



PIONEER GLOBAL GROUP LIMITED  
建生國際集團有限公司

Stock Code 股份代號 : 00224



ANNUAL REPORT **2008/2009** 年報



**PIONEER GLOBAL GROUP LIMITED**

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Rossana WANG GAW, *Chairman*  
 Goodwin GAW, *Vice Chairman*  
 Kenneth GAW, *Managing Director*  
 Jane Kwai Ying TSUI

### Independent Non-executive Directors

Dr. Charles Wai Bun CHEUNG, JP  
 Arnold Tin Chee IP  
 Stephen TAN

## AUDIT COMMITTEE

Dr. Charles Wai Bun CHEUNG, JP, *Chairman*  
 Arnold Tin Chee IP  
 Stephen TAN

## REMUNERATION COMMITTEE

Arnold Tin Chee IP, *Chairman*  
 Dr. Charles Wai Bun CHEUNG, JP  
 Stephen TAN  
 Kenneth GAW

## COMPANY SECRETARY

Jane Kwai Ying TSUI

## BANKERS

Bangkok Bank Public Company Limited  
 Chiyu Banking Corporation Limited  
 Citigroup  
 Standard Chartered Bank (Hong Kong) Limited  
 The Hongkong and Shanghai Banking  
 Corporation Limited

## SOLICITORS

K.C. Yung & Co.  
 Morrison & Foerster

## AUDITORS

Wong Brothers & Co.

## REGISTERED OFFICE

Canon's Court  
 22 Victoria Street  
 Hamilton HM 12  
 Bermuda

## PRINCIPAL OFFICE IN HONG KONG

20th Floor, Lyndhurst Tower  
 No. 1 Lyndhurst Terrace  
 Central  
 Hong Kong

## SHARE REGISTRAR & TRANSFER OFFICE IN BERMUDA

Butterfield Fund Services (Bermuda) Limited  
 Rosebank Centre  
 11 Bermudiana Road  
 Pembroke  
 Bermuda

## SHARE REGISTRARS & TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services  
 Limited  
 46th Floor, Hopewell Centre  
 183 Queen's Road East  
 Hong Kong

## INFORMATION

[www.pioneerglobalgroup.com](http://www.pioneerglobalgroup.com)  
[www.irasia.com/listco/hk/pioneer/index.htm](http://www.irasia.com/listco/hk/pioneer/index.htm)  
 Bloomberg: 224:HK  
 Reuters: 0224.hk

# Managing Director's Report

## BUSINESS REVIEW

2008 was undoubtedly the most turbulent year for the world economy since the Great Depression. During the span of one short year, we saw a massive commodities bubble that took oil price to the height of US\$147 per barrel in the summer of 2008, and then the economy went to the brinks of total collapse after the bankruptcy of Lehman Brothers and the massive bailout of almost every major banking institutions in the West. Since the 4th quarter of 2008, the world's central banks pumped unprecedented amounts of liquidity into the financial system in order to avoid the complete breakdown of the system. While we are now starting to see the financial system stabilize during the first half of 2009, this so called "green shoots" recovery is by no means secure as the real economies in the western world are still worsening, with increasing bankruptcies, falling consumer demands, and rising unemployment.

In such trying times, the Group's performance had been highly satisfactory. During the year ended 31 March 2009, the Group disposed of the AIA Tower in Macau, the Kowloon City Plaza, and completed the sale of its Morrison Plaza properties. For the fiscal year ended March 2009, the Group's revenues increased by 49.9% to HK\$165.2 million (from HK\$110.2 million in 2008). The increase in revenues was due to an increase in asset management fee income, carried interest earned from the disposal of AIA Tower in Macau, as well as proceeds from the disposal of Kowloon City Plaza. Net profit for the period was HK\$84.6 million, compared to HK\$149.8 million in 2008. While there was a drop in net profit during the period, the decrease was due mainly to a HK\$24.8 million drop in fair value of investment properties, compared to a HK\$53.7 million fair value gain a year ago.

### Property Investments

On 5 September 2008, the 437,000 sq.ft. AIA Tower in Macau was sold for HK\$1.2 billion. First acquired for HK\$600.0 million as a vacant abandoned building in 2005, the property was refurbished and re-launched under its current name in 2006. Since then, the AIA Tower has become one of the leading Class A office towers in Macau both in terms of tenant mix and rental rates. At the time of sale, over 90% of the building had been leased. This transaction generated total profits of HK\$349.6 million for the joint venture company. As the managing partner of the joint venture company, the Group was paid a carried interest of HK\$27.9 million based on profits generated for the partners. In addition, the Group also generated profits of HK\$87.4 million from its 25% interest in the joint venture (HK\$70.4 million of this profit was recognized in previous reporting periods from revaluation gains).

