建業實業有限公司
Chinney Investments, Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 216)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 MARCH 2008

RESULTS

The directors (the “Directors”) of Chinney Investments, Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2008 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

		For the year ended 31 March	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
			(Restated)
CONTINUING OPERATIONS			
Revenue	*2*	**1,590,667**	921,466
Cost of sales		**(1,261,813)**	(703,953)
Gross profit		**328,854**	217,513
Other income and gains		**56,557**	26,969
Fair value gains on investment properties, net		**381,304**	191,304
Gain on disposal of subsidiaries		**16,802**	1,472
Excess over the cost of business combinations on acquisition of minority interests in subsidiaries		**4,979**	86,685
Loss on deemed partial disposal of subsidiaries		**-**	(66,109)
Selling and distribution costs		**(38,929)**	(47,296)
Administrative and other operating expenses		**(130,429)**	(182,135)
Finance costs	*3*	**(91,478)**	(103,180)
Gain on disposal of investment properties		**15,550**	9,443
Share of profits and losses of:			
Associates		**7,789**	4,746
Jointly-controlled entities		**493**	4,399
Profit before tax	*4*	**551,492**	143,811
Tax	*6*	**(83,519)**	(63,125)
Profit for the year from continuing operations		**467,973**	80,686
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	*5*	**(7,239)**	(78,271)
PROFIT FOR THE YEAR		**460,734**	2,415

CONSOLIDATED INCOME STATEMENT *(Continued)*

	Note	For the year ended 31 March **2008** ***HK$'000***	2007 *HK$'000* (Restated)
Attributable to:			
Equity holders of the Company		**234,305**	(26,975)
Minority interests		**226,429**	29,390
		460,734	2,415
Dividend – proposed final		**22,055**	22,055
Earnings/(loss) per share attributable to ordinary equity holders of the Company	*7*		
Basic			
- For profit/(loss) for the year		**42.50 cents**	(4.89) cents
- For profit from continuing operations		**43.62 cents**	7.32 cents
Diluted			
- For profit for the year		**39.51 cents**	N/A
- For profit from continuing operations		**40.64 cents**	N/A

CONSOLIDATED BALANCE SHEET

	Notes	As at 31 March 2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**99,005**	202,549
Properties under development		**1,699,408**	1,533,280
Prepaid land lease payments		**16,319**	15,276
Investment properties		**2,378,828**	2,059,491
Investment deposits		**-**	187,847
Interests in associates		**106,132**	67,517
Interests in jointly-controlled entities		**70,455**	48,765
Deferred tax assets		**159**	155
Loan receivables		**3,014**	-
Total non-current assets		**4,373,320**	4,114,880
CURRENT ASSETS			
Inventories		**17,815**	16,945
Properties held for sale		**526,103**	1,023,537
Prepaid land lease payments		**436**	410
Equity investments at fair value through profit or loss		**41,539**	681
Trade and bills receivables	*8*	**35,805**	107,875
Prepayments, deposits and other receivables		**44,853**	69,047
Gross amounts due from customers for contract work		**-**	45,228
Retention monies receivable		**-**	58,007
Amounts due from related companies		**1,407**	-
Amounts due from jointly-controlled entities		**159,417**	141,744
Amounts due from associates		**13,106**	-
Tax recoverable		**464**	1,288
Pledged deposits		**-**	78,172
Cash and cash equivalents		**579,487**	489,515
Total current assets		**1,420,432**	2,032,449
CURRENT LIABILITIES			
Trade payables and accrued liabilities	*9*	**204,498**	312,590
Customer deposits		**38,528**	195,825
Retention monies payable		**-**	19,286
Amounts due to related companies		**44**	10,028
Gross amounts due to customers for contract work		**-**	64,705
Amounts due to minority shareholders		**17,155**	39,532
Tax payable		**63,599**	73,562
Obligations under finance leases		**-**	2,376
Interest-bearing bank borrowings		**780,199**	796,797
Total current liabilities		**1,104,023**	1,514,701

CONSOLIDATED BALANCE SHEET *(Continued)*

	As at 31 March 2008 HK$'000	2007 HK$'000
NET CURRENT ASSETS	**316,409**	517,748
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,689,729**	4,632,628
NON-CURRENT LIABILITIES		
Obligations under finance leases	**-**	2,354
Interest-bearing bank borrowings	**851,267**	1,386,195
Convertible bonds	**279,980**	262,361
Deferred tax liabilities	**193,062**	167,837
Total non-current liabilities	**1,324,309**	1,818,747
Net assets	**3,365,420**	2,813,881
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	**137,842**	137,842
Reserves	**1,598,110**	1,295,859
Proposed final dividend	**22,055**	22,055
	1,758,007	1,455,756
Minority interests	**1,607,413**	1,358,125
Total equity	**3,365,420**	2,813,881

Notes:

1. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties 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.

