COASTAL 沿海

COASTAL GREENLAND LIMITED

(incorporated in Bermuda with limited liability)

Stock Code : 01124

Annual Report 2012/13

Upholding a heritage of development

The Pursuit of Excellence

CONTENTS

CORPORATE INFORMATION

Registered Office

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Hamilton HM 11
Bermuda

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Principal Registrars

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

Registrars in Hong Kong

Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Company Website

http://www.coastal.com.cn

Investor Relations Website

http://www.irasia.com/listco/hk/coastal

Executive Directors

Mr. JIANG Ming
(Chairman and Managing Director)
Mr. TAO Lin
Mr. CAI Shaobin
Ms. WANG Hongmei

Non-Executive Directors

Mr. LU Jiqiang
Dr. DAI Jingming

Independent Non-Executive Directors

Mr. CHEN Xiaotian
Mr. WONG Kai Cheong
Mr. YANG Jian Gang

Company Secretary

Mr. CHENG Wing Bor FCCA, CPA

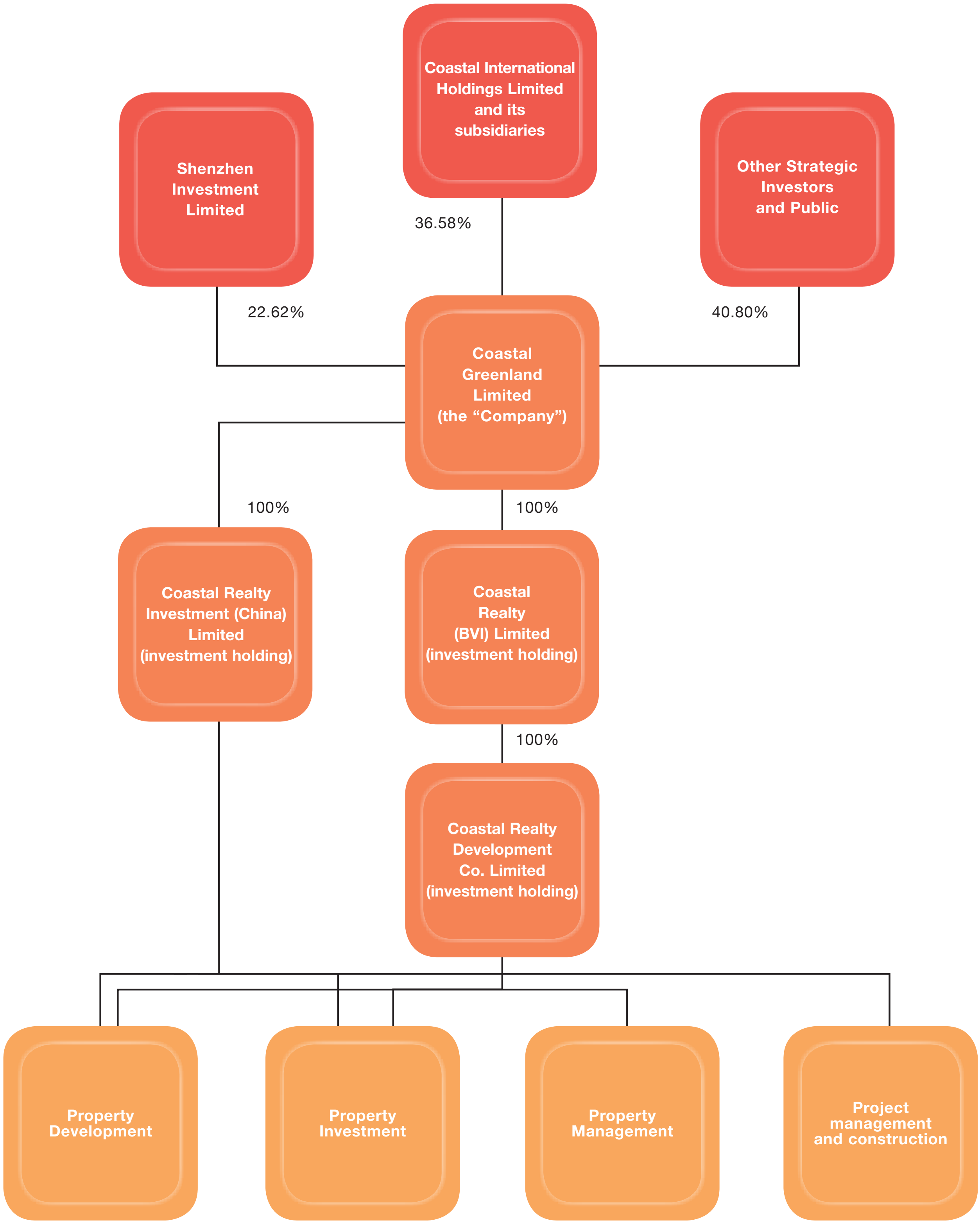
Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Stock Code

1124

SHAREHOLDING STRUCTURE AND MAJOR OPERATIONS



FINANCIAL HIGHLIGHT

The following is a summary of the published consolidated results, assets and liabilities of the Group for the last five financial years as extracted from the audited consolidated financial statements and adjusted retrospectively for the effect of the change in accounting policy as detailed in note 2 to the consolidated financial statements for the year ended 31 March 2012 and 31 March 2011.

RESULTS

	Year ended 31 March				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Note)	(Note)
Revenue	**3,717,094**	7,177,603	3,753,191	3,922,033	2,956,174
Profit before taxation	**404,163**	1,545,924	755,397	685,227	548,689
Profit for the year attributable to owners of the Company	**92,567**	604,069	134,806	209,577	215,008
Dividends	**–**	–	–	–	–

ASSETS AND LIABILITIES

	As at 31 March				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
				(Note)	(Note)
Total assets	**16,008,912**	16,175,017	18,334,359	16,749,815	14,496,005
Total liabilities	**(11,503,906)**	(11,776,150)	(14,721,280)	(13,306,458)	(10,873,080)
Total equity	**4,505,006**	4,398,867	3,613,079	3,443,357	3,622,925
Non-controlling interests	**(80,036)**	(70,788)	(75,043)	(63,331)	(490,046)
Equity attributable to owners of the Company	**4,424,970**	4,328,079	3,538,036	3,380,026	3,132,879

Note: Restatement in respect of the adoption of amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" has not been made for the year ended 31 March 2010 and 31 March 2009 as it would involve delay and expenses out of proportion to the benefits of shareholders.

	Year ended 31 March	
	2013	2012
	HK$'000	HK$'000
Revenue		
– Sale of properties	**3,333,167**	7,162,960
– Rental income	**2,602**	8,555
– Property management income	**7,188**	6,088
– Project management and construction income	**374,137**	–
Total	**3,717,094**	7,177,603

	Year ended 31 March	
	2013	2012
	HK$'000	HK$'000
Operating results by activity		
– Property development	**576,334**	2,054,208
– Property investment	**(256,505)**	(57,493)
– Property management	**9,047**	1,907
– Project management and construction	**35,825**	–
	364,701	1,998,622
Income from hotel operation	**70,000**	89,900
Expenses of hotel operation	**(74,042)**	(134,879)
Net foreign exchange gains	**3,852**	48,194
Fair value gain on warrants	**–**	960
Interest income	**31,656**	6,066
Finance costs	**(304,118)**	(394,677)
Amortisation of prepaid land lease payments	**(1,393)**	(1,381)
Share of losses of associates	**(3,088)**	(14,330)
Share of loss of a jointly controlled entity	**(1,072)**	–
Gain on disposal of an associate	**377,423**	–
Gain on disposal of financial assets designated at fair value through profit or loss	**29,173**	–
Other net unallocated expenses	**(88,929)**	(52,551)
Profit before taxation	**404,163**	1,545,924

CHAIRMAN'S STATEMENT

DONGGUAN RIVIERA VILLA

On behalf of Coastal Greenland Limited (the "Company"), I have the pleasure to present to the shareholders the Group's financial results and operation report for the year ended 31 March 2013 as follows:

Jiang Ming
Chairman

Results

For the financial year ended 31 March 2013, the Group has recorded a revenue of about HK$3,717 million and profit attributable to owners of the Company of approximately HK$93 million. Earnings per share for the year were HK3.32 cents.

Dividend

The Board of Directors does not recommend the payment of any dividend for the year ended 31 March 2013.

Business Overview

Revenue for the year amounted to about HK$3,717 million, a decrease of about 48% from last year. Gross profit margin for the year was about 24% which was lower than last year's 33%.

Profit before taxation for the year was HK$404.2 million, a decrease of about 74% as compared to the HK$1,545.9 million for last year. Profit for the year attributable to owners of the Company decreased by about 85% to HK$92.6 million.

On 8 November 2012, the Group had fully repaid all the outstanding senior notes in the amount of US$129 million due upon maturity.

Net debt to equity ratio was 70% which marked an improvement from last year's 87%.

Contracted sales for the year amounted to about HK$3,567 million, an increase of 18% from last year. The Group completed development projects with a total gross floor area ("GFA") of about 304,000 sq.m., a decrease of about 53% as compared to the 653,030 sq.m. completed last year.

During the year, the Group disposed of Suzhou Coastal International Centre which is a commercial project with a total GFA of about 115,700 sq.m. Under the current business strategy, the Group will lessen its investment in the property investment segment.

During the year, the Group acquired 40% and 12% equity interests in two property development projects in Beijing and Shanghai respectively for which the Group was also appointed as the project manager for provision of project management and construction services. For the financial year, the Group has established project management and construction as one of its operating segments. Revenue generated and contribution to operating results made by this segment are HK$374 million and HK$35.8 million respectively for the year. Under the current business strategy, the Group is devoting more of its efforts and resources in the boosting of the business of this segment.

Outlook

In 2012 and early 2013, we have seen that the central government continued its austerity policy on the real estate sector, which include measures such as home purchase restriction and tight credits for the sector in order to curb the speculation and investment demand. Despite the fact that the market has experienced a limited rebound over the past months attributing to certain extent to developers' downward adjusting pricing strategy, the Group considers that the real estate market remains volatile and challenging for property developers and the market competition among property developers will remain intense going forward.

Although facing a challenging environment, the Group is optimistic about the long-term development of the property market which is expected to be driven by the long-term continuous growth of China's economy, and the strong housing demand evolving from continuous urbanisation and desires for living environment improvement of the growing middle class. The Group will closely monitor its business strategy with respect to the changes in the economic and regulatory environment and the property market sentiment in the PRC. The Group in recent years is looking for co-investment opportunities in property development projects so that on the one hand it can expand its property development portfolio and on the other hand it does not cause too much debt burden. The Group is also diverting more of its efforts and resources to its newly established project management and construction operating segment so as to boost the business of this segment.

The Group will continue to focus on the development of its geographically well diversified quality property portfolio, optimise its land reserve and strengthen its product competitiveness and project management and construction services. The Group will also leverage on its well-recognised corporate brand and its long experience in the PRC property market. Besides, under the tight credit environment, the Group will actively seek funding alternatives so as to broaden its financial resources and support the sustainable development of the Group.

Appreciation

This is my first annual report since I was appointed as the chairman of the Group. I would like to take this opportunity to express my appreciation to the efforts and contributions made by my predecessor chairman, Chan Boon Teong for the Group.

On behalf of the Board, I would also like to express my gratitude to the management team and our staff for their diligence and contributions to the Group in the past year. I would also like to thank my fellow directors, business partners, customers, suppliers, bankers, noteholders and shareholders of the Group for their continued support and trust over the years.

Jiang Ming
Chairman

Hong Kong
27 June 2013

Shanghai Riviera Garden

Foshan Coastal Garden

MANAGEMENT DISCUSSION AND ANALYSIS

WUHAN SILO CITY

Business Review

Revenue

The following table sets out an analysis of the Group's revenue together with the contribution to operating results by activity:

	Year ended 31 March			
	2013		2012	
	Revenue HK$'000	**Contribution to operating results HK$'000**	Revenue HK$'000	Contribution to operating results HK$'000
Property development	**3,333,167**	**576,334**	7,162,960	2,054,208
Property investment (Note)	**2,602**	**(256,505)**	8,555	(57,493)
Property management	**7,188**	**9,047**	6,088	1,907
Project management and construction	**374,137**	**35,825**	–	–
Total	**3,717,094**	**364,701**	7,177,603	1,998,622

Note: Contribution to operating results by the property investment activity included a deficit of HK$313.1 million (2012: deficit of HK$56.3 million) arising from the revaluation of investment properties.

The Group derived revenue for the year mainly from operations in the PRC.

Anshan Wisdom New City

Business Review *(Continued)*

Property Development

Shenyang Silo City

Anshan Wisdom New City

During the year under review, the recognised sales revenue from property development segment was HK$3,333 million, representing a decrease of about 53% from last year's HK$7,163 million, which corresponds to a decrease by 34% in the total GFA delivered by the Group to 355,000 sq.m. (2012: 536,000 sq.m.). The property sales revenue for the period mainly came from the sale of Phase III of Shenyang Silo City, Phase II of Shanghai Riviera Garden, Phase IV of Dongguan Riviera Villa, Phase III of Anshan Wisdom New City and Phase I of Dalian Coastal International Centre which respectively represented about 25%, 18%, 12%, 8%, and 7% of the total property sales revenue. The remaining 30% was derived from sale of remaining inventory in the prior phases of the Group's completed development projects namely Beijing Silo City, Beijing Sunvilla Realhouse and Wuhan Silo City.

For the year ended 31 March 2013, the Group recorded contracted sales of HK$3,567 million (2012: HK$3,024 million), which corresponds to a total GFA of about 338,000 sq.m. (2012: 263,000 sq.m.).

As at 31 March 2013, the Group has generated total sales revenue of about HK$874 million from pre-sale of its properties under development with a total GFA of about 61,000 sq.m., contributing mainly from Phase II section B1 of Dalian Jianzhu Project, Phase IV western sections A1 and A2 of Beijing Silo City and Phase V section A of Wuhan Silo City which are expected to be completed and delivered in the next financial year.

During the year ended 31 March 2013, the Group completed development projects, namely Phase III of Shenyang Silo City, Phase IV of Dongguan Riviera Villa and Phase III of Anshan Wisdom New City with a total GFA of approximately 304,000 sq.m. (2012: 653,030 sq.m.).

Business Review *(Continued)*

Property Investment

Revenue from property rental decreased by about 70% to HK$2.6 million from last year's HK$8.6 million. Rental income for the year was mainly derived from the properties in Suzhou Coastal International Centre and retail shops in Beijing Silo City. The decrease was mainly due to the disposal of Suzhou Coastal International Centre and certain retail shops in Beijing Silo City during the year.

The property investment segment for the year recorded a loss of HK$256.5 million comparing to a loss of HK$57.5 million for last year as there was a revaluation deficit of investment properties of HK$313.1 million recorded for the year whereas a revaluation deficit of HK$56.3 million was recorded for last year.

Under the current business strategy, the Group will lessen its investment in the property investment segment.

Property Management

The Group's property management operations recorded a profit of about HK$9.0 million for the year as compared to last year's profit of HK$1.9 million. The Group is committed to providing integrated and value-added property management services to foster good relations with tenants and owners and strengthen its brand image.

Project Management and Construction Service

For the financial year, the Group has established project management and construction as one of its operating segments. Revenue generated and contribution to operating results made by this segment are HK$374 million and HK$35.8 million respectively for the year.

Under the current business strategy, the Group will devote more of its efforts and resources for boosting the business of this segment.

Gross Profit Margin

The gross profit margin for the year was about 24% which was lower than the gross profit margin for last year's 33%. The decrease was mainly due to a lower level of selling price attained for the properties completed and delivered to purchasers during the year.

Other Income and gains

Other income and gains for the year was HK$483.5 million as compared to HK$357.3 million for the last year. Other income and gains for the year mainly represented the forfeiture of a deposit received of HK$139.1 million (2012: nil) in respect of a sale of a development project, the gain on disposal of an investment property of HK$121.6 million (2012: nil), the income of HK$70.0 million (2012: HK$89.9 million) from hotel operation of Marriott hotel at Suzhou Coastal International Centre, the interest income from banks of HK$31.7 million (2012: HK$6.1 million), subsidies from the PRC government of HK$39.7 million (2012: HK$15.9 million), gain on disposal of financial assets stated at fair value through profit or loss of HK$29.2 million (2012: nil) and the net foreign exchange gains of HK$3.9 million (2012: HK$48.2 million) on translation of the Company's United States dollar denominated debts into the Company's functional currency, Renminbi, which has appreciated against United States dollar during the year. Included in last year's other income was a gain on disposal of property-based subsidiaries of HK$131.0 million.

Business Review *(Continued)*

Marketing, Selling and Administrative Expenses

Marketing and selling costs increased by about 29% to HK$136.7 million from last year's HK$106.4 million in line with the increase in Group's contracted sales as compared to last year.

Administrative expenses for the year were HK$335.3 million as compared to last year's HK$246.9 million. The increase for the year was attributable to increase in staff costs by HK$32.9 million as lesser amount of staff costs was qualified for capitalisation and increase in professional fees and other operating expenses incurred to cope with the increase in the operating activities of the Group during the year. The Group will continue to implement cost control measures so as to enhance its operational efficiency and competitive edges.

Shanghai Riviera Garden

Other Expenses

Other expenses for the year were HK$179.7 million as compared to last year's HK$245.3 million. Other expenses mainly represented the depreciation provided for and hotel operation expenses of Marriott hotel in Suzhou amounting to HK$74.1 million (2012: HK$134.9 million) and interest compensations of about HK$15.7 million (2012: HK$22.5 million) for a delay in the handover of certain completed properties to the purchasers. Included in last year's other expenses was a provision for legal claims of HK$69.5 million.

Impairment loss on goodwill

During the year ended 31 March 2012, the Group had fully impaired the amount of goodwill of HK$90.2 million as the properties developed by the cash generating unit in property segment to which the goodwill had been allocated were substantially sold at 31 March 2012.

Finance Costs

During the year, the Group incurred finance costs before capitalisation (mainly interest for bank and other borrowings, including senior notes) of HK$459.1 million, representing a decrease of about 23% as compared to the HK$593.9 million incurred for last year. Interest expenses charged to profit or loss for the year were HK$304.1 million as compared to last year's HK$394.7 million. The decrease was mainly due to the fact that certain bank and other borrowings have been repaid in the middle of the year although certain new bank and other borrowings were made towards the end of the year.

Business Review *(Continued)*

Gain on disposal of an associate

On 20 August 2012, the Group entered into a sale and purchase agreement to dispose of 20.05% interest in Shanghai Fenghwa Group Co., Ltd. ("Shanghai Fenghwa") out of its total shareholding of 21.13% interest to a third party for a total consideration of RMB452.4 million (equivalent to approximately HK$560.2 million). On 6 September 2012, the Group has completed the first tranche of the disposal for 10.64% interest in Shanghai Fenghwa to the buyer whereby the Group ceased to be able to exercise significant influence over Shanghai Fenghwa. This transaction has resulted in the Group recognising a gain of HK$377.4 million in profit or loss. On 20 September 2012 and 5 December 2012, the Group has completed the second tranche and the last tranche of the disposal for 2.13% interest and 7.28% interest in Shanghai Fenghwa respectively.

Corporate Brand

Coastal Greenland, the corporate brand, had been ranked among the top ten most valuable Chinese real estate company brands for the nine consecutive years between 2004 and 2012 by an authoritative PRC real estate research team formed by the Development Research Center of the State Council, the Tsinghua University Real Estate Research Center and the China Index Research Team.

Review of Major Properties and Development Projects

The Group's business strategy is to develop quality residential estates for the PRC upper to middle class domestic market. A summary of the status of the Group's major properties and development projects is set out below.

Development projects of the Group

Anshan Greenland IT City

Anshan Greenland IT City is a large-scale development with a total site area of about 268,807 sq.m. located in Gaoxin District, Anshan, Liaoning Province. The Group owns 100% of the project. The project was developed into a low-density residential estate in six phases. The development of the whole project with a total GFA of about 438,358 sq.m. was completed and all residential units were sold and delivered. As of 31 March 2013, remaining carpark area with a total GFA of 1,552 sq.m. is held for sale.

Anshan Qianshan Road Project

Anshan Qianshan Road Project has a total GFA of about 55,000 sq.m. and is being developed into residential and commercial properties. The Group owns 100% of the project. The construction has commenced in the second quarter of 2012 and is expected to be completed in the fourth quarter of 2014. Pre-sale is expected to be commenced in the fourth quarter of 2013.

Anshan Wisdom New City

Anshan Wisdom New City with a total site area of about 84,577 sq.m. is located at North Shengli Road, Lishan District, Anshan, Liaoning Province and is being developed into a residential estate by three phases. The Group owns 100% of the project.

The construction of Phase I with a total GFA of about 44,600 sq.m. was completed and the sold units were delivered in December 2009. As of 31 March 2013, about 88% of the GFA in Phase I was sold and the remaining GFA is held for sale.

Business Review *(Continued)*

Development projects of the Group (Continued)

Anshan Wisdom New City (Continued)

Phase II has a total GFA of about 82,000 sq.m. and its construction was commenced in May 2010. Completion and delivery of Phase II were taken place in October 2011. As of 31 March 2013, about 84% of the GFA in Phase II was sold and the remaining GFA is held for sale.

Phase III has a total GFA of about 89,300 sq.m. and its construction was commenced in March 2011. Completion and delivery of Phase III were taken place in December 2012. As of 31 March 2013, about 69% of the GFA in Phase III was sold and the remaining GFA is held for sale.

Beijing Bay Project

The project is located in Chang Ping District, Beijing with a site area of about 714,667 sq.m.. During the year, the Group acquired 40% of the equity interest in the project. The Group is also appointed as the project manager of this project for provision of project management and construction services. The project was planned to be developed into a residential estate by four phases. Prior to the acquisition, all units of Phase I with a total GFA of 35,200 sq.m. were sold.

Phase II has a total GFA of about 77,000 sq.m.. The construction was planned to be completed in September 2013. About 80% of the GFA was pre-sold as of 31 March 2013.

The Group is in the process of finalising the development plan for Phase III and Phase IV.

Beijing Jian Guo Men Wai Project

Beijing Jian Guo Men Wai Project is located in Chaoyang District, close to the central business district in Beijing. The plan is to develop an office building with a total GFA of about 44,900 sq.m. The Group has the free usage right of 65% of the GFA of the office building for 35 years starting from the completion of the development.

The Group is in the process of negotiating to dispose of its interests in the development to a third party.

■ *Beijing Silo City*

Beijing Silo City

Beijing Silo City with a total site area of about 216,025 sq.m. is a large-scale, high quality residential and commercial development located in Chaoyang District, close to the central business district of Beijing. The development has a unique modern design and convenient transportation options. The development is a residential/commercial/leisure complex with a total GFA of about 862,700 sq.m. The development has been carried out in phases. The Group owns 100% of Beijing Silo City.

Review of Major Properties and Development Projects *(Continued)*

Development projects of the Group (Continued)

Beijing Silo City (Continued)

The construction of the first three phases with a total GFA of about 308,900 sq.m. was completed in 2007 and sold units delivered. As of 31 March 2013, all residential units in these three phases were sold and the Group held a total GFA of about 10,935 sq.m., comprising the clubhouses with a total GFA of 604 sq.m., retail shop areas with a total GFA of 368 sq.m. and carpark area with a total GFA of 9,963 sq.m., which are held by the Group as non-current assets, investment properties and for sale respectively.

Phase IV of the development is divided into the Loft, Eastern and Western sections. The total GFA of this phase is about 145,200 sq.m. and the construction was commenced in March 2009. The construction of the Loft and Eastern section was completed in December 2010. As of 31 March 2013, all residential units, retail shops and carpark area were sold and delivered. The Western section was further divided into sections A1, A2 and A3. The Western section A3 was completed in June 2011 while delivery of sold units was made in September 2011. As of 31 March 2013, save for GFA 62 sq.m. of the Western section A3 still held for sale, all residential units were sold; carpark area with a total GFA of 853 sq.m. is also held for sale. The Western sections A1 and A2 are expected to be completed and delivered in the third quarter of 2013. Pre-sale commenced in December 2012 and 100% of its GFA was pre-sold as of 31 March 2013.

■ *Beijing Silo City*

Phase V has a total GFA of about 116,700 sq.m. The construction of this phase was completed in March 2008 while delivery of sold units was made in June 2008. As of 31 March 2013, all the residential units and retail shops were sold and carpark area with a total GFA of 6,854 sq.m. is held for sale.

Phase VI has a total GFA of about 112,100 sq.m. Completion and delivery of this phase were taken place in September 2009. As of 31 March 2013, all residential units and retail shops were sold and carpark area with a total GFA of 352 sq.m. is held for sale.

Phase VII is divided into the Southern and Northern sections with a total GFA of about 179,800 sq.m. The construction of the Northern section was completed in March 2009 and the sold units were delivered in June 2009 while the completion and delivery of the Southern section were taken place in August 2009. As of 31 March 2013, all residential units and retail shops were sold and carpark area with a total GFA of 4,243 sq.m. is held for sale.

Beijing Sunvilla Realhouse

Beijing Sunvilla Realhouse is a high quality residential development in Panggezhuang Town, an attractive location in Daxing District, Beijing. The Group owns 100% of Beijing Sunvilla Realhouse. The development is a villa estate with a total site area of about 484,421 sq.m. and has been carried out in three phases.

Review of Major Properties and Development Projects *(Continued)*

Development projects of the Group (Continued)

Beijing Sunvilla Realhouse (Continued)

Phases I and II have a total GFA of about 112,160 sq.m. The construction of these two phases was completed and about 99% of the GFA in these two phases was sold as of 31 March 2013. The Group holds a clubhouse with a GFA of 3,037 sq.m. as non-current assets and the remaining GFA is held for sale.

Phase III has a total GFA of about 22,500 sq.m. The construction of this phase was completed in July 2011 while delivery of sold units was made in September 2011. As of 31 March 2013, about 97% of the GFA in this phase was sold. The remaining GFA is held for sale.

Chengdu Dujiangyan Project

Chengdu Dujiangyan Project with a site area of about 48,367 sq.m. is a residential estate development located in Xingfu Town, Dujiangyan City of Chengdu. The Group owns 100% of the project. The construction of the project with a total GFA of about 77,200 sq.m. was commenced at the end of 2009. The construction was completed in December 2010 and the sold units were delivered in March 2011. As of 31 March 2013, all units were sold.

Dalian Coastal International Centre

Dalian Coastal International Centre has a total site area of about 34,001 sq.m. and is being developed into a residential/commercial complex with a total GFA of about 379,800 sq.m. The development is being carried out in two phases with GFA of about 217,200 sq.m. and 162,600 sq.m. for Phase I and Phase II respectively. The Group owns 100% interest in the development.

