during the year ended 31 March 2012.

14. TAXATION

	2012	2011
	HK$	*HK$*
Deferred taxation — current year *(note 29)*	**209,000**	—

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the financial statements as the companies within the Group had incurred tax losses for both years.

14. TAXATION (Continued)

The taxation for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	2012	2011
	HK$	*HK$*
Profit before taxation	**22,125,008**	41,774,880
Taxation at Hong Kong Profits Tax rate of 16.5%	**3,650,626**	6,892,855
Tax effect of expenses not deductible for tax purpose	**1,924,289**	3,650,569
Tax effect of income not taxable for tax purpose	**(6,497,339)**	(11,953,265)
Tax effect of share of losses of associates	**—**	969,616
Tax effect of utilisation of tax losses and temporary differences not recognised	**—**	(82,500)
Tax effect of tax loss not recognised	**1,131,424**	522,725
Taxation charge for the year	**209,000**	—

15. DIVIDENDS

No dividend was paid or proposed during the years ended 31 March 2012 and 2011, nor has any dividend been proposed since the end of the reporting period (2011: nil).

16. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2012	2011
	HK$	*HK$*
Profit for the purpose of basic earnings per share	**21,916,008**	41,774,880

	Number of shares	
	2012	2011
Number of shares		
Number of shares for the purpose of basic earnings per share	**535,359,258**	535,359,258

No diluted earnings per share have been presented as there was no potential ordinary share in issue in both years.

17. PROPERTY, PLANT AND EQUIPMENT

	Machinery, equipment and motor vehicles	Furniture and fixtures	Art work	Leasehold improvements	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
COST					
At 1 April 2010	5,311,614	1,758,168	11,000,000	8,374,061	26,443,843
Acquired on acquisition of a subsidiary	471,110	—	—	—	471,110
Disposals	(5,311,614)	(1,758,168)	(11,000,000)	(8,374,061)	(26,443,843)
At 31 March 2011	471,110	—	—	—	471,110
Disposals	(471,110)	—	—	—	(471,110)
At 31 March 2012	—	—	—	—	—
DEPRECIATION AND IMPAIRMENT					
At 1 April 2010	5,311,614	1,758,168	2,823,333	8,374,061	18,267,176
Provided for the year	104,821	—	165,000	—	269,821
Eliminated on disposals	(5,311,614)	(1,758,168)	(2,988,333)	(8,374,061)	(18,432,176)
At 31 March 2011	104,821	—	—	—	104,821
Provided for the year	107,082	—	—	—	107,082
Eliminated on disposals	(211,903)	—	—	—	(211,903)
At 31 March 2012	—	—	—	—	—
CARRYING VALUES					
At 31 March 2012	—	—	—	—	—
At 31 March 2011	366,289	—	—	—	366,289

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Machinery, equipment and motor vehicles	20%
Furniture and fixtures	20%
Art work	2%
Leasehold improvements	20% or over the terms of the lease, if shorter

18. INVESTMENT PROPERTY

	HK$
FAIR VALUE	
Acquired on acquisition of a subsidiary	330,000,000
Gain on fair value change for the year	30,000,000
At 31 March 2011	360,000,000
Addition from subsequent expenditure	85,800
Gain on fair value change for the year	39,914,200
At 31 March 2012	**400,000,000**

The fair value of the Group's investment property ("Property") at 31 March 2012 and 2011 were arrived at on the basis of a valuation carried out on that date by Vigers Appraisal and Consulting Limited, an independent qualified professional valuer, not connected with the Group. The Group's Property was valued on market value basis, which conforms to Hong Kong Institute of Surveyors Valuation Standards on Properties. The valuation was arrived at by reference to comparable market transactions for similar properties.

The Group's Property is situated in Hong Kong and held on a medium-term lease to earn rentals or for capital appreciation.

At 31 March 2012, the Group's Property was pledged to secure banking facility granted to the Group.

19. INTERESTS IN AN ASSOCIATE

	2012	2011
	HK$	*HK$*
Cost of unlisted investments in associates	**58**	58
Share of post-acquisition losses	**(58)**	(58)
	—	—

The Group did not have any significant investments in associates as at 31 March 2012 and 2011.