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

1. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

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.

(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 Group has no 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 has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

(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 instrument, 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. HK(IFRIC)-Int 11 also address the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently does not have such transaction, the interpretation has had no impact on the Group.

2. SEGMENT INFORMATION

The Group is principally engaged in garment manufacturing and trading, property development and property investment activities. In October 2007, the Group discontinued the construction business engaged in superstructure construction work and foundation piling.

(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.

	Continuing operations										Discontinued operation			
	Garment		Property development		Property investment		Others		Total		Construction		Consolidated	
	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*
Segment revenue:														
Sale to external customers	**339,922**	529,248	**1,156,454**	290,545	**58,377**	73,334	**35,914**	28,339	**1,590,667**	921,466	**350,180**	843,338	**1,940,847**	1,764,804
Segment results	**32,792**	30,749	**186,873**	49,970	**391,138**	143,565	**11,266**	(5,839)	**622,069**	218,445	**(6,913)**	(64,182)	**615,156**	154,263
Net income from investments													**10,683**	9,841
Unallocated expenses													**(15,219)**	(13,674)
Finance costs													**(95,350)**	(110,825)
Share of profits and losses of associates	**-**	(200)	**-**	-	**-**	-	**7,789**	4,946	**7,789**	4,746	**-**	-	**7,789**	4,746
Share of profits and losses of jointly-controlled entities	**-**	4,276	**493**	122	**-**	-	**-**	1	**493**	4,399	**-**	(3)	**493**	4,396
Gain on disposal of subsidiaries													**16,802**	1,472
Excess over the cost of business combinations on acquisition of minority interests in subsidiaries													**4,979**	86,685
Loss on deemed partial disposal of subsidiaries													**-**	(66,109)
Profit before tax													**545,333**	70,795
Tax													**(84,599)**	(68,380)
Profit for the year													**460,734**	2,415

2. SEGMENT INFORMATION *(Continued)*

	Continuing operations												Discontinued operation			
	Garment		Property development		Property investment		Others		Eliminations		Total		Construction		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																
Segment assets	**151,140**	132,457	**2,275,028**	2,815,242	**2,435,050**	2,042,960	**2,636,528**	2,816,997	**(2,666,648)**	(2,812,373)	**4,831,098**	4,995,283	**-**	324,209	**4,831,098**	5,319,492
Interests in associates	**-**	-	**-**	-	**-**	-	**106,132**	67,517	**-**	-	**106,132**	67,517	**-**	-	**106,132**	67,517
Interests in jointly-controlled entities	**-**	-	**70,455**	48,765	**-**	-	**-**	-	**-**	-	**70,455**	48,765	**-**	-	**70,455**	48,765
Unallocated assets															**786,067**	711,555
Total assets															**5,793,752**	6,147,329
Liabilities																
Segment liabilities	**43,340**	40,619	**1,317,561**	1,725,850	**1,134,520**	1,086,933	**158,074**	138,197	**(2,410,424)**	(2,560,000)	**243,071**	431,599	**-**	170,835	**243,071**	602,434
Unallocated liabilities															**2,185,261**	2,731,014
Total liabilities															**2,428,332**	3,333,448
Other Segment Information:																
Capital expenditure	**3,566**	2,057	**1,195**	957	**22**	18	**478**	2,510	**-**	-	**5,261**	5,542	**21,935**	10,107	**27,196**	15,649
Fair value gains on investment properties, net	**300**	691	**-**	-	**381,004**	190,613	**-**	-	**-**	-	**381,304**	191,304	**-**	-	**381,304**	191,304
Release of exchange fluctuation reserve upon return of investment of a foreign subsidiary	**-**	-	**28,515**	-	**-**	-	**-**	-	**-**	-	**28,515**	-	**-**	-	**28,515**	-
Release of exchange fluctuation reserve upon disposal of business of foreign operations	**-**	-	**-**	-	**-**	60,834	**-**	-	**-**	-	**-**	60,384	**-**	-	**-**	60,384
Depreciation of property, plant and equipment	**3,646**	4,961	**1,961**	1,865	**116**	123	**916**	611	**-**	-	**6,639**	7,560	**15,978**	31,355	**22,617**	38,915
Amortisation of prepaid land lease payments	**436**	410	**-**	-	**-**	-	**-**	-	**-**	-	**436**	410	**-**	-	**436**	410
Loss/(gain) on disposal of items of property, plant and equipment	**-**	(161)	**-**	-	**-**	-	**-**	(20)	**-**	-	**-**	(181)	**(3,960)**	207	**(3,960)**	26
Impairment of trade receivables	**1,088**	1,679	**-**	-	**-**	-	**-**	-	**-**	-	**1,088**	1,679	**6,207**	5,541	**7,295**	7,220