The construction of Phase I was commenced in November 2007. Completion and delivery were taken place in first quarter of 2012. As of 31 March 2013, about 90% of its GFA was sold. The remaining GFA is held for sale.

Dalian Coastal International Centre

The construction of Phase II with a total GFA of 162,600 sq.m. is expected to be commenced in the fourth quarter of 2013.

Dalian Jianzhu Project

The project is located in Ganjingzi District, Dalian, Liaoning Province with a site area of about 54,000 sq.m. The Group owns 100% interest in the development which has been planned to be developed into a residential estate by two phases with an estimated total GFA of about 147,700 sq.m.

The construction of Phase I with a GFA of about 62,200 sq.m. was commenced in July 2010. Completion and delivery were taken place in October 2011. As of 31 March 2013, about 89% of its GFA was sold. The remaining GFA is held for sale.

Review of Major Properties and Development Projects *(Continued)*

Development projects of the Group (Continued)

Dalian Jianzhu Project (Continued)

Phase II of the development is divided into sections B1 and B2. The construction of section B1 with a GFA of about 76,700 sq.m. was commenced in April 2011 and is expected to be completed in the third quarter of 2013. Pre-sale was commenced in November 2011 and about 75% of its GFA was pre-sold as of 31 March 2013. The construction of section B2 with a GFA of about 30,000 sq.m. was commenced in May 2012 and is expected to be completed in the first quarter of 2014.

Dongguan Riviera Villa

Dongguan Riviera Villa is an upscale low-density residential estate development in the Dao Jiao Town of Dongguan. The Group owns 100% of Dongguan Riviera Villa. The project has a site area of about 382,649 sq.m. and the development is being carried out in phases.

Phase I has a total GFA of about 59,000 sq.m. while Phase II has a total GFA of about 66,000 sq.m. The construction of Phase I was completed and the sold units were delivered in July 2007. The completion and delivery of Phase II were taken place in March and May 2008 respectively. As of 31 March 2013, about 91% of the GFA in Phase I and about 99% of the GFA in Phase II were sold. The remaining GFA is held for sale.

■ *Dongguan Riviera Villa*

Phase III has a total GFA of about 56,500 sq.m. and was divided into sections A and B. The construction of Phase III was commenced in September 2009. Section A with a total GFA of about 25,500 sq.m. was completed in November 2010 and sold units were delivered in March 2011. As of 31 March 2013, about 67% of the GFA of section A of Phase III was sold. Section B with a total GFA of about 31,000 sq.m. was completed in June 2011 and sold units were delivered in July 2011. As of 31 March 2013, about 46% of the GFA of section B of Phase III was sold. The remaining GFA is held for sale.

■ *Dongguan Riviera Villa*

Phase IV has a total GFA of about 89,000 sq.m. The construction of Phase IV was commenced in September 2011 and was completed in January 2013. The sold units of Phase IV were delivered in March 2013. About 80% of its GFA was sold as of 31 March 2013. The remaining GFA is held for sale.

Phase V of the development is divided into sections A and B, with a total GFA of about 26,800 sq.m. The total GFA of section A is about 8,800 sq.m. and its construction was commenced in April 2012 and was completed in January 2013. The pre-sale is scheduled to be commenced in the third quarter of 2013. The total GFA of section B is about 18,000 sq.m., its construction is expected to be commenced in the third quarter of 2013.

Review of Major Properties and Development Projects *(Continued)*

Development projects of the Group *(Continued)*

Dongguan Riviera Villa *(Continued)*

Phase VI has a total GFA of about 87,000 sq.m. The construction of Phase VI was commenced in August 2012. Pre-sale was commenced in November 2012 and about 9% of its GFA was pre-sold as of 31 March 2013. Completion and delivery of Phase VI are expected to be in the third quarter of 2014.

The development for the remaining phases with a total GFA of about 4,500 sq.m. is in the planning process.

Foshan Coastal Garden

Foshan Coastal Garden is located in Chancheng District, Foshan City, Guangdong Province with a site area of about 55,000 sq.m. The Group owns 20% of equity interest in the development which is to be developed into residential properties with an estimated total GFA of about 138,400 sq.m. The construction was commenced in January 2012 and is expected to be completed in the fourth quarter of 2014. Pre-sale was commenced in October 2012 and about 12% of its GFA was pre-sold as of 31 March 2013. The Group has also been appointed as the project manager of Foshan Coastal Garden for the provision of project management and construction services.

Jiangxi Riviera Garden

Jiangxi Riviera Garden is a low-density residential estate development located at south of Gaoxin Avenue in Changling Town, Xinjian County, Jiangxi. The Group owns 100% of Jiangxi Riviera Garden. The development has a site area of about 186,393 sq.m. and has been carried out in four phases.

The development of the whole project with a total GFA of about 284,600 sq.m. was completed and all units were sold and delivered as of 31 March 2013.

Shanghai Riviera Garden

Shanghai Riviera Garden is a low-density residential estate development on Mingzhong Road in Xinqiao Town, Songjiang District of Shanghai. The Group owns 100% of Shanghai Riviera Garden. The development has a site area of about 326,118 sq.m. and has been carried out in two phases.

The construction of Phase I with a total GFA of about 135,400 sq.m. was completed in September 2007 and the sold units were delivered in November of the same year. As of 31 March 2013, all units were sold.

The construction of Phase II with a total GFA of about 163,500 sq.m. comprising both villas and apartments was commenced in September 2008 and was divided into sections A and B. Section A with a total GFA of about 123,100 sq.m was completed and units sold were delivered in June 2010. About 91% of the GFA were sold as of 31 March 2013. Section B with a total GFA of about 40,400 sq.m. was completed in December 2011 and units sold were delivered in March 2012. As of 31 March 2013, about 99% of the GFA of Section B were sold.

Shenyang Dongbei Furniture and Ornaments Plaza

Shenyang Dongbei Furniture and Ornaments Plaza located in Yuhong District, Shenyang, Liaoning Province is a property developed by an independent PRC developer and was acquired by the Group in 2004. The property comprises two office buildings of 2 and 7 storeys respectively, a 5-storey exhibition center, an 8-storey guest house, a carport, various single-storey warehouses and business shops.

During the year, the Group disposed of Shenyang Dongbei Furniture and Ornaments Plaza to the local government.

Review of Major Properties and Development Projects *(Continued)*

Development projects of the Group *(Continued)*

Shanghai Shui Du South Crest

Shanghai Shui Du South Crest is located in Qingpu District, Shanghai with a site area of about 295,000 sq.m. During the year, the Group acquired 12% of the equity interest in the development which has been planned to be developed into residential estate by three phases with an estimated total GFA of about 322,300 sq.m. The Group has also been appointed as the project manager of the project for the provision of project management and construction services.

The construction of Phase I with a total GFA of about 96,300 sq.m. was completed in May 2008. As of 31 March 2013, about 24% of the GFA in Phase I was sold and the remaining GFA is held for sale. The plan for Phase II and Phase III will be finalised at a later stage.

Shenyang Hunnan Project

Shenyang Hunnan Project is a development located in Hunnan New District, Shenyang, Liaoning Province with a site area of about 89,400 sq.m. The GFA of about 363,300 sq.m. are planned for residential development and 187,100 sq.m. are for commercial development. The Group owns 100% of Shenyang Hunnan Project.

The development of the residential project has been carried out in three phases. The construction of Phase I with a total GFA of about 95,200 sq.m. was completed and the sold units were delivered in May 2009. As of 31 March 2013, about 98% of the GFA in Phase I was sold and the remaining GFA is held for sale.

Phase II of the residential project has a total GFA of about 133,400 sq.m. and its construction was commenced in September 2009. Completion and delivery were taken place in September 2011. As of 31 March 2013, about 89% of the GFA in Phase II was sold and the remaining GFA is held for sale.

Phase III of the residential project with a total GFA of about 134,700 sq.m. was divided into sections A and B. The construction of section A was commenced in March 2011. Section A with a total GFA of about 123,100 sq.m. was completed in November 2012 and the sold units were delivered in December 2012. As of 31 March 2013, about 90% of GFA of section A was sold. The remaining GFA is held for sale. The construction of section B with a GFA of about 11,600 sq.m is planned to be commenced in the third quarter of 2013.

The Group is in the process of formulating the development plan for the commercial development.

Shenyang Sujiatun Project

Shenyang Sujiatun Project is a residential project with ancillary commercial facilities located in Sujiatun District, Shenyang, Liaoning Province with a site area of about 1,473,000 sq.m. The project is a mega development similar to the Group's Wuhan Silo City. The Group owns 100% of the project.

The Group is in the process of formulating the development plan for this project.

Review of Major Properties and Development Projects *(Continued)*

Development projects of the Group (Continued)

Suzhou Coastal International Centre

Suzhou Coastal International Centre is a commercial project with a total GFA of about 115,700 sq.m. located at the heart of Jinchang District of Suzhou. The development consists of a 49-storey building comprising offices and a hotel with GFA of about 33,990 sq.m. and 47,790 sq.m. respectively and a 9-storey building of serviced apartment and retail shops with GFA of about 15,360 sq.m. and 2,940 sq.m. respectively and a 4-storey commercial building with GFA of about 15,620 sq.m.. The hotel is managed by the Marriott and has commenced business on 30 December 2009.

During the year, the Group disposed of 100% equity interest in the project to Shenzhen Investment Limited.

Wuhan Lakeside Apartment

Wuhan Lakeside Apartment is a low-density large-scale residential estate development with a total GFA of about 344,000 sq.m. The Group owns 100% of Wuhan Lakeside Apartment. The development was carried out in phases.

The construction of Phases I to IV with a total GFA of about 282,242 sq.m. was completed and units sold were delivered. Almost all the units were sold except for a remaining GFA of about 1,972 sq.m. which was held for sale as of 31 March 2013. The Group also holds a clubhouse with a GFA of 1,670 sq.m. as non-current assets.

Wuhan Silo City

Wuhan Silo City is an upscale residential development conveniently located at north of Jinshan Avenue in Dongxihu District of Wuhan. The Group owns 100% of Wuhan Silo City. This large-scale development has a site area of about 874,947 sq.m. and a planned total GFA of about 1,460,000 sq.m. The development is being carried out in phases.

■ *Wuhan Silo City*

Phase I has a total GFA of about 221,700 sq.m. and was divided into sections A and B. The construction of section A was completed in September 2007 and the sold units were delivered in November of the same year. The completion and delivery of section B were taken place in March and August 2008 respectively. As of 31 March 2013, about 98% of the total GFA in Phase I was sold and the remaining GFA is held for sale.

Review of Major Properties and Development Projects *(Continued)*

Development projects of the Group (Continued)

Wuhan Silo City (Continued)

Phase II has a total GFA of about 216,900 sq.m. and was divided into sections A to D. The construction of this phase was commenced in April 2008. Sections A to C were completed in March 2009 and delivery was taken place in August 2009. Section D was completed in July 2009 and units sold were delivered in December 2009. As of 31 March 2013, about 96% of the total GFA in Phase II was sold and the remaining GFA is held for sale.

Wuhan Silo City

Phase III has a total GFA of about 201,400 sq.m. and was divided into sections A and B. The construction of section B commenced in September 2008 and its completion and delivery were taken place in the third quarter of 2010. As of 31 March 2013, about 90% of the total GFA in section B of Phase III was sold and the remaining GFA is held for sale. The construction of section A was commenced in September 2009 and its completion and delivery were taken place in July 2011 and September 2011 respectively. As of 31 March 2013, about 99% of the total GFA in section A of Phase III was sold and the remaining GFA is held for sale.

Phase IV has a total GFA of about 74,900 sq.m. The construction of Phase IV was commenced in October 2010. The completion and delivery were taken place in November 2011 and January 2012 respectively. As of 31 March 2013, about 73% of the total GFA in Phase IV was sold and the remaining GFA is held for sale.

Phase V has a total GFA of about 82,500 sq.m. The construction of Phase V was commenced in November 2011 and is expected to be completed in the first quarter of 2014. Pre-sales has been commenced in June 2012. As of 31 March 2013, about 20% of the total GFA was pre-sold.

Phase VI has a total GFA of about 125,600 sq.m. The construction of Phase VI was commenced in February 2012 and is expected to be completed in the second quarter of 2015. Pre-sale of Phase VI has been commenced in September 2012 and about 79% of its total GFA was pre-sold as of 31 March 2013.

The development plan for the remaining phases will be fixed as the development goes forward.

Wuhan Tushu Dashijie Project

Wuhan Tushu Dashijie Project is located in the downtown area of Wuhan and is a commercial development comprising offices and serviced apartments with a total GFA of about 172,300 sq.m. The Group owns 90% of Wuhan Tushu Dashijie Project pending completion of a disposal of 60% equity interest in the project as mentioned below.

During the year, the Group entered into a sale and purchase agreement with an independent third party in respect of the disposal of its 60% equity interest in the Wuhan Tushu Dashijie Project to the independent third party. The transaction is expected to be completed in July 2013.

Please refer to the Schedule of Major Properties on pages 167 to 172 of the Annual Report for further information about the properties and development projects of the Group.

Financial Review

Financial Resource and Liquidity

The Group's principal source of fund is the cashflow generated from property sales and leasings, and provision of project management and construction services supplemented by bank and other borrowings.

At 31 March 2013, the Group's cash and bank deposits amounted to approximately HK$2,625 million (2012: HK$2,514 million). An analysis by currency denomination of the cash and bank deposits is as follows:

	2013	2012
	HK$'000	HK$'000
Renminbi	**2,202,557**	2,384,061
Hong Kong dollar	**238,332**	1,051
United States dollar	**183,827**	129,365
	2,624,716	2,514,477

At 31 March 2013, the net borrowings of the Group, being interest-bearing bank and other borrowings less cash and bank balances and pledged bank deposits, amounted to about HK$3,174 million (2012: HK$3,833 million). Net debt to total equity ratio, which is expressed as a percentage of net borrowings over total equity of the Group, decreased by about 17% to 70% from 87% (restated) last year.

Profit before interest, taxation, depreciation, amortisation and non-cash items arising from fair value adjustment for warrants issued by the Company, impairment loss on goodwill and fair value change of investment properties was about HK$1,270.7 million comparing to last year's HK$2,350.0 million on the same basis. Profit before interest, taxation, depreciation, amortisation and the non-cash items in respect of fair value adjustment for warrants, impairment loss on goodwill and fair value change of investment properties had a coverage of 2.77 times (2012: 3.96 times) over the interest costs for the financial year of HK$459.1 million (2012: HK$593.9 million).

Financial Review *(Continued)*

Borrowings and Charges

At 31 March 2013, the level of bank and other borrowings of the Group and their maturity profile are as follows:

	2013 HK$'000	2012 HK$'000
Bank loans repayable:		
Within one year	**779,335**	2,499,008
In the second year	**92,872**	74,017
In the third to fifth years inclusive	**1,979,271**	302,502
Beyond five years	**–**	415,458
Bank loan that is repayable within one year from the end of the reporting period and contain a repayment on demand clause	**119,590**	–
Bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause	**–**	26,400
	2,971,068	3,317,385
Other borrowings (including senior notes) repayable:		
Within one year	**163,836**	2,511,528
In the second year	**2,663,761**	518,115
	2,827,597	3,029,643
	5,798,665	6,347,028

An analysis by currency denomination of the above borrowings is as follows:

	2013 HK$'000	2012 HK$'000
Renminbi	**4,692,571**	4,514,637
Hong Kong dollar	**119,590**	28,600
United States dollar	**986,504**	1,803,791
	5,798,665	6,347,028

The bank and other borrowings bear interest rates based on normal commercial terms.

Financial Review *(Continued)*

Borrowings and Charges (Continued)

(a) Certain of the Group's bank and other loans as at 31 March 2013 were secured by:

(i) certain land and buildings of the Group with an aggregate carrying value of approximately HK$219 million (2012: HK$86 million);

(ii) certain bank deposits of the Group with an aggregate carrying value of approximately HK$724 million (2012: HK$423 million);

(iii) certain properties under development of the Group with an aggregate carrying value of approximately HK$2,444 million (2012: HK$3,422 million);

(iv) the Group's 100% (2012: 90% and 100%) equity interests respectively in two property-based subsidiaries;

(v) corporate guarantees from the Company and certain of its subsidiaries; and

(vi) share charge over the entire issued capital of certain wholly-owned subsidiaries of the Company.

In addition to the securities as disclosed in the preceding, as at 31 March 2012, certain of the Group's bank and other loans were also secured by:

(i) certain land and hotel property of the Group with an aggregate carrying value of HK$437 million;

(ii) certain investment properties of the Group with an aggregate carrying value of HK$849 million; and

(iii) certain completed properties for sale of the Group with an aggregate carrying value of HK$202 million.

(b) The senior notes (included in other borrowings) as at 31 March 2012 were secured by certain bank deposits of the Group amounting to approximately HK$62 million and share charges over the entire issued share capital of certain wholly-owned subsidiaries of the Company.

Financial Review *(Continued)*

Exposure to Fluctuations in Exchange Rates

The Group's operations are principally in the PRC and accordingly a majority part of its income and expenditure is denominated in Renminbi. The exchange rates of Renminbi against Hong Kong dollar and United States dollar have been on an overall rising trend, which is in favour of the Group's operations as all the major assets, mainly property development projects, of the Group are located in the PRC and will generate Renminbi revenue to the Group. Except certain bank and other loans which are denominated in United States dollar or Hong Kong dollar, most of the Group's liabilities are denominated in Renminbi. Therefore, the Directors do not foresee that movement in the exchange rates of foreign currencies against Renminbi in the foreseeable future will cause a material adverse impact on the Group's operations.

Contingent Liabilities

At 31 March 2013, the Group had given guarantees to the extent of approximately HK$4,043 million (2012: HK$4,001 million) to banks in respect of mortgage loan facilities granted to the property purchasers. The Group had also given guarantees amounting to approximately HK$223 million (2012: HK$123 million) to banks in connection with banking facility granted to an associate against which a counter-guarantee was given by the associate to the Group.

Anshan Wisdom New City

Employees and Remuneration Policy

The Group employs a total of about 1,700 employees in the mainland China and Hong Kong. Employees are remunerated based on their work performance, skills and experience, and prevailing industry practice. Apart from basic salary and performance related bonus, the Group also provides other benefits to its employees including mandatory provident fund, medical insurance coverage and housing allowances.

Dividend

The Directors do not recommend the payment of any dividend for the year ended 31 March 2013 (2012: nil).

BIOGRAPHY OF DIRECTORS

Executive Directors

Mr. Jiang Ming, aged 55, is the chairman and managing director of the Group and one of the founders of the Group. He is responsible for corporate direction, development of the Group's business, strategy planning and the overall management of the Group. He graduated from the National University of Singapore with a Master's degree in Business Administration. He has over twenty-nine years' experience in investment and corporate management. Prior to the establishment of the Group, he was a general manager of a joint venture enterprise in the People's Republic of China (the "PRC") for over 7 years. He is a vice-chairman of the Fujian Province Foreign Enterprises Association and an honorary professor at the Wuhan University.

Mr. Tao Lin, aged 55, is the investment director of the Group. He is responsible for investment planning and investment management of the Group. He has over twenty-five years' experience in investment and management. He graduated from Beijing Communication Engineering College (北京信息工程學院) and also holds a Master's degree in Business Administration from the National University of Singapore. Before joining the Group in 1991, he had served as an operation officer in a software development company in the PRC. Mr. Tao was a former director of Shanghai Fenghwa Group Co., Ltd. ("Shanghai Fenghwa"), a company listed on the Shanghai Stock Exchange.

Mr. Cai Shaobin, aged 51, joined the Group in 2008 and is responsible for the overall development management of the projects of the Group. Before joining the Group, Mr. Cai was the deputy general manager of China Construction Seventh Engineering Bureau and the general manager of China Construction Seventh Engineering Bureau Co., Ltd. He has over twenty-five years' experience in the property development and construction. Mr. Cai is a professorate senior engineer and state registered architect in the PRC and was rated a top ten management talent in the Henan Province in 2007.

Ms. Wang Hongmei, aged 45, graduated from (i) Huazhong University of Science and Technology with a bachelor degree in Engineering in 1989; (ii) Wuhan Polytechnic University with a master's degree in Engineering in 1992; and (iii) National University of Singapore with an EMBA degree in 2005. Ms. Wang is currently the Chief Executive Officer of Coastal Realty Investment (China) Limited, a wholly-owned subsidiary of the Company. She was also the former assistant president of Construction Bank Wuhan Economic and Technology Development Zone branch from 1994 to 1997, the former general manager and chairman of Wuhan Sanzhen Industrial Holding Company Limited from 1998 to 2000, the former chairman of Coastal Industrial Group Company Limited and Shanghai Fenghua from 2001 to 2006 and 2007 to 2009 respectively.

Non-Executive Directors

Mr. Lu Jiqiang, aged 42, is currently secretary of the board of Shum Yip Group Limited ("Shum Yip Group"), and general manager of investor relations department of Shenzhen Investment Limited ("Shenzhen Investment"). Mr. Lu graduated from Law School of Peking University, with Bachelor's degree of Law and Master's degree of Civil and Commercial Law. He had served in China Merchants Group from 1996 to 2003, and served as legal advisor of the China Merchants Holdings (International) Company Limited and senior legal officer of China Merchants Group, responsible for corporate governance, compliance, merger and acquisitions, and assets restructure issues. Mr. Lu joined Shum Yip Group in November 2003 as general manager of legal affairs division and general manager of the asset management division. Mr. Lu is a PRC lawyer and appointed as Arbitrator of the China International Economic and Trade Arbitration Commission (CIETAC). He has extensive experience in business management, law affairs, compliance and risk management control.

Dr. Dai Jingming, aged 49, is currently a general manager of risk management department of Shum Yip Group and Shenzhen Investment. Dr. Dai graduated from Huazhong Agricultural University in China, and obtained his Doctor of Economics degree at the Institute of Fiscal Science in 1998. He currently is a PRC Certified Public Accountant. He served the Agricultural Bank of China, Wuhan City Branch from 1992 to 1994. Dr. Dai joined Shum Yip Group since July 1998 and served as the deputy general manager of the headquarter office of Shum Yip Group during 2004 to 2007. From 2007 to 2009, Dr. Dai served as the deputy general manager of finance department of Shum Yip Group. Dr. Dai has extensive experience in corporate finance and management.

Independent Non-Executive Directors

Mr. Chen Xiaotian, aged 35, graduated from Tongji University with a bachelor degree in science, real estate operation and management and a master's degree of science, technical economics in 2000 and 2004 respectively. Mr. Chen is an expert on real estate market in PRC and has been engaged in writing market analysis research report for 12 years. Mr. Chen is also a well-known and frequent speaker at various high-profile conferences and forums in PRC. Mr. Chen was the former general manager of research center and strategic development department of China Real Estate Information Corporation, a company listed in Nasdaq (stock code: CRIC) and is a marketing committee deputy secretary-general of China Real Estate Association in Shanghai since 2012.

Mr. Wong Kai Cheong, aged 51, an independent non-executive director of the Company appointed in 2004. Mr. Wong is an associate member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England & Wales. Mr. Wong is currently practising as a certified public accountant in Hong Kong.

Mr. Yang Jian Gang, aged 47, graduated from Peking University with a bachelor degree in Law in 1987. In 1987, Yang Jian Gang was qualified to practice as a lawyer in the People's Republic of China. From 1987 to 2003, Yang Jian Gang worked with various law firms, which include Jiangxi Provincial Law Firm, Jiangxi Wenlan Law Firm and Guangdong Jindi Law Firm. From 2004 to 2011, Yang Jian Gang worked with Hills & Co. as a partner. Yang Jian Gang currently work with All Bright Law Offices (Shenzhen) as a senior partner.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

This corporate governance report (the "CG Report") presents the corporate governance matters during the period covering the financial year ended 31 March 2013 and up to the date of the annual report (the "Annual Report") in which this CG Report is included (the "CG Period") required to be disclosed under the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Company is committed to ensure high standards of corporate governance in the interest of all its shareholders. The Company has applied and complied with the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report ("New CG Code") (previously known as Code on Corporate Governance Practices) contained in Appendix 14 of the Listing Rules, except for below deviations:

Code provision A.2.1 of the New CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual for a balance of power and authority. Following the resignation of former chairman, Mr. Chan Boon Teong, on 31 December 2012, Mr. Jiang Ming holds both the positions of the chairman and managing director of the Company. Mr. Jiang Ming is the founder and a substantial shareholder of the Company and has considerable industry experience. The board of directors of the Company (the "Board") considers that this situation will not impair the balance of power and authority between the Board and the management of the Company. This is because the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Further, decisions of the Board are made by way of majority voting. The Board believes that this structure is conductive to strong, prompt response and efficient management and implementation.

Code provision A.6.7 of the New CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings. One non-executive director was unable to attend the annual general meeting of the Company held on 3 September 2012 due to other important engagement. Two non-executive directors and one independent non-executive director were unable to attend the special general meeting of the Company held on 19 November 2012 due to other important engagements.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out 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, the directors confirmed that they have complied with the requirements as set out in the Model Code throughout the CG Period.

Board of Directors

The Board currently comprises four executive directors, two non-executive directors and three independent non-executive directors. The directors of the Company during the CG Period were:

Executive Directors

Mr. Jiang Ming *(Chairman and Managing Director)*	
Mr. Tao Lin	
Mr. Cai Shaobin	
Ms. Wang Hongmei	(Appointed on 16 June 2013)
Mr. Wang Bin	(Appointed on 31 December 2012 and resigned on 31 March 2013)
Mr. Chan Boon Teong	(Resigned on 31 December 2012)
Mr. Cheng Wing Bor	(Resigned on 31 December 2012)
Mr. Lin Chen Hsin	(Resigned on 31 December 2012)
Mr. Zheng Hong Qing	(Resigned on 31 December 2012)
Mr. Wang Jun	(Resigned on 31 December 2012)

Non-executive Directors

Mr. Lu Jiqiang	(Appointed on 20 July 2012)
Dr. Dai Jingming	(Appointed on 20 July 2012)
Mr. Guo Limin	(Resigned on 2 May 2012)
Mr. Lu Hua	(Resigned on 2 May 2012)

Independent Non-executive Directors

Mr. Wong Kai Cheong	
Mr. Yang Jian Gang	(Appointed on 31 December 2012)
Mr. Chen Xiaotian	(Appointed on 16 June 2013)
Mr. Law Kin Ho	(Resigned on 31 December 2012)
Mr. Tang Lap Yan	(Resigned on 16 June 2013)

The biographical details of the directors are set out on pages 30 and 31 of the Annual Report. The Board possesses a balance of skill and experience which are appropriate for the business needs of the Group. The independent non-executive directors of the Company have the appropriate professional qualification and accounting and related financial management expertise as required under the Listing Rules. They provide a strong support towards the effective discharge of the duties and responsibilities of the Board. The Company will review the composition of the Board regularly to ensure that the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group's business.

