WANG ON GROUP LIMITED

宏 安 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

Stock Code: 1222

Annual Report

2008

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *Chairman*
Ms. Yau Yuk Yin, *Deputy Chairman*
Mr. Chan Chun Hong, Thomas, *Managing Director*

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

AUDIT COMMITTEE

Mr. Siu Yim Kwan, Sidney, *S.B.St.J., Chairman*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Kam Chau

REMUNERATION COMMITTEE

Mr. Wong Chun, Justein, *MBE, JP, Chairman*
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

NOMINATION COMMITTEE

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP, Chairman*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

QUALIFIED ACCOUNTANT

Mr. Leong Weng Kin

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
China Construction Bank Corporation
DBS Bank (Hong Kong) Limited

AUDITORS

Ernst & Young

LEGAL ADVISERS

Mallesons Stephen Jaques
Morrison & Foerster
Gallant Y.T. Ho & Co.

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

HOMEPAGE

http://www.wangon.com

STOCK CODE

1222

Chairman's Statement

On behalf of the board of directors (the "Board") of Wang On Group Limited (the "Company"), I am pleased to report that the Company and its subsidiaries (the "Group") achieved remarkable results for the year ended 31 March 2008.

The ambitious effort of our management team and dedication of every staff bore fruit: the Group achieved revenue of approximately HK$545.9 million for the year, representing an increase of 9.3% compared with previous year; profit attributable to equity holders increased to approximately HK$96.1 million, representing 15.5% higher than last year; and the Group's net asset value grew to a historical high of approximately HK$1.24 billion as at 31 March 2008, representing approximately 19.2% increase against last year.

Leveraging on our management experience in Chinese wet markets and taking advantage of the Group's financial strength deriving from the opportunities offered by the buoyant, the Group successfully expanded and strengthened its business in the development and management of agricultural by-products wholesale markets and Chinese wet markets in the People's Republic of China (the "PRC"). Under the principle of "Mass transit and mass logistics" and to tap into government prevailing policy to support trading of agricultural by-products and continued growth and demand of these necessities, the Group introduced systematic management techniques and focus its resources on the following agricultural by-products marketplaces in both Hong Kong and the PRC:

- Yulin Hong-Jin Agricultural By-products Wholesale Market in Guangxi Province
- Centre for Xuzhou Agricultural By-products Wholesale Market in Jiangsu Province
- Ancillary Facilities for Ling Jia Tang Agricultural By-products Wholesale Market in Jiangsu Province
- North District Temporary Wholesale Market in Hong Kong

The Group will continue to establish partnerships in the PRC and explore business opportunities to jointly develop and manage agricultural by-products wholesale marketplaces in different provinces and cities in the PRC and to further build out a strong network and wholesale platform which is expected to provide a significant contribution to the Group in the foreseeable future.

With aggressive and effective marketing strategies and due to the booming property market and buyers' optimistic outlook for Hong Kong's economy during the year under review, the Group is proud of having recorded robust results in property development and property investment during the year despite the upward pressure on inflation due to surging commodities prices. During the year, the Group successfully realised significant profit from the disposal of 15 high-end villas at the Meister House project at Yuen Long. Looking forward, it is expected that satisfactory progress will be achieved from the sale of the Shatin Heights project which is expected to be marketed in the third quarter of this year. The Board remains confident in the property markets in Hong Kong and believes it will continue to generate satisfactory contribution to the Group.

The Group continues to enjoy recognition as one of the leading Chinese wet market operators in Hong Kong and one of the largest tenants of The Link. During the year, the Group was awarded by Capital CEO the "Supreme Services Awards 2007" prize for extraordinary services. The Group currently manages and operates 13 Chinese wet markets in Hong Kong, including two markets the managing rights over which were granted

Chairman's Statement *(Cont'd)*

by The Link in May 2007. Also, the Group continues to focus on and expand its investment in Chinese wet markets in the PRC by introducing innovative experience in Chinese wet market investment and management. The Group currently operates and manages 16 Chinese wet markets in the PRC through its 50% investment in Shenzhen Jimao Market.

For the year under review, the Group enjoyed encouraging contribution from its associate, Wai Yuen Tong Medicine Holdings Limited ("WYT") and it is expected our investment in WYT will continue to bring satisfactory return for the Group.

Subject to approval by shareholders of the Company at the forthcoming annual general meeting, the Board recommends payment of a final dividend of HK0.10 cents per share for the year ended 31 March 2008 (2007: HK0.33 cents).

Looking ahead, the Group will continue to focus on positive and stable long-term development. As such, the Group will strive for balanced growth in our development strategies in core businesses to aim at growing brand recognition, customer loyalty, service innovation and the ongoing improvement of the Group's product and service quality, whilst at the same time becoming more engaged in the social responsibility.

On behalf of the Board, I would like to express my heartfelt gratitude to our management team and all staff for their dedication to the Group during the past year. Also, I would like to extend my sincere gratitude and appreciation to all our institutional investors and other shareholders, customers and vendors for their continuing support of and confidence in our Group.

Tang Ching Ho
Chairman

Hong Kong, 15 July 2008

Management Discussion and Analysis

RESULTS

The Group's turnover and net profit attributable to equity holders for the year ended 31 March 2008 amounted to approximately HK$545.9 million (2007: approximately HK$499.5 million) and approximately HK$96.1 million (2007: approximately HK$83.2 million), respectively.

DIVIDENDS

The Board has recommended the payment of a final divided of HK0.10 cents (2007: HK0.33 cents) per ordinary share for the year ended 31 March 2008 to shareholders on the register of members of the Company as of 27 August 2008. The final dividend will be paid on or before 5 September 2008, subject to shareholders approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 27 August 2008. Together with the interim dividend of HK0.16 cents (2007: HK0.15 cents) per ordinary share distributed in January 2008, this represents a total dividend of HK0.26 cents (2007: HK0.48 cents) per ordinary share for the year.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Tuesday, 26 August 2008 to Wednesday, 27 August 2008, both days inclusive, during which no transfer of shares will be registered. To qualify for the proposed final dividend, all shareholders are required to lodge their transfers with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration by no later than 4:30 p.m. on Monday, 25 August 2008.

BUSINESS REVIEW

Benefiting from the improving Hong Kong economy during the year under review, as well as driven by the satisfactory performance of the property investment and development division of the Group, for the year ended 31 March 2008, the Group recorded a satisfactory turnover of approximately HK$545.9 million (2007: approximately HK$499.5 million), representing an increase of approximately 9.3% as compared with last year. Profit attributable to equity holders for the year rose by 15.5% to approximately HK$96.1 million (2007: approximately HK$83.2 million). As at 31 March 2008, the Group's net assets also increased by 19.2% to approximately HK$1.24 billion (31 March 2007: approximately HK$1.04 billion).

Agricultural By-products Wholesale Market

During the year under review, the Group continued to expand its business of developing and operating agricultural by-products wholesale markets. As the Group's agricultural by-products wholesale market business is still under development particularly in the PRC, it just started generating a turnover of approximately HK$34.4 million for the Group in the year under review. It is expected that the agricultural by-products wholesale market business will enjoy steady growth in the longer term.

Management Discussion and Analysis *(Cont'd)*

Currently, the Group operates a total of three agricultural by-products wholesale markets or related supporting facilities in the PRC, occupying an aggregate site area of approximately 5.6 million square feet:

Location	**Approximate site area** *(million square feet)*	**Percentage of ownership interest**	**Status**	**Anticipated completion**
Xuzhou	2.1	51%	In operation	N/A
Yulin	2.9	65%	Construction work for phase 1 commenced in December 2007	Expected to complete and commence trial operations in the last quarter of 2008
Changzhou	0.6	40%	Construction work will commence in the third quarter of 2008	Expected to complete by the first quarter of 2009
Total	**5.6**			

Planned scale of the project is approximately 1,900 acres at Yulin Hong-Jin Agricultural By-products Wholesale Marketplace in Yulin City, Guangxi Province, the PRC where its construction and development will be carried out in three phases. Phase 1 construction occupying a gross floor area of approximately 1.5 million square feet will be completed in the last quarter of 2008 and trial operations will thereafter commence. The market will form an operating structure consisting of six zones, namely vegetables, fruits, grain & oil, auxiliary food, frozen food and integrated logistics as well as a featured wholesale street.

Located in Xuzhou City, Jiangsu Province, the PRC, the Centre for Xuzhou Agricultural By-products Wholesale Market accommodates more than 850 operators serving 19 cities in the Huaihai Economic Zone and is the major market player of supplying fruit and seafood in Xuzhou City. The market is well-equipped and offers a wide range of products.

The Centre for Ling Jia Tang Agricultural By-products Wholesale Market in Changzhou City, Jiangsu Province, the PRC accommodates more than 1,200 operators of various types of products, offering goods sourced from more than 20 provinces and municipalities nationwide. There will have a gross floor area of approximately 0.6 million square feet for ancillary commercial facilities. It is ranked the fourth among the Top 100 Agricultural By-products Markets Nationwide as well as being a key and leading enterprise under the state's agricultural industrialisation policies.

The Group has introduced all-round marketing concepts of modern enterprises, as well as financial management system and international exposure to these projects and it focuses on investing in the construction of ancillary facilities of the agricultural by-products wholesale markets, including the commercial services zone, the processing, distribution and warehousing zone as well as a modern logistics centre.

Management Discussion and Analysis *(Cont'd)*

Other than the various investments in the PRC, the Group was also successful in securing the management contract for the operation and management of North District Temporary Wholesale Market for agricultural products at Fanling, Hong Kong in March 2007. This is one of the three principal wholesale marketplaces for the trading of agricultural products in Hong Kong. During the year under review, this wholesale market business segment operated smoothly, generating stable income for the Group.

Property Development

In 2007, transaction levels and property prices in the residential property market in Hong Kong both saw an increasing trend. Despite the substantial movement in the investment market, property prices remained high, with the prices of luxurious housing outperforming the overall property market. During the year, the Group recorded satisfactory property sales, generating revenue of HK$303.0 million for the Group, representing a 25.1% growth as compared with last year.

During the year under review, sales at our Meister House project located in Fairview Park Boulevard, Yuen Long achieved spectacular results. All 15 villas were sold, generating sales revenue of HK$293.4 million for the Group for the financial year ended 31 March 2008.

Our luxurious residential project at Shatin Heights has been officially named "Godi". During the year under review, the construction work for 11 villas was completed and occupation permits were obtained. These villas are expected to be launched in around the third quarter of 2008.

Given the low interest rates as well as interest in Hong Kong's high-end residential housing from many mainland investors, the Group considers that the property market in Hong Kong can sustain stable and healthy development. The Group is currently identifying suitable sites in Hong Kong to replenish its land bank so as to satisfy its growth plans in the coming years.

On 23 November 2007, the Group entered into an agreement to acquire a 50% equity interest in a PRC company which had acquired by way of public auction a land site of approximately 2.4 million square feet in Fuzhou, Jiangxi Province, the PRC. It is intended that the site will be developed into a residential cum commercial complex.

In January 2008, for a total consideration of HK$240.0 million, the Group disposed of the entire interest in a PRC company which held a land with site area of approximately 0.7 million square feet located at Dalingshan Town, Dongguan City, Guangdong Province, the PRC for development into a residential and commercial complex with hotel facilities.

Property Investment

As at 31 March 2008, the Group maintained an investment property portfolio of retail shops, residential premises, agricultural by-products wholesale markets and Chinese wet markets with a net book value of approximately HK$555.2 million (2007: approximately HK$315.1 million). During the year, the Group acquired another two retail shops at prime locations for a total consideration of HK$84.0 million.

Management Discussion and Analysis *(Cont'd)*

The Group will continue to look for property investment opportunities. The Group believes that this business segment offers the Group steady income as well as benefits from capital appreciation.

Management and Sub-licensing of Chinese Wet Markets

The Group derives stable income from its Chinese wet markets management business. The Group is currently the single largest operator of Chinese wet markets in Hong Kong managing a portfolio of approximately 900 stalls with an area of over 300,000 square feet in 13 Chinese wet markets. The Group also currently manages a total of more than 1,100 stalls occupying a total gross floor area of over 270,000 square feet in 16 "Huimin" brand Chinese wet markets in various districts in Shenzhen, the PRC. During the year under review, turnover derived from this business segment was approximately HK$170.7 million (2007: approximately HK$144.0 million), representing an increase of approximately 18.5% as compared to last year.

Given the Group's abundant resources and expertise in the management of Chinese wet markets, the Group continues to seek more business opportunities in the management of Chinese wet markets in both the PRC and Hong Kong.

Investment in Pharmaceutical and Health Products Related Business

The pharmaceutical and health products related business operated by the Group's associate WYT continued to improve during the year under review with a total turnover of HK$477.0 million, representing a 25.1% increase over last year.

The Group expects that the performance of its associate's pharmaceutical and health products related business will further improve in light of the healthy economy in both the PRC and Hong Kong and the increasing health consciousness among individuals.

FUND RAISING ACTIVITIES

In order to attract more investors and expand the shareholders' base of the Group, at the special general meeting held on 17 May 2007, shareholders resolved to subdivide each of the share of HK$0.10 each in the share capital of the Company into 20 subdivided shares of HK$0.005 each. Subdivided shares commenced trading on 18 May 2007 on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year under review, unlisted warrants to subscribe for 200 million subdivided shares of HK$0.005 each at a subscription price of HK$0.34 per share (as adjusted) were issued by the Company, with net proceeds of HK$4.0 million raised. Assuming full exercise of the warrants at the adjusted subscription price, the Company would raise additional capital of approximately HK$68 million which would be utilised by the Group for financing the development and management of agricultural by-products wholesaling and the Chinese wet market businesses.

Management Discussion and Analysis *(Cont'd)*

During the year, the Company also placed and issued a total of 1,360 million shares of HK$0.005 each at a price of HK$0.075 per share. Net proceeds of approximately HK$98.9 million were raised for financing the development and management of agricultural by-products wholesale markets in the PRC, for financing the expansion and development of property investment and development businesses both in Hong Kong and the PRC, for repayment of bank loans and for the other potential investment opportunities.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the Group's total net assets less current liabilities were approximately HK$1.4 billion (2007: HK$1.2 billion), the current ratio decreased from 1.47 times as at 31 March 2007 to 1.27 times as at 31 March 2008.

As at 31 March 2008, the Group had cash resources and short-term investments of approximately HK$376.1 million (2007: HK$513.4 million). The aggregate borrowings as at 31 March 2008 amounted to approximately HK$546.2 million (2007: HK$544.0 million). The gearing ratio was 18.2% (2007: 7.4%), calculated with reference to the Group's total borrowing's net of cash and cash equivalents and equity attributable to equity holders of the Company of approximately HK$215.4 million and approximately HK$1.2 billion respectively.

As at 31 March 2008, the Group's investment properties, had a total carrying amount of HK$348.9 million (2007: HK$252.0 million) which were pledged to secure the Group's general banking facilities, totalling HK$201.5 million (2007: HK$89.4 million).

The Group's capital commitment as at 31 March 2008 amounted to approximately HK$197.4 million (2007: approximately HK$107.1 million). The Group had no significant contingent liabilities as at the balance sheet date.

Management is of the opinion that the Group's existing financial resources will be sufficient for the Group's needs in the foreseeable future.

Foreign Exchange

The Board is of the opinion that there is no material foreign exchange exposure to the Group. All bank borrowings are denominated in Hong Kong dollars and Renminbi. The revenue of the Group, being mostly denominated in Hong Kong dollars, matched the currency requirement of the Group's operating expenses. The Group does not engage in any hedging contracts.

Management Discussion and Analysis *(Cont'd)*

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2008, the Group had a total of 272 full time employees, around 95% of whom were located in Hong Kong. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's performance as well as the individual's performance. Other benefits, such as medical and retirement benefits and structured training programs, are also provided.

PROSPECTS

The Group endeavors to develop businesses closely related to the daily life of the general public. Its businesses of property development, Chinese wet markets management and agricultural by-products wholesaling, and its investment in the pharmaceutical business are all people-oriented so as to meet the food, accommodation and healthcare needs of consumers.

The Group is beginning to see fruit of its agricultural by-products wholesale market business and expects to see further expansion in the revenue base of such business following the completion of Yulin Wholesale Market phase 1 this year. In recent years, food supply has become an important topic worldwide. The Group will continue to develop its agricultural by-products wholesale and related businesses in the future so as to maintain stable cash inflow through this business segment. Since 2004, the Chinese government has planned to implement standardised and regulated agricultural by-products wholesale markets, and encouraged foreign investors to participate in the construction and reconstruction of the agricultural by-products wholesale markets. Due to its close relations with the daily life of the general population, plus government policies on agriculture, rural areas and the rural population, the agricultural by-products wholesale industry has gained full support from the PRC government with promising prospects. The Group will continue to seek investment opportunities in other provinces and cities so as to further expand the Group's agricultural by-products wholesale market business. The Group also intends to develop "one-stop" management services from plantation, wholesaling to sales so as to further expand its source of income as well as fully utilise the existing established Chinese wet markets management business as a retail platform.

It is expected that, the property market in Hong Kong continues to see steady improvement. Driven by factors such as low interest rates and a stable economy development, prices of residential housing have grown steadily. The Group will continue to launch high quality residential projects and meanwhile, actively seek further property development and investment opportunities to generate maximum investment returns for our shareholders.

Board of Directors and Senior Management

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, aged 46, is a co-founder of the Group (which was established in 1987), and the Chairman of the Company. He is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of WYT, a company listed on the main board of the Stock Exchange.