2. SEGMENT INFORMATION *(Continued)*

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2008 and 2007.

	Hong Kong		Mainland China		Macau		Europe		North America		Others		Consolidated	
	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*
Segment revenue:														
Sales to external customers	**557,012**	734,296	**3,857**	282,588	**110,510**	215,221	**275,977**	280,917	**988,107**	233,878	**5,384**	17,904	**1,940,847**	1,764,804
Attributable to a discontinued operation	**(239,670)**	(628,117)	**-**	-	**(110,510)**	(215,221)	**-**	-	**-**	-	**-**	-	**(350,180)**	(843,338)
Revenue from continuing operations	**317,342**	106,179	**3,857**	282,588	**-**	-	**275,977**	280,917	**988,107**	233,878	**5,384**	17,904	**1,590,667**	921,466
Other segment information:														
Segment assets	**2,571,179**	2,359,135	**3,081,659**	2,278,640	**-**	35,351	**500**	-	**137,695**	646,195	**2,719**	828,008	**5,793,752**	6,147,329
Capital expenditure	**23,008**	13,236	**3,632**	2,177	**-**	236	**556**	-	**-**	-	**-**	-	**27,196**	15,649

3. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on:		
Bank loans, overdrafts and other loans (including convertible bonds) wholly repayable within five years	**135,060**	146,643
Amounts due to related companies	**452**	480
Finance leases	**158**	394
Total interest expense on financial liabilities not at fair value through profit or loss	**135,670**	147,517
Less: Amounts capitalised under property development projects	**(40,320)**	(36,692)
	95,350	110,825
Attributable to a discontinued operation	**3,872**	7,645
Attributable to continuing operations reported in the consolidated income statement	**91,478**	103,180
	95,350	110,825

4. PROFIT BEFORE TAX

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

	2008 *HK$'000*	2007 *HK$'000*
Cost of properties sold	**964,744**	221,894
Cost of inventories sold	**247,369**	434,796
Depreciation	**22,617**	38,915
Less: Amount capitalised in contract costs	**(725)**	(3,814)
	21,892	35,101
Amortisation of prepaid land lease payments	**436**	410
Minimum lease payments under operating leases on land and buildings	**4,082**	4,117
Auditors' remuneration	**3,457**	3,821
Employee benefit expense (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**139,930**	198,028
Pension scheme contributions	**3,159**	6,024
Less: Forfeited contributions	**-**	(24)
Net pension scheme contributions	**3,159**	6,000
	143,089	204,028
Less: Amount capitalised in contract costs	**(33,184)**	(69,174)
	109,905	134,854
Gross rental income included in the following categories of turnover:		
- Rental income	**(91,580)**	(98,902)
- Others	**(375)**	(1,446)
	(91,955)	(100,348)
Less: Outgoing expenses	**44,493**	47,263
	(47,462)	(53,085)
Impairment of trade receivables	**7,295**	7,220
Impairment of other receivables	**10,524**	-
Write-down of properties held for sale to net realisable value	**-**	7,000
Write-off of negative minority interests	**3,000**	-
Release of exchange fluctuation reserve upon return of investment of a foreign subsidiary	**(28,515)**	-
Release of exchange fluctuation reserve upon disposal of business of foreign operations	**-**	60,834
Loss/(gain) on disposal of items of property, plant and equipment	**(3,960)**	26
Gain on disposal of investment properties	**(15,550)**	(9,443)
Interest income	**(13,967)**	(9,866)

5. DISCONTINUED OPERATION

On 22 May 2007, the Group entered into a sale and purchase agreement to dispose of Apex Curtain Wall and Windows Company Limited ("Apex Curtain Wall"), and on 4 September 2007, the Group entered into a sale and purchase agreement to dispose of Victory Leap Limited ("Victory Leap", together with its subsidiaries, the "Victory Leap Group"). Apex Curtain Wall and the Victory Leap Group operates the building construction and foundation piling business of the Group including superstructure construction work and substructure foundation piling work. The disposal of Apex Curtain Wall and Victory Leap was completed on 1 June 2007 and 26 October 2007, respectively, and the Group's construction business was discontinued.