Board of Directors *(Continued)*

During the year, the Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules regarding the appointment of at least three Independent Non-executive Directors including one Independent Non-executive Director with accounting or related financial management expertise and the number of Independent Non-executive Directors representing at least one-third of the Board.

Pursuant to the Bye-laws, the Board may appoint a director either to fill a causal vacancy or as an addition to the Board from time to time during the year following the recommendation from the Nomination Committee. Any Director appointed by the Board to fill a causal vacancy shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. All directors shall be subject to retirement by rotation at least once every three years and the retiring director shall be eligible for re-election. In addition, at each annual general meeting, at least one-third of the Directors for the time being shall retire from office by rotation and are eligible for re-election.

The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers the three independent non-executive directors to be independent.

The Board's primary functions are to set corporate policy and overall strategy for the Group's operations and to provide effective oversight of the management of the Group's business and affairs. Apart from its statutory responsibilities, the Board also approves major investments and corporate transactions such as issue of debt securities and shares of the Company etc., reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or indirectly through committees established by the Board.

The Board also ensures the good corporate governance policies and practices are implemented within the Group, and is responsible for performing the corporate governance duties including the following:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct manual applicable to employees and the Directors; and
- to review the Company's compliance with the New CG Code and disclosure in the Corporate Governance Report.

Board of Directors *(Continued)*

During the year ended 31 March 2013 and up to the date of this report, the Board conducted a review on the Company's corporate governance practices, in light of amendments to the New CG Code and Listing Rules. Existing and new policies and guidelines were revised and adopted.

Directors at all times have full access to information of the Company. The Board is provided monthly operating information and news update from time to time which contain the up-to-date performance and information of the Company. Directors can have independent access to senior management for information whenever they consider necessary.

The Company has arranged appropriate Directors' and Officers' Liability Insurance for its Directors and officers covering the costs, losses, expenses and liabilities arising from the performance of their duties. The insurance policy covers legal action against its Directors and officers to comply with the requirement of the New CG Code. During the year, no claim was made against the Directors and officers of the Company.

Regular Board meetings are held four times a year at approximately quarterly intervals and additional meetings are held as and when necessary to review and approve annual and interim results, to review quarterly management accounts and approve major investments and corporate transactions. The schedule for regular Board meetings is tentatively set in advance annually. Such Board meetings involve active participation, either in person or through other electronic means of communication, of a majority of directors.

At least 14 days' notice of each regular Board meeting is normally given to all directors who are given an opportunity to include matters for discussion in the agenda. The company secretary of the Company assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are compiled with. The agendas and accompanying Board papers are sent not less than 3 days where possible before the date of Board meetings. All the minutes of the Board meetings are kept by the company secretary of the Company and are freely accessible to by any director.

Board of Directors *(Continued)*

The four regular Board meetings, annual general meeting and special general meeting were held and the attendance of directors is set out below:

	No. of regular meetings held/No. of attendance		
Directors	**Board Meeting**	**Annual General Meeting held on 3 September 2012**	**Special General Meeting held on 19 November 2012**
Executive Directors			
Mr. Jiang Ming *(Chairman of the Board)* (note i)	4/2	1/0	1/0
Mr. Tao Lin	4/1	1/0	1/0
Mr. Cai Shaobin	4/0	1/0	1/0
Ms. Wang Hongmei (note ii)	1/1	–	–
Mr. Wang Bin (note iii)	1/1	–	–
Mr. Chan Boon Teong (note iv)	2/2	1/1	1/1
Mr. Cheng Wing Bor (note iv)	2/2	1/1	1/1
Mr. Lin Chen Hsin (note iv)	2/2	1/1	1/1
Mr. Zheng Hong Qing (note iv)	2/0	1/0	1/0
Mr. Wang Jun (note iv)	2/0	1/0	1/0
Non-executive Directors			
Mr. Lu Jiqiang	4/2	1/1	1/0
Dr. Dai Jingming	4/1	1/0	1/0
Mr. Guo Limin (note v)	0/0	–	–
Mr. Lu Hua (note v)	0/0	–	–
Independent Non-executive Directors			
Mr. Wong Kai Cheong	4/4	1/1	1/1
Mr. Yang Jian Gang (note vi)	2/2	–	–
Mr. Chen Xiaotian (note ii)	1/1	–	–
Mr. Law Kin Ho (note iv)	2/2	1/1	1/1
Mr. Tang Lap Yan (note vii)	3/3	1/0	1/1

Board of Directors *(Continued)*

Notes:

(i) Mr. Jiang Ming was appointed as the chairman on 31 December 2012.

(ii) Ms. Wang Hongmei and Mr. Chen Xiaotian were appointed as an executive director and an independent non-executive director respectively on 16 June 2013 and since then 1 regular Board meeting was held up to the CG Period end date.

(iii) Mr. Wang Bin was appointed and resigned as an executive director on 31 December 2012 and 31 March 2013 respectively and since then 1 regular Board meeting was held up to the date of his resignation.

(iv) Mr. Chan Boon Teong resigned as an executive director and the chairman, and Mr. Cheng Wing Bor, Mr. Lin Chen Hsin, Mr. Zheng Hong Qing and Mr. Wang Jun resigned as executive directors and Mr. Law Kin Ho resigned as an independent non-executive director on 31 December 2012 and 2 regular Board meetings were held up to the date of their resignation.

(v) Mr. Guo Limin and Mr. Lu Hua resigned as non-executive directors on 2 May 2012 and no regular Board meeting was held up to the date of their resignation since the date of last CG Report.

(vi) Mr. Yang Jian Gang was appointed as an independent non-executive director on 31 December 2012 and since then 2 regular Board meetings were held up to the CG Period end date.

(vii) Mr. Tang Lap Yan resigned as an independent non-executive director on 16 June 2013 and 3 regular Board meetings were held up to the date of his resignation.

Chairman and Managing Director

The responsibility of the chairman is to oversee the functioning of the Board, which include formulating and monitoring the implementation of business strategies, while the managing director bears executive responsibility for the Group's day-to-day business operations and management.

Following the resignation of former chairman, Mr. Chan Boon Teong, on 31 December 2012, Mr. Jiang Ming holds both the positions of the chairman and managing director of the Company. Mr. Jiang Ming is one of the founders and a substantial shareholder of the Company and has considerable industry experience.

The Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company. This is because the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Further, decisions of the Board are made by way of majority voting. The Board believes that this structure is conductive to strong, prompt response and efficient management and implementation.

Directors' Continuous Professional Development

The Company will provide a comprehensive, formal and tailored induction to each newly appointed Director on his first appointment in order to enable he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Company has provided timely technical updates, including the briefing on the amendments on the Listing Rules and the news release published by the Stock Exchange to the Directors. Continuing briefing and professional development for Directors are arranged where necessary.

Nomination Committee

The Company established the Nomination Committee on 30 March 2012 with written terms of reference. The Nomination Committee comprises one executive director, Mr. Jiang Ming (Chairman of the Nomination Committee), and two independent non-executive directors, Mr. Chen Xiaotian and Mr. Wong Kai Cheong. The Nomination Committee is provided with sufficient resources to discharge its duties and can access to independent external professional advice in accordance with the Company's policy if considered necessary.

The members of the Nomination Committee and their respective attendance of the Nomination Committee meetings held during the CG period are as follows:

	No. of meetings held/ No. of attendance
Executive directors	
Mr. Jiang Ming *(Chairman of the Nomination Committee)* (note i)	1/1
Mr. Chan Boon Teong (note ii)	2/2
Independent non-executive directors	
Mr. Chen Xiaotian (note iii)	1/1
Mr. Wong Kai Cheong	3/3
Mr. Law Kin Ho (note iv)	2/2
Mr. Tang Lap Yan (note v)	3/3

Notes:

(i) Mr. Jiang Ming was appointed as a member and the chairman of the Nomination Committee on 31 December 2012 and since then 1 Nomination Committee meeting was held up to the CG Period end date.

(ii) Mr. Chan Boon Teong resigned as a member and the chairman of the Nomination Committee on 31 December 2012 and 2 Nomination Committee meetings were held up to the date of his resignation.

(iii) Mr. Chen Xiaotian was appointed as a member of the Nomination Committee on 31 December 2012 and since then 1 Nomination Committee meeting was held up to the CG Period end date.

(iv) Mr. Law Kin Ho resigned as a member of the Nomination Committee on 31 December 2012 and 2 Nomination Committee meetings were held up to the date of his resignation.

(v) Mr. Tang Lap Yan resigned as a member on 16 June 2013 and 3 Nomination Committee meetings were held up to the date of his resignation.

The primary duties of the Nomination Committee are, inter alias, to review the structure, size and composition of the Board, identify individuals suitably qualified to become Board members, assess the independence of independent non-executive directors and make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors.

The terms of reference of the Nomination Committee are available from the websites of the Stock Exchange and the Company.

Remuneration Committee

The Remuneration Committee was established with specific written terms of reference. The Remuneration Committee's principal roles are to make recommendations to the Board on the remuneration policy and structure for directors and senior management and to review and determine the specific remuneration packages of all executive directors and senior management.

The members of the Remuneration Committee and their respective attendance of the Remuneration Committee meeting held during the CG period are as follows:

	No. of meeting held/ No. of attendance
Independent non-executive directors	
Mr. Yang Jiang Gang *(Chairman of the Remuneration Committee)* (note i)	1/1
Mr. Wong Kai Cheong	1/1
Mr. Law Kin Ho (note ii)	0/0
Mr. Tang Lap Yan (note iii)	0/0
Executive directors	
Mr. Jiang Ming (note iv)	1/1
Mr. Chan Boon Teong (note ii)	0/0
Mr. Cheng Wing Bor (note ii)	0/0

Notes:

(i) Mr. Yang Jian Gang was appointed as a member and the chairman of the Remuneration Committee on 31 December 2012 and since then 1 Remuneration Committee meeting was held up to the CG Period end date.

(ii) Mr. Law Kin Ho, Mr. Chan Boon Teong and Mr. Cheng Wing Bor resigned as members of the Remuneration Committee on 31 December 2012 and no Remuneration Committee meeting was held up to the date of their resignation.

(iii) Mr. Tang Lap Yan was re-designated as a member of the Remuneration Committee on 31 December 2012. He resigned as a member of the Remuneration Committee on 16 June 2013 and no Remuneration Committee meeting was held up to the date of his resignation.

(iv) Mr. Jiang Ming was appointed as a member of the Remuneration Committee on 31 December 2012 and since then 1 Remuneration Committee meeting was held up to the CG Period end date.

The meeting of the Remuneration Committee held during the CG Period is mainly to review the remuneration policy and structure for directors and senior management.

The remuneration of directors and senior management will be reviewed and determined with reference to their duties and responsibilities with the Company and the Group, their skills and experience, their work performance, the Group's performance and the prevailing industry practice and market situation.

A remuneration package for executive directors and senior management will normally comprise basic salary and allowances, mandatory provident fund and medical insurance coverage benefits, performance related discretionary bonus and share options.

The terms of reference of the Remuneration Committee are available from the websites of the Stock Exchange and the Company.

Audit Committee

The Audit Committee was established with specific written terms of reference which were revised in December 2005 to align with the New CG Code requirements. The Audit Committee's primary roles are to review the Group's financial reporting process, internal control system and corporate governance issues and to make relevant recommendations to the Board.

All the Audit Committee members are independent non-executive directors. The Audit Committee meetings held during the CG period and the attendance of the members are as follows:

	No. of meetings held/ No. of attendance
Independent non-executive directors	
Mr. Chen Xiaotian *(Chairman of the Audit Committee)* (note i)	1/1
Mr. Wong Kai Cheong	2/2
Mr. Yang Jian Gang (note ii)	1/1
Mr. Law Kin Ho (note iii)	1/1
Mr. Tang Lap Yan (note iv)	1/1

Notes:

(i) Mr. Chen Xiaotian was appointed as a member and the chairman of the Audit Committee on 16 June 2013 and since then 1 Audit Committee meeting was held up to the CG Period end date.

(ii) Mr. Yang Jian Gang was appointed as a member of the Audit Committee on 31 December 2012 and since then 1 Audit Committee meeting was held up to the CG Period end date.

(iii) Mr. Law Kin Ho resigned as a member of the Audit Committee on 31 December 2012 and 1 Audit Committee meeting was held up to the date of his resignation.

(iv) Mr. Tang Lap Yan resigned as a member and the chairman of the Audit Committee on 16 June 2013 and 1 Audit Committee meeting was held up to the date of his resignation.

Audit Committee *(Continued)*

During the CG Period, the Audit Committee has performed the major tasks summarised as below:

(i) reviewed the draft interim and annual consolidated financial statements of the Group for the six months ended 30 September 2012 and for the year ended 31 March 2013 and the related draft results announcements;

(ii) reviewed the application of the new accounting standards promulgated by the Hong Kong Institute of Certified Public Accountants in the Group's consolidated financial statements;

(iii) reviewed the Group's internal control system with management including review of the work done by the Group's internal audit function;

(iv) reviewed the compliance matters with respect to corporate governance issues;

(v) discussed and reviewed with the external auditor the statutory audit plan and matters relating to significant accounting and auditing issues; and

(vi) reviewed and considered the audit fee of external auditor.

The terms of reference of the Audit Committee are available from the websites of the Stock Exchange and the Company.

Investment Committee

The Investment Committee was established with specific written terms of reference. The Investment Committee's principal roles are to review, pursue and evaluate investment opportunities in property development and investment projects and to approve and execute such investments within the limit as delegated and authorised by the Board from time to time.

The members of the Investment Committee and their respective attendance of the Investment Committee meeting held during the CG period are as follows:

	No. of meeting held/ No. of attendance
Executive directors	
Mr. Tao Lin *(Chairman of the Investment Committee)*	1/1
Mr. Cai Shaobin (note i)	1/1
Ms. Wang Hongmei (note ii)	1/1
Mr. Wang Bin (note iii)	0/0
Mr. Jiang Ming (note iv)	0/0
Mr. Cheng Wing Bor (note iv)	0/0

Notes:

(i) Mr. Cai Shaobin was appointed as a member of the Investment Committee on 31 December 2012 and since then 1 Investment Committee meeting was held up to the CG Period end date.

(ii) Ms. Wang Hongmei was appointed as a member of the Investment Committee on 16 June 2013 and since then 1 Investment Committee meeting was held up to the CG Period end date.

(iii) Mr. Wang Bin was appointed and resigned as a member of the Investment Committee on 31 December 2012 and 31 March 2013 respectively and no Investment Committee meeting was held up to the date of his resignation.

(iv) Mr. Jiang Ming and Mr. Cheng Wing Bor resigned as members of the Investment Committee on 31 December 2012 and no Investment Committee meeting was held up to the date of his resignation.

The meetings of the Investment Committee held during the CG Period are mainly to review, evaluate and approve the identified investment opportunities in property development and investment projects.

Auditor's Remuneration

For the financial year ended 31 March 2013, Deloitte Touche Tohmatsu, the external auditor of the Company, provided the following services to the Group and the respective fees charged are set out below:

Services rendered for the Group	**Fee paid/payable** HK$'000
Audit services	3,450
Non-audit services (including review of interim results)	
Interim review fee	680
Other services	1,600
Total	5,730

Responsibility for Consolidated Financial Statements

The Board is responsible for the timely presentation of balanced, clear and understandable annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors of the Company acknowledge their responsibility for preparing the consolidated financial statements. In preparing the consolidated financial statements for the year ended 31 March 2013, the directors have adopted suitable accounting policies which are pertinent to the Group's operations and relevant to the consolidated financial statements, made judgements and estimates that are prudent and reasonable, and have prepared the consolidated financial statements on a going concern basis. A statement by the Company's external auditor about their reporting responsibilities is set out on pages 54 and 55 of the Annual Report.

Company Secretary

Mr. Cheng Wing Bor is the Company Secretary and responsibles directly to the Board. He has complied with all the qualification, experience and training requirement under the Listing Rules.

Internal Control

The Board recognises the importance of a sound and effective internal control system to the Group's business operations. As a routine procedure and part of the internal control system, during the CG Period, the internal audit team of the Group has regularly conducted internal audits on the operating units and functions of the Group on a rotational basis. The internal audit procedures include a review and/or testing on the Group's significant internal control procedures over finance, operation, compliance and risk management functions and a review on the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions. Findings and recommendations were reported to the Audit Committee. Improvement and reinforcement to the Group's internal control system were thus made as a continuing process.

Shareholders' Rights

The Board and management shall ensure shareholders' rights and all shareholders are treated equitably and fairly. Pursuant to the Bye-laws, any shareholder entitled to attend and vote at a general meeting of the Company is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. In addition, shareholders holding not less than one-twentieth of the total voting rights or not less than 100 shareholders may submit a written request to the Company stating the resolution intended to be proceeded at the annual general meeting.

Any vote of shareholders at a general meeting must be taken by poll (other than procedural matters). Voting results are posted on the websites of the Company and the Stock Exchange on the day of the general meeting. The memorandum of association of the Company and Bye-laws are available on the websites of the Company and the Stock Exchange.

Detailed procedures for the shareholders to convene a special general meeting, putting forward proposals at a general meeting and proposing a person for election as a Director are also available on the website of the Company.

Shareholder and Investor Communication

The Company uses a range of communication tools to ensure its shareholders and investors are kept well informed of key business imperatives. These include AGM, general meetings for specific businesses, annual and interim reports, notices, announcements and circulars.

The AGM is the principal occasion at which the Chairman and directors may interface directly with the shareholders. Most of the directors are usually present at the AGM to which all shareholders are invited and during which they have the opportunity to raise questions with the Board. An AGM circular will be distributed to all shareholders at least 20 clear business days before the meeting, setting out details of each proposed resolution, voting procedures (including procedures for conducting a poll) and other relevant information. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

Annual reports, interim reports, notices, announcements and circulars are archived in the Company's investor relations website: http://www.irasia.com/listco/hk/coastal that can be freely accessed to. Furthermore, the access to the Company's investor relations website can also be made through the "investor relations" hyperlink in the Company's website: http://www.coastal.com.cn. The Company also participates in investment conferences and roadshows organised by investment banks as well as one-on-one meetings and analysts/investors luncheon meetings to meet with investors and securities analysts.

REPORT OF THE DIRECTORS

The directors herein present their report and the audited consolidated financial statements of the Group for the year ended 31 March 2013.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries comprise property development, property investment, provision of property management services and project management and construction services. There were no changes in the nature of the Group's principal activities during the year apart from addition of provision of project management and construction services.

Results and Dividends

The Group's profit for the year ended 31 March 2013 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 56 to 166.

The directors do not recommend the payment of any dividend for the year ended 31 March 2013.

Summary Financial Information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified and restated as appropriate, is set out on page 4 of the Annual Report. This summary does not form part of the audited financial statements.

Property, Plant and Equipment and Investment Properties

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

Properties under Development

Details of movements in the properties under development of the Group during the year are set out in note 24 to the consolidated financial statements.

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year are set out in notes 35 and 37 to the consolidated financial statements respectively.

Pre-Emptive Rights

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

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2013.

Reserves

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

Distributable Reserves

At 31 March 2013, the Company's reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK$2,215,189,000. In addition, the Company's share premium account, in the amount of HK$1,126,800,000 as at 31 March 2013, may be distributed in the form of fully paid bonus shares.

Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers accounted for less than 4% of the total sales for the year and purchases from the Group's five largest suppliers accounted for less than 5% of the total purchases for the year.

None of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers and suppliers.

Directors

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

Executive Directors:

Mr. Jiang Ming *(Chairman and Managing Director)*	
Mr. Tao Lin	
Mr. Cai Shaobin	
Ms. Wang Hongmei	(Appointed on 16 June 2013)
Mr. Wang Bin	(Appointed on 31 December 2012 and resigned on 31 March 2013)
Mr. Chan Boon Teong	(Resigned on 31 December 2012)
Mr. Cheng Wing Bor	(Resigned on 31 December 2012)
Mr. Lin Chen Hsin	(Resigned on 31 December 2012)
Mr. Zheng Hong Qing	(Resigned on 31 December 2012)
Mr. Wang Jun	(Resigned on 31 December 2012)

Non-Executive Directors:

Mr. Lu Jiqiang	(Appointed on 20 July 2012)
Dr. Dai Jingming	(Appointed on 20 July 2012)
Mr. Guo Limin	(Resigned on 2 May 2012)
Mr. Lu Hua	(Resigned on 2 May 2012)

Directors *(Continued)*

Independent Non-executive Directors:

Mr. Wong Kai Cheong	
Mr. Yang Jian Gang	(Appointed on 31 December 2012)
Mr. Chen Xiaotian	(Appointed on 16 June 2013)
Mr. Law Kin Ho	(Resigned on 31 December 2012)
Mr. Tang Lap Yan	(Resigned on 16 June 2013)

In accordance with article 87(1) of the Company's bye-laws, Messrs. Jiang Ming, Tao Lin and Cai Shaobin will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

In accordance with article 86(2) of the Company's bye-laws, the terms of the newly appointed directors, Ms. Wang Hongmei, Messrs. Chen Xiaotian and Yang Jian Gang shall terminate at the conclusion of the forthcoming annual general meeting and, being eligible, will offer themselves for re-election thereat.

The Company has received annual confirmations of independence from Messrs. Chen Xiaotian, Wong Kai Cheong and Yang Jian Gang and as at the date of this report still considers them to be independent.

Directors' Biographies

Biographical details of the directors of the Company are set out on pages 30 and 31 of the Annual Report.

Directors' Service Contracts

Mr. Jiang Ming and Mr. Tao Lin have entered into service contracts with the Company for a term of three years expiring on 29 September 2015. Mr. Cai Shaobin has entered into a service contract with the Group for a term of three years expiring on 31 December 2015. Ms. Wang Hongmei has entered into a service contract with the Group for a term of three years expiring on 15 June 2016. All of the non-executive directors have service contracts with the Company for a term of one year which shall be automatically extended for another one year upon expiration of the term of the service contracts unless terminated by either party to the service contracts which requires not less than one month's length of notice and are subject to retirement by rotation and re-election at the annual general meeting, in accordance with the bye-laws of the Company.

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

Directors' Remuneration

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

Directors' Interests in Contracts

Save as disclosed in note 45 to the consolidated financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year. The Company has received annual confirmations of independence from Messrs. Chen Xiaotian, Wong Kai Cheong and Yang Jian Gang and as at the date of this report still considers them to be independent.

Directors' Interests in Shares and Underlying Shares

At 31 March 2013, the interests (including short positions) of the directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(A) Interests in shares and underlying shares of the Company

(i) Interests in the ordinary shares of the Company

		Number of shares held or short positions, capacity and nature of interest		Percentage of the Company's issued share capital
Name of director	Notes	**Directly beneficially owned**	**Through controlled corporation**	
Mr. Jiang Ming	(a), (b) and (c)	–	1,020,841,319 (L) – (S)	36.58%
Mr. Tao Lin	(a), (b) and (c)	–	1,020,841,319 (L) – (S)	36.58%
Ms. Wang Hongmei	(a), (b) and (c)	–	1,020,841,319 (L) – (S)	36.58%
Mr. Cai Shaobin		33,134,000 (L) – (S)	–	1.19%

L: Long position
S: Short position

Directors' Interests in Shares and Underlying Shares *(Continued)*

(A) Interests in shares and underlying shares of the Company *(Continued)*

(i) Interests in the ordinary shares of the Company *(Continued)*

Notes:

(a) 484,280,792 shares are beneficially owned by Coastal International Holdings Limited ("CIH"), of which the entire issued voting share capital is held as to 37.58% by Mr. Jiang Ming, 5.38% by Mr. Tao Lin, 21.42% by Great Scope Investments Limited (the entire issued voting share capital of which is held by Mr. Jiang Ming) and 5.38% by Cyberich Development Limited (the entire issued voting share capital of which is held by Ms. Wang Hongmei). These 484,280,792 shares represent an aggregate of approximately 17.35% of the issued share capital of the Company.

(b) 52,350,000 shares are beneficially owned by Glory View Investments Limited, of which the entire issued voting share capital is held by CIH. The issued voting share capital of CIH is held in the manner as stated in the foregoing note (a). These 52,350,000 shares represent an aggregate of approximately 1.88% of the issued share capital of the Company.

(c) 484,210,527 shares are beneficially owned by Coastal Enterprise Group Limited, of which the entire issued voting share capital is held by CIH. The issued voting share capital of CIH is held in the manner as stated in the foregoing note (a). These 484,210,527 shares represent an aggregate of approximately 17.35% of the issued share capital of the Company.

(ii) The interests of the directors in the share options of the Company are separately disclosed in note 37 to the consolidated financial statements.

Directors' Interests in Shares and Underlying Shares *(Continued)*

(B) Interests in shares of the associated corporation of the Company

Long positions in shares of Coastal International Holdings Limited ("CIH") (a substantial shareholder of the Company)

Name of director	Number of shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Jiang Ming	3,758	Directly beneficially owned	37.58%
	2,142	Through controlled corporation	21.42%
Mr. Tao Lin	538	Directly beneficially owned	5.38%
Ms. Wang Hongmei	538	Through controlled corporation	5.38%

Save as disclosed above, as at 31 March 2013, none of the directors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in note 37 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors of the Company or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Substantial Shareholders' and other Persons' Interests in Shares and Underlying Shares

Apart from the interests of CIH as disclosed under the heading "Directors' interests in shares and underlying shares" above, the register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2013, the Company had been notified of the following interests of 5% or more in the issued share capital of the Company:

Name	Nature of Interest	Number of ordinary shares held or short positions	Percentage of the Company's issued share capital
Ms. Yang Sun Xin	Family (Note)	1,020,841,319 (L) – (S)	36.58%
Shenzhen Investment Limited	Corporate	631,092,857 (L) – (S)	22.62%

L: Long position
S: Short position

Note: Ms. Yang Sun Xin is the spouse of Mr. Jiang Ming (chairman and a director of the Company) and is deemed to be interested in the 1,020,841,319 shares of the Company, which is the aggregate number of shares that CIH and its wholly-owned subsidiaries, Glory View Investments Limited and Coastal Enterprise Group Limited, are interested in the issued share capital of the Company.

