



華 廈 置 業 有 限 公 司

WAH HA REALTY COMPANY LIMITED

(Stock Code: 278)

2014 ANNUAL REPORT

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Corporate Information

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Cheung Kee Wee, *BBA, Chairman*

Aged 62. Joined the Group and appointed a director in 1976. Elected Chairman in 2000. Elected as Chairman of the Nomination Committee in 2012. A director in each of the subsidiaries. Has over 35 years' experience in the property and building construction industry in Hong Kong. Mainly responsible for the management and supervision of the Group's property portfolio. Brother of Messrs Cheung Lin Wee and Cheung Ying Wai, Eric.

Mr. Cheung Lin Wee, *BFin*

Aged 56. Joined the Group and appointed a director in 1985. Appointed a member of the Nomination Committee in 2012. A director in each of the subsidiaries. Has over 25 years' experience in property management. Mainly responsible for the property management activities of the Group. Brother of Messrs Cheung Kee Wee and Cheung Ying Wai, Eric.

Mr. Cheung Ying Wai, Eric, *BSc*

Aged 52. Joined the Group and appointed a director in 1999. A director in each of the subsidiaries. Mainly responsible for the general management of the Group. Brother of Messrs Cheung Kee Wee and Cheung Lin Wee.

Non-executive Directors

Mr. John Ho, *LLB*

Aged 68. Appointed an independent non-executive director in 1994 and re-designated as a non-executive director in 2004. Also appointed a member of the Audit Committee and the Remuneration Committee in 1998 and 2005 respectively. A practising solicitor in Hong Kong. Qualified as a solicitor and joined a major firm of solicitors in 1972. A partner of Messrs John Ho & Tsui. An independent non-executive director of Wong's Kong King International (Holdings) Limited.

Mr. Ng Kwok Tung, *LIA (Dip), Chinese Law (Dip), BCom, CPA (Practising), CA, FCPA, ATiHK, MSCA*

Aged 63. Appointed an independent non-executive director in 2001 and re-designated as a non-executive director in 2004. Also appointed a member of the Audit Committee and the Remuneration Committee in 2001 and 2005 respectively. A practising accountant in Hong Kong. A partner of Messrs Tony Kwok Tung Ng & Co.. An independent non-executive director of Fountain Set (Holdings) Limited.

Independent Non-executive Directors

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

Aged 74. Appointed a director in 1993. Also elected as Chairman of the Audit Committee in 1998 and appointed a member of the Remuneration Committee and the Nomination Committee in 2005 and 2012 respectively. A Committee Member of Far East Exchange Limited (1975-86) and a Council Member of the Stock Exchange of Hong Kong Limited (1987-94). An ex-President of Rotary Club of Hong Kong South (1976-77), an appointed unofficial member of the Legislative Councillor in 1984 and a member of the Social Welfare Advisory Committee (2000-06). Active in community and social involvements – Chairman of the Hospital Governing Committee of the Hong Kong Buddhist Hospital, Vice Chairman of the Hong Kong Buddhist Association, etc.. A Fellow of the Hong Kong Institute of Directors and a Fellow of Chartered Management Institute. Also an independent non-executive director of KFM Kingdom Holdings Limited.

Mr. Chan Woon Kong

Aged 80. Appointed a director in 2004. Also appointed a member of the Audit Committee, the Remuneration Committee and the Nomination Committee in 2004, 2005 and 2012 respectively. Has over 45 years' extensive experience in the banking industry in Hong Kong. Before his retirement in late 2012, he served in senior management of various banks including Far East Bank Limited, First Pacific Bank Limited, The Bank of East Asia, Limited, United Commercial Bank and East West Bank in Hong Kong.

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

Aged 69. Appointed a director in 2004. Also appointed a member of the Audit Committee and the Nomination Committee in 2004 and 2012 respectively and elected as Chairman of the Remuneration Committee in 2005. A stock broker and Chairman of Soo Pei Shao & Co. Ltd., also an independent non-executive director of Wing Lung Bank Limited.

Corporate Information *(CONTINUED)*

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Cheung Kee Wee (*Chairman*)
Mr. Cheung Lin Wee
Mr. Lam Hon Keung, Keith
Mr. Chan Woon Kong
Mr. Soo Hung Leung, Lincoln

COMPANY SECRETARY

Mr. Chu Wing Man, Raymond

AUTHORISED REPRESENTATIVES

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

BANKER

The Bank of East Asia, Limited

AUDITOR

PricewaterhouseCoopers

SHARE REGISTRARS

Hongkong Managers and Secretaries Limited
Units 1607-8, 16th Floor, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong
Telephone: (852) 3528 0290
Fax: (852) 2887 2054

REGISTERED OFFICE

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

STOCK CODES

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

WEBSITE

<http://www.wahha.com>

Group Structure

As at 31st March 2014

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

All companies are incorporated in Hong Kong.

Chairman's Statement

RESULTS

The profit attributable to equity holders of Wah Ha Realty Company Limited (the "Company") for the year ended 31st March 2014 amounted to HK\$45,130,533 (2013: HK\$113,221,908). Earnings per share for the year was HK\$0.37 (2013: HK\$0.94).

DIVIDENDS

The board of directors of the Company (the "Directors") (the "Board") has resolved to recommend a final dividend of HK11 cents (2013: HK11 cents) per share and a special dividend of HK12 cents (2013: HK13 cents) per share for the year ended 31st March 2014 to the shareholders of the Company (the "Shareholders") whose names appear on the Register of Members of the Company on Friday, 12th September 2014. Together with the interim dividend of HK11 cents (2013: HK11cents) per share, total dividends for the year amount to HK34 cents (2013: HK35 cents) per share.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Group's revenues for the year ended 31st March 2014 amounted to HK\$19.9 million, an increase of about 54.3% from the previous year. This increase was mainly attributable to the greater sales of properties held for sale of HK\$7.1 million.

For the year under review, the Group's profit attributable to equity holders was HK\$45.1 million, representing a decrease of about 60.1% from 2013. Amongst these, HK\$36.2 million (2013: HK\$104.0 million) were ascribed to the Group's share of the results of its associated companies. Earnings per share was HK\$0.37 as compared with HK\$0.94 last year. Excluding the fair value gains arising from revaluations of the Group's and the share of the associated companies' investment properties, the after-tax profit was comparable to that of last year. The rental business out-performed last year by HK\$1.6 million. However, exchange losses of HK\$0.1 million against exchange gains of HK\$0.8 million last year were reported. The profits from sales of the Group's and its associated companies' properties and interest income reduced by HK\$0.4 million and HK\$0.2 million respectively for the year under review.

Chairman's Statement *(CONTINUED)*

BUSINESS REVIEW

Property Development, Investment and Management

During the year under review, the performance of the Rental Business of the Group and its associated companies was satisfactory. Benefiting from the general increase of rental rates, the contributions to the after-tax profit were HK\$1.6 million higher than that of last year.

During the year under review, there were several disposals of the Group's and its associated companies' properties. The Group had disposed of 1 unit in Fanling and its interest in 5 units in Tuen Mun. The resulting after-tax profits from these sales were HK\$6.3 million. Furthermore, an associated company had disposed of 3 units in Fanling and the Group's share of after-tax profit was HK\$3.1 million.

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

For the year under review, the increase in the level of minimum wage had exerted much pressure on the operating environment of the Group's Property Management Business and the profitability of this business was diminishing.

Investments

During the year under review, the Group had recorded an after-tax profit of HK\$1.1 million from its investment portfolio, an increase of HK\$0.7 million from that of last year.

The bank deposit rates were rather stable and a little bit lower than that of last year. For the year under review, the interest income was HK\$0.2 million lower than that of last year.

PROSPECTS

In the United States, various positive signals such as reducing unemployment rates, improving housing sales and personal consumption had triggered the Federal Reserve to reduce the scale of quantitative easing measures. The Federal Reserve had begun tapering process and gradually reduced the volume of the bond purchase. Tighter liquidity was anticipated. However, there was common consensus that the interest rate would remain at the current level for a considerable period of time. On the other hand, the position in the eurozone was quite different. In order to avoid deflation, the European Central Bank has just introduced a negative interest rate it pays on money deposited by banks aiming to increase liquidity in the economy. The political turmoil in Ukraine was another challenge to the economy of Europe. In China, economic reforms and structural organization adjustment were in progress. The end result might be a slower pace in economic development. All of these recent developments had cast uncertainties on the global economy.

For the year under review, the local economy was still stable. The year-on-year GDP growth improved from 4.4% in the 4th Quarter 2013 to 4.6% in the 1st Quarter 2014. The seasonally adjusted unemployment rate was 3.1% for the latest quarter which was the lowest since the financial tsunami. The inflation as reflected by the Consumer Price Index for April 2014 stood at a relatively stable level of 3.7%. However, the lackluster global economy had a negative impact on the total exports. This, coupled with the weakening retail sales for the past few months, was an alarm that should be closely monitored. Most of the measures carried out by the Hong Kong Government to curb the bubble in the property market were legislated. Speculations in the property market especially the residential segment were uncommon and the ever rising trend of prices seemed to have been stopped. In the future, the Hong Kong Government should be cautious in winding up the various administrative measures.

The global economy will be undoubtedly affected by the winding up of quantitative easing measures in the United States and the unprecedented negative interest rate of the European Central Bank. It is difficult to predict what the outcome will be. In that scenario, we should act cautiously and maintain adequate resources to meet with the challenges ahead.

Chairman's Statement *(CONTINUED)*

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March 2014, the Group had less than twenty employees and their remuneration are maintained at competitive levels. Total staff costs (including Directors' remuneration) amounted to HK\$6.1 million (2013: HK\$5.7 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee regarding Directors and senior management. Employees' salaries are determined on performance basis with reference to the market trend. In addition, discretionary bonuses are granted to eligible employees with reference to the Group's results and individual performance. Other benefits include education subsidies, medical and retirement benefits.

