興勝創建控股有限公司
HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 896)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

SUMMARY OF RESULTS

For the year ended 31 March 2012, the turnover of Hanison Construction Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") was HK$1,234.7 million, being 70.73% higher than the turnover of HK$723.2 million for the year ended 31 March 2011.

Despite the increase in turnover, the Group recorded a decrease in consolidated profit from HK$176.0 million (restated) for the last financial year to HK$128.2 million for this financial year. The drop was mainly attributable to the fact that the gain on change in fair value of investment properties has been less drastic in this financial year as compared with that of the last financial year. Another reason for the decrease is that Hanison has just launched the sale of Eight College (a wholly-owned luxurious residential development of the Group in Kowloon Tong) in early 2012, hence can only record the sale of two units.

The basic earnings per share for the year was HK26.3 cents, compared to HK36.1 cents (restated) last year.

As at 31 March 2012, the net asset value amounted to HK$1,051.3 million (2011: HK$940.2 million (restated)), representing an increase of 11.82% over last year. Net asset value per share at 31 March 2012 was HK$2.16 (2011: HK$1.93 (restated)).

DIVIDEND

The Board has recommended a final dividend of HK2.7 cents per share for the year ended 31 March 2012 (2011: HK2.7 cents per share) to shareholders whose names appear on the registers of members of the Company on 5 September 2012. This together with the interim dividend of HK1.5 cents per share (2011: HK1.5 cents per share) gives a total of HK4.2 cents per share for the year (2011: HK4.2 cents per share). The proposed final dividend will be paid on 20 September 2012 following approval at the annual general meeting.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The registers of members of the Company will be closed from 24 August 2012 to 28 August 2012, both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the annual general meeting scheduled to be held on 28 August 2012. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later that 4:30 p.m. on 23 August 2012.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The registers of members of the Company will be closed from 3 September 2012 to 5 September 2012, both days inclusive, for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 March 2012. In order to qualify for the final dividend for the year ended 31 March 2012, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later that 4:30 p.m. on 31 August 2012.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	NOTES	**2012** ***HK$'000***	2011 *HK$'000* (Restated)
Turnover	*3*	**1,234,656**	723,242
Cost of sales		**(1,070,562)**	(643,899)
Gross profit		**164,094**	79,343
Other income		**4,721**	4,408
Marketing and distribution costs		**(24,695)**	(7,965)
Administrative expenses		**(99,302)**	(99,148)
Gain on change in fair value of investment properties		**72,195**	120,954
Loss on change in fair value of investments held for trading		**(51)**	(4)
Loss on change in fair value of derivative financial instruments		**(2,100)**	(662)
Share of profit of an associate		**1,467**	2,894
Share of profit of jointly controlled entities		**25,130**	85,467
Finance costs		**(5,382)**	(5,129)
Profit before taxation	*5*	**136,077**	180,158
Taxation charge	*6*	**(7,910)**	(4,159)
Profit for the year		**128,167**	175,999
			(Restated)
Earnings per share-basic (HK cents)	*8*	**26.3**	36.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Profit for the year	**128,167**	175,999
Other comprehensive income		
Exchange differences arising on translation of foreign operations	**3,461**	1,868
Total comprehensive income for the year	**131,628**	177,867

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2012

	NOTES	**31.3.2012** **HK$'000**	31.3.2011 *HK$'000* (Restated)	1.4.2010 *HK$'000* (Restated)
Non-current assets				
Investment properties		**415,910**	358,310	577,080
Property, plant and equipment		**82,036**	95,028	98,264
Prepaid lease payments		**6,740**	6,711	6,620
Interest in an associate		**20,399**	18,932	16,038
Interests in jointly controlled entities		**138,680**	65,132	70,165
Deferred tax assets		**784**	–	–
		664,549	544,113	768,167
Current assets				
Properties under development for sale		**626,500**	775,503	404,519
Properties held for sale		**167,306**	–	–
Inventories		**31,514**	33,530	38,293
Amounts receivable on contract work		**169,092**	171,631	157,353
Progress payments receivable	*9*	**108,540**	17,692	32,149
Retention money receivable		**119,506**	105,174	107,036
Debtors, deposits and prepayments	*10*	**206,327**	57,248	51,127
Prepaid lease payments		**215**	205	201
Amount due from a jointly controlled entity		**246**	839	58,415
Amount due from an associate		**2,300**	–	–
Investments held for trading		**283**	334	338
Taxation recoverable		**382**	307	1,494
Derivative financial instruments		**213**	–	1,291
Bank balances and cash		**184,924**	215,913	186,944
		1,617,348	1,378,376	1,039,160
Current liabilities				
Amounts payable on contract work		**77,576**	127,051	129,400
Trade and other payables	*11*	**388,138**	235,728	257,434
Taxation payable		**7,395**	2,326	2,323
Derivative financial instruments		**2,619**	–	–
Bank loans – amounts due within one year		**734,300**	569,589	585,300
		1,210,028	934,694	974,457
Net current assets		**407,320**	443,682	64,703
Total assets less current liabilities		**1,071,869**	987,795	832,870

	NOTES	**31.3.2012**	31.3.2011	1.4.2010
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Non-current liabilities				
Bank loans – amounts due after one year		**–**	41,000	45,000
Other long-term payable		**14,253**	–	–
Deferred tax liabilities		**6,286**	6,615	7,162
		20,539	47,615	52,162
		1,051,330	940,180	780,708
Capital and reserves				
Share capital		**48,756**	48,756	44,324
Reserves		**1,002,574**	891,424	736,384
		1,051,330	940,180	780,708

NOTES:

1. BASIS OF PREPARATION AND CONSOLIDATION

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties and certain financial instruments, which are measured at fair values.