Save as disclosed above, as at 31 March 2013, no persons, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares and underlying shares" above, had registered an interest or a short position in the shares or underlying shares of the Company that was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CONNECTED TRANSACTION

As disclosed in the announcements of the Company dated 4 October 2012 and 16 October 2012, the Group entered into a sale and purchase agreement ("Agreement") with Shenzhen Investment Limited ("SIL"), pursuant to which the Group will (i) dispose of and SIL Group will acquire the entire registered capital of Suzhou New Investment Development Co., Ltd., a wholly owned subsidiary of the Company and its shareholder's loan at a cash consideration of RMB550,000,000 (equivalent to HK$677,757,000) and (ii) will acquire and SIL Group will dispose of 30% registered capital of Huizhou Shum Yip Southern Land Company Limited ("Huizhou Shum Yip"), a wholly-owned subsidiary of SIL Group, and its shareholder's loan at a consideration RMB214,780,000 (equivalent to HK$264,697,000) (collectively referred to as the "Disposal and Acqusition").

Since SIL is a substantial shareholder of the Group which holds approximately 22.62% of the entire equity interest in the Company, SIL is a connected person of the Company. Accordingly, the Disposal and Acquisition under the Agreement constituted a non-exempted connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The Disposal and Acquisition also constituted a major transaction and a very substantial disposal on the part of the Company under the Listing Rules. The ordinary resolution approving the Agreement was passed by the independent shareholders of the Company by poll at the special general meeting held on 19 November 2012 and the transaction was completed in December 2012.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public at the date of this report.

Corporate Governance Practices

Details of the corporate governance practices of the Company are set out in the Corporate Governance Report on pages 32 to 45 of the Annual Report.

Auditor

The consolidated financial statements for the year ended 31 March 2013 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Jiang Ming
Chairman

Hong Kong, 27 June 2013

Deloitte.
德勤

TO THE SHAREHOLDERS OF COASTAL GREENLAND LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Coastal Greenland Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 166, which comprise the consolidated statement of financial position as at 31 March 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2013 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (restated)
Revenue	8	**3,717,094**	7,177,603
Cost of sales		**(2,829,710)**	(4,835,907)
Gross profit		**887,384**	2,341,696
Decrease in fair value of investment properties	17	**(313,143)**	(56,291)
Decrease in fair value of held-for-trading investment		**(4,322)**	–
Fair value gain on warrants		**–**	960
Impairment loss on goodwill	19	**–**	(90,205)
Loss on disposal of property-based subsidiaries	39	**(66,742)**	–
Other income and gains	9	**483,549**	357,267
Marketing and selling expenses		**(136,720)**	(106,380)
Administrative expenses		**(335,264)**	(246,856)
Other expenses		**(179,724)**	(245,260)
Finance costs	10	**(304,118)**	(394,677)
Share of losses of associates		**(3,088)**	(14,330)
Share of loss of jointly controlled entities		**(1,072)**	–
Gain on disposal of an associate	40	**377,423**	–
Profit before taxation		**404,163**	1,545,924
Taxation	11	**(320,931)**	(949,826)
Profit for the year	12	**83,232**	596,098
Other comprehensive income (expense)			
Exchange differences arising on translation to presentation currency		**2,874**	167,425
Surplus on revaluation of buildings		**1,566**	21,056
Deferred tax liability arising on revaluation of buildings		**(259)**	(4,178)
Other comprehensive income for the year		**4,181**	184,303
Total comprehensive income for the year		**87,413**	780,401

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (restated)
Profit (loss) for the year attributable to:			
Owners of the Company		**92,567**	604,069
Non-controlling interests		**(9,335)**	(7,971)
		83,232	596,098
Total comprehensive income (expense) attributable to:			
Owners of the Company		**96,280**	784,656
Non-controlling interests		**(8,867)**	(4,255)
		87,413	780,401
		HK cents	HK cents
Earnings per share	15		
Basic and diluted		**3.32**	21.65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	31.3.2013 HK$'000	31.3.2012 HK$'000 (restated)	1.4.2011 HK$'000 (restated)
NON-CURRENT ASSETS				
Property, plant and equipment	16	**251,068**	1,005,929	982,946
Investment properties	17	**226,222**	1,645,526	1,760,155
Prepaid land lease payments	18	**54,641**	55,832	55,084
Goodwill	19	**–**	–	86,771
Interests in associates	21	**178,124**	419,887	349,266
Interests in jointly controlled entities	20	**159,897**	–	–
Amount due from an associate	45(b)(iv)	**240,087**	–	–
Amount due from a jointly controlled entity	45(b)(v)	**123,828**	–	–
Available-for-sale investments	22	**175,329**	2,960	2,960
Pledged bank deposits	23	**–**	–	61,940
Total non-current assets		**1,409,196**	3,130,134	3,299,122
CURRENT ASSETS				
Properties under development	24	**6,865,152**	6,059,972	9,008,028
Completed properties for sale	25	**1,376,209**	2,668,152	1,423,624
Trade receivables	26	**37,755**	265,619	44,358
Prepayments, deposits and other receivables	28	**2,763,480**	1,366,384	1,853,299
Amounts due from associates	45(b)(ii)&(iii)	**155,360**	113,324	37,726
Amount due from a jointly controlled entity	45(b)(ii)	**75,535**	–	–
Held-for-trading investment	29	**22,306**	–	–
Prepaid tax		**4,481**	5,913	167,206
Pledged bank deposits	23	**831,631**	601,447	543,668
Cash and bank balances	23	**1,793,085**	1,913,030	1,897,256
		13,924,994	12,993,841	14,975,165
Assets classified as held for sale	30	**674,722**	51,042	60,072
Total current assets		**14,599,716**	13,044,883	15,035,237
CURRENT LIABILITIES				
Trade payables	31	**465,666**	500,585	317,928
Deposits received from pre-sales of properties		**1,362,164**	864,298	4,973,372
Other payables and accruals	32	**1,431,708**	1,652,001	1,471,314
Amount due to a customer for contract work	27	**14,351**	–	–
Amount due to a substantial shareholder of the Company	45(b)(i)	**16,638**	11,594	12,156
Amounts due to associates	45(b)(ii)	**–**	67,085	–
Tax payable		**1,439,737**	1,545,788	1,488,774
Interest-bearing bank and other borrowings	33	**1,062,761**	5,036,936	1,531,547
Derivative financial liability – warrants	34	**–**	–	960
		5,793,025	9,678,287	9,796,051

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	**31.3.2013 HK$'000**	31.3.2012 HK$'000 (restated)	1.4.2011 HK$'000 (restated)
Liabilities classified as held for sale	30	**557,891**	–	–
Total current liabilities		**6,350,916**	9,678,287	9,796,051
NET CURRENT ASSETS		**8,248,800**	3,366,596	5,239,186
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,657,996**	6,496,730	8,538,308
CAPITAL AND RESERVES				
Share capital	35	**279,058**	279,058	279,058
Reserves		**4,145,912**	4,049,021	3,258,978
Equity attributable to owners of the Company		**4,424,970**	4,328,079	3,538,036
Non-controlling interests		**80,036**	70,788	75,043
Total equity		**4,505,006**	4,398,867	3,613,079
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	33	**4,735,904**	1,310,092	4,215,043
Long term payable		**–**	–	59,365
Deferred tax liabilities	36	**417,086**	787,771	650,821
Total non-current liabilities		**5,152,990**	2,097,863	4,925,229
		9,657,996	6,496,730	8,538,308

The consolidated financial statements on pages 56 to 166 were approved and authorised for issue by the Board of Directors on 27 June 2013 and are signed on its behalf by:

Jiang Ming
Director

Wang Hongmei
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

		Attributable to owners of the Company											
	Notes	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Capital reserve HK$'000	Leasehold property revaluation reserve HK$'000	Exchange fluctuation reserve HK$'000	PRC reserve funds HK$'000	Share options reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2011 (originally stated)		279,058	1,126,800	37,560	929	47,805	605,349	9,697	55,886	1,540,549	3,703,633	75,043	3,778,676
Adoption of amendments to HKAS 12	2	–	–	–	–	–	(4,019)	–	–	(161,578)	(165,597)	–	(165,597)
At 1 April 2011 (restated)		279,058	1,126,800	37,560	929	47,805	601,330	9,697	55,886	1,378,971	3,538,036	75,043	3,613,079
Exchange differences arising on translation to presentation currency		–	–	–	–	–	163,709	–	–	–	163,709	3,716	167,425
Transfer upon disposal of buildings		–	–	–	–	(624)	–	–	–	624	–	–	–
Surplus on revaluation	16	–	–	–	–	21,056	–	–	–	–	21,056	–	21,056
Deferred tax charge arising on revaluation of buildings	36	–	–	–	–	(4,178)	–	–	–	–	(4,178)	–	(4,178)
Other comprehensive income for the year		–	–	–	–	16,254	163,709	–	–	624	180,587	3,716	184,303
Forfeiture of share options		–	–	–	–	–	–	–	(5,221)	5,221	–	–	–
Profit (loss) for the year		–	–	–	–	–	–	–	–	604,069	604,069	(7,971)	596,098
Total comprehensive income (expense) for the year		–	–	–	–	16,254	163,709	–	(5,221)	609,914	784,656	(4,255)	780,401
Recognition of equity-settled share-based payment	37	–	–	–	–	–	–	–	5,387	–	5,387	–	5,387
At 31 March 2012 (restated)		279,058	1,126,800	37,560	929	64,059	765,039	9,697	56,052	1,988,885	4,328,079	70,788	4,398,867
Exchange differences arising on translation to presentation currency		–	–	–	–	–	2,406	–	–	–	2,406	468	2,874
Surplus on revaluation	16	–	–	–	–	1,566	–	–	–	–	1,566	–	1,566
Deferred tax charge arising on revaluation of buildings	36	–	–	–	–	(259)	–	–	–	–	(259)	–	(259)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

		Attributable to owners of the Company											
	Notes	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Capital reserve HK$'000	Leasehold property revaluation reserve HK$'000	Exchange fluctuation reserve HK$'000	PRC reserve funds HK$'000	Share options reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Other comprehensive income for the year		–	–	–	–	1,307	2,406	–	–	–	3,713	468	4,181
Profit (loss) for the year		–	–	–	–	–	–	–	–	92,567	92,567	(9,335)	83,232
Total comprehensive (expense) income for the year		–	–	–	–	1,307	2,406	–	–	92,567	96,280	(8,867)	87,413
Recognition of equity-settled share-based payment	37	–	–	–	–	–	–	–	611	–	611	–	611
Realised on disposal of property-based subsidiaries	39	–	–	–	–	(13,381)	(26,133)	–	–	39,514	–	–	–
Share options lapsed		–	–	–	–	–	–	–	(56,663)	56,663	–	–	–
Capital contribution from non-controlling interests		–	–	–	–	–	–	–	–	–	–	18,115	18,115
At 31 March 2013		**279,058**	**1,126,800**	**37,560**	**929**	**51,985**	**741,312**	**9,697**	**–**	**2,177,629**	**4,424,970**	**80,036**	**4,505,006**

The contributed surplus of the Group represents the surpluses arising from the issue of shares by Coastal Realty (BVI) Limited, the intermediate holding company of the Group, (i) in the acquisition of Coastal Realty Development Co. Limited, the former holding company of the Group in 1995; and (ii) at a premium to third parties in 1997, less dividends paid to shareholders in previous years.

PRC reserve funds are reserves required by the relevant laws in the People's Republic of China ("PRC") applicable to the Company's PRC subsidiaries for staff welfare and expansion of working capital.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**404,163**	1,545,924
Adjustments for:			
Finance costs		**304,118**	394,677
Share of loss of associates		**3,088**	14,330
Share of loss of jointly controlled entities		**1,072**	–
Interest income		**(31,656)**	(6,066)
Depreciation		**48,662**	58,510
Amortisation of prepaid land lease payments		**1,393**	1,381
Share-based payment		**611**	5,387
Gain on disposal of property, plant and equipment		**(2,029)**	(962)
Gain on disposal of an investment property		**(121,556)**	–
Impairment loss recognised on trade and other receivables		**5,345**	–
Impairment loss on goodwill	19	**–**	90,205
Impairment loss on completed properties held for sale		**33,153**	–
Decrease in fair value of investment properties		**313,143**	56,291
Loss (gain) on disposal of property-based subsidiaries	39	**66,742**	(131,007)
Fair value gain on warrants		**–**	(960)
Gain on disposal of an associate	40	**(377,423)**	–
Gain on repurchase of senior notes		**–**	(1,110)
Provision for legal claims		**–**	69,500
Gain on disposal of financial assets designated at fair value through profit or loss	40	**(29,173)**	–
Decrease in fair value of held-for-trading investment		**4,322**	–
Unrealised profit on the construction income from an associate	21	**7,464**	–
Operating profit before working capital changes		**631,439**	2,096,100
Increase in properties under development		**(2,051,364)**	(2,247,183)
Decrease in completed properties for sale		**2,554,643**	4,914,060
Decrease (increase) in trade receivables		**225,576**	(219,639)
(Increase) decrease in prepayments, deposits and other receivables		**(860,241)**	405,860
Increase in amount due from an associate		**(119,079)**	–
Increase in amount due to customers for contract works		**14,351**	–
(Decrease) increase in trade payables		**(78,740)**	165,121
Decrease in deposits received from pre-sales of properties		**(262,134)**	(4,628,516)
Decrease in other payables and accruals		**(95,555)**	(296)
Cash (used in) generated from operations		**(41,104)**	485,507
Interest received		**31,656**	6,066
PRC Enterprise Income Tax and PRC LAT tax paid		**(758,866)**	(684,643)
Net cash used in operating activities		**(768,314)**	(193,070)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advance of loans receivable		**(417,208)**	(61,680)
Advance to associates		**–**	(16,714)
Advance to a jointly controlled entity		**(199,363)**	–
Acquisition of property-based subsidiaries	38	**(497,014)**	(97,326)
Purchases of property, plant and equipment		**(15,831)**	(23,474)
Acquisition of an associate	21(d)	**–**	(22,084)
Acquisition of an jointly controlled entity	20	**(160,977)**	–
Purchase of an available-for-sale investment		**(172,369)**	–
Purchases of investment properties		**(149)**	(2,534)
Repayment of loans receivable		**287,326**	172,377
Disposal of property-based subsidiaries net of consideration for the acquisition of an associate and a shareholder's loan	39	**400,092**	154,347
Proceeds from disposal of investment properties		**109,039**	133,150
Proceeds from disposal of an associate	40	**293,463**	–
Decrease in restricted bank balances		**170,893**	84,372
Decrease in pledged bank deposits		**283,376**	24,297
Repayment from associates		**66,628**	31,475
Deposits received/proceeds from disposal of assets classified as held for sale	30(b)	**264,407**	20,035
Proceed from disposal of financial assets designated at fair value through profit or loss		**266,736**	–
Proceeds from disposal of property, plant and equipment		**2,660**	8,917
Net cash from investing activities		**681,709**	405,158
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance from an associate		**–**	67,085
New bank and other borrowings raised		**6,032,249**	1,230,971
Repayment of bank and other borrowings		**(5,390,513)**	(916,647)
Interest paid		**(515,147)**	(529,210)
Repayment to a former shareholder of a subsidiary		**–**	(34,675)
Advance from (repayment to) a substantial shareholder of the Company		**5,044**	(562)
Capital contribution from non-controlling shareholder		**18,115**	–
Net cash from (used in) financing activities		**149,748**	(183,038)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**63,143**	29,050
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**1,487,079**	1,405,159
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**8,749**	52,870
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	44	**1,558,971**	1,487,079

1. General

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The consolidated financial statements are presented in Hong Kong dollar which is different from the functional currency of the Company, Renminbi ("RMB"), as the directors of the Company consider that Hong Kong dollar is the appropriate presentation currency in view of its place of listing. The majority of the Company's subsidiaries are operating in the PRC with RMB as their functional currency.

The Group is engaged in the following principal activities:

- property development
- property investment
- provision of property management services
- project management and construction

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

(a) Interest in jointly controlled entities

In the prior years, the Group recognised its interests in jointly controlled entities using proportionate consolidation. The Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entities were combined with the Group's similar line items, line by line, in the consolidated financial statements.

In December 2012, the Group acquired a jointly controlled entity which is engaged in property development in the PRC as disclosed in note 20. During the year ended 31 March 2013, the directors of the Company have re-assessed the Group's accounting policy for interests in jointly controlled entities and are of the view that the adoption of equity method to account for its interests in jointly controlled entities will be more in line with the prevailing industry practice adopted by the PRC property developers and will provide more relevant information in the consolidated financial statements.

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(a) *Interest in jointly controlled entities* (Continued)

Under the equity method, interests in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and are adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities. The change in accounting policy has been applied retrospectively in accordance with Hong Kong Accounting Standard 8 "Accounting Policies, Change in Accounting Estimates and Errors", and the directors of the Company consider that this change in accounting policy has had no material effect on the financial positions of the Group as at 1 April 2011 and 31 March 2012 nor the profit or loss for the year ended 31 March 2012. The assets and liabilities as well as income and expenses of the Group's jointly controlled entity is now presented as separate line items in the consolidated statement of financial position and in the consolidated statement of comprehensive income respectively. Details are disclosed in note 20 headed by "summarised financial information".

(b) *Application of amendments to HKFRSs*

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA:

Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in 2012

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets"

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.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors of the Company reviewed the Group's investment property portfolios and concluded that the Group's investment properties which are all situated in the People's Republic of China (the "PRC") are not held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(b) *Application of amendments to HKFRSs* (Continued)

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets" (Continued)

As a result of the application of the amendments to HKAS 12, the Group recognised deferred taxes on changes in fair value of the investment properties taking into account the land appreciation tax ("LAT") and enterprise income tax ("EIT") payable upon sales of the investment properties. Previously, the Group recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use and did not recognise LAT on changes in fair value of investment properties.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being increased by HK$161,271,000 and HK$165,597,000 as at 31 March 2012 and 1 April 2011 respectively, with the corresponding adjustments recognised as a deduction of retained profits. In addition, the application of the amendments has resulted in the Group's income tax expenses for the years ended 31 March 2013 and 31 March 2012 being decreased by HK$159,754,000 and HK$10,638,000 respectively and hence resulted in the profit for the years ended 31 March 2013 and 31 March 2012 being increased by HK$159,754,000 and HK$10,638,000 respectively.

Amendments to HKAS 1 Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is Annual Improvements to HKFRSs 2009-2011 Cycle. The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In the current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1 April 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 April 2011 without the related notes.

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(c) Summary of the effects of the above changes in accounting policies

The effects of the changes in accounting policies described above on the results for the current and preceding years by line items presented in the consolidated statement of comprehensive income is as follows:

	For the year ended 31 March 2013 HK$'000	2012 HK$'000
Decrease in taxation and increase in profit for the year attributable to owners of the Company	**159,754**	10,638
Increase (decrease) in exchange differences arising on translation to presentation currency and other comprehensive income attributable to owners of the Company	**463**	(6,312)
Increase in total comprehensive income attributable to owners of the Company	**160,217**	4,326

The effects of the changes in accounting policies described above on the financial positions of the Group as at the end of the immediately preceding financial year, i.e. 31 March 2012, is as follows:

	As at 31 March 2012 (originally stated) HK$'000	Adjustments HK$'000	As at 31 March 2012 (restated) HK$'000
Deferred tax liabilities and total effects on net assets	(626,500)	(161,271)	(787,771)
Retained profits	(2,139,825)	150,940	(1,988,885)
Exchange fluctuation reserve	(775,370)	10,331	(765,039)
Total effects on equity	(2,915,195)	161,271	(2,753,924)

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(c) Summary of the effects of the above changes in accounting policies (Continued)

The effects of the changes in accounting policies described above on the financial positions of the Group as at the beginning of the comparative year, i.e. 1 April 2011, is as follows:

	As at 1 April 2011 (originally stated) HK$'000	Adjustments HK$'000	As at 1 April 2011 (restated) HK$'000
Deferred tax liabilities and total effects on net assets	(485,224)	(165,597)	(650,821)
Retained profits	(1,540,549)	161,578	(1,378,971)
Exchange fluctuation reserve	(605,349)	4,019	(601,330)
Total effects on equity	(2,145,898)	165,597	(1,980,301)

The effects of changes in accounting policies above on the Group's basic and diluted (loss) earnings per share for the current and prior years are as follows:

	For the year ended 31 March	
	2013	2012
	HK Cents	HK Cents
Basic and diluted (loss) earnings per share before adjustments	**(2.40)**	21.27
Adjustments arising from change in accounting policy in relation to application of amendments to HKAS 12	**5.72**	0.38
Reported basic and diluted earnings per share	**3.32**	21.65

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(d) New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle except for the amendments to HKAS 1[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[4]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[4]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[4]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC) – Int 21	Levies[4]

1 Effective for annual periods beginning on or after 1 January 2013.
2 Effective for annual periods beginning on or after 1 January 2015.
3 Effective for annual periods beginning on or after 1 July 2012.
4 Effective for annual periods beginning on or after 1 January 2014.

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(d) New and revised HKFRSs issued but not yet effective *(Continued)*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 recognition 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 of financial liabilities attributable to changes in the financial liabilities' 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 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 of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2015 and that the application of the new standard will affect the classification and measurement of the Group's available-for-sale investments but it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(d) *New and revised HKFRSs issued but not yet effective* (Continued)

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2012, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) – Int 12 "Consolidation – Special Purpose Entities". 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.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures" and HK(SIC) – Int 13 "Jointly Controlled Entities – Non-Monetary Contributions by Ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three different 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.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors of the Company have made a preliminary assessment for the adoption of these five standards in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of these five standards is not expected to have material impact on the results and the financial position of the Group but would result in more extensive disclosures in the consolidated financial statements.

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(d) New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 13 "Fair Value Measurement"

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 of the Company 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 will have no material impact on the results and the financial position of the Group but may result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012.

2. Changes in Accounting Policies/Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(d) New and revised HKFRSs issued but not yet effective *(Continued)*

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income" *(Continued)*

The directors of the Company anticipate that the amendments to HKAS 1 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Other than disclosed above, the application of the other new or revised HKFRSs will have no material impact on the results and financial position of the Group.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with HKFRSs issued by 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 have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). 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.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and 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 in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's entity therein.

3. Significant Accounting Policies *(Continued)*

Basis of consolidation (Continued)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted based on the net asset value of the subsidiaries and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. Significant Accounting Policies *(Continued)*

Business combinations *(Continued)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

Acquisition of property-based subsidiaries

On acquisition of property-based subsidiaries which are not businesses, the excess of the consideration over the Group's interest in the carrying amount of acquiree's net assets is allocated to the value of the underlying assets acquired. No goodwill or discount on acquisition is recognised upon the acquisition of interests in a property-based subsidiary.

3. Significant Accounting Policies *(Continued)*

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purpose are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds its interest in that associate (which includes any long-term intents that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

3. Significant Accounting Policies *(Continued)*

***Investments in associates** (Continued)*

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. Significant Accounting Policies *(Continued)*

Investments in jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of jointly controlled entities used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the jointly controlled entity's accounting policies to those of the Group. Under the equity method, investments in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of a jointly controlled entity recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a jointly controlled entity. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group' consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

3. Significant Accounting Policies *(Continued)*

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current asset (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for investment properties that are classified as held for sale and are measured at fair value at the end of the reporting period.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. Significant Accounting Policies *(Continued)*

Revenue recognition *(Continued)*

Specifically, revenue from the sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the purchasers, the collectability of related receivables is reasonably assured. Deposits and instalments received from purchasers prior to meeting the above criteria on revenue recognition are included in the consolidated statement of financial position under current liabilities.

Rental income from properties under operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Property management income is recognised when the related services are rendered.

Project management and construction income is recognised when the related services are rendered.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised using the percentage of completion method, measured by reference to the value of work performed during the year. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the statements of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the statements of financial position under trade receivables.

3. Significant Accounting Policies *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost or fair value less subsequent accumulated depreciation and accumulated impairment losses, if any.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses, if any. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any revaluation increase arising on revaluation of land and buildings is recognised in other comprehensive income and accumulated in leasehold property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Depreciation is recognised so as to write off the cost or fair value of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. Significant Accounting Policies *(Continued)*

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid land lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. Significant Accounting Policies *(Continued)*

Properties under development

Properties under development are stated at the lower of cost and net realisable value. Cost includes the cost of land, development expenditure, borrowing costs capitalised, and other attributable expenses. Net realisable value is determined by management based on prevailing market conditions.

Completed properties for sale

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

Impairment loss on tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. Significant Accounting Policies *(Continued)*

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity ("foreign currencies") are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using the exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributable to non-controlling interests as appropriate).

3. Significant Accounting Policies *(Continued)*

Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are recognised as an expense when employees have rendered service entitling them to the contributions. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The PRC subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

3. Significant Accounting Policies *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Significant Accounting Policies *(Continued)*

Taxation (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL represent financial assets held for trading. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, loan receivables, amounts due from associates, amount due from a jointly controlled entity, pledged bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of loss on financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of loss on financial assets (Continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade payables, other payables, amount due to a substantial shareholder of the Company, amounts due to associates, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Share-based payment transactions

For share options granted to the employees and directors, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management in determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development if the properties are intended for sale after completion. Upon completion of construction, properties under development are transferred to completed properties for sale and are subsequently measured at the lower of cost and net realisable value. Properties under construction are accounted for as investment properties if the properties are planned to be held to earn rentals and/or for capital appreciation after completion.

Revenue recognition of sale of properties

The Group recognises revenue from the sale of properties when the properties have been completed and delivered to the purchasers and the collectability of related receivables is reasonably assured. Judgement is made by the management in determining whether the receivables on sale of properties are reasonably assured upon delivery of the properties to the purchasers. The Group considers the credit worthiness of each individual purchaser and the contractual repayment arrangement with the purchasers in determining the collectability.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Critical judgements in applying the Group's accounting policies *(Continued)*

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties located in the PRC are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has recognised the deferred taxes on changes in fair value of investment properties as the Group is subject to LAT and EIT on disposal of its investment properties.

Key sources of estimation uncertainty

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

LAT

PRC LAT is levied on the appreciation of land value, being the proceeds from the sales of properties less deductible expenditure including sales charges, borrowing costs and all property development expenditure.