19. INTERESTS IN AN ASSOCIATE (Continued)

The summarised financial information in respect of the Group's associate being disposed of during the year ended 31 March 2011 as disclosed in note 31 is set out below:

	7.1.2011
	HK$
Total assets	6,066
Total liabilities	(3,223,673)
Net liabilities	(3,217,607)
Group's share of net assets of an associate	—
Revenue *(Note)*	69,379,804
Loss and total comprehensive expense for the year *(Note)*	(13,067,812)
Group's shares of losses and total comprehensive expense of associates for the year *(Note)*	(5,876,463)

Note: Amounts included revenue, loss and total comprehensive expense for the period and Group's shares of losses and total comprehensive expense for the period from an associate from 1 April 2010 to 7 January 2011 (date of disposal).

The Group has discontinued recognition of its share of losses of other associates. The amounts of unrecognised share of the associate, extracted from the relevant management account of this associate, both for the year and cumulatively, are as follows:

	2011
	HK$
Unrecognised share of losses of associates for the year	(4,503)
Accumulated unrecognised share of losses of associates	(95,094)

20. AVAILABLE-FOR-SALE INVESTMENTS

	2012	2011
	HK$	*HK$*
Unlisted equity securities, at cost	—	4,349,000
Less: Impairment loss	—	(2,112,700)
	—	2,236,300

At 31 March 2011, the above unlisted equity investments stated at cost less impairment loss recognised represented unlisted equity securities issued by private entities incorporated in Hong Kong. The directors of the Company were of the opinion that their fair values could not be measured reliably because the range of reasonable fair value estimates was so significant.

The available-for-sales investments were disposed of during the year ended 31 March 2012. The consideration for the disposal equalled its carrying amount of HK$1,800,000 at date of disposal.

21. INVESTMENTS HELD FOR TRADING

	2012	2011
	HK$	*HK$*
Equity securities listed in Hong Kong and stated at fair value	**85,200**	375,000

22. RENTAL GUARANTEE

On 7 January 2011, the Group acquired 100% of the issued share capital of Chyau Fwu Investment Limited ("Chyau Fwu"), details of which are set out in note 30. Pursuant to the acquisition agreement, vendors of Chyau Fwu provided while Kompass, the ultimate holding company of the Company agreed to undertake that during the six months from 7 January 2011 (the "Rental Guarantee Period"), if the Property was not rented out during the Rental Guarantee Period, Kompass would pay an amount of HK$500,000 per month during the Rental Guarantee Period to the Group. From 7 January 2011 to 6 July 2011, the Property remained vacant. During the year ended 31 March 2012, the Group received the rental guarantee amount of HK$1,596,774 (2011: HK$1,403,226) from Kompass.

23. PLEDGED BANK DEPOSITS, BANK DEPOSITS, BANK BALANCES AND CASH

Pledged bank deposits represent deposits pledged to a bank to secure the banking facility granted to the Group and carry an average market interest rate of 0.002% per annum. Deposits amounting to HK$5,650,785 (2011: nil) have been pledged to secure the bank loan with repayment on demand clause and are therefore classified as current assets.

Bank deposits represent time deposit with an original maturity of less than three months. Bank deposits carry an average market interest rate ranging from 0.001% to 2.35% (2011: nil) per annum.

Bank balances mainly consist of current accounts.

24. OTHER PAYABLES AND ACCRUED CHARGES

Other payables and accrued charges principally comprise amounts outstanding for ongoing costs.

25. SECURED BANK LOAN

	2012	2011
	HK$	*HK$*
Bank loan, secured	**186,333,332**	—
Carrying amount of bank loan that contains a repayment on demand clause:		
— repayable within one year	**8,000,004**	—
— not repayable within one year (shown under current liabilities)	**178,333,328**	—
	186,333,332	—

During the year ended 31 March 2012, the Group's secured variable-rate bank loan carried interests at Hong Kong Interbank Offered Rate (quoted by the Hong Kong Association of Banks) + 1.75%, ranging from 1.87% to 2.09% per annum. The bank loan is secured by the Property and bank deposits.