Ms. Yau Yuk Yin, aged 46, is a co-founder of the Group and Deputy Chairman of the Company. She is responsible for the overall human resources and administration of the Group. She has over 10 years' experience in human resources and administration management. She is the wife of Mr. Tang Ching Ho.

Mr. Chan Chun Hong, Thomas, aged 44, joined the Group in 1997 as an Executive Director and was re-designated as the Managing Director of the Company in September 2005. He is currently responsible for managing the overall operations of the Group. He graduated from the Hong Kong Polytechnic University with a degree in Accountancy and is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants. He is also the managing director of WYT and the chairman and managing director of LeRoi Holdings Limited and an independent non-executive director of Shanghai Prime Machinery Company Limited, all companies are listed on the main board of the Stock Exchange.

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, aged 68, joined the Group in November 1993 as an Independent Non-executive Director of the Company. He is a member of remuneration committee and nomination committee of the Company. Dr. Lee holds an honorary doctoral degree in engineering from The Hong Kong Polytechnic University and an honorary doctoral degree in laws from The Chinese University of Hong Kong.

Mr. Wong Chun, Justein, *MBE, JP*, aged 54, joined the Group in November 1993 as an Independent Non-executive Director of the Company. He is a member of audit committee and nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Wong holds a bachelor's degree in Commerce and Computing Science from Simon Fraser University, Canada. He is a fellow of Institute of Canadian Bankers. He was a member of the Fight Crime Committee, the Independent Police Complaints Council and is currently a member of the Legal Aid Services Council, Energy Advisory Committee, Chairman of Quality Education Fund Assessment and Monitoring Committee and other government advisory bodies.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, aged 61, joined the Group in November 1993 as an Independent Non-executive Director of the Company. He is the chairman of audit committee of the Company and a member of nomination committee and remuneration committee of the Company. Mr. Siu is also an executive member of a number of charitable organisations and sports associations and an independent non-executive director of B.A.L. Holdings Limited.

Board of Directors and Senior Management *(Cont'd)*

Independent Non-executive Directors *(Cont'd)*

Mr. Siu Kam Chau, aged 43, joined the Group in September 2004 as an Independent Non-executive Director of the Company. He is a member of audit committee, nomination committee and remuneration committee of the Company. Mr. Siu is a Certified Public Account (Practising) and a fellow of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants. He is also an executive director of Hong Kong Health Check and Laboratory Holdings Company Limited, a listed company in Hong Kong.

SENIOR MANAGEMENT

Mr. Cheung Wai Kai is the General Manager of the Group's commercial management division. He joined the Group in July 1998. He had more than 12 years' experience in general management and 11 years specialising in the market management.

Mr. Kwok Tze Chiu, Samson is the General Manager of the Group and responsible for quantity surveying and cost control of the Group's project management department. Prior to joining the Group in September 1997, he had over 21 years' experience in the building industry. He graduated from the Hong Kong Polytechnic University with a higher certificate in Building Studies.

Mr. Leong Weng Kin is the Group Financial Controller of the Group. He is the qualified accountant of the Company. He holds a Master degree in Business Administration from the Chinese University of Hong Kong. Prior to joining the Group, he had over 10 years' experience in key financial position in a Hong Kong listed Group and more than four years working experience in an international firm of Certified Public Accountants.

Mr. Ying Yat Man, Clement is the General Manager of the Group and the head of the Group's agricultural wholesale markets management department. He joined the Group in January 2007. Prior to joining the Group, he had over 23 years' experience in real estate development and general business management in Hong Kong and the PRC working in both the private and public sectors. He is a professional qualified real estate surveyor. He holds a Bachelor degree in Laws from the University of London and a Master degree in Chinese Laws from the University of Hong Kong.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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

In light of the requirements set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, the Board has reviewed the corporate governance practices of the Company following the adoption and improvement of the various procedures and documentation, which are detailed in this corporate governance report. The Company has applied the principles of and complied with the applicable code provisions of the CG Code throughout the year ended 31 March 2008.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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

To comply with code provision A.5.4 of the CG Code, the Company has in September 2005, in addition to the Model Code, also adopted for securities transactions by certain employees of the Company or any of its subsidiaries who are considered likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

THE BOARD

The Board currently comprises seven Directors and its composition is set out as follows:

Executive Directors

Mr. Tang Ching Ho *(Chairman)*
Ms. Yau Yuk Yin *(Deputy Chairman)*
Mr. Chan Chun Hong, Thomas *(Managing Director)*

Independent Non-executive Directors ("INEDs")

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

The brief biographical details of the Directors are set out on pages 11 to 12 of this Annual Report.

Corporate Governance Report *(Cont'd)*

The Company has four INEDs representing more than one-third of the Board. The Board possesses a balance of skill and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the INEDs of the Company in the Board meetings facilitate the maintenance of good corporate governance practices. At least one INED has the appropriate professional qualification and/or accounting and audit experience expertise as required by Rule 3.10(1) and (2) of the Listing Rules. A balanced composition of executive and non-executive Directors also generates a strong independent element on the Board, which allows independent and objective decision making process for the best interests of the Company. The Company will review the composition of the Board regularly to ensure the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group's business.

All INEDs are free from any business or other relationship with the Company. The Company has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers the four INEDs to be independent.

The Board's primary functions are to set corporate policy and overall strategy for the Group and to provide effective oversight of the management of the Group's businesses and affairs. Apart from its statutory responsibilities, the Board also approves the strategic plans, key operational issues, investments and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or indirectly through committees established by the Board.

Regular Board meetings are held at least four times a year to approve annual and interim results, and to review the business operation and the internal control system of the Group. Apart from these regular meetings, Board meetings are also held to approve major issues. At least 14 days' notice of each regular meeting is given to all Directors. Agendas and accompanying Board papers are sent not less than 3 days before the date of Board meetings to ensure that the Directors are given sufficient time to review the same. Draft minutes of Board meetings and Board committee meetings are circulated to Directors for their review and comment while final version of the said minutes, when duly signed, are sent to all members of the Board for their records. All said minutes are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any Director.

During the year, four Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

Board members	**Attendance**
Executive Directors:	
Mr. Tang Ching Ho *(Chairman)*	4/4
Ms. Yau Yuk Yin *(Deputy Chairman)*	3/4
Mr. Chan Chun Hong, Thomas *(Managing Director)*	4/4
INEDs:	
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	3/4
Mr. Wong Chun, Justein, *MBE, JP*	4/4
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	4/4
Mr. Siu Kam Chau	3/4

Corporate Governance Report *(Cont'd)*

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer ("CEO") are separate to reinforce their respective independence and accountability. The Chairman of the Company is Mr. Tang Ching Ho who is primarily responsible for the leadership of the Board, while the functions of a CEO are performed by the Managing Director, Mr. Chan Chun Hong, Thomas, who is also an Executive Director of the Company. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board in September 2005.

BOARD COMMITTEE

The Board has established various committees, including the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and nomination committee (the "Nomination Committee"), each of which has the specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the company secretary, are circulated to all committee members. Each committee is required to report to the Board on its decision and recommendations where appropriate.

Audit Committee

The role of Audit Committee was established in December 1999 in compliance with Rule 3.21 of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting, internal controls and to make relevant recommendations to the Board. The Audit Committee comprising three INEDs, namely, Mr. Siu Yim Kwan, Sidney (Chairman), Mr. Wong Chun, Justein and Mr. Siu Kam Chau.

The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

The Audit Committee meets at least twice a year. Two committee meetings were held during the year and the attendance of each member is set out as follows:

Committee members	**Attendance**
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.* *(Chairman)*	2/2
Mr. Wong Chun, Justein, *MBE, JP*	2/2
Mr. Siu Kam Chau	2/2

During the year under review, the Audit Committee reviewed the financial statements for the period ended 30 September 2007 and for the year ended 31 March 2008.

Corporate Governance Report *(Cont'd)*

Remuneration Committee

The Remuneration Committee was established in September 2005 in order to comply with code provision B.1.1 of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy, if considered necessary.

It currently consists of seven members, including Mr. Wong Chun, Justein (Chairman), Dr. Lee Peng Fei, Allen, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The Remuneration Committee meets at least once a year. One committee meeting was held during the financial year to review the remuneration packages of all Directors and senior management and the attendance of each member is set out as follows:

Committee members	Attendance
Mr. Wong Chun, Justein, *MBE, JP (Chairman)*	1/1
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	0/1
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	1/1
Mr. Siu Kam Chau	0/1
Mr. Tang Ching Ho	1/1
Ms. Yau Yuk Yin	1/1
Mr. Chan Chun Hong, Thomas	1/1

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts and the same was reviewed by the Remuneration Committee. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

Nomination Committee

The Nomination Committee was established in September 2005 in order to comply with code provision A.4.4 of the CG Code. It currently consists of seven members, including Dr. Lee Peng Fei, Allen (Chairman), Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The Nomination Committee has adopted a written nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee will based on the criteria in the procedure (such as appropriate experience, personal skills and time commitment etc) identify and recommend proposed candidates to the Board.

During the year, the Nomination Committee did not hold any meeting for the nomination of Directors.

Corporate Governance Report *(Cont'd)*

EXTERNAL AUDITORS' REMUNERATION

The remuneration paid/payable to the Company's external auditors, Ernst & Young, for the year ended 31 March 2008, are set out as follows:

Services rendered for the Group	**Fees paid to Ernst & Young**
	HK$'000
Audit services	
– annual financial statements	2,700
Non-audit services:	
– high-level review of interim financial statements	81
– taxation and professional services	105
– other professional services	–
Total:	2,886

INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective internal control systems to safeguard the Company's assets and shareholders' interests, as well as for reviewing the effectiveness of these systems.

During the year under review, the Company had conducted a high-level risk assessment and found that the Company has established high level controls of the strategic management, core business and resource management processes and risk management function that addressed those identified risk parameters.

COMMUNICATION WITH SHAREHOLDERS

The Board recognise the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars.

The Company also acknowledges that general meeting are valuable forums for the Board to communicate directly with the shareholders and members of the Board and committees are encouraged to attend and answer questions at the general meetings.

Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual Directors.

Details of poll voting procedures and the rights of shareholders to demand a poll are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Corporate Governance Report *(Cont'd)*

Poll results will be published by way of announcements that are posted on the websites of the Company and the Stock Exchange on the date immediately following the holding of the general meetings.

To promote effective communication, the Company maintains websites at (www.wangon.com), where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.

RESPONSIBILITY FOR PREPARATION AND REPORTING OF ACCOUNTS

The Directors of the Company acknowledge their responsibility for preparing the accounts which were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditors about their reporting responsibilities is set out on pages 27 to 28 of this annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Report of the Directors

The Directors present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries and associates are set out in notes 19 and 20 to the financial statements, respectively. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2008 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 29 to 120.

The Group's turnover and net profit attributable to equity holders for the year ended 31 March 2008 amounted to approximately HK$545.9 million (2007: approximately HK$499.5 million) and approximately HK$96.1 million (2007: approximately HK$83.2 million), respectively.

The Board has recommended the payment of a final divided of HK0.10 cents (2007: HK0.33 cents) per ordinary share for the year ended 31 March 2008 to shareholders on the register of members of the Company as of 27 August 2008. The final dividend will be paid on or before 5 September 2008, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 27 August 2008. Together with the interim dividend of HK0.16 cents (2007: HK0.15 cents) per ordinary share distributed in January 2008, this represents a total dividend of HK0.26 cents (2007: HK0.48 cents) per ordinary share for the year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the Company's audited financial statements, is set out on page 124 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Detail of movements in the property, plant and equipment of the Group and the investment properties and properties under development of the Group during the year are set out in notes 14, 16 and 17 to the financial statements, respectively.

Report of the Directors *(Cont'd)*

CONVERTIBLE NOTES, SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's convertible notes, share capital and share options during the year, together with the reasons therefor, are set out in notes 34, 36 and 37 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year under review, the Company has on various occasions repurchased its own shares as follows:

Month of repurchase	Number of ordinary shares with nominal amount of HK$0.005 each	Price per share Highest	Price per share Lowest	Aggregate consideration paid, but exclude expense
		HK$	*HK$*	*HK$*
January 2008	133,500,000	0.152	0.108	16,118,400
February 2008	47,100,000	0.115	0.109	5,310,300

The repurchase of the Company's shares during the year was effected pursuant to the mandate granted to the Directors on 30 August 2007, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 38 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2008, the Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK$483,750,000 (2007: HK$333,422,000), of which approximately HK$7,868,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account, in the amount of approximately HK$586,359,000 (2007: HK$549,612,000), may be distributed in the form of fully paid bonus shares.

Report of the Directors *(Cont'd)*

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for less than 30% of the total sales for both of the current and prior years. In the year under review, purchases from the Group's five largest suppliers accounted for 41% (2007: 43%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 20% (2007: 19%) of the total purchases for the year.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

DIRECTORS

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

Executive Directors

Mr. Tang Ching Ho
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

In accordance with clause 87 of the Company's bye-laws, Mr. Chan Chun Hong, Thomas, Mr. Wong Chun, Justein and Mr. Siu Yim Kwan, Sidney will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau and as at the date of this annual report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 11 to 12 of this annual report.

Report of the Directors *(Cont'd)*

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 43 to the financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2008, the interests of the Directors in the share capital of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the ordinary shares or underlying shares of the Company:

	Number of ordinary shares or underlying shares held, capacity and nature of interest					
Name of Director	**Personal interest**	**Family interest**	**Corporate interest**	**Other interest**	**Total**	**Approximate percentage of the Company's total issued share capital** *(note (h))* %
Tang Ching Ho	16,218,960	16,218,920 *(Note (a))*	59,326,780 *(Note (b))*	913,893,400 *(Note (c) and (f))*	1,005,658,060	15.69
Yau Yuk Yin	16,218,920	75,545,740 *(Note (d))*	–	913,893,400 *(Note (e) and (f))*	1,005,658,060	15.69
Chan Chun Hong, Thomas	1,300,000 *(Note (g))*	–	–	–	1,300,000	0.02

Report of the Directors *(Cont'd)*

Notes:

(a) Mr. Tang Ching Ho was taken to be interested in those shares in which his spouse, Ms. Yau Yuk Yin, was interested.

(b) Mr. Tang Ching Ho was taken to be interested in those shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.

(c) Mr. Tang Ching Ho was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

(d) Ms. Yau Yuk Yin was taken to be interested in those shares in which her spouse, Mr. Tang Ching Ho, was interested.

(e) Ms. Yau Yuk Yin was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.

(f) Pursuant to the top-up placing and subscription agreement entered into among Accord Power Limited ("Accord Power"), a company wholly owned by Trustcorp Limited in its capacity as the trustee of the Tang's Family Trust, the Company and Kingston Securities Limited ("Kingston"), Accord Power has agreed to place, through Kingston, an aggregate of 900,000,000 shares of the Company to independent investors and Accord Power has conditionally agreed to subscribe for an aggregate of 900,000,000 shares of the Company, as announced by the Company on 26 March 2008. The top-up placing and the top-up subscription were completed on 31 March 2008 and 2 April 2008 respectively.

(g) Mr. Chan Chun Hong, Thomas was granted 1,300,000 share options which would be exercisable during the period from 2 January 2009 to 1 January 2013 at an exercise price of HK$0.167 per share.

(h) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2008 of 6,410,233,640 shares.

Save as disclosed above, as at 31 March 2008, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (with the meaning of Part XV of the SFO) that was required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OF DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above and "share option scheme" below and in the share option scheme disclosures in note 37 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Report of the Directors *(Cont'd)*

SHARE OPTION SCHEME

On 3 May 2002, the Company adopted a share option scheme (the "Scheme") for the primary purpose of providing incentives to selected eligible persons who contribute to the success of the Group. Details of the movements of the share options under the Scheme during the year were as follows:

Name or Category	Date of grant	Outstanding as at 1 April 2007	Granted during the year	Addition due to adjustment for the Share Subdivision made during the period#	Exercised during the year	Outstanding as at 31 March 2008	Exercise period of share options	Exercise price per share *HK$*	Closing price per share immediately before the grant date *HK$*	Price of the Company's shares at exercise date of share options**
Executive director										
Chan Chun Hong, Thomas	2-1-2008	–	1,300,000	–	–	1,300,000	2/1/2009 – 1/1/2013*	0.1670	0.168	–
		–	1,300,000	–	–	1,300,000				
Other employees	12-11-2004	13,846,800	–	227,224,800	(143,391,600)	97,680,000	12/11/2004 – 11/11/2014	0.0485	–	0.0485
	1-3-2007	18,700,000	–	355,300,000	–	374,000,000	1/3/2007 – 28/2/2017	0.1425	–	–
	2-1-2008	–	5,850,000	–	–	5,850,000	2/1/2009 – 1/1/2013*	0.1670	0.168	–
TOTAL		**32,546,800**	**7,150,000**	**582,524,800**	**(143,391,600)**	**478,830,000**				

Notes:

* The options granted under the Scheme vest as follows:

On 1st Anniversary:	30% vest
On 2nd Anniversary:	further 30% vest
On 3rd Anniversary:	further 40% vest

Effectively from 18 May 2007, every share of the Company of HK$0.1 each was subdivided into 20 shares of HK$0.005 each in the share capital of the Company (as detailed in the Company's circular dated 30 April 2007) (the "Share Subdivision").

** The price of the Company's shares as at the date of exercise of the share options is the weighted average of the closing price of the shares of the Company as listed on the Stock Exchange on the trading day immediately before the date on which the share options were exercised.

Other details of the Scheme are set out in note 37 to the financial statements.