The subsidiaries of the Group engaging in property development business in the PRC are subject to LAT, which have been included in the tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its LAT returns with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the tax expense and provision for LAT included in tax payable in the period in which such determination is made. During the year ended 31 March 2013, PRC LAT of HK$239,009,000 (2012: HK$528,137,000) was recognised in profit or loss on disposal of investment properties and completed properties for sale during the year and PRC deferred LAT credit of HK$213,005,000 (2012: HK$14,184,000) was recognised in profit or loss on changes in fair value of investment properties.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Fair value of investment properties

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions. In relying on the valuation report, the management has exercised their judgement and is satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in changes in the fair values of the Group's investment properties being recognised in profit or loss. The carrying amount of investment properties measured at fair value at 31 March 2013 was HK$4,322,000 (2012: HK$1,424,463,000).

Deposits for acquisition of land use rights

The Group determines whether or not the deposits paid for acquisition of land use rights for property development for sale purpose are impaired. Deposits paid to independent third parties, both secured and unsecured, are based on the agreed terms as stipulated in the relevant agreements. Impairment losses are recognised for the deposits where events or changes in circumstances indicate that the acquisition may not be completed and the deposits are not recoverable. The management has delegated a team responsible for monitoring progress of the acquisition to ensure the deposits are recoverable. Whenever the recoverable amount from the land use rights to be acquired is less than the carrying amount of the deposits paid, impairment losses are recognised.

The carrying amount of deposits for acquisition of land use rights included in prepayments, deposits and other receivables at 31 March 2013 was HK$959,789,000 (2012: HK$804,862,000). Further details are set out in note 28.

Recognition and allocation of construction cost on properties under development

Development costs of properties are recorded as properties under development during construction stage and will be transferred to completed properties for sale upon completion. An apportionment of these costs will be recognised in the consolidated statement of comprehensive income upon the recognition of the sale of the properties. Prior to the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a phase are recorded as the cost of such phase. Costs that are common to phases are allocated to individual phases based on the estimated saleable area of the entire project.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Key sources of estimation uncertainty (Continued)

Recognition and allocation of construction cost on properties under development (Continued)

Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years after the completion.

Estimated write-downs of properties under development and completed properties for sale

The Group writes down properties under development and completed properties for sale to net realisable value based on assessment of the realisability of properties under development and completed properties for sale, taking into account costs to completion based on past experience and net sales value based on past experience and prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease and this might result in write-downs of properties under development and completed properties for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgements and estimates. If the expectation is different, it will impact the carrying value and write-downs of properties under development and completed properties for sale in the period in which such estimate is changed. The carrying amounts of properties under development and completed properties for sale at 31 March 2013 were HK$6,865,152,000 (2012: HK$6,059,972,000) and HK$1,376,209,000 (2012: HK$2,668,152,000) respectively.

Estimated impairment of receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

In marking the estimates, management considered the ultimate realisation of these receivables, including the current credit worthiness, past collection history and subsequent settlement of each debtors.

At 31 March 2013, amounts due from associates amounted to HK$395,447,000 (2012: HK$13,324,000), amount due from a jointly controlled entity amounted to HK$199,363,000 (2012: nil), other receivables amounted to HK$689,924,000 (2012: HK$222,191,000) and loans receivable amounted to HK$191,562,000 (2012: HK$61,680,000).

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Percentage of completion of construction works

The Group recognises the revenue according to the percentage of completion of the individual contract of construction works. The percentage of completion is measured by reference to the value of work performed during the year. Construction revenue is estimated in accordance with the terms set out in the relevant contracts. Construction costs are estimated by the management on the basis of quotations from time to time and the experience of the management. Because of the nature of the activities undertaken in construction contract, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different reporting periods. The Group regularly reviews and revises the estimation of both contract revenue and contract cost in the budget prepared for each construction contract as the contract progresses. Any change in the estimates of construction revenue or construction cost will affect the amount of foreseeable losses, or attributable profits recognised in the profit or loss prospectively in each reporting period using the percentage of completion method.

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 33, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

6. Financial Instruments

(a) *Categories of financial instruments*

	2013 HK$'000	2012 HK$'000
Financial assets		
Loans and receivables (including pledged bank deposits, cash and bank balances)	**4,138,767**	3,177,291
Available-for-sale investments	**175,329**	2,960
Held-for-trading investment	**22,306**	–
Financial liabilities		
Amortised cost	**6,659,183**	7,517,775

(b) *Financial risk management objectives and policies*

The Group's major financial instruments include trade receivables, other receivables, loan receivables, amounts due from/to associates, amount due from a jointly controlled entity, pledged bank deposits, bank balances, trade payables, other payables, amount due to a substantial shareholder of the Company, and interest-bearing bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Market risk*

Currency risk

The Group has bank balances and borrowings denominated in Hong Kong dollars and United States dollars, which are different from the functional currency of the respective group entity and accordingly expose the Group to foreign currency risk. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

6. Financial Instruments *(Continued)*

(b) *Financial risk management objectives and policies (Continued)*

(i) *Market risk (Continued)*

Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	Assets		Liabilities	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong dollars	**7,669**	12,531	**206,840**	47,304
United States dollars	**417,230**	135,605	**1,021,388**	1,853,779

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2012: 5%) increase in RMB against Hong Kong dollars and United States dollars. 5% (2012: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2012: 5%) change in foreign currency rates. A positive number below indicates an increase in profit for the year where RMB strengthens against the relevant foreign currencies. For a 5% (2012: 5%) weakening of RMB against the relevant currencies, there would be an equal and opposite impact on the profit for the year.

	2013	2012
	HK$'000	HK$'000
Hong Kong dollars		
Increase in profit for the year	**9,892**	1,715
United States dollars		
Increase in profit for the year	**30,055**	84,891

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

6. Financial Instruments *(Continued)*

(b) *Financial risk management objectives and policies* *(Continued)*

(i) *Market risk* *(Continued)*

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to loan receivable, amount due from a jointly controlled entity and fixed-rate bank and other borrowings. The Group is also exposed to cash flow interest rate primarily in relation to amount due from an associate, variable-rate bank and other borrowings. The Group's cash flow interest rate is mainly concentrated on the fluctuation of London Interbank Offered Rate ("LIBOR") and People's Bank of China ("PBOC") prescribed interest rate arising from the Group's United States dollar and RMB denominated borrowings. The management considers the exposure to interest rate risk in relation to pledged bank deposits and bank balances is insignificant due to the low level of bank interest rate. During the year, the Group has not entered into any derivative contracts to hedge against its cash flow and fair value interest rate risk.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank and other borrowings. The analysis is prepared assuming the amount of asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 (2012: 100) basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 100 (2012: 100) basis points higher/lower and all other variables were held constant, the Group's profit for the year would be decreased/increased by HK$5,462,000 (2012: HK$18,304,000).

Other price risk

The Group is exposed to equity price risk through its held-for-trading investment. The management manages this exposure by monitoring closely market fluctuations. The Group will consider hedging the risk exposure should the need arise.

Sensitivity analysis

If the price of the held-for-trading investment had been 5% higher/lower, the Group's profit after tax for the year would increase/decrease by HK$836,000 as a result of the changes in fair value of held-for-trading investment.

The sensitivity analysis is prepared based on the exposure to equity price risks at the reporting date.

6. Financial Instruments *(Continued)*

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk

As at 31 March 2013, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantee provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantee contracts issued by the Group as disclosed in note 41.

The Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. With respect to financial guarantee provided to a bank to secure the banking facility granted to an associate by the Group, the directors consider the credit risk is limited because the associate has strong financial position. The management considers the credit risk exposure to financial guarantee provided to banks to secure the banking facilities granted to property purchasers is also limited because the facilities are secured by the properties and the market price of the properties is higher than the guaranteed amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 March 2013, the Group has concentration of credit risk in respect of the amounts due from associates and a jointly controlled entity, amounts due from a local government in the PRC and a non-controlling interest and loans receivable as disclosed in note 28. The management closely monitors the financial position and repayment status of the debtors, and considered that the credit risk is low. The Group has no other significant concentration of credit risk, with exposure spread over a number of counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by credit-ratings agencies.

At 31 March 2012, the Group had concentration of credit risk as 80.6% of the total trade receivables was due from the Group's largest debtor who is a corporate engaged in property investment business in the PRC. The trade receivable from this debtor was fully settled during the year ended 31 March 2013. The management of the Group considered that the credit quality is good and the debtor has made payments in accordance with scheduled repayment terms.

6. Financial Instruments *(Continued)*

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate working capital and continuously monitoring forecast and actual cash flows.

The Group relies on bank and other borrowings as a significant source of liquidity. The Group manages the maturities profile of its bank and other borrowings by designating a team to closely monitor the funding requirement and early negotiate with lenders for refinancing arrangement or seek for new sources of financing prior to maturity.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

6. Financial Instruments *(Continued)*

(b) *Financial risk management objectives and policies* (Continued)

(iii) *Liquidity risk* (Continued)

Liquidity tables (Continued)

	On demand or less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.3.2013 HK$'000
As at 31 March 2013							
Trade and other payables	843,880	–	–	–	–	843,880	843,880
Amount due to a substantial shareholder of the Company	16,638	–	–	–	–	16,638	16,638
Interest-bearing bank and other borrowings							
– fixed rate	102,187	160,626	524,805	3,074,559	–	3,862,177	3,225,979
– variable rate	105,879	124,378	410,514	2,334,143	–	2,974,914	2,572,686
Financial guarantee contracts	4,042,960	–	–	222,891	–	4,265,851	–
	5,111,544	285,004	935,319	5,631,593	–	11,963,460	6,659,183

	On demand or less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.3.2012 HK$'000
As at 31 March 2012							
Trade and other payables	968,707	61,680	67,486	–	–	1,097,873	1,092,068
Amounts due to associates	67,085	–	–	–	–	67,085	67,085
Amount due to a substantial shareholder of the Company	11,594	–	–	–	–	11,594	11,594
Interest-bearing bank and other borrowings							
– fixed rate	49,569	34,495	2,613,453	564,166	–	3,261,683	2,708,905
– variable rate	43,376	1,192,506	1,734,931	518,540	436,964	3,926,317	3,638,123
Financial guarantee contracts	4,001,232	–	–	123,361	–	4,124,593	–
	5,141,563	1,288,681	4,415,870	1,206,067	436,964	12,489,145	7,517,775

6. Financial Instruments *(Continued)*

(b) *Financial risk management objectives and policies (Continued)*

(iii) *Liquidity risk (Continued)*

Bank loan with a repayment on demand clause is included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 March 2013, the undiscounted principal amount of such bank loan amounted to HK$119,590,000 (2012: HK$26,400,000). Taking into account the Group's financial position, the directors do not believe that the bank will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loan will be repaid during the "3 months to 1 year" (2012: "Over 5 years") time band after the reporting date in accordance with the scheduled repayment dates set out in the loan agreement. At that time, the aggregate principal and interest cash outflows will amount to HK$121,516,000 (2012: HK$31,906,000).

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee. Based on expectation at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change, if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

(c) *Fair values of financial instruments*

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial asset with standard terms and conditions and traded in active markets are determined with reference to quoted market bid prices;

- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and

- the fair values of derivative instruments are determined based on the binomial option pricing model using the assumptions (see note 34) that are supported by observable market data.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

6. Financial Instruments *(Continued)*

(d) *Fair value measurements recognised in the consolidated statement of financial position*

Held-for-trading investment of HK$22,306,000 (2012: nil) which is measured at fair value is grouped into Level 1 measurement. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

There were no transfers between Level 1 and 2 in the current year.

7. Segment Information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors of the Company, being the chief operating decision maker (the "CODM") in order to allocate resources to segments and to assess their performance. During the year ended 31 March 2013, the Group identified a new operating segment – project management and construction in relation to its provision of project management and construction services in the PRC. The comparative information for the year ended 31 March 2012 has been re-presented accordingly. Summary details of the Group's reportable and operating segments are as follows:

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

(b) the property investment segment invests in commercial and residential properties located in the PRC for their rental income potential and/or for capital appreciation;

(c) the property management segment engages in the management of properties in the PRC; and

(d) the project management and construction segment engages in the provision of project management and construction services in the PRC.

7. Segment information *(Continued)*

Segment revenue and results

The Group's revenue and results are substantially derived from operations in the PRC. The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Property development		Property investment		Property management		Project management and construction		Total		Eliminations		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	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	**3,333,167**	7,162,960	**2,602**	8,555	**7,188**	6,088	**374,137**	–	**3,717,094**	7,177,603	**–**	–	**3,717,094**	7,177,603
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**158,074**	55,100	**158,074**	55,100	**(158,074)**	(55,100)	**–**	–
Total	**3,333,167**	7,162,960	**2,602**	8,555	**7,188**	6,088	**532,211**	55,100	**3,875,168**	7,232,703	**(158,074)**	(55,100)	**3,717,094**	7,177,603
Segment profits (loss)	**576,334**	2,054,208	**(256,505)**	(57,493)	**9,047**	1,907	**57,017**	23,682	**385,893**	2,022,304	**(21,192)**	(23,682)	**364,701**	1,998,622
Income from hotel operation													**70,000**	89,900
Expenses of hotel operation													**(74,042)**	(134,879)
Net foreign exchange gains													**3,852**	48,194
Fair value gain on warrants													**–**	960
Interest income													**31,656**	6,066
Finance costs													**(304,118)**	(394,677)
Amortisation of prepaid land lease payments													**(1,393)**	(1,381)
Share of losses of associates													**(3,088)**	(14,330)
Share of loss of a jointly controlled entity													**(1,072)**	–
Gain on disposal of an associate													**377,423**	–
Gain on disposal of financial assets designated at fair value through profit or loss													**29,173**	–
Other net unallocated expense													**(88,929)**	(52,551)
Profit before taxation													**404,163**	1,545,924

Inter-segment revenue is charged at amounts agreed by both parties.

The accounting policies of the reportable segment are the same as the Group's accounting policies described in note 3. Segment results represent the profit before taxation made by each reportable segment without allocation of income and expenses of the Group's head office and hotel operation, net foreign exchange differences, amortisation of prepaid land lease payments, change in fair value of warrants, interest income, finance costs, share of results of associates, share of results of a jointly controlled entity, gain on disposal of financial assets designated at fair value through profit or loss and gain on disposal of an associate. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

7. Segment information *(Continued)*

Segment assets and liabilities

The Group's CODM does not review the segment assets and liabilities for the purposes of allocating resources to segments and assessing their performance. Therefore, no segment assets and liabilities are presented.

Other segment information

Amounts included in the measure of segment profit (loss):

	Property development		Property investment		Property management		Project management and construction		Unallocated		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Depreciation	**1,641**	2,118	**14**	411	**163**	463	**1,090**	–	**45,754**	55,518	**48,662**	58,510
(Gain) loss on disposal of property, plant and equipment	**(228)**	(559)	**18**	(285)	**(240)**	53	**5**	–	**(1,584)**	(171)	**(2,029)**	(962)
Decrease in fair value of investment properties	**–**	–	**313,143**	56,291	**–**	–	**–**	–	**–**	–	**313,143**	56,291
Forfeiture of deposits received	**139,114**	–	**–**	–	**–**	–	**–**	–	**–**	–	**139,114**	–
Gain on disposal of an investment property	**–**	–	**(121,556)**	–	**–**	–	**–**	–	**–**	–	**(121,556)**	–
Provision for legal claims	**–**	69,500	**–**	–	**–**	–	**–**	–	**–**	–	**–**	69,500
Impairment loss on goodwill	**–**	90,205	**–**	–	**–**	–	**–**	–	**–**	–	**–**	90,205
Impairment loss recognised on trade and other receivables	**5,345**	–	**–**	–	**–**	–	**–**	–	**–**	–	**5,345**	–
Impairment loss on completed properties held for sale	**33,153**	–	**–**	–	**–**	–	**–**	–	**–**	–	**33,153**	–

Geographical information

No geographical segment information is presented as the Group's revenue and results are substantially derived from operations in the PRC and the Group's non-current assets are mainly located in the PRC.

Information about major customers

The Group does not have major customers as no single external customer contributes more than 10% of the Group's revenue of respective year.

8. Revenue

An analysis of the Group's revenue for the year is as follows:

	2013 HK$'000	2012 HK$'000
Sale of properties	3,333,167	7,162,960
Construction contract income	359,455	–
Rental income	2,602	8,555
Property management income	7,188	6,088
Project management service income	14,682	–
	3,717,094	7,177,603

9. Other Income and Gains

	2013 HK$'000	2012 HK$'000
Interest income from banks	31,656	6,066
Gain on disposal of property, plant and equipment	2,029	962
Income from hotel operation (Note a)	70,000	89,900
Forfeiture of deposit received (Note b)	139,114	–
Net foreign exchange gains	3,852	48,194
Net project management service income from associates	–	2,694
Gain on disposal of property-based subsidiaries (note 39)	–	131,007
Gain on disposal of an investment property (Note c)	121,556	–
Gain on repurchase of senior notes (note 33(e))	–	1,110
Subsidies from the local government	39,725	15,895
Gain on disposal of financial assets designated at fair value through profit or loss (note 40)	29,173	–
Others	46,444	61,439
	483,549	357,267

Notes:

(a) The Group regards the hotel operation as incidental to its main revenue-generating activities and accordingly, income from hotel operation is not regarded as revenue. Accordingly, expenses incurred for hotel operation are included in other expenses.

9. Other Income And Gains *(Continued)*

Notes: *(Continued)*

(b) During the year ended 31 March 2013, the Group entered into a sale and purchase agreement with an independent third party (the "Buyer") to dispose of its entire interest in a subsidiary holding a property development project in Shenyang, the PRC, at a consideration of RMB1,885,000,000 (equivalent to HK$2,334,163,000). A deposit of RMB111,310,000 (equivalent to HK$139,114,000) was received from the Buyer upon signing the agreement. Due to Buyer failed to complete the transaction, the agreement was terminated and the deposit was forfeited and recognised as other income.

(c) During the year ended 31 March 2013, the Group entered into an agreement with a local government in the PRC in respect of reclamation of land use rights of an investment property in Shenyang, the PRC. The compensation income as stipulated in the agreement is RMB381,144,000 (equivalent to of HK$471,964,000) in which RMB70,000,000 (equivalent to of HK$86,680,000) has been received up to 31 March 2013 and the remaining balance of HK$385,284,000 was included in other receivables as disclosed in note 28(a). A gain on disposal of an investment property of HK$121,556,000 was recognised as other income. Pursuant to the agreement, the remaining balance of HK$385,284,000 was due on 31 July 2012. The directors of the Company expected the remaining balance to be recovered within one year.

10. Finance Costs

	2013	2012
	HK$'000	HK$'000
Interest on bank loans wholly repayable within five years	**135,245**	140,681
Interest on bank loans not wholly repayable within five years	**49,601**	52,297
Interest on other loans wholly repayable within five years	**180,013**	244,960
Interest on senior notes	**94,242**	155,995
	459,101	593,933
Less: Amounts capitalised in properties under development	**(154,983)**	(199,256)
	304,118	394,677

Borrowing costs capitalised during the year arose on the funds borrowed specifically for the purpose of obtaining qualifying assets.

11. Taxation

	2013 HK$'000	2012 HK$'000 (Restated)
Current tax:		
PRC EIT		
Provision for the year	**391,034**	323,381
Underprovision in prior years	**–**	1,889
PRC LAT	**239,009**	528,137
PRC withholding tax	**40,244**	–
	670,287	853,407
Deferred tax (note 36):		
PRC LAT	**(213,005)**	(14,184)
Others	**(136,351)**	110,603
	(349,356)	96,419
Total tax charge for the year	**320,931**	949,826

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits sourced in Hong Kong for both years.

The Group's income tax expense represents tax charges on the assessable profits of subsidiaries operating in the PRC calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Company's PRC subsidiaries is 25% from 1 January 2008 onwards.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

As approved by a PRC tax bureau, a PRC subsidiary is subject to statutory tax rate of 25% on the assessable income which is determined based on 8% of the subsidiary's revenue in accordance with the prescribed tax calculation method pursuant to the applicable PRC tax regulations.

11. Taxation *(Continued)*

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	2013		2012	
	HK$'000	%	HK$'000 (restated)	%
Profit before taxation	404,163		1,545,924	
Tax at the statutory tax rate	101,041	25.0	386,481	25.0
Tax effect of income not taxable	(13,532)	(3.4)	(48,984)	(3.2)
Tax effect of expenses not deductible	155,982	38.6	154,862	10.0
Tax effect of tax losses not recognised	77,041	19.1	49,054	3.2
Tax effect of utilisation of tax losses previously not recognised	(29,147)	(7.2)	(22,929)	(1.4)
Tax effect of share of loss of associates	772	0.2	3,583	0.2
Tax effect of share of loss of jointly controlled entities	268	0.1	–	–
	292,425	72.4	522,067	33.8
PRC LAT	26,004	6.4	513,953	33.2
Income tax effect of PRC LAT	(6,501)	(1.6)	(128,488)	(8.3)
Changes in estimate of deferred tax liability which arose on a business combination	(18,032)	(4.5)	(10,796)	(0.7)
Deferred tax on undistributed earnings of PRC subsidiaries	20,369	5.0	58,677	3.8
Reversal of deferred tax liability upon disposal of investment properties	(3,692)	(0.9)	(7,476)	(0.5)
Effect of adopting prescribed tax calculation method by a PRC subsidiary	10,358	2.6	–	–
Underprovision in prior years	–	–	1,889	0.1
Tax charge and effective tax rate for the year	320,931	79.4	949,826	61.4

12. Profit for the Year

Profit for the year has been arrived at after charging (crediting):

	2013 HK$'000	2012 HK$'000
Cost of completed properties sold	**2,491,079**	4,835,873
Contract work in progress recognised as expense	**338,631**	–
Depreciation of property, plant and equipment (note 16)	**50,699**	61,501
Less: Amounts capitalised in properties under development	**(2,037)**	(2,991)
	48,662	58,510
Amortisation of prepaid land lease payments (note 18)	**1,393**	1,381
Minimum lease payments under operating leases for land and buildings	**11,711**	4,145
Less: Amounts capitalised in properties under development	**(791)**	(4,145)
	10,920	–
Auditor's remuneration	**3,450**	3,400
Staff costs:		
Salaries and other benefits (including directors' remuneration – note 13)	**176,537**	176,045
Share-based payment (note 37)	**611**	5,387
Pension scheme contributions	**18,065**	11,690
Less: Amounts capitalised in properties under development	**(40,026)**	(70,828)
	155,187	122,294
Share of tax of associates (included in share of loss of associates)	**–**	(716)
Impairment loss recognised on trade and other receivables (included in other expenses)	**5,345**	–
Hotel operating expenses including depreciation of HK$23,409,000 (2012: HK$46,390,000) (included in other expenses)	**74,072**	134,879
Impairment loss on completed properties held for sale	**33,153**	–
Interest compensation for late handover of completed properties (included in other expenses)	**15,698**	22,546
Provision for legal claims (included in other expenses) (note 32b)	**–**	69,500
Gross rental income	**(2,602)**	(8,555)
Less: Outgoings	**757**	1,366
Net rental income	**(1,845)**	(7,189)

13. Directors' and Managing Director's Remuneration

Directors' and managing director's remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	2013 HK$'000	2012 HK$'000
Fees:		
Executive directors	–	–
Non-executive directors	–	20
Independent non-executive directors	300	260
	300	280
Other emoluments:		
Salaries and other benefits	17,539	18,536
Share-based payment	156	1,491
Pension scheme contributions	111	143
	17,806	20,170
	18,106	20,450

13. Directors' and Managing Director's Remuneration *(Continued)*

	Fees HK$'000	Salaries and other benefits HK$'000	Share-based payment HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2013					
Executive directors:					
Mr. Jiang Ming	–	3,196	32	15	3,243
Mr. Tao Lin	–	2,827	32	15	2,874
Mr. Cai Shaobin	–	2,521	–	18	2,539
Mr. Wang Bin	–	596	–	15	611
Mr. Chan Boon Teong	–	2,342	32	–	2,374
Mr. Cheng Wing Bor	–	2,050	32	11	2,093
Mr. Lin Chen Hsin	–	428	8	–	436
Mr. Zheng Hong Qing	–	539	–	–	539
Mr. Wang Jun	–	3,040	–	37	3,077
	–	17,539	136	111	17,786
Non-executive directors:					
Mr. Lu Jiqiang	–	–	–	–	–
Dr. Dai Jingming	–	–	–	–	–
	–	–	–	–	–
Independent non-executive directors:					
Mr. Tang Lap Yan	100	–	8	–	108
Mr. Law Kin Ho	50	–	6	–	56
Mr. Wong Kai Cheong	100	–	6	–	106
Mr. Yang Jian Gang	50	–	–	–	50
	300	–	20	–	320
	300	17,539	156	111	18,106

13. Directors' and Managing Director's Remuneration *(Continued)*

	Fees HK$'000	Salaries and other benefits HK$'000	Share-based payment HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2012					
Executive directors:					
Mr. Chan Boon Teong	–	2,800	305	–	3,105
Mr. Jiang Ming	–	3,033	305	12	3,350
Mr. Tao Lin	–	2,683	305	12	3,000
Mr. Cheng Wing Bor	–	2,450	305	12	2,767
Mr. Lin Chen Hsin	–	511	76	–	587
Mr. Cai Shaobin	–	2,085	–	18	2,103
Mr. Zheng Hong Qing	–	636	–	–	636
Mr. Wang Jun (Note)	–	4,338	–	89	4,427
	–	18,536	1,296	143	19,975
Non-executive directors:					
Mr. Guo Limin	10	–	–	–	10
Mr. Lu Hua	10	–	–	–	10
	20	–	–	–	20
Independent non-executive directors:					
Mr. Tang Lap Yan	100	–	75	–	175
Mr. Law Kin Ho	80	–	60	–	140
Mr. Wong Kai Cheong	80	–	60	–	140
	260	–	195	–	455
	280	18,536	1,491	143	20,450

Note: Included in salaries and other benefits is an amount of HK$1,418,000 paid by the Group to Mr. Wong Jun as inducement to join the Group.

13. Directors' and Managing Director's Remuneration *(Continued)*

Mr. Jiang Ming is also the Managing Director of the Company who acts as the role of the Chief Executive of the Company for both years and his emolument disclosed above included those for services rendered by him as the Managing Director.

All of the executive directors and non-executive directors (2012: all of the executive directors) agreed to waive their entitlements to directors' fees totalling HK$110,000 (2012: HK$80,000) for both years. Other than this, there was no arrangement under which a director waived or agreed to waive any remuneration during the year.

14. Five Highest Paid Individuals

The five highest paid individuals during the year included five (2012: five) directors, details of whose remuneration are set out in note 13 above.