LIQUIDITY AND FINANCIAL RESOURCES

The Group is virtually debt-free and generally finances its operations with internally generated cash flows. The Group's cash and cash equivalents amounted to HK\$358.6 million at 31st March 2014. The Board believes that the Group has sufficient financial resources for its operations. The Group has no material exposure to foreign exchange rate fluctuation and material contingent liabilities.

APPRECIATION

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

Cheung Kee Wee

Chairman

Hong Kong, 26th June 2014

Report of the Directors

The Board has pleasure in submitting their report together with the audited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Group are investment holding and property development, investment and management in Hong Kong.

SEGMENT INFORMATION

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

RESULTS

Results of the Group for the year ended 31st March 2014 are shown on page 39.

DIVIDEND

The Board has resolved to recommend at the forthcoming annual general meeting of the Company (“AGM”) to be held on Monday, 1st September 2014 a final dividend of HK11 cents (2013: HK11 cents) per share and a special dividend of HK12 cents (2013: HK13 cents) per share for the year ended 31st March 2014 to be paid on Thursday, 18th September 2014 to the Shareholders whose names appear on the Register of Members of the Company on Friday, 12th September 2014.

Together with the interim dividend of HK11 cents (2013: HK11 cents) per share paid on Wednesday, 8th January 2014, total dividends for the year will amount to HK34 cents (2013: HK35 cents) per share.

PARTICULARS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

Report of the Directors *(CONTINUED)*

FIVE YEAR FINANCIAL SUMMARY

A summary of the Group's results and of its assets and liabilities for the past five financial years is shown on page 91.

RESERVES

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

DISTRIBUTABLE RESERVES

The Company considers the cumulative gains on revaluation of investment properties of HK\$61,411,095 (2013: HK\$63,511,095) included in retained profits are non-distributable as they do not constitute realised profits. As at 31 March 2014, the Company's reserves available for distribution to Shareholders as calculated in accordance with the provisions of Sections 297 and 298 of the Hong Kong Companies Ordinance (Chapter 622) amounted to HK\$286,379,473 (2013: HK\$300,568,019).

PROPERTIES

Details of the movements in investment properties are shown in Note 14 to the consolidated financial statements. Details of the principal properties held by the Group for investment, sale and development purposes are shown on pages 93 to 96.

SHARE CAPITAL

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

DIRECTORS

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

Executive Directors

Mr. Cheung Kee Wee (*Chairman*)

Mr. Cheung Lin Wee

Mr. Cheung Ying Wai, Eric

Non-executive Directors

Mr. John Ho

Mr. Ng Kwok Tung

Independent Non-executive Directors

Mr. Lam Hon Keung, Keith

Mr. Chan Woon Kong

Mr. Soo Hung Leung, Lincoln

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

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract which is not determinable within one year without payment of compensation (other than statutory compensation), with the Company or its subsidiaries.

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

LOANS TO OFFICERS

No loans to the Company's officers (within the meaning of the Hong Kong Companies Ordinance) were made and outstanding at any time during the year or at the end of the year.

Report of the Directors *(CONTINUED)*

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

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

REMUNERATION OF DIRECTORS AND OF THE FIVE HIGHEST PAID INDIVIDUALS

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

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

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the year or at the end of the year.

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

As at 31st March 2014, the interests or short positions of the Directors and Chief Executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in Ordinary Shares of the Company

Name of Director	Personal interests	Corporate interests	Family interests	Total	% of issued share capital
Cheung Kee Wee	–	15,150,160 (Note 1)	–	15,150,160	12.52
Cheung Lin Wee	14,180,800	–	238,000 (Note 2)	14,418,800	11.92
Cheung Ying Wai, Eric	14,090,800	–	–	14,090,800	11.65

Notes:

- (1) These shares were held by Biochoice Limited ("Biochoice") (in which Mr. Cheung Kee Wee ("CKW") and his spouse in aggregate owned 50% interest) through its wholly owned subsidiary, Humphrey Group Limited ("Humphrey"). Therefore, CKW was deemed to be interested in these shares under the SFO.
- (2) The 238,000 shares were beneficially held by Ms. Wu Suet Yi, Rita, the spouse of Mr. Cheung Lin Wee ("CLW").

Save as disclosed above, as at 31st March 2014, none of the Directors or Chief Executives of the Company or any of their associates had or were deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Report of the Directors (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

So far as is known to the Directors or Chief Executives of the Company, as at 31st March 2014, the following Shareholders (other than Directors or Chief Executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company were as follows:

Long Positions in Ordinary Shares of the Company

	Number of shares	% of issued share capital
Substantial Shareholders:		
Chin Lan Hong	32,162,800 (Note 1)	26.59
Kung So Ha, Anne	15,150,160 (Note 2)	12.52
Biochoice Limited	15,150,160 (Note 3)	12.52
Humphrey Group Limited	15,150,160 (Note 3)	12.52
Wu Suet Yi, Rita	14,418,800 (Note 4)	11.92
Hoh Kwok Hing, Corinne	14,090,800 (Note 5)	11.65
Persons other than Substantial Shareholders:		
Megabest Securities Limited	11,295,600 (Note 6)	9.34
Profit-taking Company Inc.	11,295,600 (Note 6)	9.34
Pullfield Company Limited	11,295,600 (Note 6)	9.34

Notes:

- (1) Out of the 32,162,800 shares, 11,295,600 shares were held by Megabest Securities Limited ("Megabest") of which Madam Chin Lan Hong ("CLH") was interested in the entire issued share capital, through the chain of ownership being described in Note (6) below; and 20,867,200 shares were held under her personal interests.
- (2) Ms. Kung So Ha, Anne is the wife of CKW and was taken to be interested in these shares in which her spouse was interested under the SFO. These 15,150,160 shares related to the same block of shares as described in Note (3) below.

- (3) These 15,150,160 shares held by Biochoice and Humphrey respectively related to the same block of shares as described in "Corporate Interests" of CKW under the heading of "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures". These shares were held by Biochoice (in which CKW and his spouse in aggregate owned 50% interest) through its wholly owned subsidiary, Humphrey, the registered owner of the said 15,150,160 shares.
- (4) Out of the 14,418,800 shares, 238,000 shares were beneficially held by Ms. Wu Suet Yi, Rita, and Ms. Wu was taken to be interested in the remaining 14,180,800 shares in which her spouse CLW was interested under the SFO.
- (5) Ms. Hoh Kwok Hing, Corinne is the wife of Mr. Cheung Ying Wai, Eric and was taken to be interested in these shares in which her spouse was interested under the SFO.
- (6) These 11,295,600 shares held by Megabest, Profit-taking Company Inc. ("Profit-taking") and Pullfield Company Limited ("Pullfield") respectively related to the same block of shares as described in Note (1) above. These shares were held by Megabest through its wholly owned subsidiary, Profit-taking, which in turn held the entire issued share capital of Pullfield, the registered owner of the said 11,295,600 shares of the Company.

Save as disclosed above, as at 31st March 2014, the Company has not been notified by any person (other than Directors or Chief Executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

MANAGEMENT CONTRACTS

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

Report of the Directors *(CONTINUED)*

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of revenues during the year attributable to the Group's five largest customers was 43.57% of the Group's total revenues, of which 21.27% was made to the largest customer.

The aggregate purchase of revenue items during the year attributable to the Group's five largest suppliers were less than 30% of the Group's total revenue purchases.

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

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 19 to 36.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float throughout the year ended 31st March 2014 and up to the date of this report pursuant to the Listing Rules.

AUDITOR

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

On behalf of the Board

Cheung Kee Wee

Chairman

Hong Kong, 26th June 2014

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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

Throughout the financial year ended 31st March 2014, the Company has applied and complied with the code provisions contained in the Corporate Governance Code and Corporate Governance Report (the "CG Code") set out in Appendix 14 to the Listing Rules, except for certain deviations of the code provisions in respect of the roles of the Chairman and Chief Executive Officer ("CEO") of the Company (i.e. A.2.1); and service term of its Non-executive Directors ("NEDs") (i.e. A.4.1). The considered reasons for the aforesaid deviations will be discussed in the later part of this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors' securities transactions in the Company. All Directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31st March 2014.

Corporate Governance Report *(CONTINUED)*

THE BOARD

Board Composition

The Board currently comprises the following eight members:

Executive Directors

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

Non-executive Directors

Mr. John Ho
Mr. Ng Kwok Tung

Independent Non-executive Directors

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

The Board, led by the Chairman, is responsible for leadership and control of the Company and is collectively responsible for establishing the strategic direction of the Group, setting objectives and business development plans, monitoring the performance of the senior management, assuming responsibility for corporate governance and achieving agreed corporate goals of the Company by scrutinizing the Company's performance and monitoring performance reporting.

The Chairman of the Board ensures that the Board works effectively and discharges its responsibilities and all key and appropriate issues are discussed by the Board in a timely manner. He takes responsibility for ensuring that good corporate governance practices and procedures are established and encourages all Directors to make a full and active contribution to the Board's affairs. Directors with different views are encouraged to voice their concerns. They are allowed sufficient time for discussion of issues so as to ensure that Board decisions fairly reflect Board consensus. A culture of openness is promoted to facilitate the effective contribution of NEDs and ensure constructive relations between Executive Directors ("EDs") and NEDs.

EDs and the Board committees of the Company are delegated with the authority to manage the business of the Group in all aspects effectively. With the assistance of the Company Secretary, the Chairman approves Board meeting agendas and takes into account, where appropriate, any matters proposed by the other Directors for inclusion in the agendas. Also, with the support of the EDs and the Company Secretary, the Chairman ensures that all Directors are properly briefed and timely receive adequate, clear, complete and reliable information on all Board matters.

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

The NEDs, including Independent Non-executive Directors ("INEDs"), participate in Board meetings to bring expertise and independent views on important issues relating to the Company's strategy, policy, performance, accountability, resources, key appointments, standards of conduct, and take the lead on matters where potential conflicts of interests arise. They also serve on Board committees of the Company, including the Audit Committee, the Remuneration Committee and the Nomination Committee. The NEDs and INEDs give the Board and Board committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They also attend AGMs to understand the view of the Shareholders. They make a positive contribution to the development of the Company's strategy and policy through independent, constructive and informed comments.