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

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

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

In the current year, the Group has applied the following new and revised standards and interpretations issued by the HKICPA.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised in 2009)	Related party disclosures
Amendments to HKAS 12	Deferred tax – Recovery of underlying assets
Amendments to HK(IFRIC) – INT 14	Prepayments of a minimum funding requirement
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments

Except as described below, the adoption of the new and revised standards and interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements.

The Group has applied in the current year amendments to HKAS 12 titled "Deferred tax: Recovery of underlying assets" in advance of their effective date (annual periods beginning on or after 1 January 2012). Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

As a result, the carrying amount of the Group's investment properties that are measured using the fair value model have been presumed to be recovered through sale for the purpose of measuring deferred taxes in respect of such properties. The application of the amendments has resulted in the Group's deferred tax liabilities being decreased by HK$30,516,000 and HK$50,473,000 as at 1 April 2010 and 31 March 2011 respectively, with the corresponding adjustment being recognised in accumulated profits. In addition, the application has resulted in the Group's income tax expense for the year ended 31 March 2011 being reduced by HK$19,957,000 and profit for the year ended 31 March 2011 being increased by HK$19,957,000.

In the current year, no deferred tax has been provided for in respect of changes in fair value of such investment properties, whereas previously deferred tax liabilities were provided for in relation to the changes in fair value of such investment properties. The application of the amendments has resulted in the Group's income tax expense for the year ended 31 March 2012 being reduced by HK$11,912,000 and profit for the year ended 31 March 2012 being increased by HK$11,912,000.

The effect of change in accounting policy described above on the results for the current and prior years by line items presented in the consolidated statement of comprehensive income is as follows:

	For the year ended	
	31.3.2012	31.3.2011
	HK$'000	*HK$'000*
Decrease in taxation charge	**11,912**	19,957
Increase in profit and total comprehensive income for the year	**11,912**	19,957

The effect of change in accounting policy described above on the financial position of the Group as at 31 March 2011 is as follows:

	As at 31.3.2011 (Originally stated)	Adjustment	As at 31.3.2011 (Restated)
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax liabilities	**57,088**	(50,473)	6,615
Total effects on net assets	**889,707**	50,473	940,180
Accumulated profits, total effects on equity	**803,041**	50,473	853,514

The effect of change in accounting policy described above on the financial position of the Group as at 1 April 2010 is as follows:

	As at 1.4.2010 (Originally stated) *HK$'000*	Adjustment *HK$'000*	As at 1.4.2010 (Restated) *HK$'000*
Deferred tax liabilities	37,678	(30,516)	7,162
Total effects on net assets	750,192	30,516	780,708
Accumulated profits, total effects on equity	665,394	30,516	695,910

The effect of change in accounting policy described above on basic earnings per share is as follows:

	For the year ended	
	31.3.2012 ***HK cents***	31.3.2011 *HK cents*
Basic earnings per share before adjustment	**23.9**	32.0
Application of amendments to HKAS 12	**2.4**	4.1
Reported basic earnings per share	**26.3**	36.1

The Group has not early applied the following new and revised standards and interpretations that have been issued but are not yet effective.

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

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

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the financial year ending 31 March 2016. Based on the Group's financial assets and financial liabilities as at 31 March 2012, the directors anticipate that the application of HKFRS 9 is not likely to have significant impact on the Group's consolidated financial statements.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements. HK (SIC) – INT 12 "Consolidation – Special purpose entities" has been withdrawn upon the issuance of HKFRS 10. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. However, in the opinion of the directors of the Company, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 11 replaces HKAS 31 "Interests in joint ventures" and HK (SIC) – INT 13 "Jointly controlled entities – Non-monetary contributions by venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The Group's jointly controlled entities are currently accounted for using the equity method of accounting. The directors of the Company anticipate that the application of HKFRS 11 will have no impact to the Group's consolidated financial statements.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Except as described above the directors of the Company anticipate that the application of the other new and revised Standards and Interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER

Turnover represents the aggregate of the revenue earned from construction contract work, interior and renovation contracts, supply and installation of building materials, sales of goods, provision of property agency and management services, gross rental income from property investment and sales of properties during the year.

4. SEGMENT INFORMATION

The Group is organised into seven operating divisions: construction, interior and renovation works, trading and installation of building materials, sales of health products, property investment, provision of property agency and management services and property development. These divisions are the basis on which the Group reports its financial information internally and are regularly reviewed by executive directors of the Company, being the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance.

(a) Segment revenues and results

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

For the year ended 31 March 2012

	Construction *HK$'000*	Interior and renovation *HK$'000*	Building materials *HK$'000*	Health products *HK$'000*	Property investment *HK$'000*	Property agency and management *HK$'000*	Property development *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
TURNOVER										
External sales	**804,536**	**10,133**	**205,222**	**52,639**	**16,957**	**7,169**	**138,000**	**1,234,656**	**–**	**1,234,656**
Inter-segment sales	**29,259**	**178,351**	**27,630**	**8**	**1,548**	**1,873**	**–**	**238,669**	**(238,669)**	**–**
Total	**833,795**	**188,484**	**232,852**	**52,647**	**18,505**	**9,042**	**138,000**	**1,473,325**	**(238,669)**	**1,234,656**

Inter-segment sales are charged by reference to market prices.

RESULTS										
Segment result	**13,834**	**3,670**	**1,219**	**1,206**	**75,563**	**693**	**43,123**	**139,308**	**(400)**	**138,908**
Unallocated expenses										**(2,831)**
Profit before taxation										**136,077**

For the year ended 31 March 2011

	Construction *HK$'000*	Interior and renovation *HK$'000*	Building materials *HK$'000*	Health products *HK$'000*	Property investment *HK$'000*	Property agency and management *HK$'000*	Property development *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
TURNOVER										
External sales	431,724	72,647	141,752	49,646	22,197	5,276	–	723,242	–	723,242
Inter-segment sales	10,962	41,693	27,466	12	1,548	3,848	–	85,529	(85,529)	–
Total	442,686	114,340	169,218	49,658	23,745	9,124	–	808,771	(85,529)	723,242

Inter-segment sales are charged by reference to market prices.