Other than as disclosed in note 13 to the consolidated financial statements, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

15. Earnings Per Share

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of HK$92,567,000 (2012: HK$604,069,000 (restated)) and the number of 2,790,582,857 (2012: 2,790,582,857) ordinary shares in issue.

The calculation of diluted earnings per share for the years ended 31 March 2013 and 31 March 2012 did not assume the exercise of the Company's options and warrants as the exercise prices of the options and warrants were higher than the average market price of the Company's shares for the respective years.

16. Property, Plant and Equipment

	Leasehold land and buildings	Leasehold land and hotel building	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST OR VALUATION						
At 1 April 2011	233,243	448,041	157,996	230,736	12,200	1,082,216
Exchange realignment	7,072	17,476	6,053	8,863	441	39,905
Additions	16,299	–	185	3,293	3,697	23,474
Acquired on acquisition of property-based subsidiaries (note 38)	13,105	–	–	142	299	13,546
Disposals	(4,206)	–	(3,918)	(2,556)	(922)	(11,602)
Disposal of property-based subsidiaries (note 39)	–	–	–	(90)	–	(90)
Adjustment on revaluation	15,971	–	–	–	–	15,971
At 31 March 2012	281,484	465,517	160,316	240,388	15,715	1,163,420
Exchange realignment	461	1,034	(74)	(113)	32	1,340
Additions	–	–	–	12,352	3,479	15,831
Acquired on acquisition of property-based subsidiaries (note 38)	–	–	–	183	213	396
Disposals	(384)	–	–	(516)	(2,623)	(3,523)
Disposal of property-based subsidiaries (note 39)	(52,300)	(466,551)	(134,058)	(208,326)	(1,882)	(863,117)
Adjustment on revaluation	(2,751)	–	–	–	–	(2,751)
At 31 March 2013	**226,510**	**–**	**26,184**	**43,968**	**14,934**	**311,596**
Comprising						
At cost	–	–	26,184	43,968	14,934	85,086
At valuation 2013	226,510	–	–	–	–	226,510
	226,510	–	26,184	43,968	14,934	311,596

16. Property, Plant and Equipment *(Continued)*

	Leasehold land and buildings	Leasehold land and hotel building	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
DEPRECIATION						
At 1 April 2011	–	15,450	32,422	45,894	5,504	99,270
Exchange realignment	929	778	1,456	2,055	238	5,456
Provided for the year	4,156	12,666	18,293	24,632	1,754	61,501
Eliminated on disposals	–	–	(573)	(2,396)	(678)	(3,647)
Eliminated on disposal of property-based subsidiaries (note 39)	–	–	–	(4)	–	(4)
Adjustment on revaluation	(5,085)	–	–	–	–	(5,085)
At 31 March 2012	–	28,894	51,598	70,181	6,818	157,491
Exchange realignment	28	19	(29)	(33)	18	3
Provided for the year	5,250	6,364	11,687	25,407	1,991	50,699
Eliminated on disposals	(343)	–	–	(448)	(2,101)	(2,892)
Eliminated on disposal of property-based subsidiaries (note 39)	(618)	(35,277)	(37,947)	(65,719)	(895)	(140,456)
Adjustment on revaluation	(4,317)	–	–	–	–	(4,317)
At 31 March 2013	**–**	**–**	**25,309**	**29,388**	**5,831**	**60,528**
CARRYING VALUES						
At 31 March 2013	**226,510**	**–**	**875**	**14,580**	**9,103**	**251,068**
At 31 March 2012	281,484	436,623	108,718	170,207	8,897	1,005,929

16. Property, Plant and Equipment *(Continued)*

The above items of property, plant and equipment are depreciated using the straight-line method after taking into account their estimated residual values at the following rates per annum:

Leasehold land and buildings	Shorter of land lease term or 2% to 5%
Leasehold land and hotel building	Shorter of land lease term or 2% to 5%
Leasehold improvements	10% – 20%
Furniture, fixtures and equipment	10% – 20%
Motor vehicles	20%

	2013	2012
	HK$'000	HK$'000
Leasehold land and buildings in Hong Kong		
Long lease	**98,404**	84,061
Leasehold land and buildings in the PRC		
Long lease	**20,126**	39,661
Medium-term lease	**107,980**	157,762
	128,106	197,423
	226,510	281,484

During the year ended 31 March 2013, certain Group's land and hotel building located in the PRC under medium-term lease were disposed of through disposal of a property-based subsidiary as disclosed in note 39.

The Group's land and buildings were revalued individually at 31 March 2013 and 31 March 2012 by DTZ Debenham Tie Leung Limited, independent professional valuers not connected with the Group, by reference to market evidence of recent transaction prices for similar properties.

The allocation of leasehold land and buildings elements of certain properties located in the PRC cannot be made reliably, thus the entire amount is classified as a finance lease and accounted for a property, plant and equipment.

Had the Group's land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts at 31 March 2013 would have been HK$156,354,000 (2012: HK$190,531,000).

17. Investment Properties

	Completed investment properties at fair value	Investment property under construction at cost	Total
	HK$'000	HK$'000	HK$'000
FAIR VALUE/COST			
At 1 April 2011	1,548,817	211,338	1,760,155
Exchange realignment	58,565	8,245	66,810
Additions	1,054	1,480	2,534
Disposals	(76,640)	–	(76,640)
Transferred to assets classified as held for sales (note 30)	(51,042)	–	(51,042)
Decrease in fair value recognised in profit or loss	(56,291)	–	(56,291)
At 31 March 2012	1,424,463	221,063	1,645,526
Exchange realignment	(3,136)	837	(2,299)
Additions	149	–	149
Disposals	(344,265)	–	(344,265)
Disposal of property-based subsidiaries (note 39)	(751,694)	–	(751,694)
Transferred to assets classified as held for sales (note 30)	(8,052)	–	(8,052)
Decrease in fair value recognised in profit or loss	(313,143)	–	(313,143)
At 31 March 2013	**4,322**	**221,900**	**226,222**

The Group's investment properties are all situated in the PRC and held under the following lease terms:

	2013	2012
	HK$'000	HK$'000
Long lease	**4,322**	4,305
Medium-term lease	**221,900**	1,641,221
	226,222	1,645,526

17. Investment Properties *(Continued)*

In 2009, the Group entered into a cooperative agreement with a PRC party to develop a commercial property in Beijing, the PRC. Pursuant to the agreement, the Group is mainly responsible for the demolition of the existing properties and construction of the property at the estimated total costs of not less than RMB340 million. Upon the completion of the property development, the Group is entitled to 65% of rental income from leasing of the property for 35 years. Such a property as at 31 March 2013 and 31 March 2012 was measured at cost as the development of the investment property is still at early stage and the fair value cannot be reliably determined. As the Group is considering a possible disposal of this investment property under construction, no further development cost was incurred during the year.

The fair values of the Group's completed investment properties at 31 March 2013 and 31 March 2012 have been arrived at on the basis of valuations carried out on those dates by DTZ Debenham Tie Leung Limited, independent professional valuers not connected with the Group, who has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation of these properties was performed by a director of DTZ Debenham Tie Leung Limited who is a member of The Hong Kong Institute of Surveyors.

For completed investment properties, the valuations have been arrived at by considering the capitalised net rental income or where appropriate, by reference to market evidence of recent transaction prices for similar properties in similar location and condition. In arriving at the capitalised net rental income, the market rentals of all lettable units of the property are assessed and capitalised at market yield expected by investors for this type of property. The market rentals are also assessed by reference to the rentals achieved in other similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the valuer's knowledge of the market expectation from property investors.

All of the Group's property interests held under operating leases to earn rentals or remained vacant and being held to be leased out or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

18. Prepaid Land Lease Payments

	2013 HK$'000	2012 HK$'000
At beginning of year	**57,229**	56,428
Exchange realignment	**207**	2,182
Amortisation during the year (note 12)	**(1,393)**	(1,381)
At end of year	**56,043**	57,229
Analysed for reporting purposes as:		
Non-current asset	**54,641**	55,832
Current asset (included in prepayments, deposits and other receivables)	**1,402**	1,397
	56,043	57,229

The Group's leasehold lands are all located in the PRC and held under medium-term lease.

19. Goodwill

	HK$'000
COST	
At 1 April 2011	86,771
Exchange realignment	3,434
Impairment loss on goodwill	(90,205)
At 31 March 2012 and 31 March 2013	–

Impairment testing of goodwill

The recoverable amount of the CGU is determined based on estimated fair value less costs to sell. The fair value of properties under development less costs to sell was estimated based on the fair values of the comparable properties in similar locations and conditions.

During the year ended 31 March 2012, the Group fully impaired the amount of goodwill of HK$90,205,000 as the properties in the CGU to which the goodwill had been allocated were substantially sold at 31 March 2012 and no further future economic benefits were expected to generate from the CGU.

20. Interests in Jointly Controlled Entities

	2013 HK$'000	2012 HK$'000
Cost of investment in jointly controlled entities	160,977	–
Share of post-acquisition loss and other comprehensive expenses	(1,080)	–
	159,897	–

Summarised financial information

The summarised financial information in respect of the Group's interests in jointly controlled entities which are accounted for using equity method is set out below:

	2013 HK$'000	2012 HK$'000
Non-current assets	32	–
Current assets	892,232	–
Current liabilities	(667,291)	–
Non-current liabilities	(65,076)	–
Net assets	159,897	–
Income	42	–
Expenses	(1,114)	–
Loss for the year	(1,072)	–

20. Interests in Jointly Controlled Entities *(Continued)*

As at 31 March 2013 and 2012, the Group had interests in the following jointly controlled entities:

Name of jointly controlled entity	Registered capital	Place of registration and operation	Proportion of registered capital held by the Group		Group's percentage of Voting power		Group's percentage of Profit sharing (Note b)		Principal activity
			2013	2012	**2013**	2012	**2013**	2012	
			%	%	**%**	%	**%**	%	
New Shanghai Property International Management Co., Ltd.	US$1,000,000	PRC	**30**	30	**43**	43	**30**	30	Inactive
Beijing Huichao Real Estate Development Co., Ltd. ("Beijing Huichao")	RMB50,000,000	PRC	**40**	–	**40**	–	**40**	–	Property development

During the year ended 31 March 2013, the Group acquired 40% equity interest in Beijing Huichao from an independent third party for a cash consideration of RMB130,000,000 (equivalent to HK$160,977,000).

Notes:

(a) The Group has joint control over the financial and operating activities of the companies set out above with the joint venture partners in accordance with the provisions of the relevant contractual agreements and accordingly these companies have been accounted for as jointly controlled entities.

(b) The Group is entitled to share the operating results of the jointly controlled entity based on the Group's profit sharing ratio.

21. Interests in Associates

	2013 HK$'000	2012 HK$'000
Cost of investment in associates		
Listed in the PRC	–	150,699
Unlisted	**193,075**	243,873
Share of post-acquisition (loss) profits and other comprehensive (expenses) income	**(7,487)**	25,315
Other (Note)	**(7,464)**	–
	178,124	419,887
Fair value of listed investment	–	365,037

Note: Amount represented down-stream unrealised profit amounting to HK$7,464,000 (2012: nil) in respect of the construction income from an associate.

The fair value of the listed investment in associate at 31 March 2012 was determined based on the quoted market bid price available on the relevant exchange.

As at 31 March 2013 and 2012, the Group had interests in the following significant associates:

Name of associate	Place of registration and operation	Proportion of registered capital held by the Group 2013 %	2012 %	Principal activities
Listed in the PRC				
Shanghai Fenghwa Group Co., Ltd. ("Shanghai Fenghwa") (Note a)	PRC	–	21.13	Property development and investment

21. Interests in Associates *(Continued)*

Name of associate	Place of registration and operation	Proportion of registered capital held by the Group 2013 %	2012 %	Principal activities
Unlisted				
上海沿海股權投資基金管理有限公司	PRC	**35**	35	Asset management
Shenyang Rongtian Real Estate Development Co., Ltd. ("Shenyang Rongtian") (Note b)	PRC	**–**	20	Property development
Beijing Zi Guang Yan Hai Lian He Investment Co., Ltd.	PRC	**25**	25	Investment holding
Foshan Harmonious Realty Development Co., Ltd. ("Foshan Harmonious Realty") (Note c)	PRC	**20**	20	Property development
Huizhou Shum Yip Southern Land Company Limited ("Huizhou Shum Yip") (Note d)	PRC	**30**	–	Property development and provision of construction services

Notes:

(a) During the year ended 31 March 2013, the Group disposed of 20.05% equity interest in Shanghai Fenghwa for a total consideration of RMB452,400,000 (equivalent to HK$560,199,000). After the disposal, the remaining 1.08% equity interest in Shanghai Fenghwa was accounted for as held-for-trading investment of the Group (see note 40).

(b) During the year ended 31 March 2013, the Group acquired the remaining 80% equity interest in Goldwide Group Limited ("Goldwide") which wholly-owned Shenyang Rongtian, for a cash consideration of HK$551,347,000. Following the completion of the acquisition, Shenyang Rongtian have become a wholly-owned subsidiary of the Group (see note 38).

(c) During the year ended 31 March 2012, the Group disposed of 80% equity interest in Foshan Harmonious Realty to an independent third party and has ceased to have control over Foshan Harmonious Realty. After the disposal, Foshan Harmonious Realty became an associate of the Group (see note 39(b)).

(d) During the year ended 31 March 2013, the Group acquired 30% equity interest in Huizhou Shum Yip for a consideration of RMB19,949,000 (equivalent to HK$24,610,000) from a substantial shareholder of the Company. After the acquisition, Huizhou Shum Yip became an associate of the Group (see note 39).

21. Interests in Associates *(Continued)*

The financial year end of the associates is 31 December of each year. The summarised financial information in respect of the Group's listed and unlisted associates prepared using accounting policies in conformity with those adopted by the Group for the year ended is set out below:

	2013	2012
	HK$'000	HK$'000
Total assets	**2,183,528**	2,679,254
Total liabilities	**(1,522,357)**	(1,091,873)
Net assets	**661,171**	1,587,381
Group's share of net asset of associates	**185,588**	419,887
Revenue	**–**	676,366
Loss for the year	**(10,300)**	(26,307)
Group's share of results of associates for the year	**(3,088)**	(14,330)

22. Available-for-sale Investments

	2013	2012
	HK$'000	HK$'000
Unlisted securities:		
Club membership debentures (Note a)	**2,960**	2,960
Equity securities stated at cost (Note b)	**172,369**	–
	175,329	2,960

Notes:

(a) They represent investments in unlisted club membership debentures in Hong Kong.

(b) During the year, the Group acquired 12% of equity interest in Shanghai Oriental International Culture And Sports Recreation Industry City Development Co., Ltd. ("Shanghai Oriental"). Shanghai Oriental is a private entity incorporated in the PRC and its principal activity is property development in the PRC.

The above unlisted investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so widespread that the directors of the Company are of the opinion that the fair values cannot be measured reliably.

23. Pledged Bank Deposits/Cash and Bank Balances

Pledged bank deposits represent (i) deposits with an aggregate carrying amount of approximately HK$724 million (2012: HK$423 million) pledged to banks for banking facilities granted to the Group (note 33(d)(iv)); (ii) deposits with an aggregate carrying amount of approximately HK$108 million (2012: HK$116 million) pledged to banks in respect of mortgage loan facilities granted to the buyers of certain properties developed by the Group; and (iii) deposits with carrying amount of nil (2012: HK$62 million) pledged for the senior notes of the Company (note 33(f)).

The pledged bank deposits will be released upon the issuance of title deeds to the buyers of properties for bank deposits pledged for the purpose as stated in (ii) above or the settlement of relevant bank loans and senior notes for bank deposits pledged for the purposes as stated in (i) and (iii) above. The pledged bank deposits will be released within 1 year respectively.

Included in cash and bank balances are restricted bank balances of HK$255,058,000 (2012: HK$425,951,000) which are limited to be used in the development of certain property projects.

Bank balances carry interest at market rates which range from 0.10% to 0.51% (2012: 0.10% to 0.50%) per annum. The pledged bank deposits carry fixed interest rates which range from 0.10% to 2.80% (2012: 0.10% to 2.79%) per annum.

24. Properties under Development

	2013 HK$'000	2012 HK$'000
CARRYING AMOUNT		
At beginning of year	**6,059,972**	9,008,028
Exchange realignment	**25,496**	317,885
Additions	**2,208,384**	2,455,539
Acquisition of property-based subsidiaries (note 38)	**613,549**	474,432
Transferred to completed properties for sale	**(1,396,675)**	(6,079,837)
Transferred to assets classified as held for sale (note 30)	**(645,574)**	–
Disposal of property-based subsidiaries (note 39)	**–**	(98,928)
Reversal of unrealised profit	**–**	(10,345)
Elimination of unrealised profit relating to Shanghai Fenghwa's profit on disposal of Coastal Development (Anshan) to the Group	**–**	(6,802)
At end of year	**6,865,152**	6,059,972

The properties under development of the Group are situated in the PRC and are held under the following lease terms:

	2013 HK$'000	2012 HK$'000
Long lease	**4,802,376**	2,163,131
Medium-term lease	**2,062,776**	3,896,841
	6,865,152	6,059,972

Properties under development with carrying amount of HK$4,021,812,000 (2012: HK$2,138,721,000) are expected to be completed and available for sale after twelve months from the end of the reporting period.

25. Completed Properties for Sale

The Group's completed properties for sale are situated in the PRC and are stated at cost less impairment loss.

26. Trade Receivables

Except for the proceeds from sales of properties and rental income from lease of properties which are payable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of not exceeding 60 days to its customers.

An aged analysis of trade receivables as at the end of the reporting period based on invoice date which approximate revenue recognition date, net of allowance for bad and doubtful debts, is as follows:

	2013		2012	
	Balance HK$'000	**Percentage**	Balance HK$'000	Percentage
0 – 30 days	**7,923**	**21**	14,584	6
31 – 60 days	**1,123**	**3**	618	–
61 – 90 days	**118**	**–**	11,208	4
Over 90 days	**28,591**	**76**	239,209	90
	37,755	**100**	265,619	100

The Group has minimal trade receivable balances which have been past due at the reporting date. The trade receivable balance with age over 90 days at the end of the reporting period represents the receivable from sales of completed properties to customers which is not impaired at the end of the reporting period as the management of the Group expects the balances will be fully settled in accordance with repayment schedules set out in the relevant agreements.

In determining the recoverability of trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period. As at 31 March 2013, the concentration of credit risk is limited as the customer base is large and unrelated, the directors of the Company believe that there is no provision required as at the end of the reporting period. As at 31 March 2012, the Group had concentration of credit risk as 80.6% of the total trade receivables was due from the Group's largest debtor who is a private corporate engaged in property investment business in the PRC. The trade receivable from this debtor was fully settled during the year ended 31 March 2013.

27. Amount Due to a Customer for Contract Work

Contract in progress at the end of the reporting period:

	2013 HK$'000	2012 HK$'000
Contract costs incurred plus recognised profit less recognised loss	**356,126**	–
Less: progress billings	**(370,477)**	–
	(14,351)	–

As at 31 March 2013, retention held by a customer for contract work amounting to HK$41,102,000 (2012: nil) has been included in amounts due from associates under current assets.

28. Prepayments, Deposits and Other Receivables

	2013 HK$'000	2012 HK$'000
Other receivables (Note a)	**689,924**	222,191
Prepayment for land leases (Note b)	**659,225**	–
Deposits for future acquisition of land use rights (Note c)	**959,789**	804,862
Prepaid operating expenses and other deposits	**262,980**	277,651
Loans receivables (Note d)	**191,562**	61,680
	2,763,480	1,366,384

Notes:

(a) Included in other receivables at 31 March 2013 is an amount of HK$385,284,000 (2012: nil) (see note 9(c)) and HK$61,295,000 (2012: HK$61,059,000) due from a local government in the PRC and a non-controlling shareholder of a subsidiary respectively which are unsecured, non-trade, interest-free and expected to be recovered within one year.

(b) As at 31 March 2013, a total consideration of HK$659,225,000 was prepaid in full for an acquisition of a piece of land in the PRC for property development for sale purpose and such prepayment was classified as current assets. As at 31 March 2013, the Group is in the process of obtaining land title. Upon the issuance of relevant land title documents to the Group, the prepaid amount which represents the land purchase cost will be recognised as "properties under development".

28. Prepayments, Deposits and Other Receivables *(Continued)*

Notes: *(Continued)*

(c) The amounts represent payments made for the possible acquisition of land use rights in the PRC which will be developed for sale purpose. An amount of HK$62,663,000 (2012: HK$62,328,000) was paid to a non-controlling shareholder of a subsidiary which is fully secured by a land use right pledged to the Group. An amount of HK$262,798,000 (2012: HK$92,669,000) was paid to an independent third party which is secured by the equity interests of certain PRC companies owned by the independent third party. For the remaining deposits paid, no assets were pledged to secure the amounts paid by the Group. These deposits will be wholly refundable if the acquisition is terminated subsequently.

(d) Included in loan receivables at 31 March 2013 is an amount of HK$61,914,000 (2012: HK$61,680,000) due from a non-controlling shareholder of a subsidiary which was unsecured and interest bearing at 6.56% per annum.

The remaining loan receivable from an independent third party of HK$129,648,000 (2012: nil) is interest bearing at 9.50% per annum and is secured by the equity interest of a PRC company owned by the independent third party which engages in property development business in the PRC.

The directors of the Company estimate that the loan receivables will be recovered within the next twelve months from the end of the reporting period. Accordingly, the amount is classified as current asset.

29. Held-for-trading Investment

	2013	2012
	HK$'000	HK$'000
Held-for-trading investment stated at fair value:		
Equity security listed in the PRC (note 40)	**22,306**	–

At the end of the reporting period, the listed security are stated at fair value which has been determined by reference to a closing price quoted in the active market.

30. Assets and Liabilities Classified as Held for Sale

	2013	2012
	HK$'000	HK$'000
Investment properties (Note a)	**8,052**	51,042
A property-based subsidiary (Note b)	**666,670**	–
Assets classified as held for sales	**674,722**	51,042
Liabilities classified as held for sales (Note b)	**557,891**	–

30. Assets and Liabilities Classified as Held for Sale *(Continued)*

Notes:

(a) During the year ended 31 March 2013, the Group entered into agreements with independent third parties for the disposal of certain units of the Group's investment properties located in the PRC (the "2013 Properties"), which are expected to be sold within the next twelve months from the end of the reporting period. The fair value of the 2013 Properties classified as held for sale at 31 March 2013 amounted to HK$8,052,000, which is determined by reference to the consideration set out in the relevant agreements. Deposits of HK$1,699,000 were received by the Group during the year.

During the year ended 31 March 2012, the Group entered into agreements with independent third parties for the disposal of certain units of the Group's investment properties located in the PRC (the "2012 Properties"), which are expected to be sold within the next twelve months from the end of the reporting period. The fair value of the 2012 Properties classified as held for sale at 31 March 2012 amounted to HK$51,042,000, which was determined by reference to the consideration set out in the relevant agreements. Deposit of HK$20,035,000 were received by the Group in the prior year. The disposal was completed and the remaining consideration of HK$31,007,000 was received by the Group during the year ended 31 March 2013.

(b) On 15 March 2013, the Group entered into a sale and purchase agreement with an independent third party to dispose of its 60% equity interest in a subsidiary, Wuhan Zhisheng Group Co., Ltd. ("Wuhan Zhisheng"), which hold a piece of land in the PRC, for a cash consideration of RMB280,000,000 (equivalent to HK$346,179,000). The Group received a deposit of US$30,000,000 (equivalent to HK$233,400,000) which has been included in other payables as disclosed in note 32. The Group currently holds 90% equity interest in Wuhan Zhisheng and the Group will cease to have control over Wuhan Zhisheng when the transaction is completed upon fulfilment of the conditions as stipulated in the sale and purchase agreement as the voting power of the Group in the board of directors of Wuhan Zhisheng which makes the financial and operating decisions in Wuhau Zhisheng will drop to below 50% upon completion. The transaction is expected to be completed on or before July 2013.

Pursuant to the shareholder's agreement to be entered into by the Group and other shareholder of Wuhan Zhisheng upon completion of transaction, the acquirer will have a put option to sell the 60% equity interest to the Group at any time after no less than 60% of the saleable area of the developed properties held by Wuhan Zhisheng had been sold at a consideration equivalent to the fair value of the 60% equity interest in Wuhan Zhisheng at the put option exercise date. In the opinion of the directors, the risks and rewards associated with the 60% equity interest will be passed to the acquirer and Group will cease to have control over Wuhan Zhisheng on disposal date. In addition, the directors of the Company considered that the fair value of the put option was minimal at initial recognition and 31 March 2013.

The assets and liabilities attributable to Wuhau Zhisheng, which is expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

30. Assets and Liabilities Classified as Held for Sale *(Continued)*

Notes: *(Continued)*

(b) *(Continued)*

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	2013	2012
	HK$'000	HK$'000
Property under development	**645,574**	–
Prepayments	**152**	–
Cash and bank balances	**20,944**	–
Assets classified as held for sale	**666,670**	–
Other payables	**37,812**	–
Other borrowings	**520,079**	–
Liabilities classified as held for sale	**557,891**	–

31. Trade Payables

An aged analysis of trade payables as at the end of the reporting period based on invoice date is as follows:

	2013		2012	
	Balance	**Percentage**	Balance	Percentage
	HK$'000		HK$'000	
0 – 30 days	**218,424**	**42**	277,717	55
31 – 60 days	**39,730**	**8**	21,445	4
61 – 90 days	**54,660**	**15**	12,425	3
Over 90 days	**152,852**	**35**	188,998	38
	465,666	**100**	500,585	100

32. Other Payables and Accruals

	2013 HK$'000	2012 HK$'000
Sales and other taxes payable	**109,954**	105,917
Other payables (Note a)	**378,214**	591,483
Deposits received on disposal of a subsidiary (note 30(b))	**233,400**	–
Accrued construction costs	**553,887**	730,264
Other accrued operating expenses (Note b)	**156,253**	224,337
	1,431,708	1,652,001

Notes:

(a) Included in other payables as at 31 March 2013 are payables to the local government in the PRC of nil (2012: HK$123,361,000) in connection with a property development project acquired in prior years which was subsequently disposed of in December 2012 (see note 39).

As at 31 March 2012, an amount due to a former shareholder of a subsidiary of HK$25,132,000, which was interest-free and repayable on demand, was included in other payables. The amount of HK$25,242,000 as at 31 March 2013 has been reclassified to liabilities held for sale upon the signing of sales and purchase agreement for the disposal of project company during the year.