The results of the construction business for the period from 1 April 2007 to the date of disposal and for the year ended 31 March 2007 are presented below:

	Period from 1 April 2007 to the date of disposal	2007
	HK$'000	*HK$'000*
Revenue	**350,180**	843,338
Cost of sales	**(299,215)**	(828,288)
	50,965	15,050
Other income	**5,964**	1,890
Administrative expenses	**(62,716)**	(91,308)
Fair value gains on investment properties	**3,500**	9,000
Finance costs	**(3,872)**	(7,645)
Share of losses of a jointly-controlled entity	**-**	(3)
Loss before tax	**(6,159)**	(73,016)
Tax	**(1,080)**	(5,255)
Loss for the period/year	**(7,239)**	(78,271)
Attributable to:		
Equity holders of the Company	**(6,229)**	(67,352)
Minority interests	**(1,010)**	(10,919)
	(7,239)	(78,271)
Loss per share:		
Basic, from the discontinued operation	**1.12 cents**	12.21 cents
Diluted, from the discontinued operation	**N/A**	N/A

The calculation of basic loss per share from the discontinued operation are based on:

	2008	2007
Loss attributable to ordinary equity holders of the Company from the discontinued operation	**HK$6,229,000**	HK$67,352,000
Ordinary shares in issue during the year used in the basic earnings per share calculation	**551,368,153**	551,368,153

No diluted earnings per share from the discontinued operation for the years ended 31 March 2007 and 2008 is computed as there is no diluting event during the year.

6. 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.

Land appreciation tax has been provided in conformity with the prevailing rules and practices on the Group's completed projects in Mainland China at progressive rates ranging from 30% to 60% on the appreciation of land value, net of deductibles.

	2008	2007
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the year	**4,714**	3,677
Underprovision/(overprovision) in prior years	**(10)**	11
Current – Elsewhere		
Charge for the year	**47,020**	22,795
Underprovision/(overprovision) in prior years	**1,052**	(1,047)
Deferred	**31,823**	42,944
Total tax charge for the year	**84,599**	68,380
Represented by:		
Tax charge attributable to a discontinued operation	**1,080**	5,255
Tax charge attributable to continuing operations reported in the consolidated income statement	**83,519**	63,125
	84,599	68,380

No Land appreciation tax has been charged to the consolidated income statement for the year ended 31 March 2008 (2007: HK$9,441,000).

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, and the number of ordinary shares in issue during the year.

The calculation of diluted earnings per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, adjusted to reflect the interest on the convertible bonds of a subsidiary and the dilution effect on earnings assuming there is a full conversion of the convertible bonds of a subsidiary, where applicable. The 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/(loss) per share calculation.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2008	2007
	HK$'000	*HK$'000*
Earnings/(loss) per share		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation:		
From continuing operations	**240,534**	40,377
From a discontinued operation	**(6,229)**	(67,352)
	234,305	(26,975)
Interest on convertible bonds of a subsidiary, net of tax	**22,621**	16,081
Dilution of earnings arising from the full conversion of convertible bonds of a subsidiary	**(39,083)**	(15,780)
Profit/(loss) attributable to ordinary equity holders of the Company after the full conversion of the convertible bonds of a subsidiary	**217,843**	(26,674)
Attributable to:		
Continuing operations	**224,072**	40,678
Discontinued operation	**(6,229)**	(67,352)
	217,843	(26,674)

Last year, since the diluted loss per share amount was decreased when taking convertible bonds of a subsidiary into account, the convertible bonds of a subsidiary had an anti-dilutive effect on the basic loss per share for that year. Therefore, no diluted loss per share amount was disclosed for that year.

