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**WAH HA REALTY COMPANY LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 278)

**ANNUAL RESULTS ANNOUNCEMENT**

For the year ended 31st March 2011

The Board of Directors of Wah Ha Realty Company Limited (the “Company”) announces that the consolidated results of the Company and its subsidiaries (the “Group”) and its associated companies for the year ended 31st March 2011, with comparative figures for the previous year, are as follows: -

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2011**

	Note	2011 HK\$	2010 HK\$ (Restated)
Revenues	2	<b>10,678,132</b>	8,174,782
Changes in fair value of investment properties		<b>13,100,000</b>	14,150,000
Gain on disposal of investment properties		<b>8,592,373</b>	-
Net fair value gains on financial assets at fair value through profit or loss		<b>11,202,820</b>	32,772,344
Fair value gains on derivative financial instruments		<b>576,059</b>	3,292,785
Other gains	4	<b>1,478,056</b>	225,302

	Note	2011 HK\$	2010 HK\$ (Restated)
Direct outgoings in relation to properties that generate income	5	(975,958)	(617,902)
Cost of completed properties sold	5	(231,750)	(43,000)
Staff costs	5	(4,491,490)	(4,243,424)
Other operating expenses	5	(1,162,996)	(1,074,384)
Operating profit		<u>38,765,246</u>	<u>52,636,503</u>
Share of profits less losses of associated companies		<u>116,730,880</u>	<u>86,642,077</u>
Profit before income tax		<u>155,496,126</u>	<u>139,278,580</u>
Income tax expense	6	(2,044,767)	(7,612,664)
Profit and total comprehensive income attributable to equity holders of the Company		<u><u>153,451,359</u></u>	<u><u>131,665,916</u></u>
Dividends	7	<u><u>42,336,000</u></u>	<u><u>12,096,000</u></u>
Earnings per share (Basic and diluted)	8	<u><u>1.27</u></u>	<u><u>1.09</u></u>

**CONSOLIDATED BALANCE SHEET  
AS AT 31ST MARCH 2011**

	Note	<b>31st March 2011 HK\$</b>	31st March 2010 HK\$ (Restated)	1st April 2009 HK\$ (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties		<b>64,800,000</b>	64,700,000	50,550,000
Investments in associated companies		<b>423,493,053</b>	352,622,173	269,375,096
Amounts due from associated companies		<b>41,968,200</b>	53,891,429	55,623,929
Available-for-sale financial assets		<b>250,448</b>	250,448	250,448
Deferred income tax assets		<b>800</b>	861	928
		<b>530,512,501</b>	471,464,911	375,800,401
<b>Current assets</b>				
Completed properties held for sale		<b>6,524,147</b>	6,754,397	6,795,897
Amounts due from associated companies		<b>40,071,682</b>	45,056,218	51,223,187
Trade and other receivables	9	<b>1,415,056</b>	1,276,082	1,108,336
Tax recoverable		<b>2,832,215</b>	4,923	328,193
Financial assets at fair value through profit or loss		<b>2,555,263</b>	75,917,332	43,162,010
Cash and bank balances		<b>375,584,483</b>	230,891,825	213,253,287
		<b>428,982,846</b>	359,900,777	315,870,910
<b>Total assets</b>		<b>959,495,347</b>	831,365,688	691,671,311
<b>EQUITY</b>				
<b>Capital and reserves attributable to the Company's equity holders</b>				
Share capital		<b>78,624,000</b>	78,624,000	78,624,000
Retained profits				
- Proposed dividends		<b>36,288,000</b>	8,467,200	4,838,400
- Others		<b>817,462,312</b>	706,346,953	586,777,037
		<b>853,750,312</b>	714,814,153	591,615,437
<b>Total equity</b>		<b>932,374,312</b>	793,438,153	670,239,437