In June 2008, the Group and its joint venture partners sold the 640,000 sq.ft. Kowloon City Plaza for a consideration of HK\$1.47 billion. As a result, the joint venture paid out a dividend of HK\$35.1 million to the Group.

## Managing Director's Report



68 Yee Wo Street

The Group manages and owns 30% of the 229,200 sq.ft. 68 Yee Wo Street property in Causeway Bay, Hong Kong. As at the end of the reporting period, the occupancy rate of the property was 96.0%. Despite the downturn in the economy, we continue to see good leasing demand for the building and are optimistic in its long term value.



Jie Fang Building – artist's impression and showroom

The Group has a 50/50 joint venture that owns the Jie Fang Building, an 11,500 sq.m. commercial property in Guangzhou, China. The current rental yield is 8.7% based on our purchase price. The building is now undergoing major refurbishment and majority portions of it will be turned into a hotel.

The Shanghai K. Wah Centre, a GFA 750,000 sq.ft. commercial tower in Shanghai held through an associated company, contributed HK\$13.8 million to the Group.

The Pioneer Building in Kwun Tong, Kowloon had HK\$17.5 million in rental revenues while continuing to enjoy a high occupancy rate of 98.2%. The Group's retail properties at Maximall, North Point (comprising of total of GFA 63,840 sq.ft.) generated rental revenues of HK\$5.8 million.



## Managing Director's Report

### Investments in Hotel Industry

For the twelve months ended 31 December 2008, Aisawan Resort & Spa in Pattaya, Thailand had revenues of Baht 272.9 million, representing a decrease of 22.4% from the previous year (2007: Baht 351.7 million). Gross operating profit for the period was Baht 148.6 million, compared to Baht 216.4 million in 2007. The Aisawan Resort & Spa in Pattaya (and Thailand's tourism industry as a whole) had a very difficult year due to the political turmoil in Thailand which saw the occupation of the Suvarnabhumi Airport in Bangkok by anti-government demonstrators. The week long closure of the Bangkok airport was especially damaging as it disrupted travels at one of South East Asia's busiest aviation hubs and caused massive cancellations just before the traditional tourism high season.

Despite the political turmoil in Thailand, international hotels have continued to expand in the country's key tourism destinations. Pattaya in particular, has received significant investments, with several international class hotels (such as Sheraton, Hilton, Holiday Inn) having opened or scheduled to open in the next year. These new openings signify the revival of Pattaya as a top resort destination, as we had anticipated when we acquired and rebranded the property back in 2003. In order to take advantage of the continued improvement of the destination and bolster the long term competitiveness of the resort, the Group has decided to complete the remaining retrofit program (which was done in phases since our acquisition in 2003), introducing new guest rooms, ballroom and meeting facilities, and a new beach club and pool. Upon the completion of this renovation in the 4th quarter of 2009, the resort will be managed by an international hotel operator under an international 5-star brand. With this rebranding exercise, we are confident that the resort will maintain its status as one of the leading properties in the Pattaya market.



Aisawan Resort & Spa

## Managing Director's Report

The Group's 50% owned associated company holds 10.3% of Dusit Thani Public Company Limited ("Dusit Thani"), the leading owner and operator of hotels in Thailand. For the twelve months ended 31 December 2008, Dusit Thani had revenues of Baht 3.73 billion (2007: Baht 3.31 billion) and net profit of Baht 216.6 million (2007: Baht 121.9 million). The 2008 net profit was mainly attributed to a gain on land sale of Baht 170.2 million. As the leading hotel company in Thailand, Dusit Thani also suffered heavily due to the unstable political environment.

Pioneer Hospitality Siam (GBR) Limited (the Group's 49.5% owned Thai associate) owns 37.5% of a 79 acre land site at Cape Nga in Phuket, Thailand. The plan is to develop a world class luxury resort with branded residences. We are now in the process of finalizing contracts with the main architect/designer and other development consultants to start the planning process, and identifying the luxury hotel operator to operate the resort.

### PROSPECTS

On 24 April 2009, the Group entered into a provisional agreement to dispose of its premises at Great Eagle Centre in Wanchai, Hong Kong at a price of HK\$48.9 million (total GFA of 6,630 sq.ft.). This property was purchased in 2005 at HK\$34.0 million. Thus, the sale will generate a historical profit of HK\$14.9 million before taxation throughout the holding period, of which HK\$11.8 million will be recognized in the coming fiscal year.

As noted earlier, while the world financial system seems to have stabilized in the first half of this year, we believe that it is far too early to declare victory as the real economies in the West are still worsening.