The Board has more than one third of the Directors as INEDs, each of them comes from different business and professional background and at least one of them has accounting or related financial management expertise. The Board has received from each INED an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that each INED meets the requirements of independence as set out in Rule 3.13 of the Listing Rules and continues to consider each of them to be independent up to the date of the Company's 2014 annual report (the "AR").

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

The composition of the Board, by category and position of Directors including the names of the Chairman, the EDs, the NEDs and INEDs, is disclosed in all corporate communications. An updated list of Directors identifying their role and function and whether they are INEDs is available on the respective websites of the Company and the Stock Exchange. The names of the Directors, their role and function and the relationship among them are set out on pages 2 and 3 of the AR.

Corporate Governance Report *(CONTINUED)*

THE BOARD *(Continued)*

Directors' Training

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Directors are kept informed of the updated legal and other regulatory requirements and the business and governance policies of the Company to ensure that their contribution to the Board remains informed and relevant. The Company Secretary provides written training materials to the Directors for reference, and arranges seminars on the latest development of the Listing Rules, applicable laws, rules and regulations relating to Directors' duties and responsibilities, if any.

The Directors have provided the Company with their records of continuous professional development during the financial year 2013/2014. Records of the Directors' training during the year are as follows:

Directors	Attending Seminar(s) on regulatory development and/or directors' duties	Reading regulatory updates or information relevant to the Company or its business
<i>Executive Directors</i>		
Mr. Cheung Kee Wee (<i>Chairman</i>)	✓	✓
Mr. Cheung Lin Wee	✓	✓
Mr. Cheung Ying Wai, Eric	✓	✓
<i>Non-executive Directors</i>		
Mr. John Ho	✓	✓
Mr. Ng Kwok Tung	✓	✓
<i>Independent Non-executive Directors</i>		
Mr. Lam Hon Keung, Keith	✓	✓
Mr. Chan Woon Kong	✓	✓
Mr. Soo Hung Leung, Lincoln	✓	✓

Meetings

The Board meets regularly and holds at least four regular meetings at approximately quarterly intervals in a year and additional meetings are held as and when significant events or important issues are required to be discussed and resolved. For the financial year 2013/2014, four physical meetings were respectively held in June, September and November of 2013 and March 2014. Details of individual attendance of each Director at the meetings are as follows:

Directors	Meetings Attended/Held
<i>Executive Directors</i>	
Mr. Cheung Kee Wee (<i>Chairman</i>)	4/4
Mr. Cheung Lin Wee	4/4
Mr. Cheung Ying Wai, Eric	4/4
<i>Non-executive Directors</i>	
Mr. John Ho	4/4
Mr. Ng Kwok Tung	4/4
<i>Independent Non-executive Directors</i>	
Mr. Lam Hon Keung, Keith	1/4
Mr. Chan Woon Kong	4/4
Mr. Soo Hung Leung, Lincoln	4/4

During the year ended 31st March 2014, the Chairman held a meeting with the NEDs (including INEDs) without the presence of the EDs.

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

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

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

Corporate Governance Report *(CONTINUED)*

THE BOARD *(Continued)*

Meetings *(Continued)*

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

Directors' and Officers' Liabilities

The Company has arranged appropriate Directors and Officers liability insurance coverage for its Directors and officers since 2004.

CHAIRMAN AND CEO

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

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The selection process of Directors is performed by the Board in accordance with the Company's Articles, the recommendations on nominations of Directors made by the Nomination Committee as well as the written procedures for Shareholders to propose a person for election as a Director of the Company. The said procedures are posted on the Company's website.

When considering a potential Director who is recommended by the EDs, the Nomination Committee, or the Shareholder(s), the Board will take into consideration certain criteria such as the candidate's professional knowledge and experience, integrity and personal skills, possible conflicts of interests and time commitment to the Company. If the potential Director cannot give sufficient time and attention to the Company's affairs, he/she will be advised not to accept the appointment.

A newly appointed Director will receive reference material of the Company such as interim and annual reports and circulars with a view to familiarizing him/her with the business operation of the Company and the corporate structure of the Group. Updates are provided to Directors to ensure that Directors are aware of the latest changes in the commercial and regulatory environment in which the Group conducts its business. A Guide on Directors' Duties issued by the Companies Registry, Guidelines for Directors and Guide for Independent Non-Executive Directors both issued by The Hong Kong Institute of Directors have been given to each Director for information and easy reference.

Each Director disclosed to the Company at the time of his appointment and in a timely manner for any change, the number and nature of offices held in public companies or organizations.

Under the code provision D.1.4 of the CG Code, the Company should have formal letters of appointments for Directors setting out the key terms and conditions of their appointment. All Directors have been issued with the said formal letters of appointment from the Company.

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

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

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

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

Corporate Governance Report *(CONTINUED)*

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS *(Continued)*

Each Director (including INED) who was subject to retirement by rotation was appointed by a separate resolution in the AGM. In respect of an INED who has served more than nine years, the Company will express its view in the Company's circular that each INED who is eligible for re-election has met the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent.

During the year ended 31st March 2014, there was no change in the Board composition. The names and details of the retiring Directors who will offer themselves for re-election at the forthcoming AGM are set out in Appendix I to the circular dated 17th July 2014.

BOARD COMMITTEES

The Company has three Board committees, namely the Nomination Committee, the Remuneration Committee and the Audit Committee. All committees have specific terms of reference clearly defining their authorities and responsibilities. The terms of reference of the Board committees require them to report back to the Board on their decisions or recommendations. The terms of reference are reviewed and updated regularly to ensure that they remain appropriate and reflect change in good practice and governance. The determination of the policy for the corporate governance of the Company and the corporate governance duties as set out in the code provision D.3.1 of the CG Code are performed by the Board.

Nomination Committee

The Nomination Committee of the Company was established in 2012, a majority of which is INEDs. The Committee is chaired by the chairman of the Board, Mr. Cheung Kee Wee and comprises an ED, Mr. Cheung Lin Wee, and three INEDs, namely Messrs Lam Hon Keung, Keith, Chan Woon Kong and Soo Hung Leung, Lincoln. The Company Secretary of the Company is the secretary of the Committee.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board regularly and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendation to the Board on the selection of individuals nominated for directorships and the appointment or re-appointment of Directors and succession planning for Directors. The Committee is also responsible for assessing the independence of INEDs.

The Board has a Board diversity policy with the aim of achieving diversity of Board members. The Company recognizes the benefits of having a diverse Board, and sees diversity of perspectives at the Board level as essential in achieving a sustainable and balanced development. Selection of Board members is based on a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and other factors that the Board may consider relevant and applicable from time to time. The ultimate decision is based on merit and contribution that the selected Board members can bring to the Board.

The adopted terms of reference of the Nomination Committee which set out clearly the Committee's role, authority and duties made pursuant to the CG Code are posted on the respective websites of the Stock Exchange and the Company.

The Committee is provided with sufficient resources enabling it to perform its duties and it can seek independent professional advice at the Company's expense, if necessary.

The Nomination Committee met once during the financial year ended 31st March 2014. Details of individual attendance of each of the members of the Committee at the meeting are as follows:

Committee Members	Meeting Attended/Held
<i>Executive Directors</i>	
Mr. Cheung Kee Wee (<i>Chairman</i>)	1/1
Mr. Cheung Lin Wee	1/1
<i>Independent Non-executive Directors</i>	
Mr. Lam Hon Keung, Keith	0/1
Mr. Chan Woon Kong	1/1
Mr. Soo Hung Leung, Lincoln	1/1

Corporate Governance Report *(CONTINUED)*

BOARD COMMITTEES *(Continued)*

Remuneration Committee

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

The principal responsibilities of the Remuneration Committee, under its terms of reference which were prepared on terms no less exacting than those set out in the CG Code, include making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy as well as making recommendations to the Board on the remuneration packages of EDs and senior management with reference to the Board's corporate goals and objectives. The terms of reference of the Committee are posted on the respective websites of the Stock Exchange and the Company.

The Remuneration Committee shall consult the Chairman of the Company about their remuneration proposals for EDs, if necessary. The Committee is provided with sufficient resources to discharge duties.

The Remuneration Committee met once during the financial year ended 31st March 2014. Details of individual attendance of each of the members of the Committee at the meeting are as follows:

Committee Members	Meeting Attended/Held
<i>Independent Non-executive Directors</i>	
Mr. Soo Hung Leung, Lincoln (<i>Chairman</i>)	1/1
Mr. Lam Hon Keung, Keith	0/1
Mr. Chan Woon Kong	1/1
<i>Non-executive Directors</i>	
Mr. John Ho	1/1
Mr. Ng Kwok Tung	1/1

During such meeting, the remuneration packages of the Directors were reviewed with reference to the Group's performance and profitability as well as the remuneration level of directors in certain listed corporations in the industry. No Director was involved in deciding his own remuneration. Details of the remuneration of Directors and senior management by band for the year ended 31st March 2014 are set out in Note 9 to the consolidated financial statements on pages 69 to 71 of the AR.

Audit Committee

The Audit Committee of the Company was established in 1998 and currently consists of three INEDs, namely Messrs Lam Hon Keung, Keith (*Chairman*), Chan Woon Kong and Soo Hung Leung, Lincoln and two NEDs, namely Messrs John Ho and Ng Kwok Tung. No member of the Committee is a former partner of the existing auditing firm of the Company during a period of one year from the date of his ceasing to be a partner of the audit firm. The Committee members possess sufficient financial and accounting experience and expertise to discharge their duties. The Company Secretary of the Company acts as the secretary of the Committee.

The Audit Committee is provided with sufficient resources to perform its duties. The operation of the Audit Committee is guided by its terms of reference which were prepared on terms no less exacting than those set out in the CG Code. The terms of reference of the Committee are posted on the respective websites of the Stock Exchange and the Company.