26. AMOUNTS DUE TO RELATED COMPANIES

Amounts due to related companies analysed for reporting purposes as:

	2012	2011
	HK$	*HK$*
Current	**64,172,605**	—
Non-current	**—**	58,935,479
	64,172,605	58,935,479

Notes:

(a) The related companies are companies which are controlled and owned by close members of the family of a director of the Company (who is also the shareholder of the ultimate holding company). The directors of the Company consider such parties are not dependents of the relevant director.

(b) At 31 March 2012, the balance of HK$61,098,647 (2011: HK$58,935,479) represented an interest-free balance with a principal amount of HK$62,641,686 (2011: HK$62,641,686) due to the related companies. At 31 March 2011, the related companies extended the repayment date of the advances to 1 July 2012. Accordingly, the balances were classified as non-current as at 31 March 2011. The interest-free non-current amounts due to related companies were adjusted to their fair values. The fair value adjustment of HK$3,706,207 was recognised in profit or loss during the year ended 31 March 2011. The effective interest rate is 5% per annum. The remaining total balance of HK$3,073,958 at 31 March 2012 (2011: nil) was unsecured, interest-free and repayable on demand.

27. DEFERRED CONSIDERATION PAYABLE TO A RELATED COMPANY

Pursuant to the acquisition and disposal agreement dated 13 September 2010, the Disposal Consideration (as defined in note 31) was used to settle part of the Acquisition Consideration (as defined in note 30). The difference of the nominal amount between the Acquisition Consideration and the Disposal Consideration of HK$148,906,066 (the "Deferred Consideration") is interest-free and payable on 15 months from date of completion of the acquisition. On 7 January 2011, the acquisition was completed. The fair value adjustment of the Deferred Consideration on initial recognition was estimated to be HK$9,003,598 based on an effective interest rate of 5% per annum. The Deferred Consideration is repayable on 6 April 2012. Subsequent to the end of the reporting period, the Group settled the deferred consideration.

During the year, imputed interest expense of HK$7,202,878 (2011: HK$1,800,720) was charged to profit or loss.

28. SHARE CAPITAL

	Number of shares	*HK$*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 April 2010, 31 March 2011 and 31 March 2012	8,500,000,000	850,000,000
Issued and fully paid:		
At 1 April 2010, 31 March 2011 and 31 March 2012	535,359,258	53,535,926

There was no movement in the Company's share capital for both years.

29. DEFERRED TAXATION

The following are the major deferred tax asset (liability) recognised and movements thereon during the year:

	Tax losses *HK$*	**Accelerated tax depreciation** *HK$*	**Total** *HK$*
At 1 April 2010 and 31 March 2011	—	—	—
Credit (charge) to profit or loss	679,000	(888,000)	(209,000)
At 31 March 2012	**679,000**	**(888,000)**	**(209,000)**

29. DEFERRED TAXATION (Continued)

At 31 March 2012, the Group had estimated unused tax losses of HK$153,830,000 (2011: HK$142,858,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$4,115,000 (2011: nil) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$149,715,000 (2011: HK$142,858,000) due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

Under the Law of PRC on Enterprise Income tax promulgated on 16 March 2007, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries, associate and jointly controlled entity from 1 January 2008 onwards. As the PRC subsidiaries and associate incurred losses since 1 January 2008 and were disposed of in January 2011, no deferred taxation was provided.

30. ACQUISITION OF A SUBSIDIARY

On 7 January 2011, the Group acquired the assets and liabilities of Chyau Fwu by acquiring 100% of the issued share capital of Chyau Fwu for a consideration of HK$289,516,400 (the "Acquisition Consideration") from several companies which are ultimately held by a director the Company (who is also the shareholder of the ultimate holding company) and his spouse. The principal asset of Chyau Fwu is an office property located in Hong Kong and therefore it is accounted for as acquisition of assets and liabilities. The acquisition is a connected transaction.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$
Investment property	330,000,000
Property, plant and equipment	471,110
Amount due from the Group	10,436,350
Other receivables and prepayments	50,522
Tax recoverable	2,481
Bank balances and cash	363,837
Other payable	(92,125)
Amounts due to a shareholder and the related companies	(53,355,478)
	287,876,697
Amounts due to a shareholder and related companies assigned to the Group	53,355,478
Rental guarantee *(note 22)*	2,609,452
	343,841,627

The fair value of the investment property at 7 January 2011 was arrived at on the basis of a valuation carried out on that date by Vigers Appraisal and Consulting Limited, an independent qualified professional valuer, not connected with the Company. The investment property was valued on market value basis by reference to comparable market transactions for similar properties.