8. TRADE AND BILLS RECEIVABLES

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

	2008	2007
	HK$'000	*HK$'000*
Within 1 month	**24,822**	82,643
1 to 2 months	**2,469**	9,810
2 to 3 months	**8,514**	5,292
Over 3 months	**-**	10,130
Total	**35,805**	107,875

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. 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 the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

9. TRADE PAYABLES AND ACCRUED LIABILITIES

Included in trade payables and accrued liabilities are trade payables of HK$14,968,000 (2007: HK$75,041,000). An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	2008	2007
	HK$'000	*HK$'000*
Within 1 month	**7,504**	36,978
1 to 2 months	**5,318**	16,942
2 to 3 months	**524**	7,663
Over 3 months	**1,622**	13,458
Total	**14,968**	75,041

10. POST BALANCE SHEET EVENT

On 5 March 2008, the Group, as vendor, entered into a provisional sale and purchase agreement with an independent third party, as purchaser, to dispose of an investment property, namely Yien Yieh Commercial Building, on a vacant site basis for a cash consideration of HK$335,000,000. The formal sale and purchase agreement was signed on 14 April 2008.

A total deposit of HK$50,250,000 had been received up to the date of this announcement and the remaining balance of HK$284,750,000 will be received upon completion of the disposal. Demolition works up to ground floor level have been completed as certified by the architect on 11 July 2008 and completion of the disposal is scheduled on 31 July 2008.

DIVIDEND

The Directors recommend the payment of a final dividend of 4 Hong Kong cents per ordinary share for the year ended 31 March 2008 (2007: 4 Hong Kong cents) to shareholders whose names appear on the Company's register of members on 11 September 2008. Subject to the approval by the shareholders at the forthcoming annual general meeting, the dividend cheques are expected to be despatched to shareholders on or before 9 October 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 8 September 2008 to 11 September 2008 (both days inclusive), during which period no share transfers will be registered. In order to qualify for the final dividend, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 5 September 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2008.

CORPORATE GOVERNANCE

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of conduct for directors' securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2008.

Compliance with the Code on Corporate Governance Practices

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2008, except for the following deviations:

1. CG Code provision A.1.1 stipulates that the board of directors (the "Board") should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

   During the year ended 31 March 2008, the Board met thrice for approving the final results of the Company for the year ended 31 March 2007, the interim results for the period ended 30 September 2007 and the disposal of the entire issued share capital of Victory Leap. As business operations were under the management and supervision of the executive directors of the Company, who had from time to time held meetings to resolve all material business or management issues, only three board meetings were held for the year ended 31 March 2008.

2. CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election and CG Code provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

   The non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the articles of association of the Company (the "Articles of Association"). The Articles of Association do not require the directors to retire by rotation at least once every three years. However, in accordance with article 104 of the Articles of Association, at each annual general meeting of the Company, one-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third), other than the one who holds the office as executive chairman or managing director, shall retire from office by rotation. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

   The Chairman and Managing Director will not be subject to retirement by rotation as stipulated in CG Code provision A.4.2 as the Board considered that the continuity of office of the Chairman and Managing Director provide the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

   All directors appointed to fill a casual vacancy is subject to re-election by shareholders at the next following annual general meeting of the Company instead of at the first general meeting after their appointment as stipulated in CG Code provision A.4.2.

3. CG Code provision B.1.3 stipulates that the terms of reference of the remuneration committee should include, as a minimum, those specific duties as set out in the CG Code provisions. The Company adopted the terms of reference of the remuneration committee on 16 December 2005 with certain deviations from the CG Code provisions. Pursuant to the terms of reference, the remuneration committee should review (as opposed to determine) and make recommendations to the Board on the remuneration of directors (as opposed to directors and senior management).

4. The terms of reference of the remuneration committee and audit committee of the Company are available from the Company Secretary on request and not yet ready on the Company's website as stipulated in CG Code provisions B.1.4 and C.3.4.

Audit committee

Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Audit Committee has reviewed with management the final results of the Group for the year ended 31 March 2008.

FINANCIAL REVIEW

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK$1,911 million as at 31 March 2008 (2007: HK$2,450 million), of which approximately 41% of the debts were due and repayable within one year. Total cash and bank balances including time deposits were approximately HK$579 million (2007: HK$568 million).

Total shareholders' funds as at 31 March 2008 was approximately HK$1,758 million (2007: HK$1,456 million).