RESULTS										
Segment result	7,962	4,123	(14,387)	1,573	122,882	525	63,543	186,221	(3,725)	182,496
Unallocated expenses										(2,338)
Profit before taxation										180,158

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of administration costs incurred by head office and the inactive subsidiaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

(b) Other Information

For the year ended 31 March 2012

	Construction	Interior and renovation	Building materials	Health products	Property investment	Property agency and management	Property development	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment results or segment assets:								
Depreciation	**1,331**	**38**	**380**	**1,166**	**425**	**2,148**	**4**	**5,492**
Gain on change in fair value of investment properties	**–**	**–**	**–**	**–**	**(72,195)**	**–**	**–**	**(72,195)**
Loss on change in fair value of investments held for trading	**51**	**–**	**–**	**–**	**–**	**–**	**–**	**51**
Loss on change in fair value of derivative financial instruments	**–**	**–**	**2,100**	**–**	**–**	**–**	**–**	**2,100**
Release of prepaid lease payments	**–**	**–**	**215**	**–**	**–**	**–**	**–**	**215**
Loss (gain) on disposal of property, plant and equipment	**(109)**	**–**	**–**	**–**	**–**	**327**	**–**	**218**
Interest income	**(1)**	**–**	**(9)**	**(7)**	**–**	**(28)**	**–**	**(45)**
Share of profit of an associate	**–**	**–**	**–**	**–**	**(1,467)**	**–**	**–**	**(1,467)**
Share of profit of jointly controlled entities	**(10,954)**	**–**	**–**	**–**	**–**	**–**	**(14,176)**	**(25,130)**
Finance costs	**–**	**–**	**1,581**	**4**	**1,594**	**–**	**2,203**	**5,382**
Additions to non-current assets *(note)*	**1,321**	**–**	**237**	**966**	**205**	**182**	**–**	**2,911**
Interest in an associate	**–**	**–**	**–**	**–**	**20,399**	**–**	**–**	**20,399**
Interest in jointly controlled entities	**14,568**	**–**	**–**	**–**	**–**	**–**	**124,112**	**138,680**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results:								
Income tax expenses	**120**	**513**	**119**	**232**	**1,333**	**556**	**5,037**	**7,910**

Note: Non-current assets exclude financial instruments, deferred tax assets, the interest in an associate and interests in jointly controlled entities

For the year ended 31 March 2011

	Construction	Interior and renovation	Building materials	Health products	Property investment	Property agency and management	Property development	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment results or segment assets:								
Depreciation	887	–	546	1,031	1,026	810	–	4,300
Impairment loss recognised on trade debtors	–	–	649	–	–	–	–	649
Gain on change in fair value of investment properties	–	–	–	–	(120,954)	–	–	(120,954)
Loss on change in fair value of investments held for trading	4	–	–	–	–	–	–	4
Loss on change in fair value of derivative financial instruments	–	–	662	–	–	–	–	662
Release of prepaid lease payments	–	–	205	–	–	–	–	205
(Gain) loss on disposal of property, plant and equipment	(419)	–	(28)	1	–	–	–	(446)
Interest income	–	–	(14)	(1)	–	(3)	–	(18)
Share of profit of an associate	–	–	–	–	(2,894)	–	–	(2,894)
Share of profit of jointly controlled entities	(13,257)	–	–	–	–	–	(72,210)	(85,467)
Finance costs	–	–	2,612	1	2,516	–	–	5,129
Additions to non-current assets *(note)*	1,140	–	3,225	1,288	587	6,265	–	12,505
Interest in an associate	–	–	–	–	18,932	–	–	18,932
Interest in jointly controlled entities	23,614	–	–	–	–	–	41,518	65,132
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results:								
Income tax expenses	(98)	845	897	58	1,689	768	–	4,159

Note: Non-current assets exclude financial instruments, deferred tax assets, the interest in an associate and interests in jointly controlled entities.

Geographical information

The Group's turnover which is generated from customers located in Hong Kong, the Company's place of domicile, amounted to HK$1,229,232,000 (2011: 705,266,000). Accordingly, no further analysis of the Group's turnover by geographical market based on geographical location of customers has been prepared.

The analysis of the Group's non-current assets by geographical location of assets is presented as follows *(Note)*:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**505,804**	502,809
The PRC	**157,961**	41,304
	663,765	544,113

Note: Interest in an associate and interests in jointly controlled entities are analysed by geographical location of their respective operations.

Information about major customers

Revenues from customers of the corresponding years individually contributing over 10% of the total turnover of the Group as follows:

	2012	2011
	HK$'000	*HK$'000*
Customer A *(note)*	**258,687**	–
Customer B *(note)*	**241,968**	192,312
Customer C *(note)*	**173,635**	123,025
	674,290	315,337

Note: Revenue from construction contracts income within the construction segment.

5. PROFIT BEFORE TAXATION

	2012	2011
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging and (crediting):		
Depreciation of property, plant and equipment	**5,492**	4,300
Release of prepaid lease payments	**215**	205
Impairment loss recognised on trade debtors	**–**	649
Loss (gain) on disposal of property, plant and equipment	**218**	(446)
Dividend Income	**(9)**	(3)
Sub-leasing income	**(861)**	(859)
Less: Direct operating expenses that generated sub-leasing income during the year	**40**	37
	(821)	(822)
Expenses capitalised in cost of contract work:		
Depreciation	**11,110**	13,073
Rentals under operating leases in respect of:		
– plant and machinery	**3,237**	1,806
– others	**351**	204

6. TAXATION CHARGE

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
Hong Kong Profits Tax		
Current year	**8,960**	3,752
Underprovision in prior years	**63**	450
PRC Enterprise Income Tax		
Underprovision in prior years	**–**	504
	9,023	4,706
Deferred taxation	**(1,113)**	(547)
	7,910	4,159

Hong Kong Profits Tax is provided at 16.5% on the estimated assessable profits for both years.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions. Profits tax arising in the PRC is calculated at 25% on the assessable profits for both years.