Report of the Directors *(Cont'd)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2008, to the best knowledge of the Directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions of 5% or more of the ordinary shares and underlying shares of the Company:

Long positions in the ordinary shares of the Company:

Name of Shareholder	**Number of ordinary shares**	**Approximate percentage of the Company's total issued share capital** *(note (h))* %
Accord Power *(Note (a))*	913,893,400	14.26
Trustcorp Limited *(Note (b))*	913,893,400	14.26
Newcorp Ltd. *(Note (c))*	913,893,400	14.26
Newcorp Holdings Ltd. *(Note (d))*	913,893,400	14.26
David Henry Christopher Hill *(Note (e))*	913,893,400	14.26
Rebecca Ann Hill *(Note (f))*	913,893,400	14.26
David William Roberts *(Note (g))*	913,893,400	14.26

Notes:

(a) Pursuant to the top-up placing and subscription agreement entered into among Accord Power, the Company and Kingston, Accord Power has agreed to place, through Kingston, an aggregate of 900,000,000 shares of the Company to independent investors and Accord Power has conditionally agreed to subscribe for an aggregate of 900,000,000 shares of the Company, as announced by the Company on 26 March 2008. The top-up placing and the top-up subscription were completed on 31 March 2008 and 2 April 2008.

(b) Accord Power is wholly owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust and accordingly, Trustcorp Limited was taken to be interested in those shares held by Accord Power.

(c) Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd. and accordingly, Newcorp Ltd. was taken to be interested in those shares in which Trustcorp Limited was interested.

(d) Newcorp Ltd. is a wholly-owned subsidiary of Newcorp Holding Ltd. and accordingly, Newcorp Holding Ltd. was taken to be interested in those shares in which Newcorp Ltd. was interested.

(e) Mr. David Henry Christopher Hill owned a 35% interest in the issued share capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the shares in which Newcorp Holdings Ltd. was interested.

(f) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the shares in which Mr. David Henry Christopher Hill was interested.

(g) Mr. David William Roberts owned 35% interest in the issued share capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the shares in which Newcorp Holding Ltd. was interested.

(h) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2008 of 6,410,233,640 shares.

Report of the Directors *(Cont'd)*

Save as disclosed above, as at 31 March 2008, no persons had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 13 to 18 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the total issued share capital of the Company as required under the Listing Rules throughout the financial year under review and up to the date of this annual report.

AUDIT COMMITTEE

The Company has the Audit Committee which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee has reviewed the audited financial statements for the year ended 31 March 2008 of the Group. The Audit Committee comprises three INEDs of the Company.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 45 to the financial statements.

AUDITORS

The consolidated financial statements for the year ended 31 March 2008 have been audited by Messrs. Ernst & Young, who retire and, being eligible, offer themselves for re-appointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board

Tang Ching Ho
Chairman

Hong Kong, 15 July 2008

Independent Auditors' Report

ERNST & YOUNG
安 永

To the shareholders of Wang On Group Limited
(Incorporated in Bermuda with limited liability)

We have audited the financial statements of Wang On Group Limited set out on pages 29 to 120, which comprise the consolidated and company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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 as to whether the financial statements are free from material misstatement.

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

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

Independent Auditors' Report *(Cont'd)*

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
18/F., Two International Finance Centre
8 Finance Street, Central
Hong Kong
15 July 2008

Consolidated Income Statement

Year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
REVENUE	5	**545,882**	499,488
Cost of sales		**(384,557)**	(380,491)
Gross profit		**161,325**	118,997
Other income and gains	5	**97,329**	37,639
Selling and distribution costs		**(10,548)**	(12,536)
Administrative expenses		**(104,427)**	(70,684)
Other expenses		**(45,222)**	(1,806)
Finance costs	7	**(14,906)**	(13,828)
Gain on disposal of subsidiaries		**–**	2,524
Fair value gains on revaluation of investment properties, net	16	**11,383**	31,548
Share of profits and losses of associates		**27,643**	4,578
PROFIT BEFORE TAX	6	**122,577**	96,432
Tax	10	**(25,963)**	(13,254)
PROFIT FOR THE YEAR		**96,614**	83,178
Attributable to:			
Equity holders of the parent	11	**96,089**	83,170
Minority interests		**525**	8
		96,614	83,178
DIVIDENDS	12		
Additional final dividend for 2006		**–**	126
Interim		**10,319**	7,073
Proposed final		**7,868**	19,540
		18,187	26,739
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		
Basic		**HK1.55 cents**	HK1.76 cents
Diluted		**HK1.43 cents**	HK1.58 cents

Consolidated Balance Sheet

31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**160,884**	11,985
Prepaid land lease payments	15	**177,902**	–
Investment properties	16	**555,199**	315,143
Properties under development	17	**–**	247,869
Goodwill	18	**7,820**	2,319
Interests in associates	20	**305,825**	321,364
Held-to-maturity financial asset	22	**1,943**	–
Other intangible asset	23	**24,240**	30,300
Loans receivable	26	**12,989**	13,987
Rental deposits paid	26	**4,595**	5,343
Deposits for the acquisition of investment properties and associates		**35,674**	–
Deferred tax assets	35	**4,342**	2,733
Total non-current assets		**1,291,413**	951,043
CURRENT ASSETS			
Properties held for sale	24	**27,885**	1,455
Properties under development	17	**288,405**	222,811
Trade receivables	25	**4,101**	6,596
Prepayments, deposits and other receivables	26	**43,190**	38,958
Financial assets at fair value through profit or loss	27	**45,278**	46,767
Tax recoverable		**883**	–
Pledged deposits	28	**–**	78,000
Cash and cash equivalents	28	**330,819**	388,584
Total current assets		**740,561**	783,171
CURRENT LIABILITIES			
Trade payables	29	**24,624**	23,246
Other payables and accruals	30	**128,423**	21,095
Deposits received and receipts in advance		**50,038**	81,888
Derivative financial instruments	31	**2,338**	–
Interest-bearing bank loans	32	**347,115**	389,425
Provisions for onerous contracts	33	**1,690**	369
Tax payable		**27,827**	15,876
Total current liabilities		**582,055**	531,899
NET CURRENT ASSETS		**158,506**	251,272
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,449,919**	1,202,315

Consolidated Balance Sheet *(Cont'd)*

31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	32	**199,118**	108,799
Provisions for onerous contracts	33	**1,960**	–
Convertible notes	34	**–**	45,756
Deferred tax liabilities	35	**8,626**	5,454
Total non-current liabilities		**209,704**	160,009
Net assets		**1,240,215**	1,042,306
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	36	**32,051**	29,418
Equity component of convertible notes	34	**–**	5,653
Reserves	38(a)	**1,142,650**	987,223
Proposed final dividend	12	**7,868**	19,540
		1,182,569	1,041,834
Minority interests		**57,646**	472
Total equity		**1,240,215**	1,042,306

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2008

		Attributable to equity holders of the parent												
	Notes	Issued share capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Equity component of convertible notes HK$'000	Share option reserve HK$'000	Exchange fluctuation reserve HK$'000	Warrant reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Proposed final dividend HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
At 1 April 2006		22,454	422,291	106,329	6,077	–	–	–	–	266,840	15,718	839,709	464	840,173
Final 2006 dividend declared	12	–	–	–	–	–	–	–	–	(126)	(15,718)	(15,844)	–	(15,844)
		22,454	422,291	106,329	6,077	–	–	–	–	266,714	–	823,865	464	824,329
Exchange realignment recognised directly in equity		–	–	–	–	–	378	–	–	–	–	378	–	378
Profit for the year		–	–	–	–	–	–	–	–	83,170	–	83,170	8	83,178
Total income and expense for the year		–	–	–	–	–	378	–	–	83,170	–	83,548	8	83,556
Conversion of convertible notes	34, 36	180	3,822	–	(424)	–	–	–	–	–	–	3,578	–	3,578
Bonus issue	36	2,264	(2,264)	–	–	–	–	–	–	–	–	–	–	–
Repurchases of shares	36	(1,930)	(43,087)	–	–	–	–	–	–	–	–	(45,017)	–	(45,017)
Placements of shares	36	6,450	174,150	–	–	–	–	–	–	–	–	180,600	–	180,600
Share issue expenses	36	–	(5,300)	–	–	–	–	–	–	–	–	(5,300)	–	(5,300)
Equity-settled share option arrangements	37	–	–	–	–	7,633	–	–	–	–	–	7,633	-	7,633
Interim 2007 dividend	12	–	–	–	–	–	–	–	–	(7,073)	–	(7,073)	–	(7,073)
Proposed final 2007 dividend	12	–	–	–	–	–	–	–	–	(19,540)	19,540	–	–	–
At 31 March and 1 April 2007		29,418	549,612*	106,329*	5,653	7,633*	378*	–	–	323,271*	19,540	1,041,834	472	1,042,306
Final 2007 dividend declared		–	–	–	–	–	–	–	–	–	(19,540)	(19,540)	–	(19,540)
		29,418	549,612	106,329	5,653	7,633	378	–	–	323,271	–	1,022,294	472	1,022,766
Exchange realignment recognised directly in equity		–	–	–	–	–	22,789	–	–	–	–	22,789	4,056	26,845
Profit for the year		–	–	–	–	–	–	–	–	96,089	–	96,089	525	96,614
Total income and expenses for the year		–	–	–	–	–	22,789	–	–	96,089	–	118,878	4,581	123,459
Conversion of convertible notes	34, 36	2,640	49,712	–	(5,653)	–	–	–	–	–	–	46,699	–	46,699
Exercise of share options	36	896	7,798	–	–	–	–	–	–	–	–	8,694	–	8,694
Repurchases of shares	36	(903)	(20,603)	–	–	–	–	–	–	–	–	(21,506)	–	(21,506)
Share of changes in reserves of associates		–	–	–	–	–	–	–	13,425	–	–	13,425	–	13,425
Acquisition of a subsidiary	39(b)	–	–	–	–	–	–	–	–	–	–	–	24,402	24,402
Capital contribution from a minority shareholder of a subsidiary		–	–	–	–	–	–	–	–	–	–	–	28,191	28,191
Issuance of warrants	36	–	–	–	–	–	–	4,500	–	–	–	4,500	–	4,500
Share issue expenses	36	–	(160)	–	–	–	–	–	–	–	–	(160)	–	(160)
Equity-settled share option arrangements	37	–	–	–	–	64	–	–	–	–	–	64	–	64
Interim 2008 dividend	12	–	–	–	–	–	–	–	–	(10,319)	–	(10,319)	–	(10,319)
Proposed final 2008 dividend	12	–	–	–	–	–	–	–	–	(7,868)	7,868	–	–	–
At 31 March 2008		32,051	586,359*	106,329*	–	7,697*	23,167*	4,500*	13,425*	401,173*	7,868	1,182,569	57,646	1,240,215

* These reserve accounts comprise the consolidated reserves of HK$1,142,650,000 (2007: HK$987,223,000) in the consolidated balance sheet.

Consolidated Cash Flow Statement

Year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**122,577**	96,432
Adjustments for:			
Finance costs	7	**14,906**	13,828
Share of profits and losses of associates		**(27,643)**	(4,578)
Fair value losses/(gains), net:			
Financial assets at fair value through profit or loss	5, 6	**6,663**	(489)
Derivative financial instruments	6	**2,338**	–
Interest income from unlisted investments	5	**(1,195)**	(2,436)
Interest income from loans receivable	5	**(1,046)**	(1,376)
Bank interest income	5	**(8,189)**	(7,116)
Dividend income from listed securities	5	**(404)**	(267)
Gain on disposal a land use right	5	**(62,969)**	–
Gain on disposal of subsidiaries	39(c)	**–**	(2,524)
Recognition of a deferred gain	5	**(799)**	(3,769)
Gain on disposal of financial assets at fair value through profit or loss, net	5	**(11,522)**	(4,120)
Gain on disposal of investment properties	5	**–**	(8,000)
Loss on partial/deemed disposal of an associate	6	**4,855**	–
Impairment of trade receivables	6	**–**	467
Depreciation	6	**7,850**	5,158
Amortisation of other intangible asset	6	**6,060**	–
Amortisation of prepaid land lease payments	6	**712**	–
Amount provided/(released) for onerous contracts, net	6	**3,281**	(1,566)
Loss/(gain) on disposal and write-off of items of property, plant and equipment	6	**51**	(163)
Impairment of a land use right	5, 6	**9,700**	–
Impairment of goodwill	6	**11,558**	–
Impairment of other receivables	6	**70**	–
Reversal of impairment on trade receivables	25	**(244)**	–
Written off of trade receivables	25	**(216)**	–
Fair value gains on revaluation of investment properties, net	16	**(11,383)**	(31,548)
Equity-settled share option expense	6	**64**	7,633
		65,075	55,566
Decrease in inventories		**–**	55
Decrease in properties held for sale		**211,504**	129,189
Increase in properties under development		**(48,354)**	(166,638)
Decrease in trade receivables, prepayments, deposits and other receivables		**9,723**	25,075
Increase in trade payables		**1,378**	23,136
Increase/(decrease) in other payables and accruals		**75,032**	(13,774)
Decrease in deposits received and receipts in advance		**(31,876)**	(2,091)
Cash generated from operations		**282,482**	50,518
Profits tax paid		**(13,332)**	(3,896)
Net cash inflow from operating activities		**269,150**	46,622

Consolidated Cash Flow Statement *(Cont'd)*

Year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Net cash inflow from operating activities		**269,150**	46,622
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**9,295**	7,907
Dividend income from listed securities		**404**	267
Interest income from unlisted investments		**1,195**	2,436
Increase in amounts due from associates		**(2,099)**	–
Increase/(decrease) in amounts due to associates		**(81)**	814
Acquisition of a subsidiary	*39(b)*	**3,044**	–
Acquisition of a jointly-controlled entity	*21*	**(12,285)**	(64,560)
Investment in an associate		**(43,756)**	–
Proceeds from disposal of a land use right		**240,000**	–
Proceeds from disposal of subsidiaries	*39(c)*	**–**	16,830
Purchases of investment properties		**(201,113)**	(18,642)
Purchases of property, plant and equipment		**(147,034)**	(3,949)
Purchases of held-to-maturity financial asset		**(1,943)**	–
Purchases of financial assets at fair value through profit or loss		**(83,942)**	(51,556)
Proceeds from disposal of investment properties		**–**	93,600
Proceeds from disposal of items of property, plant and equipment		**1,939**	1,052
Receipt of government grant		**2,217**	–
Prepayment of land lease payments		**(345,929)**	–
Proceeds from disposal of financial assets at fair value through profit or loss		**90,290**	80,213
Proceeds from partial disposal of an associate		**96,050**	–
Addition to other intangible asset		**–**	(30,300)
Deposits paid for the acquisition of investment properties and associates		**(35,674)**	–
Decrease/(increase) in pledged deposits		**78,000**	(64,029)
Net cash outflow from investing activities		**(351,422)**	(29,917)

Consolidated Cash Flow Statement *(Cont'd)*

Year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Net cash outflow from investing activities		**(351,422)**	(29,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(22,339)**	(20,798)
Dividends paid		**(29,859)**	(22,917)
Proceeds from issue of shares upon exercise of share options	*36*	**8,694**	–
Proceeds from placements of shares	*36*	**–**	180,600
Proceeds from issue of warrants	*36*	**4,500**	–
Capital contribution from a minority shareholder of a subsidiary		**28,191**	–
Share issue expenses	*36*	**(160)**	(5,300)
Repurchases of shares	*36*	**(21,506)**	(45,017)
Repayment of bank loans		**(380,760)**	(385,804)
New bank loans		**428,769**	373,500
Net cash inflow from financing activities		**15,530**	74,264
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(66,742)**	90,969
Cash and cash equivalents at beginning of year		**388,584**	297,902
Effect of foreign exchange rate changes, net		**8,977**	(287)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**330,819**	388,584
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*28*	**81,307**	135,757
Non-pledged time deposits with original maturity of less than three months when acquired	*28*	**249,512**	252,827
		330,819	388,584

Balance Sheet

31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Interests in subsidiaries	19	**1,191,421**	710,622
Interests in associates	20	**2,089**	192
Held-to-maturity financial asset	22	**1,943**	–
Total non-current assets		**1,195,453**	710,814
CURRENT ASSETS			
Prepayments, deposits and other receivables	26	**980**	758
Financial assets at fair value through profit or loss	27	**14,471**	36,927
Pledged deposits	28	**–**	78,000
Cash and cash equivalents	28	**224,347**	312,484
Total current assets		**239,798**	428,169
CURRENT LIABILITIES			
Other payables and accruals	30	**69,644**	739
Interest-bearing bank loans	32	**133,275**	137,000
Total current liabilities		**202,919**	137,739
NET CURRENT ASSETS		**36,879**	290,430
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,232,332**	1,001,244
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	32	**117,975**	29,750
Convertible notes	34	**–**	45,756
Total non-current liabilities		**117,975**	75,506
Net assets		**1,114,357**	925,738
EQUITY			
Issued capital	36	**32,051**	29,418
Equity component of convertible notes	34	**–**	5,653
Reserves	38(b)	**1,082,306**	890,667
Total equity		**1,114,357**	925,738

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

Notes to Financial Statements

31 March 2008

1. CORPORATE INFORMATION

Wang On Group Limited (the "Company") is a limited liability company incorporated in Bermuda, and both its head office and principal place of business is located at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

During the year, the Company, its subsidiaries and its jointly-controlled entities (collectively referred to as the "Group") were involved in the following principal activities:

- property development
- property investment
- management and sub-licensing of Chinese wet markets, shopping centres and car parks
- operations and management of agricultural by-products wholesale markets

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain derivative financial instruments and equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and its jointly-controlled entities for the year ended 31 March 2008. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. The assets, liabilities, income and expenses of jointly-controlled entities are proportionally consolidated from the date on which joint control is established and obtained by the Group, and continue to be proportionally consolidated until the date such joint control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The acquisition of a subsidiary during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.2 IMPACT OF NEW AND REVISED HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 44 to the financial statements.