The gearing ratio of the Group, as measured by the consolidated net borrowings of approximately HK$1,332 million (2007: HK$1,882 million) over the total shareholders' funds plus minority interests totalling HK$3,365 million (2007: HK$2,814 million), was 40% at 31 March 2008 (2007: 67%). The Group's apparent high gearing ratio is primarily due to consolidating all debts of Hon Kwok Land Investment Company, Limited ("Hon Kwok"), a 52.94% owned but separately listed subsidiary of the Group. Hon Kwok obtains financing on its own without financial assistance from the Company. Had Hon Kwok been equity accounted for as an associate in previous years, the pro forma gearing of the Group at year end would have been 8% (2007: 15%).

The Group had a total of HK$989 million (2007: HK$782 million) committed but undrawn banking facilities at year end available for its working capital purpose.

Funding and treasury policy

The Group adopts a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with leading banks. Borrowings are mainly denominated in Hong Kong dollars, Renminbi and Canadian dollars and bear interest at floating rates, except for the Renminbi loan facilities and convertible bonds.

Pledge of assets

Certain properties and shares of an associate with an aggregate book value of HK$4,031 million as at 31 March 2008 and shares in a subsidiary were pledged to secure certain banking facilities of the Group.

Employees and remuneration policies

The Group, not including its associates and jointly-controlled entities, employed approximately 1,400 people as at 31 March 2008. Remuneration is determined by reference to market terms and the qualifications and experience of the staff concerned. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical cover, provident fund, personal accident insurance and educational subsidies to all eligible staff.

FINANCIAL RESULTS

For the year ended 31 March 2008, the Group's consolidated turnover and net profit attributable to shareholders reached HK$1,591 million (2007: HK$921 million, adjusted to exclude construction business disposed of in October 2007) and HK$234 million (2007: loss of HK$27 million) respectively. Basic earnings per share were HK$0.43 (2007: loss per share HK$0.05). The shareholders' equity amounted to HK$1,758 million (2007: HK$1,456 million). Net assets per share attributable to shareholders were HK$3.19 (2007: HK$2.64).

The increase in turnover and net profit is mainly contributed from Hon Kwok, a 52.94% owned subsidiary of the Company as at 31 March 2008 with property business activities in Mainland China, Hong Kong and Canada. In November 2007, Hon Kwok recognised its profit on the sale of the condominium units in Phase I of the Toronto project known as One City Hall in which Hon Kwok has a 75% interest. The Group's construction business, which incurred HK$78 million loss in the previous year, had been disposed of in October 2007. Details of the disposal are contained in our circular to shareholders dated 25 September 2007.

BUSINESS REVIEW

1. Property Development and Investment

Hon Kwok reported turnover of HK$1,251 million (2007: HK$392 million) and a net profit of HK$400 million (2007: HK$101 million).

(a) Disposal of Investment Property

Hon Kwok acquired **Yien Yieh Commercial Building (鹽業商業大廈)** in Central District in December 2002 at a price of HK$68 million for rental income. The original intention was to demolish the building for redevelopment into a modern office/retail property in maximising its plot ratio and rental yield. However, in March 2008, an independent party offered to purchase the property on a vacant site basis for a cash consideration of HK$335 million. Hon Kwok accepted the offer as the disposal would generate a very favourable investment return and provide further opportunity for them to look for other investment properties at some appropriate time. Demolition works up to ground floor level have been completed on 11 July 2008 and the disposal of the property is contracted to be completed on 31 July 2008. For details of the transaction, please refer to our "Major Transaction" circular to our shareholders on 28 April 2008.

(b) Sales of Development and Other Properties

Canada

Phase I of Hon Kwok's Toronto project known as **One City Hall**, a 16-storey building with 526 residential units, was completed and delivered to purchasers in November 2007. Almost all the units were sold with sales proceeds of CAD 123 million (approximately HK$930 million). Hon Kwok owns a 75% interest in this development project.

Hong Kong

During the financial year under review, Hon Kwok sold 61 second hand residential flats, mainly at Sky Tower in To Kwa Wan and Laguna City in Kwun Tong. Together with the sales of 187 carparking spaces at Provident Centre in North Point and a number of remaining unsold units from various development projects, Hon Kwok has realised a total cash consideration of HK$333 million with a decent profit margin. After the financial year end date, all the nine unsold shops with gross floor area of 6,649 sq.ft. at **Kensington Plaza (金威廣場)**, Jordan District, were disposed of at a cash consideration of HK$71.5 million. The transaction was completed on 9 July 2008.