Closer to home, the picture looks a bit more optimistic. On the one hand we are still skeptical about the depth of the recent market rally, but it is clear that the Chinese government will continue its massive monetary and fiscal stimulus in order to grow at its targeted 8% at all costs. Latest data shows that loan growth in the Chinese banking system will top RMB 6 trillion in the first 6 months of 2009. With the recent sentiment change in the market and the already built in low earnings expectation from global investors, anything short of disaster could fuel more optimism in the global markets where a bottom could be found within the next 12 months. The restart of the long frozen IPO markets, both A-share and H-share, is also promising given the long backlog of issuers, allowing regulators to choose among the best listing candidates. If that does happen, things will bode well for China and Hong Kong. Already, we are seeing signs of recovery in the Chinese and Hong Kong property markets.

Thailand has been besieged by political upheavals ever since the 2006 military coup which ousted Thaksin Shinawatra as Prime Minister, pitting the anti-Thaksin "yellow shirts" against the pro-Thaksin "red shirts". After the devastating closure of the Bangkok airport and the resignation of two pro-Thaksin Prime Ministers in late 2008, it appears that the "yellow shirts" have won, for now. But the underlying problems remain unresolved, as seen in the recent chaos caused by the red shirts. These protests led to the cancellation of the ASEAN Summit in Pattaya in April and the subsequent crack down against the protesters in Bangkok. All these events have hurt Thailand's reputation as a stable and peaceful democracy.

With all the uncertainties around the world, we have been seeing attractive investments in our core markets. Due to the timely disposal of some of our properties during the past year, the Group is now in a strong financial position to take advantage of these opportunities.



# Managing Director's Report

## LIQUIDITY AND FINANCIAL RESOURCES

As of 31 March 2009, the Group continued to enjoy a strong financial position with substantial unutilized bank facilities. At the balance sheet date, the Group's total debt to shareholders' fund ratio was 7.8% (31 March 2008: 13.2%). The Company is currently in a net cash position as its cash and cash equivalents exceed its external debts.

## EMPLOYEES

As of 31 March 2009, the number of salaried staff at the holding company level was 16 (2008: 17). The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

## APPRECIATION

On behalf of the Board, I would like to express our sincere gratitude to all the employees for their contributions.

**Kenneth Gaw**

*Managing Director*

Hong Kong, 2 July 2009

## Directors' Report

The Directors are pleased to present their report together with the audited financial statements of the Group for the year ended 31 March 2009.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the activities of its principal subsidiaries and associated companies are shown in notes 12 and 27 to the financial statements. An analysis of the Group's turnover and contribution to results by principal activity of operations is set out in note 2 to the financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2009 are set out in the consolidated income statement on page 23.

An interim dividend of HK0.80 cent per share, totalling HK\$6,155,000 which was paid on 12 January 2009.

The Directors recommend the payment of a final dividend for the year ended 31 March 2009 at the rate of HK1.50 cents (2008: HK1.50 cents) per share, payable on 17 September 2009 to all persons registered as shareholders on 14 September 2009. The transfer of books and register of members of the Company will be closed from 9 September 2009 to 14 September 2009, both days inclusive. Payment of the final dividend is conditional upon the passing of an ordinary resolution at the forthcoming annual general meeting.

In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 8 September 2009.

### SHARE CAPITAL

There was no movement in the share capital of the company during the financial year.

### RESERVES

Details of movements in reserves during the financial year are set out in note 19 to the financial statements.

### GROUP FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 64.

# Directors' Report

## FIXED ASSETS

Details of movements in fixed assets are set out in note 11 to the financial statements.

## MAJOR SUBSIDIARIES

Details of the major subsidiaries as at 31 March 2009 are set out in note 27 to the financial statements.

## LOANS AND BORROWINGS

Details of loans and borrowings are set out in note 20 to the financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

During the financial year, the five largest customers of the Group accounted for less than 30% of the Group's turnover while the five largest suppliers of goods and services accounted for 40% of the Group's expenditure on goods and services with the largest supplier of goods and services accounting for 18%.

## DONATIONS

During the financial year, the Group has made nil charitable donations (2008: HK\$1,000).

## DIRECTORS

The Directors in office during the financial year and up to the date of this report were:

### Executive Directors

Rossana WANG GAW  
Goodwin GAW  
Kenneth GAW  
Jane Kwai Ying TSUI

### Independent Non-executive Directors

Dr. Charles Wai Bun CHEUNG, JP  
Arnold Tin Chee IP  
Stephen TAN

In accordance with Bye-Laws 82 & 83, Ms. Jane Kwai Ying Tsui and Mr. Arnold Tin Chee Ip will retire, and being eligible, offer themselves for re-election at the forthcoming annual general meeting. None of directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation other than statutory compensation.