(c) HK(IFRIC)-Int 8 Scope of HKFRS 2

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees in accordance with the Group's share option scheme, the interpretation has had no effect on these financial statements.

(d) HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group's existing policy of accounting for derivatives complies with the requirements of the interpretation, the interpretation has had no material impact on the financial position or results of operations of the Group.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.2 IMPACT OF NEW AND REVISED HKFRSs *(Cont'd)*

(e) HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment

The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available for sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(f) HK(IFRIC)-Int 11 HKFRS 2 – Group and Treasury Share Transactions

This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. This interpretation also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group's current policy for share-based payment transactions aligns with the requirements of the interpretation, the interpretation has had no effect on these financial statements.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements,

HKFRS 2 Amendments	Share-based Payment – Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 8	Operating Segments[1]
HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HK(IFRIC)-Int 12	Service Concession Arrangements[3]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[2]
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2008
3 Effective for annual periods beginning on or after 1 January 2008
4 Effective for annual periods beginning on or after 1 July 2009

HKFRS 2 has been amended to restrict the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect significant implications on its accounting for share-based payments.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs *(Cont'd)*

HKFRS 3 has been revised to introduce a number of changes in the accounting for business combinations that will have impact on the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 has been revised to require a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The changes introduced by HKFRS 3 (revised) and HKAS 27 (revised) must be applied prospectively and will affect future acquisitions and transactions with minority interests.

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 April 2009.

HKAS 1 has been revised to introduce changes in presentation and disclosures of financial statements and does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

HKAS 32 and HKAS 1 Amendments have been revised to require puttable financial instruments and instruments or components of instruments that impose on the entity an obligation to deliver to another party a pro rata rate of the share of the net assets of the entity only on liquidation to be classified as equity. The Group expects to adopt HKAS 32 and HKAS 1 Amendments from 1 April 2009.

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSs *(Cont'd)*

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 Employee Benefits, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists.

As the Group currently has no customer loyalty award credits and defined benefit scheme, HK(IFRIC)-Int 13 and HK(IFRIC)-Int 14 are not applicable to the Group and therefore are unlikely to have any financial impact on the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture entity and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

(a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture;

(b) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;

(c) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or

(d) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Jointly-controlled entities

A joint-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's interests in its jointly-controlled entities are accounted for by proportionate consolidation, which involves recognising its share of the jointly-controlled entities' assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line-by-line basis. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entities are eliminated to the extent of the Group's interests in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred.

Gain or loss arising from assets contributed or sold by the Group to its jointly-controlled entities recognised in the consolidated income statement to the extent that such gain or loss is attributable to the interests of other venturers when significant risks and rewards of ownership of the assets have been passed to the jointly-controlled entities and the assets are retained by the jointly-controlled entities.

Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates, which was not previously eliminated or recognised in the consolidated reserves, is included as part of the Group's interests in associates.

The results of associates are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in associates are treated as non-current assets and are stated at cost less any impairment losses.

Deferred gain represents the unrealised profit resulting from downstream transactions with an associate eliminated to the extent of the Group's interest in that associate. Deferred gain is recognised in the consolidated balance sheet as part of the Group's interests in associates.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Goodwill

Goodwill arising on the acquisition of subsidiaries, associates and a jointly-controlled entity represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses. In the case of associates and jointly-controlled entities, goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill previously eliminated against consolidated reserves

Prior to the adoption the HKICPA's Statement of Standard Accounting Practice 30 "Business Combinations" ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated reserves in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against the consolidated reserves and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries and associates (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

The excess for associates is included in the Group's share of the associates' profit or loss in the period in which the investments are acquired.

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties, goodwill and non-current assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Intangible assets (other than goodwill) *(Cont'd)*

Marketplace operating right

Purchased marketplace operating right is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

Related parties

A party is considered to be related to the Group if:

(a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

(b) the party is an associate;

(c) the party is a jointly-controlled entity;

(d) the party is a member of the key management personnel of the Group or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

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

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Building	5%
Leasehold improvements	15% – 33% or over the lease term
Plant and machinery	15% – 50%
Furniture, fixtures and office equipment	15% – 50%
Motor vehicles	20%
Computer equipment	15% – 33%

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

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

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents an agricultural by-products wholesale market under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises land costs, the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment or investment properties when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Properties under development

Properties under development represent properties developed for sale and are stated at the lower of cost and net realisable value. Cost comprises prepaid land lease payments together with borrowing costs, professional fees and any other direct costs attributable to the development of the properties incurred during the development period.

Properties under development which have been pre-sold and/or are expected to be completed within 12 months from the balance sheet date are classified as current assets.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices, on an individual property basis.

Borrowing costs

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

Investments and other financial assets

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

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative is not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Investments and other financial assets *(Cont'd)*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts. Gains or losses on these financial assets are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any dividends on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" below.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

Loans and receivables

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

Held to maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost less any allowance for impairment. Amortised cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Derecognition of financial assets *(Cont'd)*

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and other payables and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Derivative financial instruments

The Group uses derivative financial instruments such as equity accumulator contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives are taken directly to the income statement.

The fair value of equity accumulator contracts is calculated by reference to equity prices of the underlying instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Provisions *(Cont'd)*

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Provision for onerous contracts represents provision for lease contracts for certain Hong Kong properties and projects where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them. Provisions for onerous contracts are recognised based on the difference between the rental payments receivable by the Group and those unavoidable rental payments payable by the Group under the contracts, together with any compensation or penalties arising from the failure to fulfill the contracts, discounted to their present value as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Income tax *(Cont'd)*

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) rental and sub-licensing fee income, on a time proportion basis over the lease terms;

(b) from the provision of services, when the services are rendered;

(c) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(d) from the sale of properties, when the sale agreement becomes unconditional;

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Revenue recognition *(Cont'd)*

(e) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;

(f) on the trading of securities, on the date when the transaction takes place; and

(g) dividend income, where the shareholders' right to receive payment has been established.

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries and jointly-controlled entities in Mainland China are required to participate in a central pension scheme (the "PRC Pension Scheme") operated by the local municipal government. The subsidiaries and jointly-controlled entities are required to contribute certain percentage of their payroll costs to the PRC Pension Scheme. The only obligation of the Group with respect to the PRC Pension Scheme is to pay the ongoing contributions under the PRC Pension Scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the PRC Pension Scheme.

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 37 to the financial statements. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Employee benefits *(Cont'd)*

Share-based payment transactions (Cont'd)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Dividends

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

Interim dividends are simultaneously proposed and declared, because by-law 140 of the Company's bye-laws grants the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Notes to Financial Statements *(Cont'd)*

31 March 2008

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines their own functional currencies and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries, jointly-controlled entities and an associate are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries and the jointly-controlled entities are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and the jointly-controlled entities which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expense, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Notes to Financial Statements *(Cont'd)*

31 March 2008

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES *(Cont'd)*

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2008 was HK$7,820,000 (2007: HK$12,037,000). More details are given in note 18.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of properties under development

The Group assessed the recoverable amount of each property under development based on its value in use or net selling price, depending on the anticipated future plans for the property. Estimating the value in use of an asset involves estimating the future cash flows to be derived from continuing use of the asset and from its ultimate disposal and applying the appropriate discount rate to these future cash flows.

The carrying amount of properties under development at 31 March 2008 was HK$288,405,000 (2007: HK$470,680,000) (note 17).

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

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

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

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by 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.

Notes to Financial Statements *(Cont'd)*

31 March 2008

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES *(Cont'd)*

Estimation uncertainty *(Cont'd)*

Estimation of fair value of investment properties (Cont'd)

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

The carrying amount of investment properties at 31 March 2008 was HK$555,199,000 (2007: HK$315,143,000) (note 16).

Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and its competitor actions. Management will increase the depreciation charge where useful lives are less than previously estimates, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to sell and value in use, the calculations of which involve the use of estimates.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses was HK$3,062,000 (2007: HK$2,733,000) as at 31 March 2008. Further details are contained in note 35 to the financial statements.

Allowance on trade and other receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectibility and aged analysis of the outstanding receivables and on management's estimation. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

PRC corporate income tax ("CIT")

The Group is subject to income taxes in the People's Republic of China (the "PRC"). As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

Notes to Financial Statements *(Cont'd)*

31 March 2008

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the property development segment engages in the development of properties;

(b) the property investment segment invests in industrial and commercial premises and residential units for rental income;

(c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets;

(d) the shopping centres and car parks segment engages in the management and sub-licensing of shopping centres and car parks;

(e) the agricultural by-products wholesale markets segment engages in the operations and management of agricultural by-products wholesale markets; and

(f) the corporate and others segment comprises the Group's management service business. This segment also includes corporate income and expense items.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Notes to Financial Statements *(Cont'd)*

31 March 2008

4. SEGMENT INFORMATION *(Cont'd)*

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2008 and 2007.

	Property development		Property investment		Chinese wet markets		Shopping centres and car parks		Agricultural by-products wholesale markets		Unallocated corporate and others		Eliminations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:																
Sales to external customers	**302,998**	242,242	**22,826**	42,090	**170,742**	144,048	**12,893**	27,262	**34,395**	–	**2,028**	43,846	**–**	–	**545,882**	499,488
Intersegment sales	**9,848**	–	**–**	2,772	**–**	4,091	**440**	791	**–**	–	**9,696**	1,854	**(19,984)**	(9,508)	**–**	–
Other revenue	**8**	7	**9,614**	39,945	**5,600**	2,616	**515**	1,038	**4,740**	379	**80,358**	18,773	**(2,553)**	(1,975)	**98,282**	60,783
Total	**312,854**	242,249	**32,440**	84,807	**176,342**	150,755	**13,848**	29,091	**39,135**	379	**92,082**	64,473	**(22,537)**	(11,483)	**644,164**	560,271
Segment results	**49,565**	28,205	**26,590**	48,472	**13,478**	31,028	**2,283**	3,688	**(583)**	(9,309)	**11,050**	7,334	**(2,973)**	2,089	**99,410**	111,507
Unallocated expenses															**–**	(16,753)
Interest income															**10,430**	10,928
Finance costs															**(14,906)**	(13,828)
Share of profits and losses of associates															**27,643**	4,578
Profit before tax															**122,577**	96,432
Tax															**(25,963)**	(13,254)
Profit for the year															**96,614**	83,178

Notes to Financial Statements *(Cont'd)*

31 March 2008

4. SEGMENT INFORMATION *(Cont'd)*

(a) Business segments *(Cont'd)*

	Property development		Property investment		Chinese wet markets		Shopping centres and car parks		Agricultural by-products wholesale markets		Unallocated corporate and others		Eliminations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets and liabilities																
Segment assets	**751,325**	575,474	**436,214**	394,268	**204,092**	108,870	**47,072**	52,488	**432,077**	54,028	**2,462,613**	2,103,447	**(2,611,586)**	(1,878,458)	**1,721,807**	1,410,117
Interests in associates	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**305,825**	321,364	**–**	–	**305,825**	321,364
Deferred tax assets	**3,062**	2,171	**244**	–	**1,036**	562	**–**	–	**–**	–	**–**	–	**–**	–	**4,342**	2,733
Total assets															**2,031,974**	1,734,214
Segment liabilities	**570,813**	317,630	**292,567**	222,581	**203,920**	131,183	**15,030**	17,649	**352,326**	68,651	**1,386,003**	1,247,362	**(2,611,586)**	(1,878,458)	**209,073**	126,598
Interest-bearing bank loans	**150,650**	242,050	**94,904**	88,528	**–**	896	**–**	–	**49,429**	–	**251,250**	166,750	**–**	–	**546,233**	498,224
Tax payable	**9,433**	7,173	**949**	478	**845**	3,667	**210**	2,026	**2,079**	–	**14,311**	2,532	**–**	–	**27,827**	15,876
Convertible notes	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	45,756	**–**	–	**–**	45,756
Deferred tax liabilities	**–**	–	**8,593**	5,454	**–**	–	**–**	–	**–**	–	**33**	–	**–**	–	**8,626**	5,454
Total liabilities															**791,759**	691,908
Other segment information:																
Depreciation and amortisation	**796**	4	**12**	12	**6,734**	3,693	**11**	491	**6,669**	6	**840**	952	**–**	–	**15,062**	5,158
Impairment losses recognised in the income statement	**14,925**	–	**–**	–	**–**	–	**70**	–	**–**	–	**6,333**	–	**–**	–	**21,328**	–
Capital expenditure	**181,641**	30	**118,357**	18,752	**16,653**	2,077	**–**	17	**210,128**	30,764	**1,392**	1,361	**–**	–	**528,171**	53,001

Notes to Financial Statements *(Cont'd)*

31 March 2008

4. SEGMENT INFORMATION *(Cont'd)*

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the year ended 31 March 2008 and 2007.

	Hong Kong		Mainland China		Eliminations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**496,331**	494,673	**49,551**	4,815	**–**	–	**545,882**	499,488
Other segment information:								
Segment assets	**3,775,697**	3,544,096	**867,863**	68,576	**(2,611,586)**	(1,878,458)	**2,031,974**	1,734,214
Capital expenditure	**135,886**	51,656	**392,285**	1,345	**–**	–	**528,171**	53,001

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents sub-licensing and management fee income received and receivable; the invoiced value of goods sold, after allowances for returns and trade discounts; the invoiced value of services rendered; the gross rental income received and receivable from investment properties and proceeds from the sale of properties during the year.

Notes to Financial Statements *(Cont'd)*

31 March 2008

5. REVENUE, OTHER INCOME AND GAINS *(Cont'd)*

An analysis of revenue, other income and gains is as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Revenue		
Sub-licensing fee income	**145,024**	155,084
Property management fee income	**16,609**	16,228
Sale of goods	**22,606**	40,092
Rendering of services	**3,781**	3,752
Gross rental income	**43,366**	10,603
Sale of properties	**314,496**	273,729
	545,882	499,488
Other income		
Bank interest income	**8,189**	7,116
Interest income from unlisted investments	**1,195**	2,436
Interest income from loans receivable	**1,046**	1,376
Dividend income from listed securities	**404**	267
Management fee income	**2,190**	1,116
Others	**5,757**	4,481
	18,781	16,792
Gains		
Gain on disposal of a land use right	**62,969**	–
Gain on disposal of financial assets at fair value through profit or loss, net	**11,522**	4,120
Fair value gains on financial assets at fair value through profit or loss, net	**–**	489
Exchange gains, net	**3,242**	4,306
Recognition of a deferred gain	**799**	3,769
Gain on disposal and write-off of items of property, plant and equipment	**16**	163
Gain on disposal of investment properties	**–**	8,000
	78,548	20,847
Other income and gains	**97,329**	37,639

Notes to Financial Statements *(Cont'd)*

31 March 2008

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Group 2008 HK$'000	Group 2007 HK$'000
Auditors' remuneration		**2,700**	1,900
Cost of inventories sold		**17,016**	24,522
Cost of services provided		**156,037**	137,665
Cost of properties sold		**211,504**	218,304
Depreciation	*14*	**8,290**	5,158
Less: Government grants released#		**(440)**	–
		7,850	5,158
Minimum lease payments under operating leases for land and buildings		**90,586**	94,697
Amortisation of prepaid land lease payments	*15*	**712**	–
Amortisation of other intangible asset	*23*	**6,060**	–
Employee benefits expense (including directors' remuneration – *note 8*):			
Wages and salaries		**61,920**	53,907
Pension scheme contributions		**2,992**	1,642
Equity-settled share option expense		**64**	7,633
		64,976	63,182
Fair value losses/(gains) net:			
Financial assets at fair value through profit or loss*		**6,663**	(489)
Derivative financial instruments*		**2,338**	–
Compensation paid to a minority shareholder of a subsidiary*		**9,971**	–
Impairment of trade receivables*	*25*	**–**	467
Impairment of goodwill*	*18*	**11,558**	–
Impairment of a land use right*	*15*	**9,700**	–
Impairment of other receivables*		**70**	–
Loss on disposal of items of property, plant and equipment*		**67**	–
Loss on partial/deemed disposal of an associate*		**4,855**	–
Amount provided/(released) for onerous contracts, net	*33*	**3,281**	(1,566)
Net rental income		**(8,951)**	(10,480)

* The expenses are included in "Other expenses" on the face of the consolidated income statement.

Certain government grants have been received for renovating and upgrading certain Chinese wet markets operated by the Group's jointly-controlled entity in Shenzhen, the PRC. The government grants released have been deducted from the depreciation cost to which they relate. Government grants received for which related expenditure has not yet been undertaken are included in deferred income under other payables and accruals in the balance sheet. There are no unfulfilled conditions or contingencies relating to these grants.

Notes to Financial Statements *(Cont'd)*

31 March 2008

7. FINANCE COSTS

	Group	
	2008	2007
	HK$'000	*HK$'000*
Interest on convertible notes *(note 34)*	**1,144**	2,966
Interest on bank loans and overdrafts	**24,490**	21,682
Total interest expense on financial liabilities not at fair value through profit or loss	**25,634**	24,648
Less: Interest capitalised	**(10,728)**	(10,820)
	14,906	13,828

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Fees	**771**	845
Other emoluments for executive directors:		
Salaries, allowances and benefits in kind	**10,067**	9,499
Performance related bonuses*	**1,944**	1,413
Employee share option benefits	**12**	–
Pension scheme contributions	**84**	81
	12,107	10,993
	12,878	11,838

* Certain executive directors of the Company are entitled to bonus payments which are based on the performance of the Group.