(c) Property Development

Shenzhen, PRC

Being one of the five prestige and prime sites along the key traffic line on Shennan Road, an 80-storey super high rise grade A retail, commercial, office and apartment building, known as **Hon Kwok City Commercial Centre (漢國城市商業中心)** will be built at the junction of Shennanzhong Road and Fuming Road, Futian District of Shenzhen. In May 2008, the building plan has been approved by the Mayor of Shenzhen. With a total gross floor area of 128,000 sq.m., the building will comprise top eight floors of super luxury duplex serviced apartments, 54 upper floors of first class serviced or commercial apartments and 12 lower floors of grade A offices atop of a 6-level commercial/retail podium and underground carparks. Detailed design and construction plan are in progress. To be one of the new landmarks in Shenzhen, construction works are scheduled to commence in the first quarter of 2009.

Guangzhou, PRC

In Guangzhou, superstructure has been completed for Phase I of **Botanica (寶翠園)** in Long Dong Cun, Tianhe District, and a residential building known as **No. 5 Residence (北京路 5 號公館)** at 17-43 Beijing Nan Road in Yuexiu District. Subject to market conditions, both projects are planned for pre-sale by first quarter of 2009. Other three sites at **459-471 Longjinzhong Road** in Liwan District, **45-65 and 67-107 Beijing Nan Road** in Yuexiu District and **Dong Guan Zhuan (東莞莊)** in Tianhe District, are in progress.

Nanhai, PRC

Master plan for Phase I of **Yayao Oasis (雅瑤綠洲)** in Dali District of Nanhai has been finalised. Out of the total gross floor area of 272,800 sq.m., Phase I is planned to cover 134,500 sq.m. of low rise apartments and town houses. Projected construction works are expected to commence in early 2009 and completion in 2011.

Chongqing, PRC

In July 2007, Hon Kwok acquired at a total consideration of HK$102 million a project under development and a 50% interest in another project adjacent to the first project, both situate in a new business district "Beibuxinqu 北部新區" in the northern part of Chongqing. The first property with a gross floor area of approximately 108,000 sq.m., which is wholly-owned by Hon Kwok, is known as **Cha's Centre (查氏中心)**. External curtain wall of this twin-tower commercial/residential complex is under installation and renovation works will be completed by mid 2009. Leasing and pre-sale programs are being planned. The adjacent project with a total gross floor area of about 134,000 sq.m. is at planning stage. Details of the acquisitions are shown on the Company's circular to its shareholders dated 11 June 2007.

Canada

For Phase II of the Toronto project with a current gross floor area of 24,400 sq.m., in which Hon Kwok holds a 50% interest, application to increase the buildable area with local town planning authority is in progress.

Development Land Bank

Including jointly-controlled entities, Hon Kwok has eight projects under development in the Mainland China and one project in Canada. Total gross floor area from these projects of approximately 1,257,000 sq.m. will be adequate for Hon Kwok's property development operations in the coming three years or so. Hon Kwok is also actively looking for further investment opportunities, mainly in China cities.

(d) Property Investment, Serviced Apartments and Hotel Operations

Based on the experience and success in running serviced apartments at **The Bauhinia (寶軒)** in Central and **City Suites (寶軒公寓)** at City Square (城市天地廣場) in Luohu, Shenzhen, the Board of Hon Kwok sees the increasing market demand from corporate clients and expatriates for both short term and medium term accommodations. Building plan for **The Bauhinia/Honwell Commercial Centre (寶軒及漢貿商業中心)** in Central for a 249-room hotel has been approved by the Buildings Department.

Conversion of top nine office floors to 44-room hotel at **Hon Kwok TST Centre (漢國尖沙咀中心)** in Tsim Sha Tsui has recently been approved by the Buildings Department. Hon Kwok is considering various design and leasehold improvement plans to renovate the top nine floors into a boutique hotel for guests who look for up-market and stylish accommodation while entertaining and shopping around the Knutsford Terrace and Tsim Sha Tsui area. Upon completion of the renovation works in early 2009, Hon Kwok expects a substantial improvement in the rental yield as well as the capital value of the property.

2. Construction

Up to the date of disposal of the Construction Group in October 2007, it reported turnover of HK$350 million (2007: HK$843 million) and a net loss of HK$7.2 million (2007: loss of HK$78 million).