## Directors' Report

### DISCLOSURE OF DIRECTORS' INTERESTS

As of 31 March 2009, the following Directors of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors (the "Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

#### Long Position in Shares of the Company

	Personal interests	Interests held by controlled corporation	Interests held by family trust	Total	%
Rossana Wang Gaw	–	15,934,364 <sup>1</sup>	123,148,701 <sup>3</sup>	139,083,065	18.08
Kenneth Gaw	1,805,527	8,453,375 <sup>2</sup>	27,537,243 <sup>4</sup>	37,796,145	4.91
Jane Kwai Ying Tsui	600,750	–	–	600,750	0.08

<sup>1</sup> Mrs. Rossana Wang Gaw owns the entire issued share capital of Vitality Holdings Limited, which was beneficially interested in 15,934,364 shares.

<sup>2</sup> Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 8,453,375 shares.

<sup>3</sup> Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares.

<sup>4</sup> Family trust of which Mr. Kenneth Gaw is a beneficiary held an aggregate of 27,537,243 shares.

#### Long Position in Shares of Associated Corporations

Name of company	Name of director	Number of shares held by controlled corporation	%
Grandsworth Pte. Ltd.	Rossana Wang Gaw	1*	50.0
Grandsworth Pte. Ltd.	Kenneth Gaw	1*	50.0
Pioneer Hospitality Siam (GBR) Ltd.	Rossana Wang Gaw	475,000*	47.5
Pioneer Hospitality Siam (GBR) Ltd.	Kenneth Gaw	475,000*	47.5
Keencity Properties Ltd.	Rossana Wang Gaw	4,721,034*	47.5
Keencity Properties Ltd.	Kenneth Gaw	4,721,034*	47.5
Pioneer iNetwork Ltd.	Rossana Wang Gaw	1*	50.0
Pioneer iNetwork Ltd.	Kenneth Gaw	1*	50.0

\* Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

## Directors' Report

Save as disclosed above, as of 31 March 2009, none of the Directors of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

### DISCLOSURE OF SHAREHOLDERS' INTERESTS

As of 31 March 2009, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had interests or long or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

#### Long Position of Shareholders in Shares of the Company

Name of shareholder	Number of shares	%
Asset-Plus Investments Ltd.	68,076,076	8.85
Forward Investments Inc.	181,388,105	23.58
Intercontinental Enterprises Corporation	123,148,701 <sup>1</sup>	16.01
Prosperous Island Limited	65,939,293	8.57

<sup>1</sup> Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 123,148,701 shares, which duplicated to those disclosed in "Long position in shares of the Company".

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as of 31 March 2009, had interests or long or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### SHARE OPTION SCHEME

As of 31 March 2009, there were no outstanding options to subscribe for the shares of the Company. There were no other arrangements to which the Company or any of its subsidiaries was a party to enable the directors of the Company to acquire benefits by means of the acquisition of shares, or debentures of the Company or any other body corporate.

# Directors' Report

## **DIRECTORS' SERVICE CONTRACTS**

No Director has a service contract with any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

## **DIRECTORS' INTEREST IN CONTRACTS**

No Director has a material beneficial 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 is a party during the financial year.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company or its subsidiaries were entered into or existed during the financial year.

## **PRE-EMPTIVE RIGHTS**

No pre-emptive rights exist in Bermuda, the jurisdiction in which the Company was incorporated.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the date of the annual report, there was a sufficient public float of the Company.

## **CORPORATE GOVERNANCE**

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 16 to 20.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

During the financial year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the shares of the Company.

## **RELATED PARTY TRANSACTIONS**

The Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of the transaction are set out in note 26 to the financial statements.



## Directors' Report

### AUDITORS

Wong Brothers & Co. were first appointed auditors of the Company in 2006 to fill the casual vacancy left by the resignation of Fan Mitchell & Co. The financial statements for the year ended 31 March 2009 have been audited by Wong Brothers & Co. who retire and being eligible offer themselves for re-appointment. A resolution for the re-appointment of Wong Brothers & Co. as auditors of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

**Rossana Wang Gaw**

*Chairman*

Hong Kong, 2 July 2009

## Biographical Details of Directors

### EXECUTIVE DIRECTORS

#### **Mrs. Rossana WANG GAW (Chairman)**

Aged 63, was appointed to the Board in 1980 and has been Chairman of the Group since February 1999. She is the Managing Director of Pioneer Estates Limited. She is responsible for the management of the real estate sector in the Group. Mrs. Gaw has 8 years of experience in the garment manufacturing industry and over 20 years of experience in real estate investments and hotels business. Mrs. Gaw is a graduate of the University of California, Berkeley, and holds a Degree in Business Administration. She is the mother of Mr. Goodwin Gaw and Mr. Kenneth Gaw.