7. DIVIDENDS

Dividends recognised as distribution during the year:

	2012 *HK$'000*	2011 *HK$'000*
Ordinary shares:		
Interim dividend for 2012 – HK1.5 cents per share (2011: HK1.5 cents per share for 2011)	**7,314**	7,314
Final dividend for 2011 – HK2.7 cents per share (2011: HK2.5 cents per share for 2010)	**13,164**	11,081
	20,478	18,395

A final dividend of HK2.7 cents per share totalling HK$13,164,000 in respect of the year ended 31 March 2012 (2011: final dividend of HK2.7 cents per share totalling HK$13,164,000 in respect of the year ended 31 March 2011) has been proposed by the directors and is subject to approval by the shareholders in general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the profit for the year of HK$128,167,000 (profit for the year of 2011: HK$175,999,000 (restated)) and on the 487,559,674 shares in issue for the two years ended 31 March 2012 after adjusting for the effect of bonus issue of shares during the year ended 31 March 2011.

There were no potential ordinary shares in existence for the two years ended 31 March 2012. Accordingly, no diluted earnings per share has been presented.

9. PROGRESS PAYMENTS RECEIVABLE

Progress payments receivable represent the amounts receivable, after deduction of retention money, for construction services which usually fall due within 30 days after the work is certified. Retention money is usually withheld from the amounts receivable for work certified. 50% of the retention money is normally due upon completion of construction services and the remaining 50% portion is due upon finalisation of construction accounts. Retention money receivable is expected to be settled within twelve-months after the finalisation of construction accounts.

The aged analysis of progress payments receivable is as follows:

	2012 *HK$'000*	2011 *HK$'000*
Within 30 days	**80,128**	17,692
31 – 60 days	**10,505**	–
61 – 90 days	**14,519**	–
Over 90 days	**3,388**	–
	108,540	17,692

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Proceeds from property sales are receivable pursuant to the terms of the sale and purchase agreements. For other businesses, the Group generally allows a credit period of not more than 90 days (2011: not more than 90 days) to its customers. Before accepting any new customer, the Group will internally assess the credit quality of the potential customers and define appropriate credit limit. Other receivables are unsecured, interest-free and are repayable on demand.

The aged analysis of trade debtors presented based on the invoice date at the end of the reporting period is as follows:

	2012	2011
	HK$'000	*HK$'000*
Within 30 days	**131,632**	15,222
31 – 60 days	**8,703**	13,249
61 – 90 days	**5,327**	1,858
Over 90 days	**14,182**	7,924
	159,844	38,253

11. TRADE AND OTHER PAYABLES

The aged analysis of trade payables based on the invoice date is as follows:

	2012	2011
	HK$'000	*HK$'000*
Within 30 days	**115,769**	38,581
31 – 60 days	**7,535**	2,334
61 – 90 days	**2,250**	432
Over 90 days	**4,610**	5,009
	130,164	46,356

OPERATIONS REVIEW

CONSTRUCTION DIVISION

The turnover for the Construction Division was HK$833.8 million for the year ended 31 March 2012 (2011: HK$442.7 million). During the year, the Construction Division secured several new building construction contracts, increasing the turnover by 88.3%.

The total amount of contract on hand as at 31 March 2012 was HK$1,533.1 million, of which HK$117.1 million was derived from projects under joint venture arrangements with joint venture partners.

Following the inclusion in the List of Approved Contracts for Public Works in Group C (Confirmed) under "Buildings" Category in 2009, the Construction Division has made another achievement to be admitted to the Premier League Scheme of the Hong Kong Housing Authority ("HA"). Only contractors whose performance are consistently outstanding and who are capable of delivering quality products, possess a solid corporate profile and have a strong commitment to partnership will be included in the Premier League. The admission to the Premier League allows the Group to tender for and undertake HA's projects with a higher workload capping limit or with more complicated nature.

Major Projects Completed

(1) Construction of primary school at development near Choi Wan Road and Jordan Valley, Kwun Tong

(2) Construction of second secondary school at development near Choi Wan Road and Jordan Valley, Kwun Tong

(3) Construction of residential development at Area N1d, Phase 14, Discovery Bay, Lantau Island

Major Projects in Progress

(1) Construction of Sports Centre and Community Hall in Area 101 at Tin Shui Wai with a joint venture partner

(2) Construction of Lam Tin North Municipal Service Building with a joint venture partner

(3) Construction of proposed industrial redevelopment, The Bedford, at No. 93 Bedford Road, Tai Kok Tsui, Kowloon

(4) Construction of Student Hostel Phase 3 for The Hong Kong Polytechnic University

(5) Construction of conference and resort hotel at North Area N3, Discovery Bay and shopping centre (Block 1 & 4) at Discovery Bay, Lantau Island

(6) Construction of public rental housing development at Tseung Kwan O Area 65B

(7) Construction of proposed residential redevelopment at No. 146 & 148 Argyle Street, Kowloon

(8) Construction of proposed residential redevelopment, The Austine, at No. 38 Kuwn Chung Street, Jordan, Kowloon

INTERIOR AND RENOVATION DIVISION

For the year ended 31 March 2012, the Interior and Renovation Division recorded a turnover of HK$188.5 million, as compared with HK$114.3 million last year. Despite turnover increase, the return dropped. The drop was partly attributable to the change of design requested by the developer during the running of a major project, leading to postponement of the work schedule and additional costs incurred.