Notes to Financial Statements *(Cont'd)*

31 March 2008

8. DIRECTORS' REMUNERATION *(Cont'd)*

During the year, a director was granted share options, in respect of his services to the Group, under the share option scheme of the Company, further details of which are set out in note 37 to the financial statements. The fair value of such options which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above director's remuneration disclosures.

Executive directors and independent non-executive directors

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Employee share option benefits	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2008						
Executive directors:						
Mr. Tang Ching Ho	–	4,030	336	–	12	4,378
Ms. Yau Yuk Yin	–	4,094	240	–	12	4,346
Mr. Chan Chun Hong, Thomas	–	1,943	1,368	12	60	3,383
	–	10,067	1,944	12	84	12,107
Independent non-executive directors:						
Dr. Lee Pang Fei, Allen, *CBE, BS, FHKIE, JP*	297	–	–	–	–	297
Mr. Wong Chun, Justein, *MBE, JP*	217	–	–	–	–	217
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	117	–	–	–	–	117
Mr. Siu Kam Chau	140	–	–	–	–	140
	771	–	–	–	–	771
	771	10,067	1,944	12	84	12,878

Notes to Financial Statements *(Cont'd)*

31 March 2008

8. DIRECTORS' REMUNERATION *(Cont'd)*

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Employee share option benefits	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2007						
Executive directors:						
Mr. Tang Ching Ho	–	3,894	324	–	12	4,230
Ms. Yau Yuk Yin	–	4,029	232	–	12	4,273
Mr. Chan Chun Hong, Thomas	–	1,576	857	–	57	2,490
	–	9,499	1,413	–	81	10,993
Independent non-executive directors:						
Dr. Lee Pang Fei, Allen, *CBE, BS, FHKIE, JP*	313	–	–	–	–	313
Mr. Wong Chun, Justein, *MBE, JP*	240	–	–	–	–	240
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	140	–	–	–	–	140
Mr. Siu Kam Chau	152	–	–	–	–	152
	845	–	–	–	–	845
	845	9,499	1,413	–	81	11,838

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

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2007: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration of the remaining two (2007: two) non-director, highest paid employees for the year are as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Salaries and allowances	**2,199**	3,043
Performance related bonuses	**333**	224
Employee share option benefits	**4**	898
Pension scheme contributions	**24**	24
	2,560	4,189

Notes to Financial Statements *(Cont'd)*

31 March 2008

9. FIVE HIGHEST PAID EMPLOYEES *(Cont'd)*

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2008	2007
HK$1,000,001 to HK$1,500,000	**2**	–
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**–**	1
	2	2

During the year, share options were granted to the non-director, highest paid employees, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 37 to the financial statements. The fair value of such options which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above remuneration disclosures.

10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2008	2007
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the year	**24,645**	15,249
Overprovision in prior years	**(1,297)**	(2,243)
Current – PRC		
Charge for the year	**1,052**	137
Deferred *(note 35)*	**1,563**	111
Total tax charge for the year	**25,963**	13,254

Notes to Financial Statements *(Cont'd)*

31 March 2008

10. TAX *(Cont'd)*

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries and jointly-controlled entities are domiciled to the tax expense at the effective tax rate is as follows:

Group

	2008	2007
	HK$'000	*HK$'000*
Profit before tax	**122,577**	96,432
Tax at the statutory tax rates of different jurisdictions	**21,505**	17,054
Lower tax rate for specific provinces or local authority	**(997)**	(207)
Adjustments in respect of current tax of previous periods	**(1,297)**	(2,243)
Profits and losses attributable to associates	**(5,773)**	(801)
Income not subject to tax	**(3,240)**	(5,005)
Expenses not deductible for tax	**8,836**	2,973
Tax losses utilised from previous periods	**(3,930)**	(2,605)
Tax losses not recognised	**6,373**	5,367
Others	**4,486**	(1,279)
Tax charge at the Group's effective rate	**25,963**	13,254

The share of tax attributable to associates amounting to HK$864,000 (2007: HK$361,000), is included in "Share of profits and losses of associates" on the face of the consolidated income statement.

11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The consolidated profit attributable to equity holders of the parent for the year ended 31 March 2008 includes a profit of HK$180,187,000 (2007: profit of HK$127,230,000) which has been dealt with in the financial statements of the Company (note 38(b)).

Notes to Financial Statements *(Cont'd)*

31 March 2008

12. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Additional final dividend for 2006	**–**	126
Interim – HK0.16 cents (2007: HK0.15 cents) per ordinary share	**10,319**	7,073
Proposed final – HK0.10 cents (2007: HK0.33 cents) per ordinary share	**7,868**	19,540
	18,187	26,739

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The dividend per ordinary share amounts for the prior year have been adjusted to reflect the bonus issue during that year and the subdivision of the Company's shares subsequent to the balance sheet date.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the share subdivision during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent adjusted to reflect the interest on the convertible bonds, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, as adjusted for the share subdivision during the year.

Notes to Financial Statements *(Cont'd)*

31 March 2008

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Cont'd)*

The calculations of basic and diluted earnings per share amounts are based on:

	2008	2007
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in basic earnings per share calculation	**96,089**	83,170
Interest on convertible notes	**1,144**	2,966
Profit for the purpose of diluted earnings per share calculation	**97,233**	86,136

	Number of shares	
	2008	2007
Shares		
Weighted average number of ordinary shares in issue during the year used in basic earnings per share calculation	**6,205,325,115**	4,728,929,492
Effect of dilution – weighted average number of ordinary shares:		
Convertible notes	**219,278,689**	541,288,970
Share options	**398,588,922**	175,381,903
	6,823,192,726	5,445,600,365

Notes to Financial Statements *(Cont'd)*

31 March 2008

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Building	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Computer equipment	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2008								
At 31 March 2007 and at 1 April 2007:								
Cost	–	48,415	364	32,811	1,658	2,891	–	86,139
Accumulated depreciation	–	(39,094)	(349)	(32,182)	(288)	(2,241)	–	(74,154)
Net carrying amount	–	9,321	15	629	1,370	650	–	11,985
At 1 April 2007, net of accumulated depreciation	–	9,321	15	629	1,370	650	–	11,985
Additions	–	15,966	289	833	1,971	548	126,268	145,875
Acquisition of a subsidiary *(note 39(b))*	505	–	10,388	15	163	–	898	11,969
Disposals and write-off	–	(1,860)	(46)	(77)	–	(7)	–	(1,990)
Depreciation provided during the year	(16)	(5,964)	(503)	(539)	(794)	(474)	–	(8,290)
Exchange realignment	37	424	760	12	36	–	66	1,335
At 31 March 2008, net of accumulated depreciation	526	17,887	10,903	873	2,746	717	127,232	160,884
At 31 March 2008:								
Cost	638	62,558	13,863	33,611	3,825	3,368	127,232	245,095
Accumulated depreciation	(112)	(44,671)	(2,960)	(32,738)	(1,079)	(2,651)	–	(84,211)
Net carrying amount	526	17,887	10,903	873	2,746	717	127,232	160,884

Notes to Financial Statements *(Cont'd)*

31 March 2008

14. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group *(Cont'd)*

	Building	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Computer equipment	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2007								
At 31 March 2006 and at 1 April 2006:								
Cost	–	47,300	5,532	49,563	742	2,651	–	105,788
Accumulated depreciation	–	(41,366)	(4,422)	(48,912)	(631)	(1,695)	–	(97,026)
Net carrying amount	–	5,934	1,110	651	111	956	–	8,762
At 1 April 2006, net of accumulated depreciation	–	5,934	1,110	651	111	956	–	8,762
Additions	–	2,097	21	340	1,244	247	–	3,949
Acquisition of a jointly-controlled entity	–	4,906	–	345	193	–	–	5,444
Disposals and write-off	–	(38)	(762)	(51)	(38)	–	–	(889)
Disposals of subsidiaries *(note 39(c))*	–	(56)	(5)	(119)	–	–	–	(180)
Depreciation provided during the year	–	(3,571)	(349)	(542)	(143)	(553)	–	(5,158)
Exchange realignment	–	49	–	5	3	–	–	57
At 31 March 2007, net of accumulated depreciation	–	9,321	15	629	1,370	650	–	11,985
At 31 March 2007:								
Cost	–	48,415	364	32,811	1,658	2,891	–	86,139
Accumulated depreciation	–	(39,094)	(349)	(32,182)	(288)	(2,241)	–	(74,154)
Net carrying amount	–	9,321	15	629	1,370	650	–	11,985

The leasehold land with an aggregate carrying amount of HK$95,835,000 (2007: Nil) and included in the Group's construction in progress is held under medium term leases and situated in Mainland China.

Notes to Financial Statements *(Cont'd)*

31 March 2008

15. PREPAID LAND LEASE PAYMENTS

Group

	2008	2007
	HK$'000	*HK$'000*
Carrying amount at 1 April	**–**	–
Additions	**181,183**	–
Transfer from properties under development *(note 17)*	**3,422**	–
Amortisation for the year	**(712)**	–
Impairment	**(9,700)**	–
Exchange realignment	**6,298**	–
Carrying amount at 31 March	**180,491**	–
Current portion included in prepayments, deposits and other receivables *(note 26)*	**(2,589)**	–
Non-current portion	**177,902**	–

The Group's leasehold land is situated in Hong Kong and Mainland China and is held under the following lease terms:

	2008	2007
	HK$'000	*HK$'000*
Long term leases:		
– Mainland China	**176,908**	–
Medium term leases:		
– Hong Kong	**3,337**	–
– Mainland China	**246**	–
	3,583	–
	180,491	–

Notes to Financial Statements *(Cont'd)*

31 March 2008

16. INVESTMENT PROPERTIES

Group

	2008	2007
	HK$'000	*HK$'000*
Carrying amount at 1 April	**315,143**	297,500
Additions	**201,113**	18,752
Acquisition of a jointly-controlled entity	**–**	62,593
Acquisition of a subsidiary *(note 39(b))*	**20,019**	–
Disposals	**–**	(85,600)
Disposal of subsidiaries *(note 39(c))*	**–**	(10,200)
Net profit from a fair value adjustment *(Note)*	**11,383**	31,548
Exchange realignment	**7,541**	550
Carrying amount at 31 March	**555,199**	315,143

Note:

Included in the net profit from a fair value adjustment is an adjustment to the revenue which amounted to HK$82,000 (2007: Nil) and was resulted from the incentive being granted during the year.

The Group's investment properties are situated in Hong Kong and Mainland China and are held under the following lease terms:

	2008	2007
	HK$'000	*HK$'000*
Long term leases:		
– Hong Kong	**60,600**	31,500
Medium term leases:		
– Hong Kong	**319,300**	220,500
– Mainland China	**175,299**	63,143
	494,599	283,643
	555,199	315,143

Notes to Financial Statements *(Cont'd)*

31 March 2008

16. INVESTMENT PROPERTIES *(Cont'd)*

The investment properties of the Group were revalued on 31 March 2008 by Savills Valuation and Professional Services Limited, independent professionally qualified valuers, on an open market, existing use basis. The investment properties are leased to a director of the Company and third parties under operating leases, further details of which are included in notes 41 and 43 to the financial statements.

At 31 March 2008, the Group's investment properties with an aggregate carrying value of HK$348,900,000 (2007: HK$252,000,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities, of which approximately HK$201,504,000 (2007: HK$89,424,000) had been utilised as at 31 March 2008 (note 32).

Further particulars of the Group's investment properties are included on pages 121 and 122.

17. PROPERTIES UNDER DEVELOPMENT

Group

	2008	2007
	HK$'000	*HK$'000*
Carrying amount at 1 April	**470,680**	293,222
Additions (including development cost and capitalised interest)	**59,081**	177,458
Transfer to prepaid land lease payments *(note 15)*	**(3,422)**	–
Transfer to properties held for sale *(note 24)*	**(237,934)**	–
Carrying amount at 31 March	**288,405**	470,680
Less: Portion classified as current assets	**(288,405)**	(222,811)
Long term portion	**–**	247,869

At 31 March 2008, the Group's properties under development with an aggregate carrying value of HK$282,197,000 (2007: HK$449,670,000) were pledged to secure the Group's general banking facilities, of which approximately HK$150,650,000 (2007: HK$242,050,000) had been utilised as at 31 March 2008 (note 32).

Further particulars of the Group's properties under development are included on page 123.

Notes to Financial Statements *(Cont'd)*

31 March 2008

18. GOODWILL

Group

	Goodwill arising on acquisition of subsidiaries	**Goodwill arising on acquisition of a jointly-controlled entity**	**Total**	**Goodwill arising on acquisition of associates** *(Note 20)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cost and net carrying amount:				
At 1 April 2006	4,987	–	4,987	9,718
Arising on acquisition of an interest in a jointly-controlled entity	–	1,376	1,376	–
Disposal of subsidiaries *(note 39(c))*	(4,044)	–	(4,044)	–
At 31 March 2007 and 1 April 2007	943	1,376	2,319	9,718
Arising on acquisition of a subsidiary *(note 39(b))*	11,444	–	11,444	–
Impairment during the year	(5,943)	–	(5,943)	(5,615)
Partial/deemed disposal of an associate	–	–	–	(4,103)
At 31 March 2008	6,444	1,376	7,820	–

The Group applied the transitional provisions of SSAP 30 that permitted goodwill and negative goodwill in respect of acquisitions which occurred prior to the adoption of the standard, to remain eliminated against consolidated reserves or credited to the capital reserve, respectively.

The amount of goodwill remaining in the consolidated reserves, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, was HK$21,775,000 (2007: HK$21,775,000) as at 31 March 2008.

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the following cash-generating units, which are reportable segments, for impairment testing:

- Property development cash-generating unit;
- Agricultural by-products wholesale markets cash-generating unit;
- A jointly-controlled entity – Shenzhen traditional wet markets cash-generating unit; and
- Associates – pharmaceutical products cash-generating unit.

Notes to Financial Statements *(Cont'd)*

31 March 2008

18. GOODWILL *(Cont'd)*

Impairment testing of goodwill *(Cont'd)*

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Property development		Agricultural by-products wholesale markets		Associates – pharmaceutical products		A jointly-controlled entity – Shenzhen traditional wet markets		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Carrying amount of goodwill	**–**	943	**6,444**	–	**–**	9,718	**1,376**	1,376	**7,820**	12,037

Property development cash-generating unit

The recoverable amount of the property development cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets.

An impairment loss of HK$943,000 (2007: Nil) was recognised during the year due to the completion of respective property projects and management did not expect the relevant subsidiaries will further generate positive cashflow to the Group.

Agricultural by-products wholesale markets cash-generating unit

The recoverable amount of the agricultural by-products wholesale markets cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 16%.

An impairment loss of HK$5,000,000 (2007: Nil) was recognised during the year due to higher than expected capital expenditure required to modernise the agricultural by-products wholesale markets of the relevant subsidiary.

A jointly-controlled entity – Shenzhen traditional wet markets cash-generating unit

The recoverable amount of the Shenzhen traditional wet markets cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 16% (2007: 5%).

Associates – pharmaceutical products cash-generating unit

The recoverable amount of the pharmaceutical products cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to cash flow projections range from 13% to 16% (2007: 11% to 15%) and cash flows beyond the five-year period are extrapolated using a zero growth rate (2007: zero), which do not exceed the estimated long term average growth rates of the relevant markets.

Notes to Financial Statements *(Cont'd)*

31 March 2008

18. GOODWILL *(Cont'd)*

Impairment testing of goodwill *(Cont'd)*

Associates – pharmaceutical products cash-generating unit (Cont'd)

An impairment loss of HK$5,615,000 (2007: Nil) was recognised during the year due to the increase in market competition and operating expenses which affect adversely the future growth and profits of the Group's pharmaceutical products business.

Management has determined the budgeted gross margins based on past performance and its expectation for market development. The discount rates used are before tax and reflect specific risks relating to the relevant units.

19. INTERESTS IN SUBSIDIARIES

	Company	
	2008	2007
	HK$'000	*HK$'000*
Unlisted shares, at cost	**71,000**	71,000
Due from subsidiaries – *Note (i)*	**1,441,026**	1,047,377
Loans to subsidiaries – *Note (ii)*	**20,529**	80,481
Due to subsidiaries – *Note (i)*	**(230,258)**	(190,412)
	1,302,297	1,008,446
Impairment – *Note (iii)*	**(110,876)**	(297,824)
	1,191,421	710,622

Notes:

(i) The amounts are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.

(ii) The amounts are unsecured and have no fixed terms of repayment. Except for loans to subsidiaries amounting to HK$15,878,000 (2007: HK$15,878,000) and Nil (2007: HK$48,657,000) which bear interest at 3% and 1.5%, respectively over the best lending rate per annum offered by banks, the balances are interest-free. The carrying amounts of the loans to subsidiaries approximate to their fair values.

(iii) The impairment relates primarily to amounts due from subsidiaries and loans to subsidiaries that had suffered losses for years or ceased operations. The reversal of impairment during the year was due to some of the relevant subsidiaries are expected by the management to generate positive cashflow and profit to the Group based on their current year's performance and latest budgets.