	31st March 2011 HK\$	31st March 2010 HK\$ (Restated)	1st April 2009 HK\$ (Restated)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	<b>10,092,550</b>	8,615,251	848,953
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<b>Current liabilities</b>			
Amounts due to associated companies	<b>14,187,367</b>	26,869,608	17,962,433
Trade and other payables	<b>2,682,020</b>	2,378,461	2,591,083
Tax payable	<b>159,098</b>	64,215	29,405
	-----	-----	-----
	<b>17,028,485</b>	29,312,284	20,582,921
	-----	-----	-----
<b>Total liabilities</b>	<b>27,121,035</b>	37,927,535	21,431,874
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<b>Total equity and liabilities</b>	<b>959,495,347</b>	831,365,688	691,671,311
	=====	=====	=====
<b>Net current assets</b>	<b>411,954,361</b>	330,588,493	295,287,989
	=====	=====	=====
<b>Total assets less current liabilities</b>	<b>942,466,862</b>	802,053,404	671,088,390
	=====	=====	=====

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

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

The Group adopted the new/revised accounting standards, amendments and interpretation of HKFRS below, which are relevant to its operations.

HKFRS 3 (Revised)	Business Combinations
HKFRS 8 (Amendment)	Operating Segments
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 17 (Amendment)	Leases
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 36 (Amendment)	Impairment of Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
HK - Int 4 (Amendment)	Leases - Determination of the Length of Lease Term in respect of Hong Kong Land Leases
Improvements to HKFRSs - HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

The Group has assessed the impact of the adoption of these revised standards, amendments and interpretations and considered that there was no significant impact on the Group’s results and financial position nor any substantial changes in the Group’s accounting policies and presentation of the financial statements except for the amendment to HKAS 17.

The amendment to HKAS 17 requires the land element of a property lease to be classified as a finance lease rather than an operating lease if it transfers substantially all the risks and rewards of ownership. The previous guidance stated that the land element of a property lease would normally be classified as an operating lease unless title to the land was expected to pass to lessee at the end of the lease term.

In prior years, the Group's long-term leases of the land in Hong Kong were accounted for as operating leases and included under the completed properties held for sale and were amortised over the lease period on a straight line basis. Upon the adoption of this amendment, the Group has reassessed all its long-term leases of the land in Hong Kong and considers they are finance leases. As such, the Group's long-term leases of the land now follow the accounting policy for completed properties held for sale under HKAS 2 "Inventories" and are carried at the lower of cost or net realisable value. This represents a change in the accounting policy which is applied retrospectively.

The consolidated balance sheets at 1st April 2009, 31st March 2010 and 2011 and the consolidated statements of comprehensive income for the years ended 31st March 2010 and 2011 have been restated to reflect the effect of adoption of this amendment to HKAS 17 which are presented as follows:

	31st March 2011 HK\$	31st March 2010 HK\$	1st April 2009 HK\$
<b>Increase/(decrease)</b>			
<b>Consolidated balance sheet</b>			
<b>Assets</b>			
Investments in associated companies	8,967,165	8,476,896	7,968,044
Deferred income tax assets	(151,111)	(154,851)	(150,041)
Completed properties held for sale	1,139,552	1,156,173	1,120,959
<b>Less:</b>			
<b>Liabilities</b>			
Deferred income tax liabilities	36,910	35,913	34,916
	<u>9,918,696</u>	<u>9,442,305</u>	<u>8,904,046</u>
<b>Equity</b>			
Retained profits	<u>9,918,696</u>	<u>9,442,305</u>	<u>8,904,046</u>

Year ended 31st March 2011 HK\$	Year ended 31st March 2010 HK\$
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### Consolidated statement of comprehensive income

Decrease in direct outgoings in relation to properties that generate income	45,925	48,624
Increase in cost of completed properties sold	(62,546)	(13,410)
Increase in share of profits less losses of associated companies	490,269	508,852
Decrease/(increase) in income tax expense	2,743	(5,807)
	<hr/>	<hr/>
Increase in profit and total comprehensive income attributable to equity holders of the Company	476,391	538,259
	<hr/> <hr/>	<hr/> <hr/>