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

1. recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and approval of their terms of engagement;
2. reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of audit process in accordance with applicable standard;
3. monitoring the integrity of the Company's financial statements and AR and accounts, interim report and quarterly report (if applicable), and reviewing significant financial reporting judgements contained in them;
4. oversight of the Company's financial controls, internal control and risk management systems;
5. reviewing the financial information of the Company;
6. reviewing arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in the financial reporting, internal controls or other matters; and
7. overseeing the Company's relations with the external auditor.

Corporate Governance Report *(CONTINUED)*

BOARD COMMITTEES *(Continued)*

Audit Committee *(Continued)*

During the financial year ended 31st March 2014, two meetings of the Audit Committee were held in June and November of 2013 respectively with the external auditor of the Company for discussion and review of the reporting of financial and other information to the Shareholders (including the 2012/2013 final results and 2013/2014 interim results of the Company before they were submitted to the Board for approval), the accounting principles and practices adopted by the Group and the issue on internal control of the Company. The Committee also keeps under review the independence of the external auditor of the Company. Details of individual attendance of each of the members of the Committee at the meetings are as follows:

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

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor.

The financial statements of the Company for the year ended 31st March 2014 were reviewed and discussed by the Audit Committee together with the external auditor of the Company at a meeting held in late June 2014.

AUDITOR'S REMUNERATION

For the year ended 31st March 2014, the remuneration paid and payable to PricewaterhouseCoopers, the Company's external auditor, for audit services to the Group amounted to HK\$501,300 and for non-audit services mainly consisting of review, consultancy and taxation services amounted to HK\$158,900.

THE COMPANY SECRETARY

The appointment and dismissal of the Company Secretary is subject to the Board approval in accordance with the Company's Articles. Mr. Raymond W. M. Chu was the Company Secretary of the Company.

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

The Company Secretary reports to the Board Chairman, attends all Board meetings and advises on corporate governance and statutory compliance, if appropriate. Draft and final versions of minutes of meetings of the Board and the Board committees are circulated to all Directors concerned for comments and records respectively, within a reasonable time after the meeting is held. All the minutes record in sufficient detail the matters considered and decisions reached by the Board and the Board committees of the Company, including any concerns raised by Directors or dissenting views expressed, are kept by the Company Secretary, which are open for inspection at any reasonable time on reasonable notice by any Director.

The Company Secretary also advises the Directors on their obligations for disclosure of interests in securities, connected transactions and price-sensitive information and ensures that the standards and disclosures required by the Listing Rules are observed and, where required, reflected in the Report of the Directors. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations, are followed.

During the year under review, the Company Secretary undertook over 15 hours of professional training to update his skill and knowledge.

Corporate Governance Report *(CONTINUED)*

ACCOUNTABILITY AND AUDIT

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

Monthly management updates have also been provided by the Management to all Directors for the purpose of providing a balanced and understandable assessment of the Company's performance, financial position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties.

All the Directors have acknowledged their responsibilities for preparing and reviewing the Company's financial statements and ensure that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March 2014 and of the profit and cash flows of the Group for the year then ended. In preparing the Company's financial statements for the year ended 31st March 2014, with the assistance of the Company's accounts department, the Board has selected suitable accounting policies and principles generally accepted in Hong Kong and applied them consistently, has made prudent and reasonable judgements and estimates, and has prepared the financial statements on a going concern basis. Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern as referred to in the code provision C.1.3 of the CG Code.

The statement by the auditor of the Company regarding their reporting responsibilities on the financial statements of the Company and the Group is set out in the "Independent Auditor's Report" on pages 37 and 38 of the AR.

The Board has included in the separate statement containing a discussion and analysis of the Group's performance in the Management Discussion and Analysis of the AR.

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

INTERNAL CONTROL

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

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

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

COMMUNICATION WITH THE SHAREHOLDERS

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

At the 2013 AGM, respective Chairmen of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee as well as the external auditor of the Company were present and available to answer questions raised by the Shareholders at the meeting. A separate resolution was proposed at the AGM on each substantially separate issue, such as the re-election of individual Directors.

Corporate Governance Report *(CONTINUED)*

COMMUNICATION WITH THE SHAREHOLDERS *(Continued)*

Details of individual attendance of each Director at the 2013 AGM are as follows:

Directors	Meeting Attended/Held
<i>Executive Directors</i>	
Mr. Cheung Kee Wee (<i>Chairman</i>)	1/1
Mr. Cheung Lin Wee	1/1
Mr. Cheung Ying Wai, Eric	1/1
<i>Non-executive Directors</i>	
Mr. John Ho	1/1
Mr. Ng Kwok Tung	1/1
<i>Independent Non-executive Directors</i>	
Mr. Lam Hon Keung, Keith	1/1
Mr. Chan Woon Kong	1/1
Mr. Soo Hung Leung, Lincoln	1/1

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

The Company arranges for the notice to the Shareholders to be sent out in the case of AGMs at least 20 clear business days before the meeting and to be sent out at least 10 clear business days in the case of all other general meetings. It is proposed that the 2014 AGM will be held on Monday, 1st September 2014 at 11:30 a.m.. Notice of the AGM will be published and dispatched to the Shareholders in late July 2014.

The Board has formulated a shareholders' communication policy and will review it on a regular basis to ensure its effectiveness.

VOTING BY POLL

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

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

Pursuant to the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. The Chairman of the 2014 AGM will therefore put each of the resolutions to be proposed at the meeting to be voted by way of a poll pursuant to the Listing Rules and Article 74 of the Company's Articles.

SHAREHOLDERS' RIGHT

Under Section 566 of the new Companies Ordinance, Chapter 622 of the laws of Hong Kong (the "New Companies Ordinance"), Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at the general meetings are entitled to send a request to the Company to convene a general meeting. Such requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the registered office of the Company in hard copy form or to the email address of the Company in electronic form and must be authenticated by the Shareholder(s) making it.

Moreover, in relation to an AGM which the Company is required to hold, Sections 615 and 616 of the New Companies Ordinance provide that Shareholders representing at least 2.5% of the total voting rights of all Shareholders having a right to vote on the resolution at the AGM or at least 50 Shareholders having a right to vote on the resolution at the AGM, may request the Company to circulate a notice of the resolution for consideration at the AGM by sending such request, which must be authenticated by the Shareholders making it to the registered office of the Company in hard copy form or to the email address of the Company in electronic form.

Corporate Governance Report *(CONTINUED)*

SHAREHOLDERS' RIGHT *(Continued)*

The Shareholders can make enquiries or proposals to the Company through the following means:

Telephone: (852) 2527 1821
Fax: (852) 2861 3771
Post: Room 2500, Dominion Centre
43-59 Queen's Road East
Wanchai, Hong Kong
Email: enquiry@wahha.com

INVESTOR RELATIONS

During the year ended 31st March 2014, there were no significant changes in the memorandum and articles of association of the Company which is posted on the respective websites of the Stock Exchange and the Company.

On 3 March 2014, the New Companies Ordinance replaced the old Companies Ordinance (Chapter 32) and the old Companies Ordinance was amended and retitled as Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32). In view of the above changes, the Company will amend its Articles of Association in due course.

Save as disclosed above, the Company has complied with all the code provisions as set out in the CG Code throughout the financial year ended 31st March 2014.

Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF WAH HA REALTY COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Wah Ha Realty Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 39 to 90, which comprise the consolidated and company balance sheets as at 31st March 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 80 of Schedule 11 to the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

Independent Auditor's Report *(CONTINUED)*

Auditor's Responsibility *(Continued)*

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 26th June 2014

Consolidated Statement of Comprehensive Income

For the year ended 31st March 2014

	<i>Note</i>	2014 HK\$	2013 HK\$
Revenues	5	19,937,658	12,920,295
Changes in fair value of investment properties	14	(2,100,000)	2,600,000
Net fair value gains on financial assets at fair value through profit or loss		1,059,925	386,694
Other (losses)/gains, net	6	(102,895)	869,819
Direct outgoings in relation to properties that generate income	7	(393,585)	(463,964)
Cost of sales of completed properties	7	(954,460)	(47,181)
Staff costs	7	(6,135,415)	(5,727,728)
Other operating expenses	7	(1,394,475)	(1,283,733)
Operating profit		9,916,753	9,254,202
Share of profits less losses of associated companies	8	36,208,134	103,965,956
Profit before income tax		46,124,887	113,220,158
Income tax (expense)/credit	11	(994,354)	1,750
Profit and total comprehensive income attributable to equity holders of the Company		45,130,533	113,221,908
Dividends	12	41,126,400	42,336,000
Earnings per share (Basic and diluted)	13	0.37	0.94

The notes on pages 46 to 90 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31st March 2014

	<i>Note</i>	2014 HK\$	2013 HK\$
ASSETS			
Non-current assets			
Investment properties	14	65,900,000	68,000,000
Investments in associated companies	16	690,010,750	678,561,246
Amounts due from associated companies	16	5,520,179	9,636,681
Available-for-sale financial assets	17	250,448	250,448
Deferred income tax assets	24	762,776	317,546
		762,444,153	756,765,921
Current assets			
Completed properties held for sale	18	5,615,989	6,497,015
Amounts due from associated companies	16	38,446,010	43,660,016
Trade and other receivables	19	1,325,518	1,250,398
Tax recoverable		19,052	1,598,374
Financial assets at fair value through profit or loss	20	3,288,095	2,938,493
Cash and bank balances	21	358,649,739	357,110,402
		407,344,403	413,054,698
Total assets		1,169,788,556	1,169,820,619
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	22	78,624,000	78,624,000
Retained profits	23		
– Proposed dividends		27,820,800	29,030,400
– Others		1,049,902,012	1,045,897,879
		1,077,722,812	1,074,928,279
Total equity		1,156,346,812	1,153,552,279

	<i>Note</i>	2014 HK\$	2013 HK\$
LIABILITIES			
Current liabilities			
Amounts due to associated companies	<i>16</i>	8,755,283	13,011,614
Trade and other payables	<i>25</i>	3,416,487	3,218,595
Tax payable		1,269,974	38,131
Total liabilities		13,441,744	16,268,340
<hr style="border-top: 1px dashed black;"/>			
Total equity and liabilities		1,169,788,556	1,169,820,619
<hr/>			
Net current assets		393,902,659	396,786,358
<hr/>			
Total assets less current liabilities		1,156,346,812	1,153,552,279
<hr/>			

For and on behalf of the Board

Cheung Kee Wee
Director

Cheung Lin Wee
Director

The notes on pages 46 to 90 are an integral part of these consolidated financial statements.