30. ACQUISITION OF A SUBSIDIARY (Continued)

Net cash inflow on acquisition of Chyau Fwu

	HK$
Cash and cash equivalent balances acquired	363,837
Less: Cash consideration paid	—
	363,837

Pursuant to the acquisition agreement, the Acquisition Consideration is to be partly settled by the Disposal Consideration. An analysis is set out below:

	HK$
Net assets acquired and loan assignment	343,841,627
Net assets disposed of and loan assignment *(note 31)*	(140,359,915)
	203,481,712
Fair value of Deferred Consideration *(note 27)*	(139,902,468)
Contribution from a shareholder recognised in equity	63,579,244

31. DISPOSAL OF SUBSIDIARIES AND AN ASSOCIATE

On 7 January 2011, the Group disposed of its entire interest in the subsidiaries, namely, Dragon Spirit Limited, Newmeadow Limited (the principal assets of Newmeadow Limited is its 45% interest in Nanjing Dingshan Garden Hotel Co., Ltd.), Hebo Urge Company Limited, Jiangsu Parkview Hotels & Resorts Limited, Gallaria Furnishings International Limited and its entire interest in an associate, Kinart Enterprise Limited (all together the "Disposal Group") to Kompass, the ultimate holding company at a total consideration of HK$140,610,334 (the "Disposal Consideration"). The Disposal Consideration is used to settle part of the Acquisition Consideration (see note 30). The disposal is considered as a connected transaction. The net assets of the Disposal Group at the date of disposal were as follows:

Analysis of assets and liabilities transferred to Kompass:

	HK$
Property, plant and equipment	8,011,667
Amount due from an associate	75,501,302
Properties held for sale	79,377,582
Accounts and other receivables and prepayments	464,457
Amount due from a related company	22,805
Bank balances and cash	5,064,505
Accounts and other payables and accruals	(455,024)
Amounts due to the Group	(382,235,015)
Amounts due to related companies	(1,376,230)
Tax payable	(59,215)
Bank overdraft	(3,748,240)
	(219,431,406)
Realisation of unrealised profit on disposal of properties held for sale	(22,443,694)
Amounts due to the Group assigned to Kompass	382,235,015
	140,359,915

Net cash inflow arising on disposal:

	HK$
Cash consideration received	—
Less: Bank balances and cash disposed of	(5,064,505)
	(5,064,505)

During the period from 1 April 2010 to 7 January 2011, the Disposal Group did not have cash transactions.

32. RETIREMENT BENEFITS SCHEMES

Effective from 1 December 2000, the Group has joined a Mandatory Provident Fund Scheme ("MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. The Group contributes the lower of HK$1,000 or 5% of relevant payroll costs to the MPF scheme. The total amount contributed by the Group to the MPF Scheme and charged to profit or loss was HK$29,565 (2011: HK$57,593).

33. RELATED PARTY TRANSACTIONS

Apart from the amounts due to related companies as disclosed in the consolidated statement of financial position and notes 26 and 27 and the acquisition and disposal as set out in notes 30 and 31 respectively, during the year, the Group entered into the following transactions with an associate and related companies:

	An associate		**Related companies**	
	2012	2011	**2012**	2011
	HK$	*HK$*	***HK$***	*HK$*
Management fee income from	**—**	1,238,263	**—**	—
Management fee to *(Note a)*	**—**	—	**264,780**	246,180
General expenses to *(Note a)*	**—**	—	**234,747**	386,802
Interest income from	**—**	1,109,002	**—**	—
Guaranteed rental from *(Note b)*	**—**	—	**1,596,774**	1,403,226
Sales of property, plant and equipment to *(Note c)*	**—**	—	**925,000**	—

33. RELATED PARTY TRANSACTIONS (Continued)

Notes:

(a) Certain shareholders of the related companies are close members of the family of a director the Company (who is also the shareholder of the ultimate holding company). The directors of the Company consider such parties are not dependents of the relevant director.