#### **Mr. Goodwin GAW (Vice Chairman)**

Aged 40, was appointed to the Board in 1994 and became Vice Chairman of the Group in August 1996. He is the Chairman of Gaw Capital Partners, a real estate private equity fund focusing on Asia real estate markets and the President of Downtown Properties Holdings, a private real estate investment company with commercial properties interest in the United States. He was an independent non-executive director of Tian An China Investments Company Limited until July 2007. Mr. Gaw graduated with a Bachelor of Science Degree in Civil Engineering from the University of Pennsylvania, a Finance Degree from Wharton Business School and a Master of Science Degree in Construction Management from Stanford University. He is the son of Mrs. Rossana Wang Gaw and the brother of Mr. Kenneth Gaw.

#### **Mr. Kenneth GAW (Managing Director)**

Aged 38, was appointed to the Board in 1994 and became Managing Director of the Group in February 1999. He holds directorships at Dusit Thani Public Company Limited, Japan Opportunities Funds I and II, Home Inns & Hotels Management Inc., and Hong Kong-Thailand Business Council. He was a director of Siam Food Products Public Company Limited until 2006 and was a director and Deputy Chairman of Wah Kwong Shipping Holdings Limited until the company was privatized in July 2000. Mr. Gaw co-founded Gaw Capital Partners, a real estate private equity fund focusing on Asia real estate markets, in July 2005. He graduated with a Bachelor of Science Degree in Applied Mathematics and Economics from Brown University (Magna Cum Laude). Before joining the Group, Mr. Gaw worked in the structured finance group at Goldman, Sachs & Co. in New York and in corporate finance with Goldman Sachs (Asia) Limited in Hong Kong. He is the son of Mrs. Rossana Wang Gaw and the brother of Mr. Goodwin Gaw.

#### **Ms. Jane Kwai Ying TSUI (Company Secretary)**

Aged 65, was appointed to the Board in 1984. She is responsible for the day-to-day operation of the Group, including general administration. She is also responsible for all company secretarial matters of the Group. Ms. Tsui previously worked in the banking sector for about 3 years before joining the Group in 1980.

## Biographical Details of Directors

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### **Dr. Charles Wai Bun CHEUNG, JP**

Aged 72, was appointed to the Board in 1986. He is the Chairman of the Audit Committee of the Company. Dr. Cheung holds an Honorary Doctor's Degree, a Master's Degree and a Bachelor of Science Degree in Business Administration. He is Chairman of Joy Harvest International Limited. Dr. Cheung has over 30 years of experience in the senior management of companies in various industries including over 22 years of experience of banking business in senior management positions. He is also an independent non-executive director and chairman of audit committee of Shanghai Electric Group Company Limited and Prime Investments Holdings Limited which are listed on the main board of the Stock Exchange. Dr. Cheung is a Senior Adviser to the Metropolitan Bank & Trust Company, Philippines. He is a council member of The Hong Kong Institute of Directors. Dr. Cheung was formerly Chief Executive and Executive Deputy Chairman of Mission Hills Group and a former director and adviser of Tung Wah Group of Hospitals. He is a Vice Chairman of Guangdong Province Golf Association. He was awarded the Directors of the year Awards 2002 of Listed Company Non-executive Director.

#### **Mr. Arnold Tin Chee IP**

Aged 46, was appointed to the Board in 1999. He is the Chairman of the Remuneration Committee of the Company. Mr. Ip is a graduate of Trinity College, Cambridge University. Mr. Ip's work focuses on fund raising for listed and unlisted companies, and management of real estate investment funds. He is a director of Altus Capital Limited where he is involved in the supervision and management of corporate finance and advisory work for companies in Hong Kong and in advising on property investment. He is an independent non-executive director of Pak Fah Yeow International Limited, a company listed on the main board of the Stock Exchange; and chairman of Japan Residential Assets Manager Limited, manager of a real estate investment trust listed in Singapore. Between 1989 and March 1997, Mr. Ip worked for Standard Chartered Asia Limited and was a director of Yuanta Securities (Hong Kong) Limited thereafter until January 2001, specialising in a range of corporate finance and advisory activities for companies based in Hong Kong and China. From 1984 to 1988, he worked at Arthur Andersen & Co in London specialising in taxation and qualified as a chartered accountant in 1988.