Balance Sheet

As at 31st March 2014

	<i>Note</i>	2014 HK\$	2013 HK\$
ASSETS			
Non-current assets			
Investment properties	14	65,900,000	68,000,000
Investments in subsidiaries	15	110,344	110,344
Investments in associated companies	16	1,090,597	1,090,617
Amounts due from associated companies	16	5,520,179	9,636,681
Available-for-sale financial assets	17	250,448	250,448
Deferred income tax assets	24	762,147	316,864
		73,633,715	79,404,954
Current assets			
Completed properties held for sale	18	663,276	663,276
Amounts due from subsidiaries	15	231,004	291,643
Amounts due from associated companies	16	38,446,010	43,660,016
Trade and other receivables	19	904,117	877,002
Tax recoverable		–	1,577,039
Financial assets at fair value through profit or loss	20	3,288,095	2,938,493
Cash and bank balances	21	351,279,857	350,236,021
		394,812,359	400,243,490
Total assets		468,446,074	479,648,444
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	22	78,624,000	78,624,000
Retained profits	23		
– Proposed dividends		27,820,800	29,030,400
– Others		319,969,768	335,048,714
		347,790,568	364,079,114
Total equity		426,414,568	442,703,114

	<i>Note</i>	2014 HK\$	2013 HK\$
LIABILITIES			
Current liabilities			
Amounts due to subsidiaries	<i>15</i>	30,426,125	21,629,063
Amounts due to associated companies	<i>16</i>	8,755,283	13,011,614
Trade and other payables	<i>25</i>	2,850,098	2,304,653
Total liabilities		42,031,506	36,945,330
Total equity and liabilities		468,446,074	479,648,444
Net current assets		352,780,853	363,298,160
Total assets less current liabilities		426,414,568	442,703,114

For and on behalf of the Board

Cheung Kee Wee
Director

Cheung Lin Wee
Director

The notes on pages 46 to 90 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31st March 2014

<i>Note</i>	2014	2013
	HK\$	HK\$
Cash flows from operating activities		
Profit before income tax	46,124,887	113,220,158
Changes in fair value of investment properties	2,100,000	(2,600,000)
Share of profits less losses of associated companies	(36,208,134)	(103,965,956)
Operating profit before working capital changes		
Decrease in completed properties held for sale	881,026	27,132
(Increase)/decrease in trade and other receivables	(75,120)	393,763
Increase in financial assets at fair value through profit or loss	(349,602)	(386,694)
Increase in trade and other payables	197,892	197,344
Net cash generated from operations		
Hong Kong profits tax refunded/(paid)	1,371,581	(171,838)
Net cash generated from operating activities		
Cash flows from investing activities		
Decrease in bank deposits with maturity over three months	–	278,153,282
Dividends received from associated companies	24,815,000	30,587,175
Advances to associated companies	(24,950,264)	(30,760,413)
Repayment of advances to associated companies	29,968,071	33,074,700
Net cash generated from investing activities		
Cash flows from financing activity		
Dividends paid to the Company's equity holders	(42,336,000)	(43,545,600)
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the year		
	357,110,402	82,887,349
Cash and cash equivalents at end of the year		
<i>21</i>	358,649,739	357,110,402

The notes on pages 46 to 90 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March 2014

	<i>Note</i>	2014 HK\$	2013 HK\$
Total equity at beginning of the year		1,153,552,279	1,083,875,971
Profit and total comprehensive income for the year	23	45,130,533	113,221,908
Transaction with equity holders			
Dividends	23	(42,336,000)	(43,545,600)
Total equity at end of the year		1,156,346,812	1,153,552,279

The notes on pages 46 to 90 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

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

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

These consolidated financial statements are presented in Hong Kong dollar (HK\$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 26th June 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

Adoption of revised standards and amendments to existing standards and interpretations

The Group adopted the revised standards and amendments to existing standards below, which are relevant to its operations.

HKAS 1 Amendment	Presentation of Items of Other Comprehensive Income
HKAS 19 Amendment	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates, and Joint Ventures
HKFRS 7 Amendment	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Fourth annual improvement project (2011)	Improvements for HKFRS published in June 2012

The Group has assessed the impact of the adoption of these revised standards and amendments and considered that there were no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies and presentation of the financial information, except for additional disclosures as required by HKAS 1 Amendment "Presentation of Items of Other Comprehensive Income", HKFRS 12 "Disclosure of Interests in Other Entities" and HKFRS 13 "Fair Value Measurement".

Notes to the Consolidated Financial Statements (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (b) New standards, amendments to existing standards and interpretations which have been issued but are not effective for the financial year beginning on 1 April 2013 and have not been early adopted

		Effective for accounting periods beginning on or after
Amendment to HKAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendment to HKAS 39	Financial Instruments: Recognition and Measurement – Novation of Derivatives	1 January 2014
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Consolidation for Investment Entities	1 January 2014
HK(IFRIC) - Int 21	Levies	1 January 2014
Amendment to HKAS 19	Defined Benefit Plans	1 July 2014
Amendment to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle	1 July 2014
Amendment to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle	1 July 2014
Amendment to HKFRS 7 and HKFRS 9	Mandatory Effective Date and Transition Disclosures	1 January 2015
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 9	Financial Instruments	Effective date to be determined

The Group is in the process of making an assessment of the impact of these new or revised standards and amendments upon initial application and is not yet in a position to state whether these new or revised standards and amendments have any significant impact on the Group's result of operations and financial position.

(c) Consolidation

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

(i) *Subsidiaries*

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated income statement.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

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

Notes to the Consolidated Financial Statements *(CONTINUED)*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Consolidation *(Continued)*

(ii) Associated companies

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

The Group's share of its associated companies' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The carrying amount of the investment is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company.

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

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

(d) Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

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

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

Notes to the Consolidated Financial Statements *(CONTINUED)*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Investment properties

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

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

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

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

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

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

Changes in fair values are recognised in the consolidated income statement.

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

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

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

(g) **Financial assets**

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

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

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

Notes to the Consolidated Financial Statements *(CONTINUED)*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Financial assets *(Continued)*

(ii) Loans and receivables

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

(iii) Available-for-sale financial assets

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

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

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

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

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

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

Notes to the Consolidated Financial Statements *(CONTINUED)*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Trade and other receivables

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

(i) Completed properties held for sale

Completed properties held for sale is classified under current assets and carried at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

(j) Cash and cash equivalents

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

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

(I) Current and deferred income tax

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

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

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

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

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

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

Notes to the Consolidated Financial Statements *(CONTINUED)*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Employee benefits

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

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

(n) Provisions

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

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

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

(o) Operating leases

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

(p) Revenue recognition

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

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

Management fee income is recognised when services are rendered.

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

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

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

(q) Segment reporting

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

(r) Dividend distribution

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

Notes to the Consolidated Financial Statements *(CONTINUED)*

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

(i) Market risk – foreign exchange risk

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

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

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

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

At 31st March 2014, if Hong Kong dollar had weakened or strengthened by 1% (2013: 1%) against RMB, with all other variables held constant, profit before income tax for the year would have been higher or lower by approximately HK\$668,000 (2013: HK\$651,000) as a result of foreign exchange gains/losses arising from bank deposits.

(ii) *Market risk – price risk*

Financial assets at fair value through profit or loss

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

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

If market prices of investments had been 10% higher/lower, the Group's post-tax profit for the year ended 31st March 2014 would increase/decrease by approximately HK\$329,000 (2013: HK\$294,000).

(iii) *Market risk – Interest rate risk*

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

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

As at 31st March 2014, if market interest rates had been 50 basis points higher/lower, the Group's post-tax profit would increase/decrease by approximately HK\$1,779,000 (2013: HK\$1,772,000).

The Group has no interest bearing liabilities.

Notes to the Consolidated Financial Statements *(CONTINUED)*

3 FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Financial risk factors *(Continued)*

(iv) Credit risk

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

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

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

(v) Liquidity risk

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

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

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

	Less than 1 year HK\$	Between 1 and 2 years HK\$	Between 2 and 5 years HK\$	Total HK\$
Group				
At 31st March 2014				
Amounts due to associated companies	8,755,283	–	–	8,755,283
Trade and other payables	2,564,160	200,925	651,402	3,416,487
At 31st March 2013				
Amounts due to associated companies	13,011,614	–	–	13,011,614
Trade and other payables	2,823,323	106,032	–	2,929,355
Company				
At 31st March 2014				
Amounts due to subsidiaries	30,426,125	–	–	30,426,125
Amounts due to associated companies	8,755,283	–	–	8,755,283
Trade and other payables	2,024,696	174,000	651,402	2,850,098
At 31st March 2013				
Amounts due to subsidiaries	21,629,063	–	–	21,629,063
Amounts due to associated companies	13,011,614	–	–	13,011,614
Trade and other payables	2,304,653	–	–	2,304,653

Notes to the Consolidated Financial Statements *(CONTINUED)*

3 FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to support future development of the business. The Group's strategy remains unchanged from the year ended 31st March 2013 and is to maintain net cash position.

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

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

(c) Fair value estimation

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

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

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

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

The following table presents the Group's financial assets that are measured at fair value at 31 March 2014 and 2013. See Note 14 for disclosures of the investment properties that are measured at fair value.

As at 31st March 2014

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Assets				
Financial assets at fair value through profit or loss	3,288,095	–	–	3,288,095

As at 31st March 2013

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Assets				
Financial assets at fair value through profit or loss	2,938,493	–	–	2,938,493

There were no transfers between levels 1 and 2 during the year.