(b) The shareholders of this related company are one of the directors of the Company (who is also the shareholder of the ultimate holding company) and his spouse.

(c) The Group disposed of property, plant and equipment at a total consideration of HK$925,000 to a related company, in which a director of the Company (who is also the shareholder of the ultimate holding company) and his spouse jointly owned. The difference between the carrying amount and the consideration of HK$701,793 has been credited to shareholder's contribution reserve in equity.

Compensation of key management personnel

The remuneration of members of key management of the Group during the year as follows:

	2012	2011
	HK$	*HK$*
Salaries and other short-term employee benefits	**1,029,900**	1,000,980

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trend.

34. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2012, property, plant and equipment was disposed of to a related company at HK$925,000. Moreover, the Group received rental guarantee of HK$1,596,774 from the related company. Both proceeds amounting to HK$2,521,774 were settled through current account with that related company.

During the year ended 31 March 2011, consideration for the acquisition of Chyau Fwu of HK$289,516,400 was settled by the consideration for the disposal of the Disposal Group of HK$140,610,334 and the remaining consideration payable of HK$148,906,066 was deferred to 6 April 2012, details of which are set out in note 27.

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following list contains all the Company's subsidiaries at 31 March 2012 and 2011. All the following subsidiaries are operating principally in Hong Kong.

Name of subsidiary	Country/ place of incorporation	Class of shares held	Paid up issued share capital	Proportion of nominal value of issued capital held by the Company				Principal activities
				Directly		Indirectly		
				2012	2011	**2012**	2011	
				%	%	**%**	%	
Parkview International Trading Limited	British Virgin Islands	Ordinary	US$1	**100**	100	**—**	—	Investment holding
Hong Kong Parkview (China) Limited	Hong Kong	Ordinary	HK$10,000,000	**—**	—	**100**	100	Investment holding
Hong Kong Parkview International Management Limited	Hong Kong	Ordinary	HK$2	**—**	—	**100**	100	Corporate management services
Parkview Management Services Limited	British Virgin Islands	Ordinary	US$4	**100**	100	**—**	—	Investment holding
Parkview Property Development Limited	Hong Kong	Ordinary	HK$1,000	**100**	100	**—**	—	Investment holding
Chyau Fwu *(Note)*	Hong Kong	Ordinary	HK$20	**—**	—	**100**	100	Property investment
		Non-voting deferred Share	HK$8,500,000	**—**	—	**100**	100	
Hong Kong Parkview (Finance) Limited	Hong Kong	Ordinary	HK$2	**100**	100	**—**	—	Inactive
Korean International Motors Limited	Hong Kong	Ordinary	HK$1,000	**—**	—	**100**	100	Inactive

Note: A subsidiary acquired on 7 January 2011.

None of the subsidiaries had issued any debt securities during the year or at 31 March 2012.

Five Years Financial Summary

FOR THE YEAR ENDED 31 MARCH 2012

	2008 *HK$*	2009 *HK$*	2010 *HK$*	2011 *HK$*	**2012** ***HK$***
CONSOLIDATED RESULTS					
Revenue	6,247,246	2,316,785	1,834,992	1,238,263	**—**
(Loss) profit for the year attributable to owners of the Company	(16,837,193)	(39,115,039)	(12,721,327)	41,774,880	**21,916,008**
Basic (loss) earnings per share	HK(3.15 cents)	HK(7.31 cents)	HK(2.38 cents)	HK7.80 cents	**HK4.09 cents**
CONSOLIDATED ASSETS AND LIABILITIES					
Total assets	187,276,562	167,459,537	180,912,369	366,102,675	**588,807,324**
Total liabilities	(65,552,373)	(83,229,558)	(111,712,544)	(201,757,316)	**(401,844,164)**
	121,724,189	84,229,979	69,199,825	164,345,359	**186,963,160**
Equity attributable to owners of the Company	121,724,189	84,229,979	69,199,825	164,345,359	**186,963,160**

僑福建設企業機構

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