## 2. REVENUES

	2011 HK\$	2010 HK\$
Rental income		
Investment properties	903,016	1,283,839
Other properties	3,115,466	1,782,754
Sale of completed properties held for sale	1,094,000	232,500
Management fee income	1,138,115	1,190,952
Bank interest income	1,718,014	1,284,195
Dividend income		
Listed investments	2,325,921	2,123,328
Unlisted investments	-	14
Construction supervision fee income	383,600	277,200
	<hr/>	<hr/>
	10,678,132	8,174,782
	<hr/> <hr/>	<hr/> <hr/>

### **3. SEGMENT INFORMATION**

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

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



	<b>Property investment and management HK\$</b>	<b>Investments HK\$</b>	<b>Total HK\$</b>
<b>Year ended 31st March 2011</b>			
Revenues	<b>6,634,197</b>	<b>4,043,935</b>	<b>10,678,132</b>
Segment results	<b>25,608,334</b>	<b>17,297,608</b>	<b>42,905,942</b>
Unallocated costs			<b>(4,140,696)</b>
Operating profit			<b>38,765,246</b>
Share of profits less losses of associated companies	<b>116,730,880</b>	-	<b>116,730,880</b>
Profit before income tax			<b>155,496,126</b>
Income tax expense			<b>(2,044,767)</b>
Profit attributable to equity holders of the Company			<b>153,451,359</b>
Segment assets	<b>154,380,355</b>	<b>3,204,441</b>	<b>157,584,796</b>
Associated companies	<b>423,493,053</b>	-	<b>423,493,053</b>
Unallocated assets			<b>378,417,498</b>
Total assets			<b>959,495,347</b>
Segment liabilities	<b>16,614,041</b>	-	<b>16,614,041</b>
Unallocated liabilities			<b>10,506,994</b>
Total liabilities			<b>27,121,035</b>
Changes in fair value of investment properties	<b>13,100,000</b>	-	<b>13,100,000</b>

	Property investment and management HK\$ (Restated)	Investments HK\$	Total HK\$ (Restated)
Year ended 31st March 2010			
Revenues	4,767,245	3,407,537	8,174,782
Segment results	16,815,707	39,635,248	56,450,955
Unallocated costs			(3,814,452)
Operating profit			52,636,503
Share of profits less losses of associated companies	86,642,077	-	86,642,077
Profit before income tax			139,278,580
Income tax expense			(7,612,664)
Profit attributable to equity holders of the Company			131,665,916
Segment assets	171,776,811	76,069,095	247,845,906
Associated companies	352,622,173	-	352,622,173
Unallocated assets			230,897,609
Total assets			831,365,688
Segment liabilities	29,033,119	-	29,033,119
Unallocated liabilities			8,894,416
Total liabilities			37,927,535
Changes in fair value of investment properties	14,150,000	-	14,150,000

#### 4. OTHER GAINS

	2011 HK\$	2010 HK\$
Net exchange gains	1,474,795	162,582
Sundries	3,261	62,720
	<u>1,478,056</u>	<u>225,302</u>

#### 5. EXPENSES BY NATURE

	2011 HK\$	2010 HK\$ (Restated)
Direct outgoings in relation to properties that generate income		
Investment properties	781,864	134,079
Other properties	194,094	483,823
	<u>975,958</u>	<u>617,902</u>
Cost of completed properties sold	<u>231,750</u>	<u>43,000</u>
Staff costs (including Directors' remuneration)		
Salaries and other emoluments	4,259,090	4,022,665
Contributions to retirement schemes	232,400	220,759
	<u>4,491,490</u>	<u>4,243,424</u>
Other operating expenses		
Auditor's remuneration		
Audit fees	439,000	399,025
Non-audit fees	148,500	135,000
Others	575,496	540,359
	<u>1,162,996</u>	<u>1,074,384</u>

## 6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year.

	2011 HK\$	2010 HK\$ (Restated)
Hong Kong profits tax		
Provision for the year	567,407	199,085
Over-provision in prior years	-	(352,786)
Deferred income tax	1,477,360	7,766,365
	<u>2,044,767</u>	<u>7,612,664</u>