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

Notes to the Consolidated Financial Statements *(CONTINUED)*

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Fair value of investment properties

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

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

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

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

(b) Income taxes

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

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

5 REVENUES

	2014	2013
	HK\$	HK\$
Rental income		
Investment properties	1,049,952	1,009,871
Other properties	3,648,812	3,466,058
Sales of completed properties held for sale	8,498,150	1,350,000
Management fee income	1,325,883	1,342,650
Bank interest income	4,936,317	5,116,509
Dividend income – Listed investments	72,914	64,007
Construction supervision fee income	405,630	571,200
	19,937,658	12,920,295

Notes to the Consolidated Financial Statements (CONTINUED)

6 OTHER (LOSSES)/GAINS, NET

	2014 HK\$	2013 HK\$
Net exchange (losses)/gains	(123,773)	843,797
Sundries	20,878	26,022
	(102,895)	869,819

7 EXPENSES BY NATURE

	2014 HK\$	2013 HK\$
Direct outgoings in relation to properties that generate income		
Investment properties	182,552	250,345
Other properties	211,033	213,619
	393,585	463,964
Cost of sales of completed properties	954,460	47,181
Staff costs (including directors' remuneration)		
Salaries and other emoluments	5,834,669	5,449,687
Contributions to retirement schemes	300,746	278,041
	6,135,415	5,727,728
Other operating expenses		
Auditor's remuneration		
Audit fees	501,300	465,300
Non-audit fees	158,900	158,900
Others	734,275	659,533
	1,394,475	1,283,733

8 SHARE OF PROFITS LESS LOSSES OF ASSOCIATED COMPANIES

The Group's share of results of associated companies included the Group's share of fair value gains on investment properties held by associated companies amounting to HK\$9,250,000 (2013: HK\$72,700,000).

9 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

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

Year ended 31st March 2014

	Fees HK\$	Salaries HK\$	Total HK\$
Executive Directors			
Mr. Cheung Kee Wee (<i>Chairman</i>)	80,000	300,000	380,000
Mr. Cheung Lin Wee	80,000	300,000	380,000
Mr. Cheung Ying Wai, Eric	80,000	300,000	380,000
Non-executive Directors			
Mr. John Ho	80,000	–	80,000
Mr. Ng Kwok Tung	80,000	–	80,000
Independent Non-executive Directors			
Mr. Lam Hon Keung, Keith	80,000	–	80,000
Mr. Chan Woon Kong	80,000	–	80,000
Mr. Soo Hung Leung, Lincoln	80,000	–	80,000
	640,000	900,000	1,540,000

Notes to the Consolidated Financial Statements (CONTINUED)

9 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

(Continued)

Year ended 31st March 2013

	Fees HK\$	Salaries HK\$	Total HK\$
Executive Directors			
Mr. Cheung Kee Wee (<i>Chairman</i>)	80,000	300,000	380,000
Mr. Cheung Lin Wee	80,000	300,000	380,000
Mr. Cheung Ying Wai, Eric	80,000	300,000	380,000
Non-executive Directors			
Mr. John Ho	80,000	–	80,000
Mr. Ng Kwok Tung	80,000	–	80,000
Independent Non-executive Directors			
Mr. Lam Hon Keung, Keith	80,000	–	80,000
Mr. Chan Woon Kong	80,000	–	80,000
Mr. Soo Hung Leung, Lincoln	80,000	–	80,000
	640,000	900,000	1,540,000

No other emoluments was paid and none of the directors of the Company has waived the right to receive their emoluments for the years ended 31st March 2014 and 2013.

Of the five individuals with the highest emoluments in the Group, two (2013: two) were directors of the Company. The emoluments paid to the five highest paid individuals of the Group during the year was as follow:

	2014 HK\$	2013 HK\$
Salaries and other emoluments	2,534,905	2,405,211
Contributions to retirement schemes	73,483	68,618
	2,608,388	2,473,829

The emoluments of each of the five highest paid individuals are below HK\$1,000,000 for the years ended 31st March 2014 and 2013.

10 RETIREMENT SCHEMES

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

11 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

	2014 HK\$	2013 HK\$
Hong Kong profits tax		
Provision for the year	(1,439,584)	(183,233)
Over-provision in prior years	–	765
Deferred income tax (<i>Note 24</i>)	445,230	184,218
	(994,354)	1,750

Notes to the Consolidated Financial Statements (CONTINUED)

11 INCOME TAX (EXPENSE)/CREDIT (Continued)

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

	2014 HK\$	2013 HK\$
Profit before income tax	46,124,887	113,220,158
Share of profits less losses of associated companies	(36,208,134)	(103,965,956)
	9,916,753	9,254,202

Calculated at a tax rate of 16.5% (2013: 16.5%)	(1,636,264)	(1,526,943)
Over-provision in prior years	-	765
Income not subject to tax	1,004,833	1,491,052
Expenses not deductible for tax purposes	(362,166)	(182)
Tax losses not recognised	(43,006)	(10,321)
Statutory tax reduction	42,244	47,374
Others	5	5
Income tax (expenses)/credit	(994,354)	1,750

12 DIVIDENDS

	2014 HK\$	2013 HK\$
Interim dividend paid of HK11 cents (2013: HK11 cents) per share	13,305,600	13,305,600
Proposed final dividend of HK11 cents (2013: HK11 cents) per share	13,305,600	13,305,600
Proposed special dividend of HK12 cents (2013: HK13 cents) per share	14,515,200	15,724,800
	41,126,400	42,336,000

At the Board meeting held on 26th June 2014, the Board of Directors proposed a final dividend of HK11 cents per share and a special dividend of HK12 cents per share. These proposed dividends will be accounted for as an appropriation of retained profits for the year ending 31st March 2015.

13 EARNINGS PER SHARE

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

	2014 HK\$	2013 HK\$
Profit attributable to equity holders of the Company	45,130,533	113,221,908
Weighted average number of ordinary shares in issue	120,960,000	120,960,000
Earnings per share (Basic and diluted)	0.37	0.94

The Company has no dilutive potential ordinary shares.

14 INVESTMENT PROPERTIES

	Group and Company	
	2014 HK\$	2013 HK\$
At valuation		
At beginning of the year	68,000,000	65,400,000
Fair value (losses)/gains	(2,100,000)	2,600,000
At end of the year	65,900,000	68,000,000

The investment properties are held on finance leases of over 50 years in Hong Kong.

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

The revaluation gains or losses is included in "Changes in fair value of investment properties" in the consolidated statement of comprehensive income. The following table analyses the investment properties carried at fair value, by valuation method.

Notes to the Consolidated Financial Statements (CONTINUED)

14 INVESTMENT PROPERTIES (Continued)

Fair value hierarchy for recurring fair value measurements

Description	Fair value measurements		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	HK\$	HK\$	HK\$
31st March 2014			
Investment properties:			
– Commercial building	–	–	5,900,000
– Duplex apartment	–	–	60,000,000
31st March 2013			
Investment properties:			
– Commercial building	–	–	6,000,000
– Duplex apartment	–	–	62,000,000

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers among Levels 1, 2 and 3 during the year.

The following table presents the changes in level 3 instruments for the year ended 31st March 2014.

	Investment properties HK\$
Opening balance	68,000,000
Unrealised fair value losses for the year included in the consolidated statement of comprehensive income for assets held at the end of the year	(2,100,000)
Closing balance	65,900,000

Valuation processes of the Group

The Group's investment properties were valued at 31st March 2014 and 2013 by an independent professionally qualified valuer who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

Discussions of valuation processes and results are held between the chief financial officer, the valuation team and the valuers at least once every six months, in line with the Group's interim and annual reporting dates. As at 31st March 2014 and 2013, the fair values of the properties have been determined by C S surveyors Limited.

Valuation techniques

Fair value measurements using significant unobservable inputs

Fair values of investment properties of the Group are generally derived using the direct comparison method. However, given the unique nature and lack of recent transaction of certain properties, significant adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. The ranges of unobservable input are similar between the commercial building and the duplex apartment. These significant unobservable inputs include:

Description	Valuation Technique	Unobservable inputs	Range of unobservable input HK\$	Relationship of unobservable inputs to fair value
Commercial building and duplex apartment	Direct comparison method	Storey	0.5% to 1% price adjustment per each storey	The higher the storey, the higher the fair vale
		Landscape view	5% to 20% of property value	The better the landscape view, the higher the fair value
		Age of property	0.5% to 1% price adjustment per year	The older the property, the lower the price

There were no changes to the valuation techniques during the year.

Notes to the Consolidated Financial Statements (CONTINUED)

15 SUBSIDIARIES

	Company	
	2014 HK\$	2013 HK\$
Unlisted shares, at cost less provision	110,344	110,344

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

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

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

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

	Company	
	2014	2013
	HK\$	HK\$
Amounts due from subsidiaries	2,103,002	1,902,641
Less: provision for impairment	(1,871,998)	(1,610,998)
	231,004	291,643

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

	Company	
	2014	2013
	HK\$	HK\$
At beginning of the year	1,610,998	1,548,998
Charged to the statement of comprehensive income	261,000	62,000
At end of the year	1,871,998	1,610,998

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

	Company	
	2014	2013
	HK\$	HK\$
Amounts due to subsidiaries	30,426,125	21,629,063

Notes to the Consolidated Financial Statements (CONTINUED)

16 ASSOCIATED COMPANIES

	2014 HK\$	2013 HK\$
Group – share of net assets	690,010,750	678,561,246
Company – unlisted shares, at cost less provision	1,090,597	1,090,617

	Group and Company	
	2014 HK\$	2013 HK\$
Amounts due from associated companies		
– Non-current portion (Note a)	5,520,179	9,636,681
– Current portion (Note b)	38,446,010	43,660,016
	43,966,189	53,296,697
Amounts due to associated companies (Note b)	(8,755,283)	(13,011,614)
	35,210,906	40,285,083

Notes:

- (a) The Company confirmed that these balances are unsecured, interest free and have no specific repayment terms but are not expected to be repaid within one year.
- (b) Amounts due from/to associated companies are unsecured, interest free and have no specific repayment terms.