Notes to Financial Statements *(Cont'd)*

31 March 2008

19. INTERESTS IN SUBSIDIARIES *(Cont'd)*

Particulars of the principal subsidiaries at the balance sheet date are as follows:

Name	Place of incorporation/ operations	Nominal value of issued/registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Buildstart Investments Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	–	100	Investment holding
Champford Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Charter Golden Design & Contracting Limited	Hong Kong	Ordinary HK$2	–	100	Property development
China Coin Management Limited	Hong Kong	Ordinary HK$1,000	–	100	Property investment
Conway Consultants Limited	Hong Kong	Ordinary HK$1,400,000 Non-voting preference *(Note 2)* HK$600,000	–	70	Provision of medical consultation services
Denox Management Limited	Hong Kong	Ordinary HK$2	–	100	Management and sub-letting of properties
Easy Kingdom Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Extra Power Limited	Hong Kong	Ordinary HK$1	–	100	Money lending
Fulling Limited	Hong Kong	Ordinary HK$100	–	100	Money lending and securities investment
First World Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Goodtech Management Limited	Hong Kong	Ordinary HK$2,800,100	–	100	Management of shopping centres
Grand Quality Development Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Hanwin Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Info World Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Join China Investment Limited	Hong Kong	Ordinary HK$2	–	100	Investment holding
Kartix Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property development
King Channel Limited	Hong Kong	Ordinary HK$1	–	100	Property development

Notes to Financial Statements *(Cont'd)*

31 March 2008

19. INTERESTS IN SUBSIDIARIES *(Cont'd)*

Name	Place of incorporation/ operations	Nominal value of issued/registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Kova Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Lead Fortune Limited	Hong Kong	Ordinary HK$1,000	–	100	Property investment
Lica Parking Company Limited	Hong Kong	Ordinary HK$25,500,000	–	99	Management and sub-licensing of car parks
Longable Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Mailful Investments Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	–	100	Investment holding
Majorluck Limited	Hong Kong	Ordinary HK$10,000	–	100	Management and sub-licensing of Chinese wet markets
New Shiny Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Poly Talent Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Richly Gold Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Rich Time Strategy Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	–	100	Investment holding
Shiny World Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Smart First Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Suitbest Investments Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	–	100	Investment holding
Ventix Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Wang Hing Fruits and Vegetables Wholesale Limited	Hong Kong	Ordinary HK$1	–	100	Wholesale of agricultural products
Wang Hing Vegetables Wholesale Company Limited	Hong Kong	Ordinary HK$100	–	51	Wholesale of agricultural products

Notes to Financial Statements *(Cont'd)*

31 March 2008

19. INTERESTS IN SUBSIDIARIES *(Cont'd)*

Name	Place of incorporation/ operations	Nominal value of issued/registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Wang On Agricultural Wholesale (HK) Limited	Hong Kong	Ordinary HK$1	–	100	Wholesale of agricultural products
Wang On Commercial Management Limited	British Virgin Islands/ Hong Kong	Ordinary US$2	–	100	Investment holding
Wang On Enterprises (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	100	–	Investment holding
Wang On Majorluck Limited	Hong Kong	Ordinary HK$1,000	–	100	Management and sub-licensing of Chinese wet markets
Wang On Shopping Centre Management Limited	Hong Kong	Ordinary HK$2	–	100	Management and sub-licensing of shopping centres
WEH Investments Limited	Hong Kong	Ordinary HK$477 Non-voting deferred *(Note 3)* HK$1,262,523	–	100	Property investment
Willing Dental Consultants Limited	Hong Kong	Ordinary HK$100	–	100	Provision of dental consultation services
Xuzhou Yuan Yang Trading Development Company Limited	PRC	RMB61,220,000	–	51	Management and sub-licensing of agricultural by-products wholesale market
Yulin Hong-Jin Agricultural By-products Wholesale Marketplace Limited	PRC	RMB76,230,000	–	65	Management and sub-licensing of agricultural by-products wholesale market

Notes to Financial Statements *(Cont'd)*

31 March 2008

19. INTERESTS IN SUBSIDIARIES *(Cont'd)*

Notes:

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

(2) The non-voting preference shares carry no voting rights but the holders have the right to receive an annual cash dividend equivalent to 30% of the audited net profit after tax. On the winding-up of the company, the holders rank in priority to the ordinary shareholders provided that the assets of the company available for distribution to its members shall be applied first towards arrears or accruals of the dividends.

(3) The non-voting deferred shares carry no voting rights or rights to dividends. On the winding-up of the company, the holders of non-voting deferred shares have a right to repayment in proportion to the amounts of all paid-up ordinary and deferred shares after the first HK$1,000,000,000,000 thereof has been distributed among the holders of the ordinary shares.

20. INTERESTS IN ASSOCIATES

	Group		Company	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Share of net assets	**307,664**	319,474	**–**	–
Deferred gains	**(3,320)**	(7,129)	**–**	–
Goodwill on acquisition *(note 18)*	**–**	9,718	**–**	–
	304,344	322,063	**–**	–
Due from associates – *Note (i)*	**2,362**	263	**2,089**	219
Due to associates – *Note (i)*	**(878)**	(959)	**–**	(27)
	305,828	321,367	**2,089**	192
Provision for impairment	**(3)**	(3)	**–**	–
	305,825	321,364	**2,089**	192
Market value of listed shares at 31 March – *Note (ii)*	**98,161**	212,105	**N/A**	N/A

Notes:

(i) The amounts are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.

(ii) The market value of the listed shares of an associate, Wai Yuen Tong Medicine Holdings Limited ("WYTH"), held by the Group was approximately HK$106,697,000 at the date of approval of these financial statements.

Notes to Financial Statements *(Cont'd)*

31 March 2008

20. INTERESTS IN ASSOCIATES *(Cont'd)*

Particulars of the principal associates at the balance sheet date are as follows:

Name	Particulars of issued shares/ registered capital	Place of incorporation/ operations	Percentage of ownership interest attributable to the Group 2008	2007	Principal activities
WYTH* *(Note 2)*	Ordinary shares of HK$0.01 each	Hong Kong	**28.31**	49	Production and sale of traditional Chinese and Western pharmaceutical health food products and property holding
Changzhou Ling Jia Tang Hong-Jin Logistic Development Company Limited	Paid-up capital of US$14,020,176	PRC	**40**	–	Agricultural by-products wholesale market

Notes:

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

(2) The financial statements of WYTH and its subsidiaries were not audited by Ernst & Young Hong Kong or other member firms of the Ernst & Young global network.

* Listed on the Stock Exchange

The following table illustrates the summarised financial information of the Group's associates extracted from their financial statements/management accounts:

	2008	2007
	HK$'000	*HK$'000*
Assets	**1,375,285**	792,911
Liabilities	**(364,152)**	(135,213)
Revenue	**477,021**	381,266
Profit	**81,392**	9,895

Notes to Financial Statements *(Cont'd)*

31 March 2008

21. INTERESTS IN JOINTLY-CONTROLLED ENTITIES

Particulars of the jointly-controlled entities are as follows:

Name	Paid-up registered capital/nominal value of issued share capital	Place of registration/ incorporation	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
Shenzhen Jimao Market Co., Limited	RMB31,225,000	PRC	50	50	50	Operations and management of traditional wet markets
Vast Time Limited	HK$1,000	Hong Kong	50	50	50	Investment holding
Fuzhou Wang On Property Development Co., Ltd.	RMB340,000,000	PRC	50	50	50	Property development

The amounts of the assets, liabilities, revenue and expenses of the Group's jointly-controlled entities attributable to the Group are as follows:

	2008	2007
	HK$'000	*HK$'000*
Non-current assets	**245,906**	68,649
Current assets	**11,267**	2,098
Current liabilities	**(6,054)**	(5,485)
Net assets	**251,119**	65,262
Total revenue	**16,844**	3,476
Total expenses	**(12,129)**	(2,462)
Profit for the year	**4,715**	1,014

On 23 November 2007, the Group entered into an acquisition agreement with an independent third party for the acquisition of an 50% equity interest in Vast Time Limited ("Vast Time") at a consideration of RMB11,250,000 (equivalent to HK$12,285,000).

Vast Time and its subsidiary have not commenced any operations as at the date of acquisition saved for obtaining the right to acquire a parcel of land in Fuzhou, the PRC.

Notes to Financial Statements *(Cont'd)*

31 March 2008

22. HELD-TO-MATURITY FINANCIAL ASSET

	Group and Company	
	2008	2007
	HK$'000	*HK$'000*
Unlisted debt investment, at amortised cost	**1,943**	–

23. OTHER INTANGIBLE ASSET

	Group Marketplace operating right	
	2008	2007
	HK$'000	*HK$'000*
Carrying amount at 1 April	**30,300**	–
Addition	**–**	30,300
Amortisation for the year	**(6,060)**	–
Carrying amount at 31 March	**24,240**	30,300

24. PROPERTIES HELD FOR SALE

	Group	
	2008	2007
	HK$'000	*HK$'000*
Carrying amount at 1 April	**1,455**	135,634
Transfer from properties under development *(note 17)*	**237,934**	–
Sale	**(211,504)**	(134,179)
Carrying amount at 31 March	**27,885**	1,455

At 31 March 2008, the Group's properties held for sale with an aggregate carrying value of HK$10,334,497 (2007: Nil) were pledged to secure the Group's general banking facilities of which approximately HK8,400,000 (2007: Nil) had been utilised as at 31 March 2008 (note 32).

Further particulars of the Group's properties held for sale are included on page 123.

Notes to Financial Statements *(Cont'd)*

31 March 2008

25. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	Group			
	2008		2007	
	HK$'000	**Percentage**	*HK$'000*	Percentage
Within 90 days	**3,948**	**94**	6,278	88
91 days to 180 days	**165**	**4**	441	6
Over 180 days	**76**	**2**	425	6
	4,189	**100**	7,144	100
Less: impairment	**(88)**		(548)	
	4,101		6,596	

The Group generally grants 15 to 30 days credit period to customers for its sub-leasing business. The Group generally does not grant any credit to customers of other businesses.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Notes to Financial Statements *(Cont'd)*

31 March 2008

25. TRADE RECEIVABLES *(Cont'd)*

The movements in provision for impairment of trade receivables are as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Balance at 1 April	**548**	636
Impairment losses reversed	**(244)**	–
Impairment losses recognised	**–**	467
Amount written off as uncollectible	**(216)**	(555)
Balance at 31 March	**88**	548

The above provision for impairment of trade receivables is related to individually impaired trade receivables, the customers of which were in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Neither past due nor impaired	**2,116**	6,140
Less than 90 days past due	**1,832**	138
91 – 180 days past due	**138**	275
Over 180 days past due	**15**	43
	4,101	6,596

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

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

Notes to Financial Statements *(Cont'd)*

31 March 2008

26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Prepayments	**7,600**	3,336	**771**	430
Prepaid land lease payments *(note 15)*	**2,589**	–	**–**	–
Deposits	**19,369**	11,329	**162**	100
Other receivables	**15,053**	25,954	**47**	228
Loans receivable, secured	**23,565**	24,719	**–**	–
Loans receivable, unsecured	**120**	402	**–**	–
	68,296	65,740	**980**	758
Less: Impairment	**(7,522)**	(7,452)	**–**	–
	60,774	58,288	**980**	758
Less: Loans receivable classified as non-current assets	**(12,989)**	(13,987)	**–**	–
Rental deposits classified as non-current assets	**(4,595)**	(5,343)	**–**	–
	43,190	38,958	**980**	758

Included in the Group's deposits are amounts due from the Group's associate of HK$160,000 (2007: HK$ Nil).

The Group's loans receivable are stated at amortised cost at effective interest rates ranging from 2% to 12% and the credit terms of which range from 4 months to 15 years. As the Group's loans receivable relate to a number of different borrowers, the directors are of the opinion that there is no concentration of credit risk over these loans receivable. The carrying amounts of the loans receivable approximate to their fair values.

As at 31 March 2008, certain loans receivable and other receivables are secured by contra deposits of HK$2,232,000 received by the Group and a retail shop located in Mongkok, Kowloon, Hong Kong.

Included in the above provision for impairment of other receivables and loans receivable are provision for individually impaired receivables of HK$7,522,000 (2007: HK$7,452,000) with an aggregate carrying amount of HK$9,833,000 (2007: HK$10,446,000). The individually impaired other receivables related to customers or debtors that were in financial difficulties and only portion secured by cash deposit received and property are expected to be recovered.

Other than the aforementioned impaired other receivables, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to the receivables for which there was no recent history of default.

Notes to Financial Statements *(Cont'd)*

31 March 2008

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Listed equity investments, at fair value:				
Hong Kong	**27,882**	24,721	**8,915**	15,416
Elsewhere	**9,819**	5,868	**5,556**	5,333
Unlisted debt securities, at fair value	**7,577**	16,178	**–**	16,178
	45,278	46,767	**14,471**	36,927

The market values of the Group's and the Company's listed equity investments at the date of approval of these financial statements were approximately HK$31,742,000 and HK$12,934,000, respectively.

The effective interest rate of the unlisted debt securities was 6% (2007: 5% to 7%), and they mature in 20 years (2007: 4 to 10 years).

28. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Group		Company	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cash and bank balances	**81,307**	135,757	**6,129**	86,457
Time deposits	**249,512**	330,827	**218,218**	304,027
	330,819	466,584	**224,347**	390,484
Less: Pledged time deposits	**–**	(78,000)	**–**	(78,000)
Cash and cash equivalents	**330,819**	388,584	**224,347**	312,484

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

Notes to Financial Statements *(Cont'd)*

31 March 2008

29. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Within 90 days	**24,624**	23,246

The trade payables are non-interest-bearing and have an average term of 30 days. The carrying amounts of the trade payables approximated to their fair values.

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Other payables *(Note)*	**114,298**	11,077	**67,542**	688
Accruals	**14,125**	10,018	**2,102**	51
	128,423	21,095	**69,644**	739

Note: Included in other payables was subscription monies of approximately HK$65,470,000 received for the Top-up Subscription discussed in note 36(e) to financial statements.

Other payables are non-interest-bearing and there are generally no credit terms. The carrying amounts of the other payables approximate to their fair values.

Notes to Financial Statements *(Cont'd)*

31 March 2008

31. DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2008	2007
	HK$'000	*HK$'000*
Stock accumulator contracts	**2,338**	–

32. INTEREST-BEARING BANK LOANS

Group	**2008**			2007		
	Contractual interest rate (%)	**Maturity**	***HK$'000***	Contractual interest rate (%)	Maturity	*HK$'000*
Current:						
Bank loans – secured	**HIBOR+ (0.85 – 1.625)/ P – (2.25 – 3.15)**	**2009**	**244,240**	HIBOR+ (0.91 – 1.625)	2008	364,425
Bank loans – unsecured	**HIBOR+ (0.85 – 1.625)**	**2009**	**102,875**	HIBOR+ (1.0 – 1.625)	2008	25,000
			347,115			389,425
Non-current:						
Bank loans – secured	**HIBOR+ (0.85 – 1.0) P – (2.25 – 3.15)/**	**2009-2025**	**165,743**	HIBOR+ (0.91-1.625)/ P – 2.25	2008-2025	108,799
Bank loans – unsecured	**HIBOR+ (0.85 – 1.0)**	**2009-2022**	**33,375**			–
			199,118			108,799
			546,233			498,224

Notes to Financial Statements *(Cont'd)*

31 March 2008

32. INTEREST-BEARING BANK LOANS *(Cont'd)*

Company	**2008**			2007		
	Contractual interest rate (%)	**Maturity**	***HK$'000***	Contractual interest rate (%)	Maturity	*HK$'000*
Current:						
Bank loans – secured	**HIBOR+ (0.85 – 1.0)**	**2009**	**30,400**	HIBOR+ (1.0 – 1.625)	2008	112,000
Bank loans – unsecured	**HIBOR+ (0.85 – 1.625)**	**2009**	**102,875**	HIBOR+ (1.3 – 1.425)	2008	25,000
			133,275			137,000
Non-current:						
Bank loans – secured	**HIBOR+ (0.85 – 1.0)**	**2009-2023**	**84,600**	HIBOR+ (1.0 – 1.625)	2008 – 2011	29,750
Bank loans – unsecured	**HIBOR+ (0.85 – 1.0)**	**2009-2022**	**33,375**			–
			117,975			29,750
			251,250			166,750

	Group		**Company**	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Analysed into:				
Bank loans repayable:				
Within one year	**347,115**	389,425	**133,275**	137,000
In the second year	**42,483**	20,871	**35,500**	16,250
In the third to fifth years, inclusive	**74,122**	40,687	**70,475**	13,500
Beyond five years	**82,513**	47,241	**12,000**	–
	546,233	498,224	**251,250**	166,750

Notes to Financial Statements *(Cont'd)*

31 March 2008

32. INTEREST-BEARING BANK LOANS *(Cont'd)*

Notes:

(a) Certain bank loans of the Group and the Company are secured by the Group's investment properties and certain rental income generated therefrom (note 16), properties under development (note 17) and properties held for sale (note 24).

In addition, the Company has guaranteed certain of the Group's bank loans up to HK$577,371,000 (2007: HK$483,162,000) as at the balance sheet date.

(b) All bank loans of the Group and the Company bear interest at floating interest rates.

(c) The carrying amounts of the bank loans of the Group and of the Company approximate to their fair values.

33. PROVISIONS FOR ONEROUS CONTRACTS

	Group	
	2008	2007
	HK$'000	*HK$'000*
Carrying amount at 1 April	**369**	1,935
Additional provision/(write-back of provision)	**3,650**	(688)
Amount utilised during the year	**(369)**	(878)
Carrying amount at 31 March	**3,650**	369
Portion classified as current liabilities	**(1,690)**	(369)
Long term portion	**1,960**	–

34. CONVERTIBLE NOTES

	Group and Company	
	2008	2007
	HK$'000	*HK$'000*
Convertible notes	**–**	45,756

In 2005, the Company issued convertible notes with an aggregate principal amount of HK$61,440,000 through a placing agent to several independent third parties. The convertible notes provide the holders option rights to convert the principal amount into ordinary shares of HK$0.005 each of the Company on any business day prior to the maturity of the convertible notes at a conversion price of HK$0.0909 per share (as adjusted after the bonus issue of the Company in prior year and subdivision of shares during the year).