#### **Mr. Stephen TAN**

Aged 55, was appointed to the Board in 2007. He was educated in the United States and holds a Bachelor's Degree in Business Administration at Rutgers University, and a Master Degree in Business Administration at St. John's University. Mr. Tan is currently the executive director of Asia Financial Holdings Limited which is listed on the main board of the Stock Exchange. He also sits on the boards of Bank Consortium Trust Company Limited, Hong Kong Life Insurance Limited, The Chinese General Chamber of Commerce and Hong Kong Chiu Chow Chamber of Commerce. Mr. Tan serves as the Chairman of Bangkok Mercantile (Hong Kong) Company Limited and the Vice Chairman of Chinese Entrepreneurs Organization. Mr. Tan is a voting member of Tung Wah Group of Hospitals Advisory Board, a founding member of Hong Kong-Thailand Business Council, a trustee of Outward Bound Trust of Hong Kong and the Board of Trustees of Hong Kong Jockey Club Music and Dance Fund. Mr. Tan has also been appointed as a committee member of Shenzhen Municipal Committee of The Chinese People's Political Consultative Conference, a member of both Election Committee (Finance) and Sports Commission of the Hong Kong Special Administrative Region, the Board of Governor of Hong Kong Sinfonietta Limited and an honorary advisor of both The New Graduate School of Business of the Hong Kong Polytechnic University and Hong Kong Baseball Association.

## Corporate Governance Report

Good corporate governance provides a framework that is essential for effective management, healthy corporate culture, successful business growth and better shareholders' value. The Group's corporate governance practices emphasize a well-balanced quality Board, effective internal controls and accountability to shareholders. Constant review of the systems and controls within the Group has been carried out by the Company to comply with the prevailing corporate governance standards and requirements.

### **CORPORATE GOVERNANCE PRACTICES**

The Board has duly adopted the principles of good governance provided by the Code on Corporate Governance Practices (the "CG Code") in the Appendix 14 of the Listing Rules. For the year ended 31 March 2009, the Company has applied and complied with the applicable CG Code.

### **CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by directors of the Company. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2009.

### **BOARD OF DIRECTORS**

The Board is responsible for managing and conducting business affairs of the Company and its subsidiaries which include determining the corporate objectives, business strategies and operational policies, controlling the operating and financial performance, setting appropriate policies to manage risks in pursuit of the Group's strategic objectives and ensuring the Group's operations are conducted in accordance with the framework of laws and regulatory guidelines. There is a clear division of responsibilities between the Board and the management. The Board has delegated the decisions on the Group's general operations to the management. The respective functions to the Board and the management have been formalised and set out in writing.

The Board currently comprises seven directors, including four Executive Directors and three Independent Non-executive Directors. The brief biographical details of the Directors including their name, position and relationship are set out on pages 14 to 15. In particular, Mrs. Rossana Wang Gaw is the mother of Mr. Goodwin Gaw and Mr. Kenneth Gaw. Save as aforesaid, none of the members of the Board is related to one another.

The Independent Non-executive Directors possess appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. Their active participation in the Board and committee meetings brings an objective, independent voice that protects the minority interests. The Company has received in writing the confirmation of independence from each of the Independent Non-executive Directors and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment.

# Corporate Governance Report

The Board meets regularly, and at least four times a year, to review the business development and discuss any matters arising from corporate governance, risk management, accounting and financing. Additional meetings will be held upon the request of the members when they think necessary. Every Director is entitled to have full access to information on the Group and may, in appropriate circumstances, take independent professional advice at the Company's expense. In respect of regular Board meetings, at least 14 days' notice is normally given to all Directors. Draft minutes of every Board meeting are circulated to all Directors for their comment within a reasonable time after the Board meeting is held.

During the financial year, four Board meetings were held and attendance record of each Director is set out below:

<b>Directors</b>	<b>Number of Board Meetings attended</b>	<b>Attendance rate</b>
<b>Executive Directors</b>		
Rossana Wang Gaw ( <i>Chairman</i> )	4/4	100%
Goodwin Gaw ( <i>Vice Chairman</i> )	2/4	50%
Kenneth Gaw ( <i>Managing Director</i> )	4/4	100%
Jane Kwai Ying Tsui	4/4	100%
<b>Independent Non-executive Directors</b>		
Dr. Charles Wai Bun Cheung, JP	3/4	75%
Arnold Tin Chee Ip	4/4	100%
Stephen Tan	4/4	100%

## CHAIRMAN AND MANAGING DIRECTOR

The role of the Chairman and the Managing Director of the Company is separate to reinforce their respective independence and accountability. The Chairman provides leadership to and oversees the effective functioning of the Board while the Managing Director heads the management and focuses on the day-to-day operation of the Group. During the year under review, the Chairman of the Company is Mrs. Rossana Wang Gaw whereas the Managing Director is Mr. Kenneth Gaw.

## NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors are appointed for a specific term and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Bye-Laws.

# Corporate Governance Report

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company does not have a Nomination Committee. The Board as a whole is responsible for ensuring all the directors and senior executives appointed are fit and proper persons and for nominating appropriate person for election by shareholders at the annual general meeting, either to fill a casual vacancy or as an addition to the existing directors. In identifying and evaluating whether a candidate is suitable to act as a director of the Company, the Board will consider his professional knowledge, experience, skills as well as personal ethics, integrity and time commitment. All directors appointed by the Board are subject to election by shareholders at the forthcoming general meeting.

## REMUNERATION COMMITTEE

The Company has set up a Remuneration Committee consisting of three Independent Non-executive Directors, including Mr. Arnold Tin Chee Ip (Chairman), Dr. Charles Wai Bun Cheung, JP, Mr. Stephen Tan and an Executive Director, Mr. Kenneth Gaw. The current terms of reference of the Remuneration Committee include duties set out in code provisions B.1.3 (a) to (f) of the Code. Under its terms of reference, the principal duties of the Remuneration Committee are to make recommendations to the Board regarding the Group's remuneration policy and to formulate and review the remuneration packages of all the directors and senior executives. The remuneration of directors is determined with reference to the Company's performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions.

During the financial year, one Remuneration Committee meeting was held and attendance record of each Director is set out as below:

<b>Directors</b>	<b>Number of Remuneration Committee Meetings attended</b>	<b>Attendance rate</b>
<b>Independent Non-executive Directors</b>		
Arnold Tin Chee Ip ( <i>Chairman</i> )	1/1	100%
Dr. Charles Wai Bun Cheung, JP	1/1	100%
Stephen Tan	1/1	100%
<b>Executive Director</b>		
Kenneth Gaw ( <i>Managing Director</i> )	1/1	100%

In the meeting, the Remuneration Committee assessed the performance of the Executive Directors and approved the remuneration packages for the Executive Directors and senior executives for year 2009 and the bonus for year 2008.



# Corporate Governance Report

## AUDIT COMMITTEE

The Audit Committee consists of three Independent Non-executive Directors, including Dr. Charles Wai Bun Cheung, JP (Chairman), Mr. Arnold Tin Chee Ip and Mr. Stephen Tan. The current terms of reference of the Audit Committee include duties set out in code provisions C.3.3 (a) to (n) of the Code. Under its terms of reference, the principal duties of the Audit Committee are to review the interim and annual financial statements, assess the internal control and risk management systems, and monitor the financial aspects of the Group. The members of Audit Committee may request a meeting if they think necessary.

During the financial year, two Audit Committee meetings were held and attendance record of each Director is set out as below:

<b>Directors</b>	<b>Number of Audit Committee Meetings attended</b>	<b>Attendance rate</b>
<b>Independent Non-executive Directors</b>		
Dr. Charles Wai Bun Cheung, JP ( <i>Chairman</i> )	2/2	100%
Arnold Tin Chee Ip	2/2	100%
Stephen Tan	2/2	100%

Throughout the year, the Audit Committee had reviewed the interim and annual financial statements and reports of the Group and assessed the effectiveness of the Group's internal control systems with the management and external auditors.

## AUDITORS' REMUNERATION

During the financial year ended 31 March 2009, the fees charged for statutory audit services provided to the Company and its subsidiaries amounted to HK\$330,000, and in addition HK\$40,000 was charged for other non-statutory audit services, such as tax compliance.

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge that they are responsible for preparing the accounts. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been consistently applied, and reasonable and prudent judgments and estimates have been made. The Auditors' reporting responsibilities are included in the Independent Auditors' Report on pages 21 to 22.

# Corporate Governance Report

## INTERNAL CONTROLS

The Board recognises its responsibility for maintaining a sound and effective system of internal control to ensure shareholders' investment and the Company's assets are properly safeguarded. The system of internal control is designed according to the risk-based approach which identifies the possible risks associated with and controls over various operations and activities of the Company and its environment.

During the financial year ended 31 March 2009, the Board through the Audit Committee and the external auditors, has conducted a review of effectiveness of internal controls of the Group, including financial, operational and compliance controls and risk management functions and is satisfied that the internal control procedures are effective and adequate. Proposals on further enhancement of the system of internal control of the Group, if required and necessary, are being implemented from time to time to meet the dynamic and ever changing business environment.