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

Summarised financial information for associated companies

Set out below are the associated companies of the Group as at 31 March 2014, which, in the opinion of the directors, are material to the Group. The Group's share of results, assets and liabilities of the associated companies are summarised as follows:

	Eastern Tailor Enterprises Limited		Daily Eagle Development Limited		Remadour Estate Limited		Hinquand Enterprise Limited		Wah Ha Property Development Limited	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Revenue	11,513,375	11,729,804	48,434,864	43,416,069	5,935,565	7,057,007	5,540,974	4,766,161	2,507,387	2,375,534
Profit/(loss) for the year	1,504,451	33,190,056	102,336,212	209,539,200	(10,840,988)	34,570,601	3,980,602	23,199,612	(1,998,035)	12,277,013
Dividends received from associated companies	-	-	16,625,000	10,000,000	-	-	-	-	1,350,000	1,650,000

The information above reflects the amounts presented in the financial statements of the associated companies in which the accounting policies are consistent to the Group.

	Eastern Tailor Enterprises Limited		Daily Eagle Development Limited		Remadour Estate Limited		Hinquand Enterprise Limited		Wah Ha Property Development Limited	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Current										
Assets	1,205,213	729,057	5,482,278	32,626,207	3,363,259	682,996	509,989	796,248	948,904	1,599,910
Liabilities	(2,522,679)	(3,309,157)	(11,433,525)	(9,866,562)	(1,342,570)	(1,786,745)	(1,747,882)	(1,146,234)	(571,082)	(544,442)
Total current net (liabilities)/assets	(1,317,466)	(2,580,100)	(5,951,247)	22,759,645	2,020,689	(1,103,749)	(1,237,893)	(349,986)	377,822	1,055,468
Non-current										
Assets	360,000,000	365,000,000	1,190,000,000	1,125,000,000	365,000,000	380,000,000	200,000,000	200,000,000	123,501,981	127,504,411
Liabilities	(10,344,832)	(15,586,649)	(8,668,634)	(8,215,738)	(2,610,311)	(3,644,885)	(7,949,779)	(12,818,288)	(244,019)	(226,060)
Total non-current net assets	349,655,168	349,413,351	1,181,331,366	1,116,784,262	362,389,689	376,355,115	192,050,221	187,181,712	123,257,962	127,278,351
Net assets	348,337,702	346,833,251	1,175,380,119	1,139,543,907	364,410,378	375,251,366	190,812,328	186,831,726	123,635,784	128,333,819
Interest in associated companies (25%; 25%; 25%; 50%; 50%)	87,084,426	86,708,313	293,845,030	284,885,977	91,102,595	93,812,842	95,406,164	93,415,863	61,817,892	64,166,910
Carrying value	87,084,426	86,708,313	293,845,030	284,885,977	91,102,595	93,812,842	95,406,164	93,415,863	61,817,892	64,166,910

There are no contingent liabilities relating to the Group's interest in the associated companies as at 31st March 2014 and 2013.

Notes to the Consolidated Financial Statements (CONTINUED)

16 ASSOCIATED COMPANIES (Continued)

Particular of the associated companies are as follows:

Name	Principal activities	Particulars of issued shares	Effective percentage of equity held by the Group	
			2014	2013
Daily Eagle Development Limited	Property development	4 ordinary shares	25	25
Eastern Tailor Enterprises Limited	Property investment	10,000 ordinary shares	25	25
Fu Kung San Realty Limited	Investment holding	100 ordinary shares	50	50
Fupoly Properties Limited	Property investment	10,000 ordinary shares	25	25
Hinquand Enterprise Limited	Property investment	1,000 ordinary shares	50	50
Keneva Company Limited	Property development	20 ordinary shares	25	25
Kin Yuen Hing Investment Company Limited	Property development	200,000 ordinary shares	50	50
Mass Collection Company Limited	Property development	2 ordinary shares	50	50
Remadour Estate Limited	Property investment	10,000 ordinary shares	25	25
Sing Mei Properties Limited	Property investment	69,513 ordinary shares	25	25
Star Fortune Investments Limited	Property development	2 ordinary shares	50	50
Sun Prince Godown Limited	Property investment	100,000 ordinary shares	50	50
Sun Tai Tsuen Godown Company Limited	Property investment	100,000 ordinary shares	50	50
Wah Ha Property Development Limited	Property investment	10 ordinary shares	50	50

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

During the year ended 31st March 2014, Fullion Realty Limited, in which the Company formerly held 50% equity interests, was deregistered in September 2013.

17 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2014 HK\$	2013 HK\$
Unlisted shares, at cost	250,448	250,448

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

Notes to the Consolidated Financial Statements (CONTINUED)

18 COMPLETED PROPERTIES HELD FOR SALE

	Group		Company	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Completed properties held for sale in Hong Kong				
At beginning of the year	6,497,015	6,524,147	663,276	690,408
Disposals	(881,026)	(27,132)	–	(27,132)
At end of the year	5,615,989	6,497,015	663,276	663,276

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

19 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Trade receivables				
Within 3 months	385,416	555,220	–	220,000
Other receivables	698,637	488,110	680,875	480,864
Prepayments and utility deposits	241,465	207,068	223,242	176,138
	1,325,518	1,250,398	904,117	877,002

Notes:

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

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

- (b) As at 31st March 2014, trade receivables of HK\$385,416 (2013: HK\$335,220) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default.
- (c) At 31st March 2014, there are no trade receivables of the Group and the Company individually determined to be impaired (2013: nil).

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2014 HK\$	2013 HK\$
Listed shares – Overseas	3,288,095	2,938,493

Financial assets at fair value through profit or loss are denominated in United States dollar.

21 CASH AND BANK BALANCES

	Group		Company	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Cash in hand	40,000	40,000	–	–
Bank balances	2,788,669	2,601,673	1,161,847	1,554,923
Bank deposits with original maturity less than three months	355,821,070	354,468,729	350,118,010	348,681,098
	358,649,739	357,110,402	351,279,857	350,236,021

Notes to the Consolidated Financial Statements (CONTINUED)

21 CASH AND BANK BALANCES (Continued)

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

	Group		Company	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
The Bank of East Asia, Limited	357,782,376	357,000,106	350,452,494	350,165,725
Others	827,363	70,296	827,363	70,296
	358,609,739	357,070,402	351,279,857	350,236,021

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

	Group		Company	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Hong Kong dollar	289,604,141	290,550,454	282,234,259	283,676,073
United States dollar	2,263,170	1,488,442	2,263,170	1,488,442
Renminbi	66,782,428	65,071,506	66,782,428	65,071,506
	358,649,739	357,110,402	351,279,857	350,236,021

22 SHARE CAPITAL

	2014 HK\$	2013 HK\$
<i>Authorised: (note a)</i>		
150,000,000 ordinary shares of HK\$0.65 each (note b)	–	97,500,000
<i>Issued and fully paid:</i>		
120,960,000 ordinary shares	78,624,000	78,624,000

Notes:

- (a) Under the Hong Kong Companies Ordinance (Cap. 622) which came into operation on 3 March 2014, the concept of authorized share capital no longer exists.
- (b) In accordance with Section 135 of the Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the member as a result of this transition.

23 RETAINED PROFITS

	Group HK\$	Company HK\$
At 31st March 2012	1,005,251,971	369,058,142
Profit for the year	113,221,908	38,566,572
2012 final dividend	(12,096,000)	(12,096,000)
2012 special dividend	(18,144,000)	(18,144,000)
2013 interim dividend	(13,305,600)	(13,305,600)
At 31st March 2013	1,074,928,279	364,079,114
Profit for the year	45,130,533	26,047,454
2013 final dividend	(13,305,600)	(13,305,600)
2013 special dividend	(15,724,800)	(15,724,800)
2014 interim dividend	(13,305,600)	(13,305,600)
At 31st March 2014	1,077,722,812	347,790,568

24 DEFERRED INCOME TAX

Deferred income tax is calculated on temporary differences under the liability method using a tax rate of 16.5% (2013: 16.5%).

	2014 HK\$	2013 HK\$
Group		
Deferred income tax assets	762,776	317,546
Company		
Deferred income tax assets	762,147	316,864

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

Notes to the Consolidated Financial Statements (CONTINUED)

24 DEFERRED INCOME TAX (Continued)

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

	Assets/(liabilities)		Total HK\$
	Tax losses HK\$	Accelerated depreciation allowances HK\$	
Group			
At 31st March 2012	281,654	(148,326)	133,328
Credited/(charged) to consolidated statement of comprehensive income (Note 11)	192,117	(7,899)	184,218
At 31st March 2013	473,771	(156,225)	317,546
Credited/(charged) to consolidated statement of comprehensive income (Note 11)	453,124	(7,894)	445,230
At 31st March 2014	926,895	(164,119)	762,776
Company			
At 31st March 2012	281,654	(149,065)	132,589
Credited/(charged) to statement of comprehensive income	192,117	(7,842)	184,275
At 31st March 2013	473,771	(156,907)	316,864
Credited/(charged) to statement of comprehensive income	453,124	(7,841)	445,283
At 31st March 2014	926,895	(164,748)	762,147

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. Deferred tax assets of HK\$395,000 (2013: HK\$352,000) arising from unused tax losses of HK\$2,395,000 (2013: HK\$2,134,000) have not been recognised in the consolidated financial statements. These tax losses have no expiry date.