Major Projects Undertaken

(1) Interior fitting-out works for the residential development at Area N1d, Phase 14, Discovery Bay, Lautau Island

(2) Builder's works and fitting-out works for the conference and resort hotel at North Area N3, Discovery Bay, Lantau Island

During the year under review, the Interior and Renovation Division has completed the interior fitting-out works for the residential development at Area N1d, Phase 14, Discovery Bay, Lautau Island and the practical completion certificate has been issued.

The contract on hand as at 31 March 2012 amounted to HK$117.2 million.

BUILDING MATERIALS DIVISION

For the year ended 31 March 2012, the turnover for the Building Materials Division was HK$232.9 million, compared with HK$169.2 million last year.

Trigon Building Materials Limited ("Trigon HK") and Trigon Interior Fitting-Out Works (Macau) Limited ("Trigon Macau") (collectively, "Trigon")

Trigon HK and Trigon Macau are two of the subsidiaries of the Group under the Building Materials Division, specialising in the supply and installation of interior products such as different types of suspended ceiling system, metal cladding system, demountable partition system, fire rated protection system, decorative moulding, raised flooring and wood flooring.

The implementation of various infrastructure projects has created more business opportunities for Trigon HK. Trigon HK has taken a number of works for the supply and installation of false ceiling.

Major Projects Undertaken

(1) Lam Tin North Municipal Services Building – Supply and installation of false ceiling

(2) Victoria Park Swimming Complex – Supply and installation of false ceiling

(3) Ma On Shan Line – Che Kung Temple Station – Supply and installation of false ceiling

(4) West Island Line – Sai Ying Pun Station and tunnels – Supply and installation of false ceiling

(5) Development at Tseung Kwan O Lot No. 70, Area 86, Site AB, Package 2, Phase 3 – Supply and installation of external aluminum false ceiling

(6) TWIL36 Hoi Shing Road, Tsuen Wan – Supply and installation of false ceiling

(7) Conference and resort hotel at North Area N3, Discovery Bay, Lantau Island – Supply and installation of pantry cabinets

(8) Tseung Kwan O Lot 72, Area 56, Hotel and Podium – Supply and installation of false ceiling

(9) TMTL447, Tuen Mun – Supply and installation of false ceiling

(10) Sheng Kung Hui St. James' Primary School – Supply and installation of false ceiling

(11) TPTL95, Po Wu Lane, Tai Po – Supply and installation of false ceiling

The total amount of contracts on hand of Trigon as at 31 March 2012 amounted to HK$87.0 million.

Tai Kee Pipes Limited ("Tai Kee")

Another subsidiary under the Building Materials Division, Tai Kee, focuses on the supply of pipes, fittings and other related accessories through both retail and project sales.

Major Projects Undertaken

(1) Kai Tak Area 1 & 2 – Supply of copper pipes and related accessories

(2) Student Hostel of the University of Hong Kong – Supply of copper pipes and related accessories

(3) Student Hostel of the Chinese University of Hong Kong – Supply of copper pipes and related accessories

(4) Block E-M, Phase 4, Ma On Shan Sunshine City, New Territories – Supply of pipes for fire services

(5) Public Housing in Macau – Supply of copper pipes and related accessories

(6) Composite Development at No. 49 King Yip Street – Supply of pipes for fire services

The total amount of contracts on hand of Tai Kee as at 31 March 2012 amounted to HK$20.4 million.

Million Hope Industries Limited ("Million Hope HK") and 美興新型建築材料（惠州）有限公司（"美興"）(collectively "Million Hope")

Million Hope HK and its factory, 美興, specialise in the design, supply and installation of aluminium windows and curtain walls in Hong Kong and Mainland China. Million Hope is one of the authorised manufacturers of the renowned German brand product "Schüco".

Major Projects Undertaken

(1) Proposed residential development at 13-27 Warren Street – Design, supply and installation of aluminium window, curtain wall, aluminium cladding, louvre, skylight, canopy, balustrade and metal suspended ceiling

(2) Proposed industrial development at TWTL No. 36 Hoi Shing Road, Tsuen Wan, New Territories – Design, supply and installation of aluminium window, window wall, canopy and aluminium cladding

(3) Proposed residential development at 2A Seymour Road – Design, supply and installation of "Schüco" sliding door, aluminium window and glazed installation

(4) Lam Tin North Municipal Service Building – Design, supply and installation of aluminium curtain wall, aluminium cladding, canopy, skylight and feature

Major Projects Awarded

(1) Proposed residential development of "My Home Purchase Plan" at Tsing Luk Street, Tsing Yi, TYTL 138 – Design, supply and installation of aluminium window, louvres, glass walls and sun shading

(2) Proposed residential development at No. 46 Belcher's Street, Hong Kong – Design, supply and installation of aluminium window, curtain walls, claddings, louvres, grilles and canopies

(3) Proposed residential development at FSSTL202, Fanling, New Territories – Design, supply and installation of aluminium window, curtain walls, claddings, louvres and grilles

(4) Proposed industrial redevelopment, The Bedford, at No. 93 Bedford Road, Tai Kok Tsui, Kowloon – Design, supply and installation of aluminium curtain wall, window wall, window, louvres and aluminium cladding

The total amount of contracts on hand of Million Hope as at 31 March 2012 amounted to HK$180.5 million.

PROPERTY DEVELOPMENT DIVISION

The Property Development Division has launched the sale of the Group's wholly-owned luxurious residential development, Eight College, in early 2012 and has sold two units during the year under review.

Subsequent to the year end, one more unit was sold. The Property Development Division will continue to sell the remaining units. The sale results were encouraging and it is expected that Eight College will bring promising returns to the Group.

During the year, the construction work of The Bedford, a boutique industrial high rise at No. 93 Bedford Road, Tai Kok Tsui continued.