## 7. DIVIDENDS

	2011 HK\$	2010 HK\$
Interim dividend paid of HK5 cents (2010: HK3 cents) per share	6,048,000	3,628,800
Proposed final dividend of HK8 cents (2010: HK5 cents) per share	9,676,800	6,048,000
Proposed special dividend of HK22 cents (2010: HK2 cents) per share	26,611,200	2,419,200
	<u>42,336,000</u>	<u>12,096,000</u>

At the Board meeting held on Tuesday, 28th June 2011, the Board of Directors proposed a final dividend of HK8 cents per share and a special dividend of HK22 cents per share. These proposed dividends will be accounted for as an appropriation of retained profits for the year ending 31st March 2012.

## 8. EARNINGS PER SHARE

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

	<b>2011</b> <b>HK\$</b>	2010 HK\$ (Restated)
Profit attributable to equity holders of the Company	<b>153,451,359</b>	131,665,916
Weighted average number of ordinary shares in issue	<b>120,960,000</b>	120,960,000
Earnings per share (Basic and diluted)	<b>1.27</b>	1.09

The Company has no dilutive potential ordinary shares.

## 9. TRADE AND OTHER RECEIVABLES

	<b>2011</b> <b>HK\$</b>	2010 HK\$
Trade receivables		
Within 3 months	<b>565,134</b>	381,181
Between 4 and 6 months	-	52,470
Over 6 months	-	466,810
	<b>565,134</b>	900,461
Other receivables	<b>662,489</b>	162,565
Prepayments and utility deposits	<b>187,433</b>	213,056
	<b>1,415,056</b>	1,276,082

Notes:

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

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

- (b) As at 31st March 2011, trade receivables of HK\$335,134 (2010: HK\$770,461) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default.
- (c) At 31st March 2011, there are no trade receivables of the Group and the Company individually determined to be impaired (2010: nil).

## 10. TRADE AND OTHER PAYABLES

	<b>2011</b>	2010
	<b>HK\$</b>	HK\$
Trade payables		
Within 90 days	<b>379</b>	334
Other payables	<b>1,022,524</b>	1,039,394
Amount due to a related company	-	2,100
Rental and utility deposits received	<b>898,736</b>	789,373
Accrued expenses	<b>760,381</b>	547,260
	<hr/> <b>2,682,020</b> <hr/>	<hr/> 2,378,461 <hr/>

The amount due to a related company was unsecured, interest free and payable on demand.

## **DIVIDENDS**

The Company marks its 50th anniversary this year. In appreciation of the shareholders' continued support, the Directors recommend the payment of a special dividend of HK22 cents (2010: HK2 cents) per share in addition to a final dividend of HK8 cents (2010: HK5 cents) per share for the year ended 31st March 2011. Together with the interim dividend of HK5 cents (2010: HK3 cents) per share, total dividends for the year amount to HK35 cents (2010: HK10 cents) per share. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting, the proposed final and special dividends totalling HK30 cents per share will be payable on Tuesday, 6th September 2011 to the shareholders whose names appear on the Register of Members of the Company on Friday, 2nd September 2011.

## **CLOSURE OF REGISTER OF MEMBERS**

The Transfer Books and Register of Members of the Company will be closed from Thursday, 25th August 2011 to Friday, 2nd September 2011, both days inclusive, during which period no transfer of shares will be registered.

To qualify for the above-mentioned final and special dividends, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Hongkong Managers and Secretaries Limited at Unit 3401-2, 34th Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong not later than 4:00 p.m. on Wednesday, 24th August 2011.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

The Group's revenues for the year ended 31st March 2011 amounted to HK\$10.7 million, an increase of about 30.6% from the previous year. Our property-related businesses had brought about HK\$1.9 million increase in revenues. Unlike previous years, the negative impact from the persistent low interest rates seemed to have diminished and an increase in interest income of HK\$0.4 million was reported. Dividend income was HK\$0.2 million greater than last year.