Notes to Financial Statements *(Cont'd)*

31 March 2008

34. CONVERTIBLE NOTES *(Cont'd)*

The principal amounts of the convertible notes bear interest at a rate of 1% per annum and the convertible notes will mature on the first day of a period of three years from the date of their issue.

All the convertible notes outstanding as at 1 April 2007 were converted into shares of the Company (note 36) during the year.

The fair value of the liability component was estimated at the issue date using an equivalent market interest rate for a similar note without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

	Liability component of convertible notes *HK$'000*	**Equity component of convertible notes** *HK$'000*
Balance at 1 April 2006	46,860	6,077
Interest expense *(note 7)*	2,966	–
Interest paid	(492)	–
Conversion of convertible notes	(3,578)	(424)
Balance at 31 March and 1 April 2007	**45,756**	**5,653**
Interest expense *(note 7)*	**1,144**	**–**
Interest paid	**(201)**	**–**
Conversion of convertible notes	**(46,699)**	**(5,653)**
Balance at 31 March 2008	**–**	**–**

Notes to Financial Statements *(Cont'd)*

31 March 2008

35. DEFERRED TAX

The components of deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group	Depreciation allowance in excess of related depreciation	Revaluation gain of investment properties	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2006	798	2,374	3,172
Deferred tax charged to the income statement during the year *(note 10)*	335	1,947	2,282
At 31 March and 1 April 2007	1,133	4,321	5,454
Deferred tax charged to the income statement during the year *(note 10)*	388	2,784	3,172
Deferred tax liabilities at 31 March 2008	1,521	7,105	8,626

Notes to Financial Statements *(Cont'd)*

31 March 2008

35. DEFERRED TAX *(Cont'd)*

Deferred tax assets

Group	Depreciation in excess of related depreciation allowance	Provision for onerous contracts	Revaluation loss of investment properties	Losses available for offset against future taxable profit	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	–	–	–	562	562
Deferred tax credited to the income statement during the year *(note 10)*	–	–	–	2,171	2,171
At 31 March and 1 April 2007	–	–	–	2,733	2,733
Deferred tax credited to the income statement during the year *(note 10)*	397	639	244	329	1,609
Deferred tax assets at 31 March 2008	397	639	244	3,062	4,342

The Group has tax losses arising in Hong Kong of approximately HK$61,524,000 (2007: HK$47,729,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

At 31 March 2008, there was no significant unrecognised deferred tax liability (2007: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or jointly-controlled entities as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

Notes to Financial Statements *(Cont'd)*

31 March 2008

36. SHARE CAPITAL

Shares

	2008	2007
	HK$'000	*HK$'000*
Authorised:		
40,000,000,000 (2007: 2,000,000,000) ordinary shares of HK$0.005 (2007: HK$0.10) each	**200,000**	200,000
Issued and fully paid:		
6,410,233,640 (2007: 294,178,882) ordinary shares of HK$0.005 (2007: HK$0.10) each	**32,051**	29,418

During the year, the movements in share capital were as follows:

(a) The subscription rights attaching to 1,887,600 and 141,504,000 share options were exercised at the subscription prices of HK$0.97 and HK$0.0485, respectively, per share (note 37), resulting in the issue of 1,887,600 shares of HK$0.10 each and 141,504,000 shares of HK$0.005 each, respectively for a total consideration, before issue expenses, of HK$8,694,000.

(b) Pursuant to an ordinary resolution passed on 17 May 2007, the existing issued and unissued ordinary shares with the nominal value of HK$0.10 each in the share capital of the Company were subdivided into 20 ordinary shares with the nominal value of HK$0.005 each.

(c) During the year, the conversion rights attaching to the convertible notes issued by the Company with an aggregate nominal value of HK$48,000,000 were exercised at the conversion price of HK$0.0909 per share, resulting in the issue of 528,000,000 shares of HK$0.005 each.

(d) During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**
		HK$	*HK$*	*HK$'000*
Jan to Feb 2008	180,600,000	0.152	0.108	21,506

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares.

Notes to Financial Statements *(Cont'd)*

31 March 2008

36. SHARE CAPITAL *(Cont'd)*

(e) On 26 March 2008, Accord Power Limited ("Accord Power"), a substantial shareholder of the Company which is wholly-owned by Trustcorp Limited in its capacity as the trustee of the Tang's Family Trust, entered into a Top-up Placing and Subscription Agreement with Kingston Securities Limited (the "Placing Agent") and the Company and pursuant to which, Accord Power agreed to place, through the Placing Agent, an aggregate of 900 million existing ordinary shares of the Company to certain private investors at a price of HK$0.075 each (the "Top-up Placing") and subscribe for an aggregate of 900 million new ordinary shares of the Company at a price of HK$0.075 each (the "Top-up Subscription").

The Top-up Placing and the Top-up Subscription were completed on 31 March 2008 and 2 April 2008, respectively, and the Group raised a total of HK$67,500,000 (before expenses) (note 45(a)).

(f) On 22 April 2008, the Company placed an aggregate of 460,000,000 new ordinary shares, through the Placing Agent, to certain private investors at a price of HK$0.075 per share, raising a total of HK$34,500,000 (before expenses) (note 45(b)).

A summary of the transactions during the year with reference to the above movements in the Company's issued ordinary share capital is as follows:

	Number of shares in issue	Issued share capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 April 2006	224,544,439	22,454	422,291	444,745
Conversion of convertible notes	1,800,000	180	3,822	4,002
Bonus issue	22,634,443	2,264	(2,264)	–
Repurchases of shares	(19,300,000)	(1,930)	(43,087)	(45,017)
Placements of shares	64,500,000	6,450	174,150	180,600
Share issue expenses	–	–	(5,300)	(5,300)
At 31 March and 1 April 2007	294,178,882	29,418	549,612	579,030
Exercise of share options (a)	143,391,600	896	7,798	8,694
Subdivision of shares (b)	5,625,263,158	–	–	–
Conversion of convertible notes (c)	528,000,000	2,640	49,712	52,352
Repurchases of shares (d)	(180,600,000)	(903)	(20,603)	(21,506)
Share issue expenses	–	–	(160)	(160)
At 31 March 2008	**6,410,233,640**	**32,051**	**586,359**	**618,410**

Notes to Financial Statements *(Cont'd)*

31 March 2008

36. SHARE CAPITAL *(Cont'd)*

Share options

Details of the Company's share option scheme are set out in note 37 to the financial statements.

Warrants

On 15 May 2007, the Company entered into a warrant agreement (the "Warrant Agreement") with Lehman Brothers Commercial Corporation Asia Limited and pursuant to which the Company agreed to issue a total of 10 million warrants attaching the rights to subscribe for 10 million ordinary shares (before the share subdivision as discussed in note 36(b) above) of the Company for a total warrants' issue price of HK$4,500,000.

The Warrant Agreement was completed on 31 May 2007 and a total of 200 million warrants (adjusted for the effect of the share subdivision as discussed in note 36(b) above) attaching the rights to subscribe for 200 million ordinary shares of the Company were issued.

No warrants was exercised during the year and all the 200 million warrants were outstanding at 31 March 2008. The exercise in full of such warrants would, under the present capital structure of the Company, result in the issue of 200 million additional shares of HK$0.005 each.

Notes to Financial Statements *(Cont'd)*

31 March 2008

37. SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. On 3 May 2002, the Company approved a share option scheme (the "Scheme") under which eligible participants include any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any business or joint venture partner, contractor, agent or representative, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to the Group, any supplier, producer or licensor of goods or services to the Group, any customer, licensee (including any sub-licensee) or distributor of goods or services of the Group, or any landlord or tenant (including any sub-tenant) of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Scheme became effective on 3 May 2002 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

Pursuant to the Scheme, the maximum number of share options that may be granted under the Scheme and any other share option schemes of the Company is an amount equivalent, upon their exercise, not in aggregate exceed 10% of the issued share capital of the Company from time to time, excluding any shares issued on the exercise of share options.

The maximum number of shares issuable under share options to each eligible participant (except for a substantial shareholder or an independent non-executive director or any of their respective associates) under the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of such limit must be separately approved by shareholders with such eligible participant and his associates abstaining from voting.

Notes to Financial Statements *(Cont'd)*

31 March 2008

37. SHARE OPTION SCHEME *(Cont'd)*

Share options granted to a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option). Where any grant of share options to a substantial shareholder or an independent non-executive director (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of share options already granted and to be granted to such person under the Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue, and having an aggregate value, based on the closing price of the Company's shares at each date of grant, in excess of HK$5 million, such further grant of share options is required to be approved by shareholders in a general meeting in accordance with the Listing Rules. Any change in the terms of a share option granted to a substantial shareholder or an independent non-executive director (or any of their respective associates) is also required to be approved by shareholders.

An offer for the grant of share options must be accepted within 30 days from the date on which such offer was made. The amount payable by the grantee of a share option to the Company on acceptance of the offer of the grant is HK$1.00.

The option price per share payable on the exercise of an option is determined by the directors provided that it shall be at least the higher of (i) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange at the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of a share option is accepted by the eligible person), which must be a business day; and (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of grant, provided that the option price per share shall in no event be less than the nominal amount of one share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Notes to Financial Statements *(Cont'd)*

31 March 2008

37. SHARE OPTION SCHEME *(Cont'd)*

The following share options were outstanding under the Scheme during the year:

	2008		2007	
	Weighted average exercise price *HK$* **per share**	**Number of options** *'000*	Weighted average exercise price *HK$*	Number of options *'000*
At 1 April	**2.0502**	**32,547**	1.0670	12,588
Adjustment arising from bonus issue	**–**	**–**	–	1,259
Adjustment arising from subdivision of shares	**–**	**582,525**	–	–
Granted during the year	**0.1670**	**7,150**	2.8500	18,700
Exercised during the year	**0.0606**	**(143,392)**	–	–
At 31 March	**0.1237**	**478,830**	2.0502	32,547

The exercise prices and exercise periods of the share options outstanding as at that balance sheet date are as follows:

2008

Number of options *'000*	**Exercise price*** *HK$* per share	**Exercise period**
97,680	0.0485	12/11/2004 to 11/11/2014
374,000	0.1425	1/3/2007 to 28/2/2017
7,150	0.1670	2/1/2009 to 1/1/2013
478,830		

Notes to Financial Statements *(Cont'd)*

31 March 2008

37. SHARE OPTION SCHEME *(Cont'd)*

2007

Number of options	Exercise price*	Exercise period
'000	*HK$* per share	
13,847	0.9700	12/11/2004 to 11/11/2014
18,700	2.8500	1/3/2007 to 28/2/2017
32,547		

* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year was HK$467,000 (2007: HK$7,633,000) of which the Group recognised a share option expense of HK$64,000 (2006: HK$7,633,000) during the year ended 31 March 2008.

The fair value of equity-settled share options granted in the current year was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 31 March 2008:

	2008	2007
Expected dividend yield (%)	**1.00**	4.73
Expected volatility (%)	**57.00**	23.29
Risk-free interest rate (%)	**2.60 - 3.10**	4.00
Exit rate of employees (%)	**–**	15.00

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the options granted was incorporated into the measurement of fair value.

The 143,391,600 share options exercised during the year resulted in the issue of 143,391,600 ordinary shares of the Company and new share capital of HK$896,000 and share premium of HK$7,798,000 (before issue expenses), as further detailed in note 36 to the financial statements.

At the balance sheet date, the Company had 478,830,000 (2007: 32,546,800) share options outstanding under the Scheme. The exercise in full of these share options would, under the then capital structure of the Company, result in the issue of 478,830,000 (2007: 32,546,800) additional ordinary shares of the Company and additional share capital of HK$2,394,000 (2007: HK$3,255,000) and share premium of HK$56,832,000 (2007: HK$63,472,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 584,982,964 share options available for issue under the Scheme which represented approximately 7.4% of the Company's shares in issue as at that date.

Notes to Financial Statements *(Cont'd)*

31 March 2008

38. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 32 of the financial statements.

Certain amounts of goodwill arising on the acquisition of subsidiaries and associates in prior years remain eliminated against consolidated reserves, as explained in note 18 to the financial statements.

(b) Company

	Notes	Share premium account HK$'000	Contributed surplus (Note) HK$'000	Share option reserve HK$'000	Warrant reserve HK$'000	Retained profits HK$'000	Proposed final dividend HK$'000	Total HK$'000
At 1 April 2006		422,291	121,364	–	–	92,027	15,718	651,400
Final 2006 dividend declared	12	–	–	–	–	(126)	(15,718)	(15,844)
Conversion of convertible notes	36	3,822	–	–	–	–	–	3,822
Bonus issue	36	(2,264)	–	–	–	–	–	(2,264)
Repurchases of shares	36	(43,087)	–	–	–	–	–	(43,087)
Placements of shares	36	174,150	–	–	–	–	–	174,150
Share issue expenses	36	(5,300)	–	–	–	–	–	(5,300)
Equity-settled share option arrangements	37	–	–	7,633	–	–	–	7,633
Profit for the year		–	–	–	–	127,230	–	127,230
Interim 2007 dividend	12	–	–	–	–	(7,073)	–	(7,073)
Proposed final 2007 dividend	12	–	–	–	–	(19,540)	19,540	–
At 31 March and 1 April 2007		549,612	121,364	7,633	–	192,518	19,540	890,667
Final 2007 dividend declared		–	–	–	–	–	(19,540)	(19,540)
Conversion of convertible notes	36	49,712	–	–	–	–	–	49,712
Issue of warrants	36	–	–	–	4,500	–	–	4,500
Exercise of share options	36	7,798	–	–	–	–	–	7,798
Repurchases of shares	36	(20,603)	–	–	–	–	–	(20,603)
Share issue expenses	36	(160)	–	–	–	–	–	(160)
Equity-settled share option arrangements	37	–	–	64	–	–	–	64
Profit for the year		–	–	–	–	180,187	–	180,187
Interim 2008 dividend	12	–	–	–	–	(10,319)	–	(10,319)
Proposed final 2008 dividend	12	–	–	–	–	(7,868)	7,868	–
At 31 March 2008		586,359	121,364	7,697	4,500	354,518	7,868	1,082,306

Notes to Financial Statements *(Cont'd)*

31 March 2008

38. RESERVES *(Cont'd)*

(b) Company *(Cont'd)*

Note: The contributed surplus of the Company originally derived from the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the Group's reorganisation on 6 February 1995 and the par value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders under certain circumstances.

39. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Major non-cash transaction

During the year, all the outstanding convertible notes with a face value of HK$48,000,000 (2007: HK$3,600,000) were converted into 528,000,000 (2007: 1,800,000) new shares of the Company.

(b) Acquisition of a subsidiary

Pursuant to the Shareholder Agreement dated 6 January 2007 entered into between the Group and the existing shareholders of Xuzhou Yuan Yang Trading Development Company Limited ("Xuzhou Yuan Yang"), the Group injected capital amounting to RMB35.7 million into Xuzhou Yuan Yang and obtained a 51% stake in the enlarged capital of Xuzhou Yuan Yang (the "Capital Injection"). Xuzhou Yuan Yang is principally engaged in the development, operation and management of an agricultural by-products wholesale market and related facilities, and rental of properties.

The Capital Injection was completed in August 2007 and Xuzhou Yuan Yang became a 51%-owned subsidiary of the Group.

Notes to Financial Statements *(Cont'd)*

31 March 2008

39. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Cont'd)*

(b) Acquisition of a subsidiary *(Cont'd)*

The fair values of the identifiable assets and liabilities of Xuzhou Yuan Yang as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

	Notes	2008 Fair value recognised on acquisition HK$'000	2008 Carrying amount HK$'000
Net assets acquired:			
Property, plant and equipment	14	11,969	11,776
Investment properties	16	20,019	19,678
Trade receivables		201	201
Other receivables		6,429	6,429
Cash and cash equivalents		39,886	39,886
Other payables and accruals		(28,704)	(28,704)
		49,800	49,266
Minority interests		(24,402)	
Goodwill on acquisition	18	11,444	
Satisfied by cash		36,842	

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

	2008 HK$'000
Cash consideration	(36,842)
Cash and bank balances acquired	39,886
Net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary	3,044

Since its acquisition, Xuzhou Yuan Yang contributed HK$11,913,000 to the Group's turnover and HK$4,091,000 to the consolidated profit for the year ended 31 March 2008.

There would have been no significant differences to the Group's consolidated profit for the year had the acquisition taken place at the beginning of the year.