The demolition work of The Austine at No. 38 Kwun Chung Street, Jordan had been completed and foundation work has commenced. A boutique residential building with retail podium will be erected thereon, providing luxury residences at a prime location of Kowloon at a nexus of transportation.

Another residential development of the Group at D.D. 129, Lau Fau Shan in Yuen Long is undergoing gazettal stage.

For the residential development project with Sun Hung Kai Properties Limited at So Kwun Wat, Tuen Mun, we are in the course of obtaining planning approval from the Town Planning Board.

For the Group's 49% interests of the parcel of land situate at 中國浙江省海寧市區文苑路西側、後富亭港南側 (West of Wenyuan Road and South of Houfutinggang, Haining, Zhejiang Province, the PRC) (the "Land") for the development and construction of office, retail, carparking spaces and other development pertaining to the Land, the construction of basement of the first phase is expected to commence in late-June 2012, pre-sale of the office is permissible upon the construction reaches the ground level.

PROPERTY INVESTMENT DIVISION

Both the return and turnover of the Property Investment Division have dropped during the year under review as compared with those of last year.

The drop in return was attributable to the fact that the gain on change in fair value of investment properties has been less drastic in this financial year as compared with that of the last financial year. On the turnover side, there is a reduction in rental income from the Group's investment properties as The Austine was vacated for redevelopment in November 2010.

During the year, the Group has disposed of a unit at Shatin Industrial Centre as the market presented a good opportunity for the Group to realise the investment to provide funds for other suitable acquisitions.

The Group's remaining investment properties maintained stable leasing performance. Our investment properties at Shatin Industrial Centre attained an occupancy rate of around 97% as at 31 March 2012.

Other investment properties of the Group include 31 Wing Wo Street in Sheung Wan, some units at Kin Wing Industrial Building in Tuen Mun, various land lots in D.D. 76 Ping Che in Fanling, various land lots in D.D. 128 Deep Bay Road in Yuen Long and Hoi Bun Godown in Tuen Mun in which the Group has 50% interest, all contributed to satisfactory income of the Group during the year. The investment property at 23-25 Mei Wan Street in Tsuen Wan was vacant for the moment.

PROPERTY AGENCY AND MANAGEMENT DIVISION

The turnover of the Property Agency and Management Division for the year was HK$9.0 million, compared to the turnover of HK$9.1 million last year.

The Property Agency and Management Division is providing property management services to Golf Parkview in Sheung Shui and One LaSalle and Eight College in Kowloon Tong.

It is also providing rental collection and leasing agency services to 8 Hart Avenue and The Cameron in Tsim Sha Tsui.

During the year, the Property Agency and Management Division continued the provision of project management service to the large-scale integrated development project in Haining City, Zhejiang Province, the PRC. Effective from 1 April 2012, the Group has also entered into a new set of agreements for the provision of site supervision services in addition to project management services; details of the transactions were made in the Company's announcement published on 2 April 2012.

In Hong Kong, the Property Agency and Management Division acted as the project manager for two of the Group's redevelopments, The Bedford at 93 Bedford Road, Tai Kok Tsui and The Austine at 38 Kwun Chung Street, Jordan as well as for a client in the redevelopment project at 11-13 Grampian Road.

HEALTH PRODUCTS DIVISION

There are three subsidiaries of Health Products Division under the Group, Care & Health Limited ("Care & Health"), Healthcorp Trading Limited ("Healthcorp") and Retailcorp Limited ("Retailcorp"). They are engaged in wholesale in Chinese and Western supplements and retail chain store businesses respectively.

This year, the Health Products Division recorded a turnover of HK$52.6 million as compared to HK$49.7 million last year.

Retailcorp operates the chain store retail business under the trade name of HealthPlus. As at 31 March 2012, there were 13 retail outlets (including a HealthPlus shop at St. Teresa's Hospital in Kowloon) and 1 service centre in operation.

During the year under review, the Health Products Division closed down one of its HealthPlus shops at Wanchai C C Wu Building due to substantial increase in rental by the landlord. However, we opened other three new retail shops at Wanchai Road, Sincere Department Store (Sheung Wan) and Tai Po Mega Mall; and relocated one retail shop in Shun Tak Centre in the second half of 2011 to cope with our business development and tailor to the needs of our customers from different districts.

Retailcorp carries a comprehensive range of different health product lines including "Lingzhi Master", "Metro Chinese Medicine Series", "Natural Extracts", "Healthway", "HealthMate" and "28 Chinese Herbal Soup for Postnatal women". It also sells a large variety of vendor goods, including imported goods and health devices. Two new products: "Goodbye Gout" for the balance of uric acid level, "Tian Ma" for alleviation of headache symptoms were launched in 2011. To reach a wider range of customers, Retailcorp will join the 20th International Baby/Children Products Expo in August 2012.

Healthcorp is engaged in the wholesale and retail of western health supplements and "28 Chinese Herbal Soup for Postnatal women". To promote their products, Care & Health and Healthcorp will jointly participate in the Food Expo 2012 & Hong Kong Brands and Products Expo 2012.

After the implementation of "Registration of Proprietary Chinese Medicine" by the Department of Health on 3 December 2010, and the publication of the "Guidelines on labels of proprietary Chinese medicines" and "Guidelines on package inserts of proprietary Chinese medicines" (regulation No. 143 and 144) on December 1, 2011, a new regulation "Undesirable Medical Advertisements (Amendment) Ordinance 2005" has been enforced on 1 June 2012. As a responsible health products provider, we are committed to complying with the requirements from the Department of Health.

Retailcorp and Care & Health were awarded the "Caring Company" honour from the HK council of Social Service for the 7th and 8th consecutive year respectively. HealthPlus was also awarded the "Quality Tourism Services Scheme" and the "No Fakes Pledge" Scheme.