(b) Included in other accrued expenses as at 31 March 2013 are provision for legal claims of HK$70,733,000 (2012: HK$69,500,000). The provision represents management's best estimate of the Group's compensation amount payable to the plaintiff in a litigation, based on the court decision made during the year ended 31 March 2012.

33. Interest-bearing Bank and Other Borrowings

	2013 HK$'000	2012 HK$'000
CURRENT		
Bank loans – secured	**898,925**	2,525,408
Other loans – secured	**1,239**	1,529,305
Other loans – unsecured	**162,597**	–
Senior notes – secured	**–**	982,223
	1,062,761	5,036,936
NON-CURRENT		
Bank loans – secured	**2,072,143**	791,977
Other loans – secured	**2,663,761**	518,115
	4,735,904	1,310,092
	5,798,665	6,347,028

33. Interest-bearing Bank and Other Borrowings *(Continued)*

	2013 HK$'000	2012 HK$'000
Analysed into:		
Bank loans repayable:		
Within one year	**779,335**	2,499,008
In the second year	**92,872**	74,017
In the third to fifth years inclusive	**1,979,271**	302,502
Beyond five years	**–**	415,458
	2,851,478	3,290,985
Bank loan that is repayable within one year from the end of the reporting period and contain a repayment on demand clause	**119,590**	–
Bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**–**	26,400
	2,971,068	3,317,385
Other loans repayable:		
Within one year	**163,836**	2,511,528
In the second year	**2,663,761**	518,115
	2,827,597	3,029,643
	5,798,665	6,347,028

33. Interest-bearing Bank and Other Borrowings *(Continued)*

Notes:

(a) Included in other loans as at 31 March 2012 was an amount of HK$1,134,550,000 in relation to trust arrangements with PRC trust companies. The trust arrangements in general involve (i) the transfer of the Group's equity interests in a particular project company to a trust company in return for a fixed consideration; (ii) the Group retains control over, and hence the residual interest in, the project company; (iii) the trust company receives a fixed income during a pre-set period; (iv) the Group is committed to repurchase while the trust company has the obligation to sell such equity interests within the pre-set period. Accordingly, such trust arrangements had been accounted for as financing arrangements rather than disposals of equity interests in project companies.

Included in HK$1,134,550,000 was a trust arrangement of HK$616,804,000 carried fixed rate interest at 17.3% per annum with a repayment term of 18 months and a trust arrangement of HK$517,746,000 carried fixed interest rate at 14.19% per annum with a repayment term of 24 months.

During the year ended 31 March 2013, the above trust arrangements were fully repaid.

(b) The Group's other loans of HK$1,902,633,000 (2012: HK$912,870,000) and HK$466,800,000 (2012: nil) as at 31 March 2013 are borrowed from PRC trust companies and an independent third party respectively which carry interest ranging from 4% to 18.5% (2012: 12.82% to 17.55%) per annum and have repayment terms ranging from 15 months to 3 years (2012: 15 months to 3 years). They are secured by:

(i) certain properties under development of the Group with an aggregate carrying value of approximately HK$314 million (2012: HK$570 million);

(ii) the Group's 100% (2012: 90% and 100%) equity interests respectively in two property-based subsidiaries;

(iii) corporate guarantees from certain subsidiaries of the Company; and

(iv) share charge over the entire issued capital of certain wholly-owned subsidiaries of the Company;

(c) Included in other loans as at 31 March 2013 was an amount due to a non controlling shareholder of a subsidiary and an independent third party amounting to RMB120,000,000 (equivalent to approximately HK$148,594,000) and RMB250,000,000 (equivalent to approximately HK$309,570,000) which carried interest rate at 15% and 25% per annum respectively.

(d) Certain of the Group's bank loans as at 31 March 2013 and 31 March 2012 are secured by:

(i) certain land and buildings of the Group with an aggregate carrying value of approximately HK$219 million (2012: HK$86 million);

(ii) certain land and hotel property of the Group with an aggregate carrying value of nil (2012: HK$437 million);

(iii) certain investment properties of the Group with an aggregate carrying value of nil (2012: HK$849 million);

(iv) certain bank deposits of the Group with an aggregate carrying value of approximately HK$724 million (2012: HK$380 million);

(v) certain properties under development of the Group with an aggregate carrying value of approximately HK$2,130 million (2012: HK$2,852 million);

(vi) certain completed properties for sale of the Group with an aggregate carrying value of nil (2012: HK$202 million); and

(vii) corporate guarantees from the Company and certain of its subsidiaries.

33. Interest-bearing Bank and Other Borrowings *(Continued)*

Notes: *(Continued)*

(e) The ranges of effective interest rates per annum (which also approximate to contracted interest rates) on the Group's interest-bearing bank and other borrowings, other than the senior notes, are as follows:

	2013		2012	
	Borrowings HK$'000	**Interest rate**	Borrowings HK$'000	Interest rate
Effective interest rate:				
Fixed-rate borrowings	**3,225,979**	**2.08% to 20%**	1,726,682	6.10% to 17.55%
Variable-rate borrowings	**2,572,686**	**2.74% to 7.68%**	3,638,123	1.55% to 13.56%

The effective interest rate of variable-rate borrowings is based on PBOC prescribed interest rate or Hong Kong Interbank Offered Rate or LIBOR plus a specified margin.

The Group's borrowings that are denominated in currencies other than RMB, the functional currency of the respective group entities, are set out below:

	2013 HK$'000	2012 HK$'000
United States dollar	**986,504**	1,803,791
Hong Kong dollar	**119,590**	28,600
	1,106,094	1,832,391

33. Interest-bearing Bank and Other Borrowings *(Continued)*

Notes: *(Continued)*

(f) Senior notes

Pursuant to a purchase agreement dated 30 November 2007, the Company issued 1,500 units consisting of 12% guaranteed senior notes (the "2007 Senior Notes") with the principal amount of US$150 million (equivalent to approximately HK$1,167 million) and 111,622,500 warrants conferring rights to subscribe for up to 111,622,500 new ordinary shares of HK$0.10 each in the Company from the issue date to 8 November 2012 at the exercise price of HK$2.46 per share, which had been adjusted to HK$1.23 per share during the year ended 31 March 2009. The 2007 Senior Notes bear fixed interest at 12% per annum and were wholly repayable on 8 November 2012. The 2007 Senior Notes were secured by bank deposits of the Group amounting to approximately HK$62 million and share charges over the entire issued share capital of certain wholly-owned subsidiaries of the Company as at 31 March 2012. The fair value of warrants was determined, upon issuance, and was carried as a derivative financial liability which was measured at fair value with movement recognised in profit or loss. The fair values of warrants at the dates of issue was deducted from the proceeds from the issue of the units to arrive at the initial carrying amount of the senior notes and hence had been allocated to the senior notes on initial recognition.

During the year ended 31 March 2012, the Company repurchased the senior notes with the principal amount and amortised cost of US$3,000,000 (equivalent to HK$23,340,000) and US$2,930,000 (equivalent to HK$22,795,000) respectively at a total consideration of US$2,780,000 (equivalent to HK$21,628,000), resulting in a gain of HK$1,110,000.

As at 31 March 2012, the principal amount of the 2007 Senior Notes outstanding was US$129 million (equivalent to HK$1,004 million). The 2007 Senior Notes was fully repaid in November 2012.

34. Derivative Financial Liability – Warrants

At 31 March 2012, the Company had outstanding 111,622,500 unlisted warrants conferring rights to subscribe for up to 111,622,500 new ordinary shares of HK$0.10 each in the Company at the adjusted exercise price of HK$1.23 per share (subject to further adjustments) at any time on or before 8 November 2012.

These warrants were classified as derivative financial liabilities which were measured at fair value with changes recognised in profit or loss.

The fair value of warrants as at 31 March 2012 was nil, which was calculated using binomial option pricing model. The inputs into the model are as follows:

Exercise price	HK$1.23
Share price	HK$0.27
Volatility	62.3%
Risk free rate	0.126%
Dividend yield	0%

34. Derivative Financial Liability – Warrants *(Continued)*

Since the model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

During the year ended 31 March 2013, the warrants were expired and the derivative financial liabilities were derecognised accordingly.

35. Share Capital

Shares

	Number of ordinary shares	**Nominal value** HK$'000
Authorised:		
Ordinary shares of HK$0.10 each at 1 April 2011, 31 March 2012 and 31 March 2013	7,000,000,000	700,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each at 1 April 2011, 31 March 2012 and 31 March 2013	2,790,582,857	279,058

Share options

Details of the Company's share option scheme and the share options granted under the scheme are included in note 37.

36. Deferred Tax Liabilities

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Business combinations (Note a) HK$'000	Fair value adjustments of investment properties HK$'000	Tax losses (Note b) HK$'000	Undistributed profits of PRC subsidiaries (Note c) HK$'000	Others (Note d) HK$'000	Total HK$'000
At 1 April 2011 (originally stated)	349,621	152,029	(13,358)	106,521	(109,589)	485,224
Adoption of amendments to HKAS 12 (note 2)	–	165,597	–	–	–	165,597
At 1 April 2011 (restated)	349,621	317,626	(13,358)	106,521	(109,589)	650,821
Exchange realignment	12,567	11,942	(330)	4,971	(2,284)	26,866
Acquired on acquisition of property-based subsidiaries (note 38)	8,787	–	–	–	700	9,487
(Credited) charged to profit or loss during the year	(80,442)	(32,187)	13,688	58,677	136,683	96,419
Charged to other comprehensive income during the year	–	–	–	–	4,178	4,178
At 31 March 2012 (restated)	290,533	297,381	–	170,169	29,688	787,771
Exchange realignment	692	(4,567)	–	782	(1,462)	(4,555)
Credited to profit or loss during the year	(60,685)	(235,719)	–	(19,875)	(33,077)	(349,356)
Disposal of property-based subsidiaries (note 39)	–	(54,710)	–	–	37,677	(17,033)
Charged to other comprehensive income during the year	–	–	–	–	259	259
At 31 March 2013	**230,540**	**2,385**	**–**	**151,076**	**33,085**	**417,086**

36. Deferred Tax Liabilities *(Continued)*

Notes:

(a) This represents the tax effect of the temporary differences arising from the fair value adjustments to the carrying amounts of properties under development upon acquisition of subsidiaries under business combination.

(b) At the end of the reporting period, the Group has unused tax losses of HK$774,774,000 (2012: HK$755,816,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK$601,017,000 (2012: HK$639,434,000) that will gradually expire until 2018. Other losses will be carried forward indefinitely. During the year ended 31 March 2013, tax loss of HK$172,000,000 (2012: nil) had been derecognised due to disposal of property based subsidiaries.

(c) At the end of the reporting period, deferred tax liability of HK$20,369,000 (2012: HK$58,677,000) has been recognised on the undistributed profits of PRC subsidiaries and deferred tax liability of HK$40,244,000 (2012: nil) has been reversed upon the payment of withholding tax during the year.

(d) This represents the tax effect of the temporary differences arising from determining the accounting profit and taxable profit in respect of sale of certain properties, as well as capitalisation of interest expenses and other property development costs.

37. Share Option Scheme

On 24 September 2002, the Company adopted a share option scheme (the "Scheme 2002") in compliance with the amendments to the Listing Rules regarding share option scheme announced by the Stock Exchange. The Company subsequently terminated the Scheme 2002 as the Scheme 2002 expired on 23 September 2012 and adopted a new share option scheme (the "Scheme 2011") on 14 September 2011 at the Company's annual general meeting. All the outstanding share options granted under the Scheme 2002 prior to its termination shall continue to remain valid and exercisable in accordance with the provisions of the Scheme 2002. A summary of the principal terms of the Scheme 2011 is set out as follows:

(a) Purpose of the Scheme 2011

The purpose of the Scheme 2011 is to enable the Company to grant options to any employee, executive or officer of the Company or any of the subsidiaries (including executive and non-executive directors of the Company or any of the subsidiaries) and any suppliers, consultants, agents, advisers, shareholders, customers, partners, business associates who, in the sole discretion of the board of directors of the Company, have contributed to the Company and/or any of the subsidiaries (the "Eligible Participants").

(b) Administration of the Scheme 2011

The Scheme 2011 shall be subject to the administration of the directors of the Company whose decision on all matters arising in relation to the Scheme 2011 or their interpretation or effect shall (save as otherwise provided therein) be final and binding on all persons who may be affected thereby.

37. Share Option Scheme *(Continued)*

(c) Grant and acceptance of options

An offer for the grant of an option (the "Offer") shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the board of directors of the Company may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 28 days inclusive of, and from the date of which an Offer is made to an Eligible Participant provided that no such Offer shall be open for acceptance after the earlier of the 10th anniversary of the adoption date of the Scheme 2011 or the termination of the Scheme 2011. A non-refundable nominal consideration of HK$1 is payable by the grantee upon acceptance of an option. An option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the Eligible Participant together with the said consideration of HK$1 is received by the Company. Any Offer may be accepted in respect of less than the number of shares in respect of which it is offered provided that it is accepted in such number of shares as represents a board lot for the time being for the purpose of trading on main board or an integral multiple thereof.

(d) Exercise of options and price of shares

An option may be exercised in whole or in part by the grantee giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for the shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate from the Company's auditors or independent financial advisers, the Company shall allot and issue the relevant shares to the grantee (or his legal personal representative(s)) credited as fully paid.

The exercise price for the shares under the Scheme 2011 shall be determined by the board of directors of the Company at its absolute discretion but in any event will not be less than the higher of: (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant of an option, which must be a business day; and (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant of an option.

37. Share Option Scheme *(Continued)*

(e) Maximum number of shares available for issue

(i) Subject to the Listing Rules, the overall limit on the number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme 2011 and any other scheme of the Company must not, in aggregate, exceed 30% of the shares in issue from time to time (the "Overall Limit"). No options shall be granted under any share option schemes of the Company (including the Scheme 2011) if this will result in the Overall Limit being exceeded.

(ii) Subject to the Overall Limit, the total number of shares which may be issued upon exercise of all options to be granted under the Scheme 2011 and any other share option schemes of the Company adopted by the Group must not, in aggregate, exceed 10% of the shares in issue as at the date of the approval of the Scheme 2011 (the "Scheme Mandate Limit"), unless shareholders' approval has been obtained. Options lapsed in accordance with the terms of the Scheme 2011 will not be counted for the purpose of calculating the Scheme Mandate Limit.

(f) Grant of options to connected persons or any of their associates

Any grant of options to a connected person or its associates must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Where options are proposed to be granted to a connected person who is also a substantial shareholder of the Company or an independent non-executive director or their respective associates and if such grant would result in the total number of shares issued and to be issued upon exercise of the share options granted and to be granted (including share options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total issued shares and having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK$5 million, then the proposed grant must be subject to the approval of shareholders taken on a poll in a general meeting. All connected persons of the Company must abstain from voting at such general meeting (except where any connected person intends to vote against the proposed grant provided that his intention to do so has been stated in the shareholders' circular to be issued).

37. Share Option Scheme *(Continued)*

(g) Maximum entitlement of each Eligible Participant

The total number of shares issued and to be issued upon exercise of the options granted to each Eligible Participant or grantee (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue at the date of grant (the "Individual Limit"). Where it is proposed that any offer is to be made to a Eligible Participant (or where approximate, an existing grantee) which would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon shareholders' approval in general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting.

(h) Time of exercise of options

Subject to the terms of the Scheme 2011, an option may be exercised in whole or in part at any time during the period to be determined and identified by the board of directors of the Company to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Scheme 2011. There is no specified minimum period under the Scheme 2011 for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms of the Scheme 2011.

(i) Duration of the Scheme 2011

Scheme 2011 shall continue in force for the period commencing from the date of adoption of the Scheme 2011 and expiring at the close of business on the tenth anniversary thereof, after such period no further options will be granted but the provisions of the Scheme 2012 shall remain in full force and effect in respect of any options granted before its expiry or termination but not yet exercised.

37. Share Option Scheme *(Continued)*

Up to the date these consolidated financial statements were authorised for issuance, no options under the Scheme 2011 were granted since its adoption on 14 September 2011.

The following table discloses movements of the Company's share options by the vesting period granted under the Scheme 2002 during the current and prior years:

	Number of share options				
Option type	**Outstanding at 1 April 2011**	**Forfeited during the year** (Note 4)	**Outstanding and exercisable at 31 March 2012**	**Lapsed during the year** (Note 5)	**Outstanding and exercisable at 31 March 2013**
Granted on 14 May 2007					
– with vesting period from 14 May 2007 to 14 May 2008	12,200,000	–	12,200,000	(12,200,000)	–
– with vesting period from 14 May 2007 to 14 May 2009	26,012,000	–	26,012,000	(26,012,000)	–
– with vesting period from 14 May 2007 to 14 May 2010	12,200,000	–	12,200,000	(12,200,000)	–
– with vesting period from 14 May 2007 to 14 May 2011	12,200,000	–	12,200,000	(12,200,000)	–
– with vesting period from 14 May 2007 to 14 May 2012	44,428,000	(23,200,000)	21,228,000	(21,228,000)	–
	107,040,000	(23,200,000)	83,840,000	(83,840,000)	–

37. Share Option Scheme *(Continued)*

The following table discloses movements of the Company's share options granted under the Scheme 2002 during the current and prior years:

	Number of share options								
Name or category of Participant	Outstanding at 1 April 2011	Forfeited during the year	Outstanding and exercisable at 31 March 2012	Reclassification adjustment (Note 6)	Lapsed during the year	Outstanding and exercisable at 31 March 2013	Date of grant of share options (Note 1)	Exercise period of share options (Note 2)	Exercise price of share options HK$ (Note 3)
Directors									
Chan Boon Teong	10,000,000	–	10,000,000	(10,000,000)	–	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Jiang Ming	10,000,000	–	10,000,000	–	(10,000,000)	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Tao Lin	10,000,000	–	10,000,000	–	(10,000,000)	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Cheng Wing Bor	10,000,000	–	10,000,000	(10,000,000)	–	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Lin Chen Hsin	2,500,000	–	2,500,000	(2,500,000)	–	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Tang Lap Yan	2,500,000	–	2,500,000	–	(2,500,000)	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Law Kin Ho	2,000,000	–	2,000,000	–	(2,000,000)	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Wong Kai Cheong	2,000,000	–	2,000,000	–	(2,000,000)	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
Other employees and participants									
In aggregate	58,040,000	(23,200,000)	34,840,000	22,500,000	(57,340,000)	–	14 May 2007	15 May 2008 to 23 September 2012	1.20
	107,040,000	(23,200,000)	83,840,000	–	(83,840,000)	–			

37. Share Option Scheme *(Continued)*

Notes:

(1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.

(2) The share options are exercisable in tranches during the period from 15 May 2008 to 23 September 2012, as specified in the share option certificates.

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

(4) 23,200,000 share options for the year ended 31 March 2012 were forfeited due to resignation of the employees and other participants participated in the scheme.

(5) During the year ended 31 March 2012, 83,840,000 options were lapsed under the scheme.

(6) During the year ended 31 March 2013, Chan Boon Teong, Cheng Wing Bor and Lin Chen Hsin, resigned as directors of the Company but remained as employees of the Group. As such, 22,500,000 share options were reclassified to the employees category.

The total fair value of the share options granted was HK$76,077,000 of which a share option expense of HK$611,000 (2012: HK$5,387,000) was recognised for the year ended 31 March 2013.

At 31 March 2012, the Company had 83,840,000 share options outstanding under the Scheme 2002, which represented approximately 3.0% of the Company's shares in issue at that date.

During the year ended 31 March 2013, all outstanding share options were lapsed upon expiry of the exercisable period of the share options.

38. Acquisition of Property-based Subsidiaries

(a) On 31 May 2012, the Group acquired 80% additional equity interest in an 20% associate of the Group, Goldwide, from an independent third party for a cash consideration of HK$551,347,000, whereby control was passed to the Group on completion date. Goldwide held a wholly-owned subsidiary, Shenyang Rongtian Real Estate Development Co., Ltd., an entity which is engaged in property development in the PRC. Following the completion of the acquisition, Goldwide has become a wholly-owned subsidiary of the Group. This acquisition has been accounted for as purchase of assets rather than as business combination because the assets acquired and liabilities assumed did not constitute a business as defined under HKFRS 3 "Business Combinations".

(b) During the year ended 31 March 2012, the Group acquired 100% equity interest in Coastal Greenland Development (Anshan) Ltd. ("Coastal Development (Anshan)") from a former associate of the Group, Shanghai Fenghwa for a cash consideration of HK$146,626,000. This acquisition had been accounted for using the acquisition method because Coastal Development (Anshan) was engaged in the property development business in the PRC. Coastal Development (Anshan) was acquired so as to continue the expansion of the Group's property development business.

38. Acquisition of Property-based Subsidiaries *(Continued)*

(c) The net assets acquired in these transactions are as follows:

	2013 HK$'000	2012 HK$'000
Net assets acquired:		
Property, plant and equipment (note 16)	396	13,546
Pledged bank deposits	513,560	–
Properties under development (note 24)	613,549	474,432
Completed properties for sale	115,489	26,025
Prepayments, deposits and other receivables	61,165	22,679
Amount due from the Group	70,819	–
Prepaid tax	43,718	13,680
Cash and bank balances	54,333	49,300
Trade payables	(49,291)	(5,761)
Deposits received from pre-sale of properties	(751,569)	(338,805)
Other payables and accruals	(14,667)	(49,903)
Interest-bearing bank and other borrowings	(22,063)	(49,080)
Deferred tax liabilities	–	(9,487)
	635,439	146,626
Satisfied by:		
Cash	551,347	146,626
Carrying values of the 20% interest held in Goldwide	84,092	–
	635,439	146,626

38. Acquisition of Property-based Subsidiaries *(Continued)*

(d) An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of property-based subsidiaries is as follows:

	2013	2012
	HK$'000	HK$'000
Cash consideration	**(551,347)**	(146,626)
Cash and bank balances acquired	**54,333**	49,300
Net outflow of cash and cash equivalents in respect of the acquisition of property-based subsidiaries	**(497,014)**	(97,326)

Included in the consolidated revenue and profit for the year ended 31 March 2012 is HK$282,899,000 and HK$34,596,000 respectively attributable to the additional operating results generated by Coastal Development (Anshan).

39. Disposal of Property-based Subsidiaries

(a) On 28 September 2012, the Group entered into a sale and purchase agreement with its substantial shareholder, Shenzhen Investment Limited ("SIL") which holds approximately 22.62% of the equity interest in the Company, pursuant to which the Group (i) will dispose of and SIL Group will acquire the entire registered capital of Suzhou New Investment Development Co., Ltd. ("Suzhou New Development"), a wholly owned subsidiary of the Company and its shareholder's loan at a cash consideration of RMB550,000,000 (equivalent to HK$677,757,000) and (ii) will acquire and SIL Group will dispose of 30% registered capital of Huizhou Shum Yip Southern Land Company Limited ("Huizhou Shum Yip"), a wholly-owned subsidiary of SIL Group, and its shareholder's loan at a consideration RMB214,780,000 (equivalent to HK$264,697,000), comprising investment cost in Huizhou Shum Yip of RMB19,949,000 (equivalent to HK$24,610,000) and its shareholder's loan of RMB194,831,000 (equivalent to HK$240,087,000) which carries interest rate at the lending rate quoted by PBOC (collectively referred to as the "Disposal and Acquisition"). Details of the transaction are set out in the Company's circular dated 2 November 2012.

Suzhou New Development and its subsidiaries are principally engaged in property development, property investment, hotel operation and property management in the PRC. Huizhou Shum Yip is principally engaged in property development in the PRC. The Disposal and Acquisition was completed in December 2012.

39. Disposal of Property-based Subsidiaries *(Continued)*

(b) During the year ended 31 March 2012, the Group disposed of 80% equity interest in Foshan Harmonious Realty which is engaged in property development in the PRC to an independent third party for a consideration of HK$113,395,000. Pursuant to the agreement, the acquirer had a put option to sell the 80% equity interest to the Group at any time after no less than 90% of the salable area of the developed properties held by Foshan Harmonious Realty had been sold or on or after 31 December 2013 at a consideration equals to the fair value of the 80% equity interest in Foshan Harmonious Realty at the put option exercise date. In the opinion of the directors, the risks and rewards associated with the 80% equity interest were passed to the acquirer and Group ceased its control over Foshan Harmonious Realty on disposal date. In addition, the directors of the Company considered that the fair value of the put option was minimal. As at 31 March 2013, 13% of the salesable areas of the developed property held by Foshan Harmonious Realty had been sold.

Besides, subsequent to the disposal, Foshan Harmonious Realty appointed the Group as the project manager of the property development project in the PRC held by Foshan Harmonious Realty.

Upon completion of the disposal, the Group was able to exercise significant influence over Foshan Harmonious Realty which had thus become an associate of the Group. The fair value of the 20% interest retained at the date on which the control was lost was accounted for as the carrying amount in initial recognition of the Group's interest in an associate.

39. Disposal of Property-based Subsidiaries *(Continued)*

(c) The net assets disposed of in these transactions are as follows:

	2013 HK$'000	2012 HK$'000
Net assets disposed of:		
Property, plant and equipment (note 16)	**722,661**	86
Investment properties	**751,694**	–
Account receivables	**3,294**	–
Properties held for sales	**209,105**	–
Properties under development (note 24)	**–**	98,928
Prepayments, deposits and other receivables	**39,160**	926
Cash and bank balances	**12,968**	714
Tax recoverable	**17,686**	–
Account payable	**(7,367)**	–
Other payables and accruals	**(260,620)**	(29)
Amount due to the Group	**–**	(89,888)
Bank and other loan	**(727,049)**	–
Deferred tax liabilities (note 36)	**(17,033)**	–
	744,499	10,737
The (loss) gain on disposal is calculated as follows:		
Cash	**677,757**	113,395
Fair value of 20% retained interest in an associate	**–**	28,349
	677,757	141,744
Net assets of subsidiary disposed of	**(744,499)**	(10,737)
(Loss) gain on disposal	**(66,742)**	131,007
Satisfied by:		
Cash	**413,060**	113,395
Fair value of 20% retained interest in an associate	**–**	28,349
Fair value of 30% interest in Huizhou Shum Yip and the shareholder's loan (Note)	**264,697**	–
	677,757	141,744

Note: The consideration approximated the fair value of the net identifiable assets of the associate acquired.

39. Disposal of Property-based Subsidiaries *(Continued)*

(c) The net assets disposed of in these transactions are as follows: *(Continued)*

During the year ended 31 March 2013, revenue of HK$70,000,000 and loss after taxation of HK$265,201,000 attributed by the disposed subsidiaries have been included in the Group's consolidated statement of comprehensive income.