Notes to Financial Statements *(Cont'd)*

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39. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Cont'd)*

(c) Disposal of subsidiaries

	Notes	2007 HK$'000
Net assets disposed of:		
Property, plant and equipment	14	180
Investment properties	16	10,200
Inventories		10
Trade receivables		43
Deposits and other receivables		1,339
Cash and cash equivalents		1,978
Trade and other payables		(1,315)
Tax payable		(195)
Dividends payable		(633)
		11,607
Goodwill released on disposal	18	4,044
Gain on disposal of subsidiaries		2,524
		18,175
Satisfied by:		
Cash		18,200
Expenses incurred		(25)
		18,175

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2007 HK$'000
Cash consideration	18,200
Dividends received	633
Expenses incurred	(25)
Cash and cash equivalents disposed of	(1,978)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	16,830

Notes to Financial Statements *(Cont'd)*

31 March 2008

40. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

(a) Company

	2008	2007
	HK\$'000	*HK\$'000*
Guarantees given to financial institutions in connection with facilities granted to subsidiaries	**577,371**	483,162

(b) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$799,000 (2007: HK\$714,000) as at 31 March 2008, as further explained under the heading "Employee benefits" in note 2.4 to the financial statements. The contingent liability has arisen because, at the balance sheet date, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

41. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases it investment properties (note 16), sub-leases Chinese wet markets, shopping centres and car parks under operating lease arrangements, with leases negotiated for terms ranging from three months to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the balance sheet date, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2008	2007
	HK\$'000	*HK\$'000*
Within one year	**95,137**	64,937
In the second to fifth years, inclusive	**13,791**	88,835
After five years	**1,660**	12,430
	110,588	166,202

Notes to Financial Statements *(Cont'd)*

31 March 2008

41. OPERATING LEASE ARRANGEMENTS *(Cont'd)*

(b) As lessee

The Group leases certain Chinese wet markets, shopping centres, car parks and certain of its office properties under operating lease arrangements. Leases are negotiated for terms ranging from three months to seven years.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Within one year	**65,042**	110,710
In the second to fifth years, inclusive	**101,366**	91,551
After five years	**10,949**	–
	177,357	202,261

42. COMMITMENTS

In addition to the operating lease commitments detailed in note 41(b) above, the Group had the following capital commitments at the balance sheet date:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Capital expenditure on property, plant and equipment	**803**	–
Capital expenditure for properties under development	**10,856**	31,693
Capital expenditure for construction of investment properties in Mainland China	**53,643**	–
Acquisition of investment properties	**49,842**	–
Investment in a subsidiary	**–**	39,190
Investment in an associate	**18,787**	–
Acquisition of a subsidiary	**–**	36,218
Acquisition of associates	**63,470**	–
	197,401	107,101

At the balance sheet date, the Company did not have any significant commitments.

Notes to Financial Statements *(Cont'd)*

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43. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

(a) Transactions with related parties

	Notes	2008 HK$'000	2007 HK$'000
Rental income received from a director	*(i)*	**802**	600
Income from associates:	*(ii)*		
Management fee		**996**	996
Rental		**1,657**	1,044
Management fee income from companies that were significantly influenced by an executive director of the Company	*(ii)*	**960**	–
Rental expenses paid to an associate	*(ii)*	**1,920**	1,845

Notes:

(i) Certain investment properties of the Group were leased to a director at an agreed monthly rental range from HK$50,000 to HK$82,000 (2007: HK$50,000). The rental was determined with reference to the prevailing market rates.

(ii) The transactions were based on terms mutually agreed between the Group and the related parties.

(b) On 7 January 2008, the Group entered into an agreement (the "Land Disposal Agreement") with Joyful Leap Investments Limited ("Joyful"), a wholly-owned subsidiary of LeRoi Holdings Limited (an associate of WYTH and significantly influenced by an executive director of the Company), for the disposal of the entire equity interest in Brightest Investments Limited ("Brightest Investments"), a wholly-owned subsidiary of the Group, at an aggregate consideration of HK$240 million. Brightest Investments and its subsidiaries (collectively the "Disposal Group") are established by the Group solely for the purpose of acquiring a parcel of land in Dongguan (the "Dongguan Land") from the Dongguan Bureau of Land and Resources and have not commenced any operations other than matters in relation to obtaining the right to acquire the Dongguan Land.

The Land Disposal Agreement was completed on 10 January 2008 when the Disposal Group obtained the land use right certificate of the Dongguan Land.

(c) Details of the Group's balances with associates as at the balance sheet date are disclosed in note 20 to the financial statements.

Notes to Financial Statements *(Cont'd)*

31 March 2008

43. RELATED PARTY TRANSACTIONS *(Cont'd)*

(d) Compensation of key management personnel of the Group

	2008	2007
	HK$'000	*HK$'000*
Short term employment benefits	**4,172**	5,509
Post-employment benefits	**75**	82
	4,247	5,591

The above compensation of key management personnel excludes the directors' remuneration, details of which are set out in note 8 to the financial statements.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, convertible notes, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no material impact on other components of the Group's equity.

Notes to Financial Statements *(Cont'd)*

31 March 2008

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

Interest rate risk *(Cont'd)*

	Group	
	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax**
		HK$'000
2008		
Hong Kong dollar	**100**	**(4,968)**
Renminbi	**100**	**(499)**
Hong Kong dollar	**(100)**	**4,968**
Renminbi	**(100)**	**499**
2007		
Hong Kong dollar	100	(4,982)
Hong Kong dollar	(100)	4,982

Foreign currency risk

The Group has minimal transactional currency exposure arising from sales or purchases by operating units in currencies other than the units' functional currency, and hence it does not have any foreign currency hedging policies.

Part of the Group's turnover and operating expenses are denominated in Renminbi ("RMB"), which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries and jointly-controlled entities to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under existing PRC foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration for Foreign Exchange Bureau by complying with certain procedural requirements. However, approval from appropriate PRC governmental authorities is required where RMB is to be converted into a foreign currency and remitted out of Mainland China to pay capital account items, such as the repayment of bank loans denominated in foreign currencies.

Currently, the Group's PRC subsidiaries and jointly-controlled entities may purchase foreign exchange for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration for Foreign Exchange Bureau. The Group's PRC subsidiaries and jointly-controlled entities may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration for Foreign Exchange Bureau, this could affect the Group's subsidiaries and jointly-controlled entities' ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from us.

Notes to Financial Statements *(Cont'd)*

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

Foreign currency risk *(Cont'd)*

There are limited hedging instruments available in the PRC to reduce the Group's exposure to exchange rate fluctuations between RMB and other currencies. To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risks. While the Group may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Group may not be able to hedge the Group's exposure successfully, or at all.

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Group	
	Increase/ (decrease) in exchange rate	**Increase/ (decrease) in profit before tax**
	%	*HK$'000*
2008		
If Euro strengthens against HK$	**17.058**	**1,750**
If Euro weakens against HK$	**(17.058)**	**(1,750)**
If HK$ strengthens against RMB	**9.023**	**3,989**
If HK$ weakens against RMB	**(9.023)**	**(3,989)**
2007		
If GBP strengthens against HK$	8.734	1,199
If GBP weakens against HK$	(8.734)	(1,199)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, available-for-sale financial assets, financial assets at fair value through profit or loss, amounts due from associates, other receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in notes 25 and 26 respectively, to the financial statements.

Notes to Financial Statements *(Cont'd)*

31 March 2008

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and convertible notes.

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

	2008				
	Within 1 year or on demand	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Interest-bearing bank loans	**358,552**	**48,224**	**83,327**	**93,621**	**583,724**
Trade payables *(note 29)*	**24,624**	**–**	**–**	**–**	**24,624**
Other payables *(note 30)*	**114,298**	**–**	**–**	**–**	**114,298**
	497,474	**48,224**	**83,327**	**93,621**	**722,646**

	2007				
	Within 1 year or on demand	1 to 2 years	3 to 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Convertible notes	–	48,200	–	–	48,200
Interest-bearing bank loans	403,517	22,916	43,208	47,618	517,259
Trade payables *(note 29)*	23,246	–	–	–	23,246
Other payables *(note 30)*	11,077	–	–	–	11,077
	437,840	71,116	43,208	47,618	599,782

Notes to Financial Statements *(Cont'd)*

31 March 2008

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

Liquidity risk *(Cont'd)*

The maturity profile of the Company's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

	2008				
	Within 1 year or on demand	**1 to 2 years**	**3 to 5 years**	**Over 5 years or no fixed terms of repayment**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Interest-bearing bank loans	**138,342**	**39,157**	**75,419**	**17,503**	**270,421**
Due to subsidiaries *(note 19)*	**–**	**–**	**–**	**230,258**	**230,258**
	138,342	**39,157**	**75,419**	**247,761**	**500,679**

	2007				
	Within 1 year on demand	1 to 2 years	3 to 5 years	Over 5 years or no fixed terms of repayment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Convertible notes	–	48,200	–	–	48,200
Interest-bearing bank loans	139,693	17,029	14,486	–	171,208
Due to subsidiaries *(note 19)*	–	–	–	190,412	190,412
	139,693	65,229	14,486	190,412	409,820

Notes to Financial Statements *(Cont'd)*

31 March 2008

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as trading equity investments (note 27) as at 31 March 2008. The Group's listed investments are listed on the Hong Kong, London, Paris, Tokyo and Singapore stock exchanges and are valued at quoted market prices at the balance sheet date.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the balance sheet date, and their respective highest and lowest points during the year were as follows:

	31 March 2008	**High/low 2008**	31 March 2007	High/low 2007
Hong Kong – Hang Seng Index	**22,849**	**31,650/19,904**	19,801	20,951/15,205
London – FTSE 100	**5,702**	**6,752/5,414**	6,308	6,435/5,467
Paris – CAC 40 Index	**4,707**	**6,168/4,417**	5,634	5,772/4,565
Tokyo – Nikkei 225	**12,526**	**18,297/11,691**	17,288	18,300/14,046
Singapore – Straits Times Index	**3,007**	**3,831/2,746**	3,231	3,236/2,252

Notes to Financial Statements *(Cont'd)*

31 March 2008

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

Equity price risk *(Cont'd)*

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the balance sheet date.

	Carrying amount of equity investments	Increase/ (decrease) in equity price	Increase/ (decrease) in profit before tax
	HK$'000	*%*	*HK$'000*
2008			
Investments held-for-trading listed in:			
Hong Kong	**27,882**	**54**	**15,140**
Hong Kong	**27,882**	**(54)**	**(15,140)**
London	**2,338**	**15**	**355**
London	**2,338**	**(15)**	**(355)**
Paris	**1,925**	**23**	**441**
Paris	**1,925**	**(23)**	**(441)**
Singapore	**5,556**	**22**	**1,203**
Singapore	**5,556**	**(22)**	**(1,203)**
2007			
Investments held-for-trading listed in:			
Hong Kong	24,721	27	6,623
Hong Kong	24,721	(27)	(6,623)
London	2,243	10	229
London	2,243	(10)	(229)
Tokyo	536	14	74
Tokyo	536	(14)	(74)
Singapore	3,089	36	1,098
Singapore	3,089	(36)	(1,098)

Capital management

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

Notes to Financial Statements *(Cont'd)*

31 March 2008

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Cont'd)*

Capital management *(Cont'd)*

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2008 and 31 March 2007.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital. The Group's policy is to maintain the gearing ratio not exceeding 40%. Net debt is calculated as a total of interest-bearing bank borrowings and liability component of convertible notes, less cash and cash equivalents (including pledged deposits). Capital includes equity attributable to equity holders of the parent (including the equity component of convertible notes). The gearing ratios as at the balance sheet dates were as follows:

	Group	
	2008	2007
	HK$'000	*HK$'000*
Interest-bearing bank borrowings *(note 32)*	**546,233**	498,224
Liability component of convertible notes *(note 34)*	**–**	45,756
Less: Cash and cash equivalents *(note 28)*	**(330,819)**	(466,584)
Net debt	**215,414**	77,396
Equity attributable to equity holders	**1,182,569**	1,041,834
Gearing ratio	**18.2%**	7.4%

Notes to Financial Statements *(Cont'd)*

31 March 2008

45. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the Group had the following significant post balance sheet events:

(a) On 26 March 2008, Accord Power entered into a Top-up Placing and Subscription Agreement with the Placing Agent and the Company and pursuant to which Accord Power agreed to subscribe for an aggregate of 900 million new ordinary shares of the Company at a price of HK$0.075 each (the "Top-up Subscription").

The Top-up Subscription was completed on 2 April 2008 and the Company raised a total of HK$67,500,000 (before expenses) *(note 36(e))*.

(b) On 22 April 2008, the Company placed an aggregate of 460 million new ordinary shares, through the Placing Agent, to certain private investors at a price of HK$0.075 per share pursuant to the agreement entered into between the Company and the Placing Agent on 26 March 2008 and raised a total of HK$34.5 million (before expenses) *(note 36(f))*.

(c) On 7 May 2008, Rich Time Strategy Limited ("Rich Time"), an indirect wholly-owned subsidiary of the Company, entered into a Top-up Placing and Subscription Agreement with the Placing Agent and WYTH and pursuant to which, Rich Time agreed to place, through the Placing Agent, an aggregate of 335,004,000 existing ordinary shares of WYTH to certain private investors at a price of HK$0.165 each (the "WYTH Top-up Placing") and subscribe conditionally for an aggregate of 335,004,000 new ordinary shares of WYTH at a price of HK$0.165 each (the "WYTH Top-up Subscription").

The WYTH Top-up Placing and the WYTH Top-up Subscription were completed on 15 May 2008 and 19 May 2008, respectively. Upon completion of the WYTH Top-up Placing and WYTH Top-up Subscription, the Group's interests in WYTH were diluted from 28.31% to 23.59%.

46. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of the new and revised HKFRSs during the current year, certain comparative amounts have been adjusted to conform with the current year's presentation and to show separately comparative amounts in respect of items disclosed for the first time in 2008.

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 15 July 2008.

Particulars of Properties

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
House 15, Greenery Villas Phase II, No. 3 Ma Lok Path, Kau To, Shatin, New Territories	Vacant	Medium term lease	100%
House 2 and Car Parking Spaces 3 & 4, Winners Lodge, Nos. 9-15 Ma Yeung Path, Shatin, New Territories	Residential premises for rental	Medium term lease	100%
Shop C on Ground Floor, Tsuen Fung Building, Nos. 39-43A Tsuen Wan Market Street, Tsuen Wan, New Territories	Commercial premises for rental	Medium term lease	100%
Shop 6 on Ground Floor, Grandeur Garden, Nos. 14-18 Chik Fai Street, Nos. 55-65 Tai Wai Road, Shatin, New Territories	Commercial premises for rental	Medium term lease	100%
Ground Floor, 170 Castle Peak Road, Yuen Long, New Territories	Commercial premises for rental	Medium term lease	100%
Shop B, Ground Floor, Kwong Sen Mansion, 23-33 Shui Wo Street, Kwun Tong, Kowloon	Commercial premises for rental	Medium term lease	100%
Ground Floor, 1st – 2nd floors and rooftop, 68 San Hong Street, Sheung Shui, New Territories	Commercial premises for rental	Medium term lease	100%
Shop B, Ground Floor, 106-108 Shau Kei Wan Road, Hong Kong	Commercial premises for rental	Long term lease	100%

Particulars of Properties *(Cont'd)*

INVESTMENT PROPERTIES *(Cont'd)*

Location	Use	Tenure	Attributable interest of the Group
Shop 5, Ground Floor, Tak Lee Building, 993 King's Road, Hong Kong	Commercial premises for rental	Long term lease	100%
Various lots in DD210 and DD244, Ho Chung, Sai Kung, New Territories	Vacant	Medium term lease	100%
Shop 4 and 5, Ground Floor, Mongkok Building, 93, 95 and 99 Mongkok Road, Mongkok, Kowloon	Commercial premises for rental	Long term lease	100%
Flat E, 21st Floor, Block 8, Royal Ascot, 1 Tsun King Road, Shatin, New territories	Residential premises for rental	Medium term lease	100%
Flat H, 37th Floor, Tower 6, The Belcher's, 89 Pok Fu Lam Road, Sai Wan, Hong Kong	Vacant	Medium term lease	100%
Shop C, Ground Floor and Flat C, Mezzanine Floor, Lee Wah Building, 738-740A Nathan Road, Mongkok, Kowloon	Commercial premises for rental	Long term lease	100%
An agricultural wholesale market located at Ying Bin Main Road East, Quanshan District, Xuzhou, Jiangsu Province, the PRC	Commercial premises for rental	Medium term lease	51%
Various wet markets located at Shenzhen, Guangdong Province, the PRC	Commercial premises for rental	Medium term lease	50%

Particulars of Properties *(Cont'd)*

PROPERTIES UNDER DEVELOPMENT/PROPERTIES HELD FOR SALE

Property name	Location	Approximate site area (sq. ft.)	Estimated approximate gross floor area (sq. ft.)	Use	Anticipated completion /Assignment completion date	Attributable interest of the Group
GODI XI	8 Shatin Height Road, Shatin	49,100	27,900	Residential	Oct 2007	100%
Meister House	Fairview Park Boulevard, Yuen Long	5,446	5,040	Residential and commercial	Aug 2007	100%
The Dawning Place	92A – 92G Yeung Uk Tsuen, Shap Pat Heung, Yuen Long, New Territories	13,201	7,000	Residential	Late 2008	100%

Five Year Financial Summary

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

RESULTS

	Year ended 31 March				
	2008	2007	2006	2005	2004
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE	**545,882**	499,488	395,557	364,123	296,565
PROFIT AFTER FINANCE COSTS	**94,934**	91,854	121,664	90,441	51,671
Share of profits and losses of associates	**27,643**	4,578	(39,601)	(16,655)	(10,823)
Amortisation of goodwill of associates	**–**	–	–	–	(7,656)
PROFIT BEFORE TAX	**122,577**	96,432	82,063	73,786	33,192
Tax	**(25,963)**	(13,254)	(9,480)	(4,255)	(3,818)
PROFIT FOR THE YEAR	**96,614**	83,178	72,583	69,531	29,374
Attributable to:					
Equity holders of the parent	**96,089**	83,170	72,554	69,497	29,285
Minority interests	**525**	8	29	34	89
	96,614	83,178	72,583	69,531	29,374

ASSETS, LIABILITIES AND MINORITY INTERESTS

	31 March				
	2008	2007	2006	2005	2004
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TOTAL ASSETS	**2,031,974**	1,734,214	1,497,324	1,145,203	857,583
TOTAL LIABILITIES	**(791,759)**	(691,908)	(657,151)	(398,118)	(176,600)
MINORITY INTERESTS	**(57,646)**	(472)	(464)	(435)	(401)
	1,182,569	1,041,834	839,709	746,650	680,582