FINANCIAL REVIEW

Group Liquidity and Financial Resources

The Group's liquidity and financing requirements are regularly reviewed.

For day-to-day liquidity management and to maintain flexibility in funding, the Group has access to banking facilities with an aggregate amount of HK$1,286.8 million (HK$831.8 million was secured by first charges over certain land and buildings, investment properties, properties under development and properties held for sale of the Group), of which HK$734.3 million loans have been drawn down and approximately HK$119.9 million has been utilised mainly for the issuance of letters of credit and performance bonds as at 31 March 2012. The bank loans under these banking facilities bear interests at prevailing market interest rates.

The Group follows a prudent policy in managing its cash balance, and endeavours to maintain its sound cash-flow generating capability, its ability to take on investments and acquisition projects, in order to enhance shareholder wealth. The total cash and bank balances of the Group amounted to HK$184.9 million as at 31 March 2012 (2011: HK$215.9 million), and accounted for 11.4% of the current assets (2010: 15.7%).

During the year, the Group has a net cash outflow of HK$116.9 million in its operating activities (mainly due to the increase in debtors, deposits and prepayments and progress payments receivables and the decrease in amounts payable on contract work, netting off the increase in trade and other payables), a net cash outflow of HK$16.8 million in its investing activities (mainly due to acquisition cost paid for a jointly controlled entity, netting off dividend received from jointly controlled entities and proceeds received from disposal of investment properties), and a net cash inflow of HK$103.2 million in its financing activities (mainly due to new bank loans raised, netting off dividends paid to shareholders and repayment of bank loans). As a result, the cash and bank balances decreased, while the bank borrowings increased. Net bank borrowings (total bank borrowings less total cash and bank balances) amounted to HK$549.4 million at 31 March 2012 (2011: net bank borrowings of HK$394.7 million). Accordingly, the gearing ratio of the Group, calculated on the basis of the Group's net bank borrowings to shareholders' funds, was 52.3% (2011: 42.0% (restated)). The net current assets have decreased by HK$36.4 million to HK$407.3 million as at the year-end date and the current ratio (current assets divided by current liabilities) was 1.34 times (2011: 1.47 times).

With its cash holdings and available banking facilities, the Group's liquidity position will remain healthy in the coming year, with sufficient financial resources to meet its obligations, operation and future development requirements.

Treasury Policy

The aim of the Group's treasury policy is to minimise its exposure to fluctuations in the exchange rate and not to engage in any highly leveraged or speculative derivative products. Treasury transactions unrelated to underlying financial exposure are not undertaken. Foreign currency exposures of the Group arise mainly from the purchase of goods. The Group will determine if any hedging is required, on an individual basis, depending upon the size and nature of the exposure, and the prevailing market circumstances.

In order to enhance the deployment of internal funds with maximum benefit, to achieve better risk control, and to minimise cost of funds, the Group's treasury activities are centralised and scrutinised by the top management.

The surplus cash which is generally placed with reputable financial institutions is mostly denominated in Hong Kong dollar. Most of the income, expenses, assets and liabilities of the Group are denominated in Hong Kong dollars. The Group therefore does not have any significant exposure to gains or losses arising from the movement of foreign currency exchange rate against the Hong Kong dollar.

Shareholders' Funds

At the year-end date, shareholders' funds of the Group were HK$1,051.3 million including reserves of HK$1,002.6 million, an increase of HK$111.2 million from HK$891.4 million (restated) at 31 March 2011. On that basis, the consolidated net asset value of the Group as at 31 March 2012 was HK$2.16 per share, compared to the consolidated net asset value of HK$1.93 per share (restated) at 31 March 2011. Increase in shareholders' funds was mainly attributable to profits retained after the payments of dividends during the year.

Capital Structure

The Group intends to keep an appropriate mix of equity and debt to ensure an efficient capital structure over time. During the year under review, the Group has borrowed Hong Kong dollar loans amounting to HK$734.3 million from the banks (at 31 March 2011: HK$610.6 million). The borrowings have been used as general working capital for financing the properties for development and investment purposes over the years. The maturity profile of the loans spread over a period of seven years with HK$496.5 million repayable within the first year, HK$1.0 million repayable within the second year, HK$211.8 million repayable within third to fifth years and HK$25.0 million repayable more than five years. Bank loans that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause with carrying amount of HK$237.8 million have been classified as current liabilities. Interest is based on HIBOR plus a competitive margin.

Major Acquisitions

On 15 April 2011, the Group entered into a conditional sale and purchase agreement to acquired 100% of the issued share capital of Wisdom Mount Investment Limited ("Wisdom Mount") for a cash consideration of RMB79,872,000 (approximately HK$95,976,000) and a contingent consideration of RMB11,962,000 (approximately HK$14,253,000).

Wisdom Mount, incorporated in British Virgin Islands, is an investment holding company which owns 49% equity interest in 海寧嘉豐房地產有限公司 Haining Jiafeng Real Estate Development Limited ("Haining Jiafeng"). The Group and the other joint venturer have the right to appoint the same number of directors of Haining Jiafeng and all of the strategic financial and operating decisions require unanimous consent of the Group and the other joint venturer. Accordingly, the Group exercises joint control over Haining Jiafeng with the other joint venturer. Haining Jiafeng is engaged in property development, which owns the land use right and has the right to develop and construct office premises on the land located in Haining, the PRC. The vendor, Clear Shine is an indirect 65% owned subsidiary of Mingly Corporation, an indirect subsidiary of a substantial shareholder of, and has significant influence over, the Company. The acquisition has been completed on 30 June 2011.

Collateral

As at 31 March 2012, certain leasehold land and buildings, investment properties, properties under development for sale and properties held for sale of the Group, at the carrying value of approximately HK$898.5 million (at 31 March 2011: HK$816.5 million), were pledged to the banks to secure the Hong Kong dollar loans of HK$464.3 million (at 31 March 2011: HK$365.3 million).