Other than the consideration received from the disposal of the interest in the subsidiaries, the disposed subsidiaries had no significant contribution to the Group's profit after taxation, operating, investing and financing cash flows for the years ended 31 March 2013 and 31 March 2012.

Included in gain on disposal for the year ended 31 March 2012 was an amount of HK$26,202,000 representing the difference between the fair value of retained interest in the disposed subsidiary of HK$28,349,000 and the carrying amount of the net asset value of HK$2,143,000.

(d) An analysis of the net inflow of cash and cash equivalents in respect of the disposal of property-based subsidiaries was as follows:

	2013 **HK$'000**	2012 HK$'000
Cash consideration	**413,060**	113,395
Cash and bank balances disposed of	**(12,968)**	(714)
	400,092	112,681
Settlement of consideration receivable	**–**	41,666
Net inflow of cash and cash equivalents in respect of the disposal of property-based subsidiaries	**400,092**	154,347

40. Gain on Disposal of an Associate

On 20 August 2012, the Group entered into a sale and purchase agreement to dispose of 20.05% equity interest in Shanghai Fenghwa, a limited company established in the PRC with its shares listed on the Shanghai Stock Exchange, to a third party (the "Buyer") at a total consideration of RMB452,400,000 (equivalent to HK$560,199,000). Before the disposal, the Group owned 21.13% equity interest in Shanghai Fenghwa and the investment was previously accounted for as an investment in an associate using the equity method of accounting. During the year ended 31 March 2013, the transaction was completed in three tranches and the Group has retained 1.08% equity interest in Shanghai Fenghwa after the disposal and the 1.08% equity interest in Shanghai Fenghwa was classified as held for trading investment with fair value of HK$22,306,000 as at 31 March 2013. This transaction has resulted in gain on disposal of an associate and financial assets designated at fair value through profit or loss of HK$377,423,000 and HK$29,173,000 (see note 9) respectively.

41. Contingent Liabilities

At the end of the reporting period, the Group had given guarantees as follows:

	2013	2012
	HK$'000	HK$'000
Guarantees given to banks in connection with:		
– mortgage loans granted to property purchasers	**4,042,960**	4,001,232
– banking facilities granted to an associate (note)	**222,891**	123,361
	4,265,851	4,124,593

Note: A counter-guarantee was given by the associate to the Group.

The directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition are insignificant. At the end of the reporting period, the directors of the Company consider that the possibility of default is low due to the basis of short maturity periods and low default rates.

42. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from 1 month to over 5 years at fixed rentals. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2013	2012
	HK$'000	HK$'000
Within one year	**295**	2,038
In the second to fifth years inclusive	**405**	1,852
Over five years	**689**	859
	1,389	4,749

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to over 5 years with fixed rentals.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2013	2012
	HK$'000	HK$'000
Within one year	**8,726**	5,571
In the second to fifth years inclusive	**3,769**	5,574
	12,495	11,145

43. Capital Commitments

At the end of the reporting period, the Group had the following capital commitments:

	2013 HK$'000	2012 HK$'000
Contracted but not provided for:		
Acquisition of property-based subsidiaries	**61,914**	61,680
Authorised but not contracted for:		
Acquisition of investment properties	**212,984**	212,181

44. Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2013 HK$'000	2012 HK$'000
Cash and bank balances	**1,793,085**	1,913,030
Less: restricted bank balances (note 23)	**(255,058)**	(425,951)
	1,538,027	1,487,079
Cash and bank balances included in assets classified as held for sale (note 30)	**20,944**	–
	1,558,971	1,487,079

45. Related Party Transactions

(a) In addition to the transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, the Group had the following significant transactions with related parties:

(i) Prior to 2005, the Group obtained the refinancing of a loan in respect of certain completed properties for sale situated in the PRC (the "Properties") through the arrangement of individual mortgage loans in aggregate amounting to HK$35.9 million (the "Loans") taken out by certain senior management personnel of the Company's subsidiaries (the "Senior Management Personnel"). Under the refinancing arrangement, the Group disposed of the Properties to the Senior Management Personnel for their arrangement of the individual mortgage loans with a bank, the proceeds of which were used to settle the consideration payable to the Group. The Group is responsible for the interest and principal payments of the Loans and the Group retains the beneficial ownership of the Properties and the associated benefits through certain trust deeds and other arrangements. In the opinion of the directors, the Group retains the significant risks and rewards associated with the Properties and the Loans. As such, the Group continued to recognise the Properties and recorded the proceeds received from the Senior Management Personnel as other loans in the consolidated financial statements to reflect the commercial substance of the aforesaid refinancing arrangement. During the year ended 31 March 2012, the Properties were disposed of and the Loans were repaid accordingly.

(ii) During the year ended 31 March 2013, the Group received project management service income of 14,682,000 (2012: HK$2,694,000) from associates.

(iii) During the year ended 31 March 2013, the Group received construction service income of HK$359,455,000 (2012: Nil) from an associate.

(b) Outstanding balances with related parties

(i) The amount due to a substantial shareholder of the Company represents amount due to Coastal International Holdings Limited, which holds 36.58% interests in the Company. The amount is unsecured, interest-free and repayable on demand.

(ii) The amount due from associates of HK$36,281,000 (2012: HK$46,239,000) and a jointly controlled entity of HK$75,535,000 (2012: nil) are non-trade, unsecured, interest-free, repayable on demand.

The amount due to associates were non-trade, unsecured, interest free and repayable on demand and expected to be recovered within one year.

45. Related Party Transactions *(Continued)*

(b) Outstanding balances with related parties *(Continued)*

(iii) The amount due from an associate of HK$119,079,000 (2012: nil) represents trade and retention receivables balances due from Foshan Harmonious Realty. The trade receivable balance is subject to normal credit term of 30 (2012: nil) days, while the retention receivable balance is interest-free and recoverable at the end of the retention period of individual construction contracts ranging from 1 to 2 years.

(iv) The amount due from an associate represents amount due from Hiuzhou Shum Yip which is part of the consideration received by the Group in exchange for the Group's entire equity interest in Suzhou New Development (see note 39). The amount is unsecured and carries interest at PBOC interest rate.

(v) The amount due from a jointly controlled entity represents an amount due from Beijing Huichao. The amount is non-trade and secured by 11% equity interest in Beijing Huichao and interest bearing at 25% per annum.

(c) Compensation of key management personnel of the Group who are the executive directors of the Company

	2013	2012
	HK$'000	HK$'000
Short term benefits	**17,539**	18,536
Share-based payment	**136**	1,296
Post-employment benefits	**111**	143
Total compensation paid to key management personnel	**17,786**	19,975

Further details of directors' emoluments are included in note 13.

46. Statement of Financial Position of the Company

	Note	2013 HK$'000	2012 HK$'000
NON-CURRENT ASSETS			
Interests in subsidiaries		**3,046,323**	2,939,040
Available-for-sale investments		**2,400**	2,400
Total non-current assets		**3,048,723**	2,941,440
CURRENT ASSETS			
Amount due from a substantial shareholder of the Company		**1,306**	1,306
Pledged bank deposits		**–**	62,002
Cash and bank balances		**16,810**	1,706
Total current assets		**18,116**	65,014
CURRENT LIABILITIES			
Other payables and accruals		**41,012**	54,608
Amounts due to subsidiaries		**253,567**	292,467
Interest-bearing borrowings		**466,800**	982,222
Total current liabilities		**761,379**	1,329,297
NET CURRENT LIABILITIES		**(743,263)**	(1,264,283)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,305,460**	1,677,157
CAPITAL AND RESERVES			
Share capital		**279,058**	279,058
Reserves	a	**2,026,402**	1,398,099
Total equity		**2,305,460**	1,677,157

46. Statement of Financial Position of the Company *(Continued)*

Note:

(a) Reserves of the Company

	Share premium HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2011	1,126,800	2,315,240	186,607	55,886	(2,277,487)	1,407,046
Exchange differences arising on translation to presentation currency	–	–	42,712	–	–	42,712
Recognition of equity-settled share-based payment	–	–	–	5,387	–	5,387
Forfeiture of share options	–	–	–	(5,221)	5,221	–
Loss for the year	–	–	–	–	(57,046)	(57,046)
At 31 March 2012	1,126,800	2,315,240	229,319	56,052	(2,329,312)	1,398,099
Exchange differences arising on translation to presentation currency	–	–	9,239	–	–	9,239
Recognition of equity-settled share-based payment	–	–	–	611	–	611
Profit for the year	–	–	–	–	618,453	618,453
Share option lapsed	–	–	–	(56,663)	56,663	–
At 31 March 2013	**1,126,800**	**2,315,240**	**238,558**	**–**	**(1,654,196)**	**2,026,402**

47. Particulars of Principal Subsidiaries

Particulars of principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Nominal value of issued share capital/ registered capital (Note i)	Percentage of equity attributable to the Company 2013	2012	Principal activities
Directly held subsidiaries:					
Coastal Commercial Developments Limited	Hong Kong	HK$1 Ordinary	**100**	100	Investment holding
Coastal Realty (BVI) Limited	British Virgin Islands/ Hong Kong	US$200 Ordinary	**100**	100	Investment holding
Coastal Realty Investment (China) Limited#	PRC	US$100,000,000	**100**	100	Investment holding

47. Particulars of Principal Subsidiaries *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Nominal value of issued share capital/ registered capital (Note i)	Percentage of equity attributable to the Company 2013	2012	Principal activities
Indirectly held subsidiaries:					
Beijing Coastal Green Sea Bay Real Estate Co., Ltd.^	PRC	RMB50,000,000	**90**	90	Property development
Beijing Gaosheng Real Estate Company Limited#	PRC	RMB466,800,000	**100**	100	Property development and investment and investment holding
Beijing Xing Gang Real Estate Co., Ltd.#	PRC	US$13,500,000	**100**	100	Property development and investment holding
Capital Top Trading Limited	Hong Kong	US$1,000,000	**100**	100	Trading
Coastal Development (Anshan)	PRC	RMB50,000,000	**100**	100	Property development
Coastal Greenland Development Jiangxi Limited#	PRC	US$12,000,000	**100**	100	Property development
Coastal Greenland Development (Shenyang) Ltd.#	PRC	US$20,000,000	**100**	100	Investment holding
Coastal Greenland Development (Shenzhen) Ltd.#	PRC	US$12,000,000	**100**	100	Property development
Coastal Greenland Development (Wuhan) Ltd.#	PRC	RMB50,000,000	**100**	100	Property development
Coastal Greenland Development (Xiamen) Ltd.#	PRC	RMB100,000,000	**100**	100	Property development

47. Particulars of Principal Subsidiaries *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Nominal value of issued share capital/ registered capital (Note i)	Percentage of equity attributable to the Company 2013	2012	Principal activities
Indirectly held subsidiaries: *(Continued)*					
Coastal Realty Development Co. Limited	Hong Kong	HK$10 Ordinary HK$20,000,000 Non-voting deferred shares (Note ii)	**100**	100	Investment holding
Coastal Realty Development (Shanghai) Co., Ltd.#	PRC	US$12,000,000	**100**	100	Investment holding
Coastal Realty Management Company Limited	Hong Kong	HK$500,000 Ordinary	**100**	100	Investment holding
Coastal Riviera Garden (Anshan) Development Co., Ltd.#	PRC	RMB42,000,000	**100**	100	Investment holding
Dongguan Riviera Garden Development Co., Ltd.	PRC	RMB10,000,000	**100**	100	Property development
Dragon Gain Investment Limited	Hong Kong	HK$1,000 Ordinary	**100**	100	Investment holding
Fenhall Development Limited	Hong Kong/ PRC	HK$10,000 Ordinary	**100**	100	Property investment
Fenson Development Limited	Hong Kong/ PRC	HK$10,000 Ordinary	**100**	100	Property investment
Frenwick Development Limited	Hong Kong/ PRC	HK$10,000 Ordinary	**100**	100	Property investment
Globe Gain Limited	Hong Kong	HK$3 Ordinary	**100**	100	Investment holding

47. Particulars of Principal Subsidiaries *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Nominal value of issued share capital/ registered capital (Note i)	Percentage of equity attributable to the Company 2013	2012	Principal activities
Indirectly held subsidiaries: *(Continued)*					
Goldwide Group Limited	British Virgin Islands/ Hong Kong	US$10	**100 (note iii)**	20	Investment holding
Innovative Marketing and Strategy (Shenzhen) Ltd.#	PRC	HK$1,000,000	**100**	100	Provision of management services
Jingdian Construction Co., Ltd.	PRC	RMB50,000,000	**100**	100	Construction
Joinwell Investment Limited	Hong Kong	HK$2 Ordinary	**100**	100	Investment holding
Kings Crown Holdings Ltd.	British Virgin Islands/ Hong Kong	US$50,000 Ordinary	**100**	100	Investment holding
Liaoning Baocheng Real Estate Development Co., Ltd.#	PRC	US$50,000,000	**100**	100	Property development
My Home Services (Shenzhen) Ltd.#	PRC	US$1,400,000	**100**	100	Property management
North Coastal Real Estate Development (Dalian) Co., Ltd.#	PRC	US$15,000,000	**100**	100	Property development
Pearl Square Enterprises Limited	Hong Kong	HK$2 Ordinary	**100**	100	Investment holding
Shanghai Coastal Commercial Investment Management Co., Ltd.	PRC	RMB10,000,000	**100**	100	Investment holding
Shanghai Coastal Greenland Real Estate Ltd.^	PRC	RMB110,000,000	**100**	100	Investment holding
Shanghai Ling Zhi Properties Co., Ltd.#	PRC	US$25,000,000	**100**	100	Property investment

47. Particulars of Principal Subsidiaries *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Nominal value of issued share capital/ registered capital (Note i)	Percentage of equity attributable to the Company 2013	2012	Principal activities
Indirectly held subsidiaries: *(Continued)*					
Shanghai Xinhongda Real Estate Ltd.	PRC	RMB248,292,951	**100**	100	Property development
Shenyang Coastal Huicheng Real Estate Co., Ltd.	PRC	RMB220,000,000	**85**	85	Property development
Shenyang Coastal Rongtian Real Estate Co., Ltd.#	PRC	US$18,000,000	**100**	100	Property development
Shenyang Market Real Estate Development Co., Ltd.	PRC	RMB12,000,000	**100**	100	Property investment
Shenyang Rongtian Real Estate Development Co., Ltd.	PRC	RMB238,845,953	**100 (note iii)**	20	Property development
Shenyang Zhong Guang Bei Fang Ying Shi Cheng Co., Ltd.	PRC	RMB200,000,000	**100**	100	Property development
Shenzhen Coastal Property Investment Limited#	PRC	US$11,000,000	**100**	100	Investment holding
Shenzhen Tongzhe Culture Limited	PRC	RMB1,000,000	**100**	100	Provision of management services
Smooth Land Limited	Hong Kong	HK$1	**100**	100	Investment holding
Super Investment Development Limited	Hong Kong	HK$2 Ordinary	**100**	100	Investment holding
Suzhou Gaotong Information Services and Consultation Ltd.#	PRC	US$45,000,000	**100**	100	Investment holding

47. Particulars of Principal Subsidiaries *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Nominal value of issued share capital/ registered capital (Note i)	Percentage of equity attributable to the Company 2013	2012	Principal activities
Indirectly held subsidiaries: *(Continued)*					
Suzhou New Development Investment Co., Ltd.	PRC	RMB350,000,000	–	100	Property development and investment and hotel operation
Tacklemate Investment Limited	Hong Kong	HK$2 Ordinary	100	100	Property investment
Wuhan Zhisheng Group Co., Ltd.	PRC	RMB150,000,000	90	90	Property development

Notes:

(i) For those companies incorporated in Hong Kong and the British Virgin Islands, the amounts stated represent the nominal value of the issued share capital. For those companies registered in the PRC, the amounts stated represent the registered capital.

(ii) Non-voting deferred shares do not entitle the holders to receive any profit, or to receive notice of or to attend or vote at any general meeting of the company. On a return of assets on a winding-up or otherwise, the assets of the company available for distribution among the members shall be distributed as regards the first HK$100,000,000,000,000 thereof among the holders of ordinary shares in proportion to the amounts paid up on the ordinary shares held by them, respectively, and the balance (if any) of such assets shall belong to and be distributed among the holders of the non-voting deferred shares and the holders of the ordinary shares pari passu among themselves in each case in proportion to the amounts paid up on the shares held by them, respectively.

(iii) During the year ended 31 March 2013, the Group acquired 80% additional equity interest in an 20% associate of the Group, Goldwide Group Limited ("Goldwide"). Goldwide held a wholly-owned subsidiary, Shenyang Rongtian Real Estate Development Co., Ltd. (see note 38).

wholly foreign owned enterprise
^ contractual joint venture

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

Properties Held for Sale and Investment

Property description	Address	Type of development	GFA of the development (sq.m.)	GFA held by the Group at 31 March 2013 (sq.m.)	Interest in the Development attributable to the Group	Completion/ delivery time
The PRC						
Anshan Greenland	268 Qianshan Road	Residential	438,358	1,552	100%	
IT City	Gaoxin District					
Phase I	Anshan					Jun 2000/Jun 2000
Phase II						Dec 2000/Dec 2000
Phase III						Apr 2002/Apr 2002
Phase IV						May 2003/Jun 2003
Phase V						Jun 2005/Oct 2005
Phase VI A						Dec 2006/May 2007
Phase VI B's E						Dec 2007/Apr 2008
Phase VI B's L						Jul 2008/Oct 2008
Anshan Wisdom New City	275 North Shengli Road	Residential	215,900	43,545	100%	
Phase I	Lishan District					Dec 2009/Dec 2009
Phase II	Anshan					Oct 2011/Oct 2011
Phase III						Dec 2012/Dec 2012
Beijing Silo City	5 Baizi Bay	Residential/	846,300	22,933	100%	
Phase I	Chaoyang District	commercial				Mar 2007/Mar 2007
Phase II	Beijing					Mar 2007/Jun 2007
Phase III						Sep 2007/Oct 2007
Phase IV the Loft						Dec 2010/Dec 2010
Phase IV East						Dec 2010/Dec 2010
Phase IV West A3						Jun 2011/Sep 2011
Phase V						Mar 2008/Jun 2008
Phase VI						Sep 2009/Sep 2009
Phase VII North						Mar 2009/Jun 2009
Phase VII South						Aug 2009/Aug 2009
Beijing Sunvilla	Panggezhuang Town	Residential	134,660	1,116	100%	
Realhouse	Daxing District					
Phase I	Beijing					Dec 2004/Apr 2005
Phase II A						Mar 2007/May 2007
Phase II B						Aug 2008/Aug 2008
Phase III						Jul 2011/Sep 2011

Properties Held for Sale and Investment *(Continued)*

Property description	Address	Type of development	GFA of the development (sq.m.)	GFA held by the Group at 31 March 2013 (sq.m.)	Interest in the Development attributable to the Group	Completion/ delivery time
The PRC *(Continued)*						
Dalian Coastal International Centre Phase I	Zone A, Xinghai Bay Shahekou District Dalian	Residential/ commercial	217,200	21,148	100%	Jan 2012/Jan 2012
Dalian Jianzhu Project Phase I	South of Huabei Road and West of Huadong Road Ganjingzi District Dalian	Residential	62,200	6,616	100%	Oct 2011/Oct 2011
Dongguan Riviera	Cai Bai Cun Dao Jiao Town Dongguan	Residential	279,300	57,645	100%	
Villa						
Phase I						Jul 2007/Jul 2007
Phase II						Mar 2008/May 2008
Phase III A						Nov 2010/Mar 2011
Phase III B						Jun 2011/Jul 2011
Phase IV						Jan 2013/Mar 2013
Phase V A						Jan 2013/ To be determined
Jiangxi Riviera Garden	South of Gaoxin Avenue Changling Town Xinjian County Jiangxi	Residential	284,600	–	100%	
Phase I						Sep 2006/Sep 2006
Phase II						Mar 2007/Sep 2007
Phase III						Mar 2008/Jul 2008
Phase IV						Nov 2008/Mar 2009
Shanghai Golden Bridge Garden	103 Dong Zhu An Bin Road Changning District Shanghai	Residential	65,908	2,419	100%	Nov 1997/Dec 1997
Shanghai Golden Bridge Mansion	2077 Yanan West Road Changning District Shanghai	Commercial	35,768	700	100%	August 1993 (Note 1)
Shanghai Riviera Garden	1588 Mingzhong Road Xinqiao Town Songjiang District Shanghai	Residential	298,900	13,124	100%	
Phase I						Sep 2007/Nov 2007
Phase II A						Jun 2010/Jun 2010
Phase II B						Dec 2011/Mar 2012

Properties Held for Sale and Investment *(Continued)*

Property description	Address	Type of development	GFA of the development (sq.m.)	GFA held by the Group at 31 March 2013 (sq.m.)	Interest in the Development attributable to the Group	Completion/ delivery time
The PRC *(Continued)*						
Shanghai Shui Du South Crest Phase I	Kangyuan Road Zhujiajiao Town Qingpu District Shanghai	Residential	96,300	73,228	12%	 May 2008/May 2008
Shenyang Hunnan Residential Project Phase I Phase II Phase III A	8 Tiantan South Street Hunnan New Street Shenyang	Residential	351,700	13,986	100%	 May 2009/May 2009 Jul 2011/Sep 2011 Nov 2012/Dec 2012
Shenzhen Dragon Court Phase I Phase II	Junction of Dongmen Central Road and Wenjin Central Road Luohu District Shenzhen	Residential	45,582	3,381	100%	 Mar 2000/Mar 2000 May 2003/May 2003
Shenzhen Noble Center	38/F., Noble Center No.1006, 3 Fuzhong Road Futian District Shenzhen	Commercial – offices	N/A	1,957	100%	2006 (Notes 2 and 3)
Wuhan Lakeside Apartment Phase I Phase II Phase III Phase IV	West Airport Road and north of Jinyin Lake Dongxihu District Wuhan	Residential	282,242	1,972	100%	 Apr 2003/Jun 2003 May 2004/May 2004 Aug 2005/Aug 2005 Mar 2006/Jun 2006
Wuhan Silo City Phase IA Phase IB Phase II A, B and C Phase II D Phase III A Phase III B Phase IV	West of Zhangbo Freeway and north of Jinshan Avenue Dongxihu District Wuhan	Residential	714,900	37,243	100%	 Sep 2007/Nov 2007 Mar 2008/Aug 2008 Mar 2009/Aug 2009 Jul 2009/Dec 2009 Jul 2011/Sep 2011 Sep 2010/Sep 2010 Nov 2011/Jan 2012
				302,565		

Note 1: The properties were developed by other PRC developers and the marketing and sales of which were underwritten by the Group.

Note 2: The properties were developed by other PRC independent developers.

Note 3: The property is used by the Group as its office.

SCHEDULE OF MAJOR PROPERTIES

Properties Held for Sale and Investment *(Continued)*

Property description	Address	Type of development	GFA of the development (sq.m.)	GFA held by the Group at 31 March 2013 (sq.m.)	Interest in the Development attributable to the Group	Completion/ delivery time
HONG KONG						
Shun Tak Centre	Suite 1712-16, 17th Floor China Merchants Tower Shun Tak Centre 200 Connaught Road Central Hong Kong	Commercial – office	N/A	434	100%	1986 (Notes 1 & 3)
Vienna Mansion	Flat B, 10th Floor 55 Paterson Street Causeway Bay Hong Kong	Residential	N/A	113	100%	1958 (Notes 2 & 3)
				547		

Note 1: This commercial property is occupied by the Group as its office.

Note 2: This residential property is occupied by the Group as staff quarter.

Note 3: The Group's properties in Hong Kong were developed by other independent developers.

Properties under Development

Property description	Address	Type of development	Estimated GFA of the development (sq.m.)	Interest in the Development attributable to the Group (Note)	Estimated completion/ delivery time
Anshan Qianshan Road Project	268 Qianshan Road Gaoxin District Anshan	Residential/ commercial	55,000	100%	2014
Beijing Bay Project Phase II	Chang Ping District Beijing	Residential	77,000	40%	2013
Beijing Jian Guo Men Wai Project	North of 1A Jian Guo Men Wai Avenue Chaoyang District Beijing	Commercial	44,900	65%	To be determined
Beijing Silo City Phase IV West A1 & A2	5 Baizi Bay Chaoyang District Beijing	Residential/ commercial	16,400	100%	2013
Dalian Coastal International Centre Phase II	Zone A, Xinghai Bay Shahekou District Dalian	Residential/ commercial	162,600	100%	To be determined
Dalian Jianzhu Project Phase II A & II B	South of Huabei Road and West of Huadong Road Ganjingzi District Dalian	Residential	106,700	100%	2013
Dongguan Riviera Villa Phase V B & VI	Cai Bai Cun Dao Jiao Town Dongguan	Residential	105,000	100%	2014

SCHEDULE OF MAJOR PROPERTIES

Properties under Development *(Continued)*

Property description	Address	Type of development	Estimated GFA of the development (sq.m.)	Interest in the Development attributable to the Group (Note)	Estimated completion/ delivery time
Foshan Coastal Garden	16 Kangko Road Chancheng District Foshan	Residential	138,400	20%	2014
Shanghai Shui Du South Crest Phase II & III	Kangyuan Road Zhujiajiao Town Qingpu District Shanghai	Residential	226,000	12%	2015
Shenyang Hunnan Commercial Project	8 Tiantan South Street Hunnan New District Shenyang	Commercial	187,100	100%	To be determined
Shenyang Hunnan Residential Project Phase III B	8 Tiantan South Street Hunnan New District Shenyang	Residential	11,600	100%	2015
Shenyang Sujiatun Project	Sujiatun District Shenyang	Residential/ commercial	1,914,900	100%	To be determined
Wuhan Silo City (excluding Phases I, II & III and IV A)	West of Zhangbo Freeway and north of Jinshan Avenue Dongxihu District Wuhan	Residential	745,100	100%	2012
Wuhan Tushu Dashijie Project	Tangjiadun Street Huanzihu Village Jianghan District Wuhan	Commercial	172,300	90%	2016
			3,963,000		

Note: For projects to be completed and delivered in phases, the year given refers to the estimated year of completion/delivery of the first mentioned phase. The estimated year of completion is the estimation of the directors of the Company based on existing market conditions and assuming no unforeseen circumstances.

Please see further discussion on the properties and development projects of the Group in the "Review of Major Properties and Development Projects" section on pages 16 to 24 of the Annual Report.