For the year under review, the Group's profit attributable to equity holders was HK\$153.5 million (2010: HK\$131.7 million). Earnings per share was HK\$1.27 as compared with HK\$1.09 last year. Last year, we have recorded a significant improvement of after-tax profit of HK\$30.3 million from our investment portfolio as a result of the general rebound of the securities markets after the collapse of Lehman Brothers. This unusual outstanding result did not appear again. The corresponding after-tax profit from our investment portfolio was HK\$9.9 million, a drop of HK\$20.4 million from the previous year. This huge decrease was however offset by the further net increase in the value of the Group's investment properties for HK\$22.7 million. Ignoring these, the Group's profit after tax was improved by HK\$19.5 million which was mainly attributable to the net profit realised from the sales of the Group and its associated companies' properties.

## **BUSINESS REVIEW**

### **Property Investment and Management**

During the year under review, the contribution of the Group's Rental Business to net profit was HK\$1.1 million below that of last year. The reason for this moderate drop was the losses of rental income as a result of certain properties being disposed of during the year. Neglecting these sales, the Group's Rental Business still performed well.

During the year under review, the Company had disposed of an industrial unit in Quarry Bay. A wholly owned subsidiary had also disposed of its interest in five industrial units in Tuen Mun. Further, two associated companies had disposed of their respective interests in an industrial unit and a whole industrial building in Fanling. The aggregate after-tax profits of these sales amounted to HK\$19.6 million whereas the corresponding profits for the last year was HK\$0.3 million.

Subsequent to the year end, an associated company had acquired certain residential units in Yau Ma Tei whereas another associated company had disposed of a residential unit in Fanling.

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

For the year under review, the operating environment of the Group's Property Management Business was still tough and the impact of the enactment of minimum wage has to be observed. The performance of this business was comparable to that of last year.

### **Investments**

Last year, the Group had recorded an unusual profit arising from the general rebound of securities market after the collapse of Lehman Brothers. The Group's investment portfolio was benefited from the consequent surge in securities prices. Following the stabilization of the global economy, such unusual profit disappeared. Instead, the Group had achieved a more realistic result. Although interest rates were persistently at low levels, the likelihood of further significant drop became more remote. The interest income was HK\$0.4 million greater than that of last year. The overall performance of this business was satisfactory and the aggregate net profit was HK\$15.4 million versus HK\$33.9 million of last year.



## **PROSPECTS**

For the year under review, ongoing improvements were observed in the local economy. The year-on-year 2011 1st Quarter GDP and private consumption expenditure grew by 7.2% and 7.6% respectively. The seasonally adjusted unemployment rate dropped gradually to 3.5% in the latest quarter.

Notwithstanding the escalating inflation, the global economy is still on its road to recovery though at a slower pace. The two rounds quantitative easing measures implemented by the United States had purposely rendered the interest rates at historical low levels. The resulting expansionary monetary policy and the flooding of liquidity had boosted up the world securities and commodities markets. The focus now turns to the economic recovery after the second round quantitative easing measures in the United States. The timeframe and the methodology of the United States addressing to the seriousness of its government deficits and resuming to normal levels of liquidity cast great uncertainties to the world economy. The continued fiscal strains in the Eurozone and political unrest in the Middle East and North Africa may be the additional factors leading to a more instable global economy. The United States and the Eurozone countries, in the process of dealing with their respective economic problems, may result in great shocks to the global securities and financial markets. It is also expected that the Chinese Government will continue to implement measures so as to facilitate soft landing of the economy. Recovery of economy may also be undermined by the disastrous earthquake and the consequent nuclear crisis in Japan.