On 26 October 2007, the Group discontinued its construction business under the Victory Leap Group, in which the Group has an 86.05% interest. The Victory Leap Group, which engaged in the superstructure and substructure foundation piling work, had faced difficult operating environment in the construction industry in Hong Kong and suffered persistent losses in prior years. On 4 September 2007, Chinney Contractors Company Limited, in which the Group has 86.05% interest, entered into agreement to dispose the entire share capital of Victory Leap to Chinney Alliance Group Limited ("Chinney Alliance"), a 29.1% associate of the Group, for a consideration of approximately HK$93 million, which would be settled by cash and a HK$40 million 5% 3-year promissory note guaranteed by Chinney Alliance upon completion. For details of the transaction, please refer to our "Major and Connected Transaction" circular to shareholders dated 25 September 2007.

The disposal was in line with the Group's strategy to streamline its operations and dispose of those investments with no favorable prospects. The directors also believed that the disposal would enable the Group to consolidate all its construction business under its associate, Chinney Alliance for more efficient management. Upon completion of the disposal in October 2007, full consideration in cash together with the promissory note had been received. The Group recorded a profit of HK$13 million and generated a cash inflow of HK$38 million.

According to the sale and purchase agreement, certain construction contracts which were at the stage of finalisation, with an aggregate carrying value of HK$14 million, would be retained in the account of the Group. Up to the date of this announcement, the carrying value of such contracts has also been fully received from the contract customers.

3. Garment

After disposal of the Gateway Group in October 2006, the remaining J.L. Group in our Garment Division reported a turnover of HK$340 million (2007: HK$372 million) and a profit before tax of HK$36 million (2007: HK$35 million) in the year under review. Despite the drop in turnover, J.L. Group managed to improve the gross profit margin by tightening cost control and providing value-added services to customers. J.L. Group produces high quality fashion mainly for European markets including Germany, Italy and Netherlands.

In the year ahead, J.L. Group is expected to face keen competition arising from the decrease in demand by the US customers, rising production cost in mainland China with continued appreciation of Renminbi. To combat the worsening market condition, J.L. Group intends to maintain its existing European market share and further enhance the sales margin through the offer of innovative designs and new fabrics together with increased production efficiency.

4. Trading

Chinney Alliance, a 29.1% owned associate of the Group, remained profitable for the year ended 31 December 2007. Turnover and net profit for the year amount to HK$1,547 million, (2006: HK$1,469 million) and HK$67 million (2006: HK$17 million), respectively. The profit for the year included the recognition of HK$40 million of the excess over the cost of business combinations on acquisition of the Victory Leap Group in October 2007. Excluding this one-off gain, the net profit for Chinney Alliance would be about HK$27 million. The increase in operating profit was mainly due to consolidating the turnover and profit for the Victory Leap Group from the date of acquisition in October 2007 to December 2007.

The trading of plastics and chemicals remained profitable but recorded a slight drop in turnover and sales margin. The decrease was mainly due to the drop in profit margin due to raising oil prices. With a large and reliable customer base, it is hoped that profitability will be maintained through development of new products and efficient cost control in the coming year.

OUTLOOK

The U.S. economic environment is expected to remain sluggish, being affected by the credit market crisis and soaring fuel prices. On the other hand, despite tightened monetary measures by the Central Government, the growing economy in Mainland China remains a booster to Hong Kong investors. Business opportunities for certain niche markets remain opened for the manufacturing and trading sectors. The Group's Garment division with factories operated in Dongguan, PRC have strong customer base in Germany, Italy and other European countries and will continue to benefit from the strong Euro dollars.

Apart from the cash of HK$50 million from the disposal of the construction group to our associate Chinney Alliance, Hon Kwok has also captured the upward trend in the local property market by realising the sales of various carparking spaces, commercial and residential properties. Coupled with the repatriation of return on investment from the Toronto project, total cash proceeds available to Hon Kwok will amount to approximately HK$881 million. These available funds will enable the Group to acquire new opportunities that may arise under weakening property and investment markets. Your directors are therefore optimistic about the Group's satisfactory performance in the coming year.

PUBLICATION OF FURTHER FINANCIAL INFORMATION

The 2007/08 annual report of the Company will be despatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.chinney.com.hk in due course.

James Sai-Wing Wong
Chairman

Hong Kong, 17 July 2008

As at the date hereof, the directors of the Company are Mr. James Sai-Wing Wong, Ms. Madeline May-Lung Wong, Mr. William Chung-Yue Fan and Mr. Herman Man-Hei Fung and the independent non-executive directors of the Company are Dr. Clement Kwok-Hung Young, Mr. Peter Man-Kong Wong and Mr. James C. Chen.