25 TRADE AND OTHER PAYABLES

	Group		Company	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Trade payables				
Within 3 months	25,323	111	25,009	–
Other payables	1,513,098	1,296,067	1,503,547	1,285,858
Rental and utility deposits received	1,149,762	950,654	825,402	601,547
Accrued expenses	728,304	682,523	496,140	417,248
Deposit received	–	289,240	–	–
	3,416,487	3,218,595	2,850,098	2,304,653

26 OPERATING LEASE RENTAL RECEIVABLE

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

	Group		Company	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
First year	4,254,870	3,370,211	3,554,400	1,963,700
Second to fifth years inclusive	5,220,340	292,520	5,143,200	–
	9,475,210	3,662,731	8,697,600	1,963,700

Notes to the Consolidated Financial Statements *(CONTINUED)*

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2014 HK\$	2013 HK\$
Related company		
Estate agency fee income	150,000	150,000

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

The Group is provided with office space and office furniture and fixtures by a related company.

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

28 SEGMENT INFORMATION

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

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

	Property development, investment and management HK\$	Investments HK\$	Total HK\$
Year ended 31st March 2014			
Revenues	14,928,427	5,009,231	19,937,658
Segment results	9,663,102	5,945,383	15,608,485
Unallocated costs			(5,691,732)
Operating profit			9,916,753
Share of profits less losses of associated companies	36,208,134	–	36,208,134
Profit before income tax			46,124,887
Income tax expenses			(994,354)
Profit attributable to equity holders of the Company			45,130,533
Segment assets	116,396,828	362,599,150	478,995,978
Associated companies	690,010,750	–	690,010,750
Unallocated assets			781,828
Total assets			1,169,788,556
Segment liabilities	11,330,835	–	11,330,835
Unallocated liabilities			2,110,909
Total liabilities			13,441,744
Changes in fair value of investment properties	(2,100,000)	–	(2,100,000)

Notes to the Consolidated Financial Statements (CONTINUED)

28 SEGMENT INFORMATION (Continued)

	Property development, investment and management HK\$	Investments HK\$	Total HK\$
Year ended 31st March 2013			
Revenues	7,739,779	5,180,516	12,920,295
Segment results	8,077,516	6,411,007	14,488,523
Unallocated costs			(5,234,321)
Operating profit			9,254,202
Share of profits less losses of associated companies	103,965,956	–	103,965,956
Profit before income tax			113,220,158
Income tax credit			1,750
Profit attributable to equity holders of the Company			113,221,908
Segment assets	128,813,694	360,529,759	489,343,453
Associated companies	678,561,246	–	678,561,246
Unallocated assets			1,915,920
Total assets			1,169,820,619
Segment liabilities	15,604,351	–	15,604,351
Unallocated liabilities			663,989
Total liabilities			16,268,340
Changes in fair value of investment properties	2,600,000	–	2,600,000

For the year ended 31st March 2014, there was one (2013: one) customer who individually contributed over 10% of the total revenue. The revenue contributed by this customer was HK\$4,240,000 (2013: HK\$1,560,000). The customer belongs to the "Property development, investment and management" segment.

Five Year Financial Summary

	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Results					
Year ended 31st March					
Revenues/turnover	19,938	12,920	10,200	10,678	8,175
Profit before income tax	46,125	113,220	138,559	171,924	151,359
Profit attributable to equity holders of the Company	45,131	113,222	138,683	170,029	146,081
Dividends	41,126	42,336	42,336	42,336	12,096
Assets and liabilities					
As at 31st March					
Investment properties	65,900	68,000	65,400	64,800	64,700
Investments in associated companies	690,011	678,561	605,182	474,745	387,445
Amounts due from associated companies	5,520	9,637	14,564	41,968	53,891
Available-for-sale financial assets	250	250	250	250	250
Deferred income tax assets	763	318	133	1	1,187
Current assets	407,345	413,055	421,767	428,983	359,902
Total assets	1,169,789	1,169,821	1,107,296	1,010,747	867,375
Share capital	78,624	78,624	78,624	78,624	78,624
Retained profits	1,077,723	1,074,928	1,005,252	914,953	759,439
Total equity	1,156,347	1,153,552	1,083,876	993,577	838,063
Deferred income tax liabilities	–	–	–	141	–
Current liabilities	13,442	16,269	23,420	17,029	29,312
Total liabilities	13,442	16,269	23,420	17,170	29,312
Total equity and liabilities	1,169,789	1,169,821	1,107,296	1,010,747	867,375

Financial Summary of Associated Companies

A significant portion of the Group's property development and investment activities is undertaken by associated companies. However, none of the individual associated company is significant in relation to the results and net assets of the Group. To provide equity holders with information on the financial performance and position of the associated companies, the following is a summary of the aggregated results and net assets of the Group's associated companies for the year ended 31st March 2014 and 2013:

	2014 HK\$	2013 HK\$
Results		
Revenues	131,326,809	153,181,934
Operating profit	103,233,735	149,724,564
Changes in fair value of investment properties	41,000,000	260,400,000
Profit before income tax	144,233,735	410,124,564
Income tax expense	(16,929,140)	(21,461,228)
Profit for the year	127,304,595	388,663,336
Group's share of profits less losses after income tax	36,208,134	103,965,956
Net assets		
Non-current assets	2,265,962,455	2,224,870,275
Current assets	282,637,207	285,442,125
Net amounts due to equity holders	(100,271,184)	(111,853,171)
Non-current liabilities	(14,130,381)	(13,308,417)
Current liabilities	(50,026,799)	(45,516,849)
Net assets	2,384,171,298	2,339,633,963
Group's share of net assets	690,010,750	678,561,246

Principal Properties

As at 31st March 2014

(A) FOR INVESTMENT

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

Principal Properties *(CONTINUED)*

As at 31st March 2014

(A) FOR INVESTMENT *(Continued)*

Description	Lot No.	Type	Lease Term	Owner
ASSOCIATED COMPANIES <i>(Continued)</i>				
Hong Kong <i>(Continued)</i>				
Flat A on 6/F and 1 carpark, Mountain Lodge at No. 44 Mount Kellett Road	Rural Building Lot No. 199	Residential	Long Lease	Wah Ha Property Development Limited
Belvedere (5 townhouses and 12 carparks) at No. 41 Chung Hom Kok Road, Chung Hom Kok	Rural Building Lot No. 968	Residential	Long Lease	Remadour Estate Limited
Vista Stanley (8 duplex units, 4 flats and 23 carparks) at No. 20 Stanley Village Road, Stanley	RP of Rural Building Lot No. 239	Residential	Long Lease	Eastern Tailor Enterprises Limited
Horizon Plaza at No. 2 Lee Wing Street, Ap Lei Chau West, Aberdeen	Ap Lei Chau Inland Lot No. 122	Commercial	Medium Lease	Daily Eagle Development Limited and Double Joy Investment Company Limited

(B) FOR SALE

Description	Lot No.	Type	Approximate Gross Floor Area (sq. ft.)	Owner	Group's Effective Interest (%)
Hong Kong					
Eight Commercial Tower (186 office/industrial units, 69 shops on G/F and 1/F and 162 carparks) at junction of Sun Yip Street and On Yip Street, Chai Wan	Chai Wan Inland Lot No. 144	Office/Industrial Commercial (G/F and 1/F)	238,590 36,853	Keneva Company Limited	25
Kowloon					
Flat A on G/F, May Wah Court at Nos. 111 – 113 Chatham Road, Tsimshatsui	RP of Kowloon Inland Lot No. 9935 and RP of Kowloon Inland Lot No. 9936	Commercial	2,860	Wah Ha Realty Company Limited	100
New Territories					
Festigood Centre (3 units) at No. 8 Lok Yip Road, On Lok Tsuen, Fanling	Fanling Sheung Shui Town Lot No. 98	Industrial/Godown	5,088	Festigood Company Limited	100
Delya Industrial Centre (20 units and 18 carparks) at Shek Pai Tau Road, Tuen Mun	Tuen Mun Town Lot No. 164	Industrial/Godown	21,602	Tinpoly Realty Limited and Delya Realty Limited	50
Texaco Road Industrial Centre (27 units and 7 carparks) at Nos. 256-264 Texaco Road, Tsuen Wan	Tsuen Wan Town Lots Nos. 242 and 243	Industrial/Godown	74,794	Sun Prince Godown Limited and Sun Tai Tsuen Godown Company Limited	50
Wing Kin Industrial Building (workshop on G/F and 6 carparks) at Nos. 4-6 Wing Kin Road, Kwai Chung	Kwai Chung Town Lot No. 273	Industrial	13,456	Tai Kong Shan Realty Limited and Good Fully Realty Limited	50

Principal Properties *(CONTINUED)*

As at 31st March 2014

(B) FOR SALE *(Continued)*

Description	Lot No.	Type	Approximate Gross Floor Area <i>(sq. ft.)</i>	Owner	Group's Effective Interest <i>(%)</i>
New Territories <i>(Continued)</i>					
Good Harvest Centre (13 units and 1 carpark) at No. 33 On Chuen Street, On Lok Tsuen, Fanling	Fanling Sheung Shui Town Lot No. 100	Industrial/ Godown	20,919	Mass Collection Company Limited	50
Tsing Yi Industrial Centre at Nos. 1-33 Cheung Tat Road, Tsing Yi (Phase I: 11 units and 8 carparks) (Phase II: 6 units and 14 carparks)	Tsing Yi Town Lot No. 65	Industrial/ Godown	103,100 (Phase I: 91,644) (Phase II: 11,456)	Sing Mei Properties Limited	25
World Trade Square (159 units and 11 carparks) at No. 21 On Lok Mun Road, On Lok Tsuen, Fanling	Fanling Sheung Shui Town Lot No. 12	Industrial/ Godown	168,556	Kin Yuen Hing Investment Limited and Kin Ngai Enterprises Limited	25

(C) FOR DEVELOPMENT

Description	Lot No.	Type	Approximate Site Area <i>(sq. ft.)</i>	Approximate Gross Floor Area <i>(sq. ft.)</i>	Owner	Group's Effective Interest <i>(%)</i>
Kowloon						
Nos. 16, 16A, 18, 20, 22 and 22A Tak Cheong Lane (17 units) at Yau Ma Tei	RP of Sec. C of Kowloon Inland Lot No. 7305	Residential	3,689	6,054	Star Fortune Investments Limited	50