Retail businesses in Hong Kong have enjoyed robust sales. Record high number of visitors and increasing purchasing power of Mainland visitors as a result of appreciation of Renminbi add momentum to retail market. The recent positive land auction results further fuelled market sentiments. Besides, the low mortgage loan interest rates and the steady income growth give support to buoyant property prices. Hong Kong will also benefit from the accelerating economic integration between Hong Kong and China. In particular, the development of Hong Kong into an offshore Renminbi financial centre will definitely lead to more growth opportunities in Hong Kong. On the other hand, the Government of Hong Kong Special Administrative Region is more concerned with the escalating inflation, no matter it is imported as a result of the rises of global food and commodity prices or the weak US\$. As HK\$ is pegged with US\$, Hong Kong cannot raise the interest rate to curb inflation. What the Government can do is to take executive measures such as the introduction of Special Stamp Duty and the enforcement of Hong Kong Monetary Authority's controls over banks and financial institutions. It is observed that many local major banks begin to increase the interest margin for mortgage loans and lower the mortgage loan-to-value ratio. These measures will, in the long run, result in a more sustainable property market in Hong Kong.

To move forward, Hong Kong should grasp the opportunities emerging from the main theme of the 12th Five-Year Plan of the Central Government of driving domestic demand, increasing the service industry content of GDP and speeding up urbanization. In facing these various uncertainties and opportunities, we shall act prudently but proactive in seeking business opportunities so as to deliver satisfactory return to our shareholders.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As at 31st March 2011, the Group had less than twenty employees and their remuneration are maintained at competitive levels. Total staff costs (including Directors' remuneration) amounted to HK\$4.5 million (2010: HK\$4.2 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee regarding Directors and senior management. Employees' salaries are determined on performance basis with reference to the market trend. In addition, discretionary bonuses are granted to eligible employees by reference to the Group's results and individual performance. Other benefits include education subsidies, medical and retirement benefits.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group is virtually debt-free and generally finances its operations with internally generated cash flows. The Group's cash and cash equivalents amounted to HK\$298.6 million at 31st March 2011. The Board believes that the Group has sufficient financial resources for its operations. The Group has no material exposure to foreign exchange rate fluctuation and material contingent liabilities.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintain high standards of corporate governance. During the year ended 31st March 2011, save as disclosed in the Company's interim report for the six months ended 30th September 2010 regarding the deviations from the code provisions A.2.1 and A.4.1 of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Company has complied with the code provisions set out in the CG Code.

The Company has adopted the Model Code for Securities Transactions by Directors ("Model Code") set out in Appendix 10 to the Listing Rules as its Code of Conduct for dealing in securities of the Company by the Directors. All Directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year.

The Company has received from each of the Independent Non-executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors are independent.

Details of the principal corporate governance practices as adopted by the Company and of the deviations from the code provisions A.2.1 and A.4.1 of the CG Code will be set out in the Corporate Governance Report contained in the Company's 2011 Annual Report.

## **AUDIT COMMITTEE**

The audit committee of the Company has been established since 1998. As at the date hereof, the audit committee consists of the three Independent Non-executive Directors, namely Messrs Lam Hon Keung, Keith (*Chairman*), Chan Woon Kong and Soo Hung Leung, Lincoln and the two Non-executive Directors, namely Messrs John Ho and Ng Kwok Tung, with written terms of reference in compliance with the Listing Rules. The audit committee has reviewed the Group's annual results for the year ended 31st March 2011 and has no reservation on the accounting treatments adopted by the Group.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

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

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is available for viewing on the respective websites of the Stock Exchange and the Company. The Annual Report of the Company for the year ended 31st March 2011 will be published and dispatched to the shareholders of the Company in mid July 2011.

## **ANNUAL GENERAL MEETING AND RELEVANT NOTICE**

It is proposed that the 2011 annual general meeting of the Company will be held on Friday, 19th August 2011 at 12:00 noon. Notice of the annual general meeting of the Company will be published and dispatched to the shareholders of the Company in mid July 2011.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board of Directors of the Company comprises Messrs Cheung Kee Wee, Cheung Lin Wee and Cheung Ying Wai, Eric as Executive Directors, Messrs John Ho and Ng Kwok Tung as Non-executive Directors and Messrs Lam Hon Keung, Keith, Chan Woon Kong and Soo Hung Leung, Lincoln as Independent Non-executive Directors.

By Order of the Board  
**Raymond W. M. Chu**  
Company Secretary

Hong Kong, 28th June 2011