Contingent Liabilities

During the year ended 31 March 2004, legal actions in respect of allegations of copyright infringement and defamation have been taken against certain subsidiaries of the Company carrying on health products business. No further steps have been taken against the Group in respect of such actions after the court hearing for directions to appoint experts and exchange witness statements since 2004. At 31 March 2012, the directors are of the opinion that in view of the uncertainty, it is not practicable to assess the financial effect.

Capital Commitments

At the balance sheet date, the Group had the following commitments:

	2012	2011
	HK$'000	*HK$'000*
Contracted for but not provided in consolidated financial statements		
Commitments for the acquisition of leasehold land for development purpose	**58,650**	–

Authorised but not contracted for

At the balance sheet date, the Group had an obligation to fund HK$231,500,000 (2011: HK$231,500,000), representing 23.63% (2011: 23.63%) of the anticipated project costs for the joint development of a site in So Kwun Wat, Hong Kong.

Event After The Reporting Period

On 6 February 2012, the Group entered into a sale and purchase agreement to acquire from an independent third party a piece of land at Tong Yan San Tsuen, Yuen Long for a cash consideration of HK$69,000,000. The land was acquired for development purpose. A deposit of HK$10,350,000 was paid during the reporting period. The remaining purchase price balance of HK$58,650,000 was paid and the acquisition has been completed on 7 May 2012.

Employees and Remuneration Policy

The number of full time monthly employees of the Group, excluding its jointly controlled entities, was around 736 (of which 166 employees were in Mainland China) as at 31 March 2012. The Group recruits and promotes individuals based on their development potential, merits and competencies, and ensures that their remuneration packages are at a reasonable market level.

FUTURE DIRECTIONS AND PROSPECTS

Looking ahead, it will take years to heal the structural problems rooted in the fiscal vulnerabilities of the economies of certain European countries.

Given the highly external-oriented nature of Hong Kong economy, its performance is closely tied to the conditions of its major economic partners. How well Hong Kong can withstand the external impact and seize the business opportunities driven by the deepening integration with the Mainland will be crucial to Hong Kong's medium-term economic outlook. It is therefore important for the Group to move forward with prudence.

With various infrastructural works and the HKSAR Government's plan to introduce more public housing and different forms of revised home ownership schemes, it will mean a very busy construction sector, albeit tightening of the labour market, rising labour and material costs. We will ride on our well-established construction capabilities and experience to strive for improvement of our performance in the still challenging years ahead.

After undergoing some consolidation in the latter part of 2011, the residential property market stabilised in the first quarter of 2012. The commercial and industrial property markets also re-gathered strength. Further, the ongoing low interest rate environment with abundant inflow of liquidity and increasing local demands rendered support to the property development market in Hong Kong. Going forward, the Group will continue to identify opportunities to acquire land and properties at affordable prices. In the coming year, the Group will aim at selling the remaining units of Eight College and redeveloping The Bedford and The Austine.

Our goal is to build sustainable value for our Group in the competitive environment in which we operate. To sustain growth, we will put continuous effort into cost control, quality enhancement and efficiency improvement in our core businesses.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasize a quality Board and transparency and accountability to all shareholders.

Throughout the year ended 31 March 2012, the Company has applied the principles of, and complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which was in effect before 1 April 2012, except for certain deviations which are summarized below:–

(a) The positions of the Chairman and Managing Director are held by Mr. Cha Mou Sing, Payson and Mr. Wong Sue Toa, Stewart respectively. Code Provision A.2.1 of the CG Code stipulates that the division of responsibilities between the Chairman and Managing Director should be set out in writing. Power and authority are not concentrated in one individual and all major decisions are made in consultation with members of the Board and appropriate Board committees, as well as senior management. On 20 March 2012, the Board has adopted a set of written terms setting out the roles and duties of the Chairman and the Managing Director.

(b) Code Provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors and the independent non-executive directors of the Company are not appointed for a specific term. Pursuant to the Articles of Association of the Company amended on 2 August 2005, at each annual general meeting of the Company, one-third of the directors, including executive, non-executive and independent non-executive directors shall retire from office by rotation, and every director shall be subject to retirement at least once every three years. As such, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company are no less exacting than those in the CG Code.

(c) Code Provision E.1.2 of the CG Code provides that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board, Mr. Cha Mou Sing, Payson, was unable to attend the annual general meeting of the Company held on 19 September 2011 as he had other important business engagement. However, the Managing Director, present at the annual general meeting, took the chair of that meeting in accordance with Article 78 of the Articles of Association of the Company.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

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

AUDIT COMMITTEE

The Audit Committee of the Company has been established since December 2001 and has written terms of reference. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group.

The Audit Committee has three members, being the independent non-executive directors, namely, Dr. Sun Tai Lun, Mr. Chan Pak Joe and Dr. Lau Tze Yiu, Peter. Dr. Lau Tze Yiu, Peter has been appointed the chairman of the Audit Committee since 20 March 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ANNUAL RESULTS

The financial statements for the year ended 31 March 2012 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2012 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors of the Company comprises:

Non-executive chairman
Mr. Cha Mou Sing, Payson

Executive directors
Mr. Wong Sue Toa, Stewart *(Managing Director)*
Mr. Tai Sai Ho *(General Manager)*
Dr. Lam Chat Yu

Non-executive directors
Mr. Cha Mou Daid, Johnson
Mr. Cha Yiu Chung, Benjamin

Independent non-executive directors
Mr. Chan Pak Joe
Dr. Lau Tze Yiu, Peter
Dr. Sun Tai Lun

By order of the board
Cha Mou Sing, Payson
Chairman

Hong Kong, 19 June 2012