## COMMUNICATION WITH SHAREHOLDERS

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. An annual general meeting circular is distributed to all shareholders at least 20 clear business days prior to the annual general meeting, setting out details of each proposed resolution and other relevant information. As required by the Listing Rules, all resolutions at the annual general meeting of the Company must be decided on a poll. The Company will engage external scrutineer for proper counting of the votes.

The Board recognises the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Investors and shareholders can also visit the Company's website ([www.pioneerglobalgroup.com](http://www.pioneerglobalgroup.com) or [www.irasia.com/listco/hk/pioneer/index.htm](http://www.irasia.com/listco/hk/pioneer/index.htm)) for copies of relevant corporate and financial information.

# Independent Auditors' Report

Independent Auditors' Report to the Shareholders of

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements of Pioneer Global Group Limited set out on pages 23 to 62, which comprise the consolidated and company balance sheets as at 31 March 2009 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

## **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

## Independent Auditors' Report

### OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 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.

**Wong Brothers & Co.**

*Certified Public Accountants*

19/F., MassMutual Tower

38 Gloucester Road

Wanchai,

Hong Kong, 2 July 2009

# Consolidated Income Statement

For the year ended 31 March 2009

	Notes	2009 HK\$'000	2008 HK\$'000
Turnover			
Company and subsidiaries		<b>119,038</b>	61,886
Share of associates		<b>46,149</b>	48,312
		<b>165,187</b>	110,198
Turnover of Company and subsidiaries	3	<b>119,038</b>	61,886
Properties operating expenses		<b>(7,228)</b>	(9,639)
Staff costs		<b>(11,616)</b>	(10,230)
Depreciation and amortisation		<b>(2,870)</b>	(3,047)
Other expenses		<b>(4,836)</b>	(2,849)
		<b>(26,550)</b>	(25,765)
Operating profit		<b>92,488</b>	36,121
Share of profits of associates		<b>8,568</b>	47,060
Change in fair value of investment properties	11	<b>(24,800)</b>	53,726
Other gains and losses	4	<b>(642)</b>	32,537
Finance costs		<b>(2,939)</b>	(6,470)
Profit before taxation	5	<b>72,675</b>	162,974
Taxation			
Current	6	<b>(1,499)</b>	(3,379)
Deferred	6	<b>13,446</b>	(9,785)
Profit for the year		<b>84,622</b>	149,810
Attributable to:			
Minority interests		<b>(71)</b>	664
Profit attributable to shareholders		<b>84,693</b>	149,146
		<b>84,622</b>	149,810
		<b>HK cents</b>	<b>HK cents</b>
Earnings per share (HK Cents)	9	<b>11.01</b>	19.39

# Consolidated Balance Sheet

At 31 March 2009

	Notes	2009 HK\$'000	2008 HK\$'000
<b>ASSETS</b>			
Non-current assets			
Investment properties	11	453,800	555,600
Associates	12	592,524	791,952
Available for sale investments	13	150,164	245,332
Property, plant & equipment	11	18,386	20,762
Leasehold land	11	10,648	10,885
Other assets		1,447	1,447
		<b>1,226,969</b>	1,625,978
Current assets			
Debtors, advances & prepayments	14	24,612	13,127
Financial assets at fair value	15	32,262	6,288
Cash & bank balances	17	161,902	22,367
		<b>218,776</b>	41,782
<b>Total assets</b>		<b>1,445,745</b>	1,667,760
<b>EQUITY</b>			
Share capital	18	76,935	76,935
Reserves	19	1,187,648	1,305,938
Shareholders' funds		<b>1,264,583</b>	1,382,873
Minority interests		<b>13,775</b>	15,986
<b>Total equity</b>		<b>1,278,358</b>	1,398,859
<b>LIABILITIES</b>			
Non-current liabilities			
Secured bank loans	20	78,100	93,050
Deferred taxation	21	48,841	62,287
		<b>126,941</b>	155,337
Current liabilities			
Creditors & accruals	22	14,333	20,513
Secured bank loans	20	22,100	89,513
Tax liabilities		4,013	3,538
		<b>40,446</b>	113,564
<b>Total liabilities</b>		<b>167,387</b>	268,901
<b>Total equity and liabilities</b>		<b>1,445,745</b>	1,667,760



**Balance Sheet**

At 31 March 2009

	Notes	2009 HK\$'000	2008 HK\$'000
<b>ASSETS</b>			
Non-current assets			
Subsidiary companies	16	770,022	944,855
Associates	12	40,794	40,783
Available for sale investments	13	30,481	5,468
		<b>841,297</b>	991,106
Current assets			
Debtors, advances & prepayments		1,686	1,140
Financial assets at fair value	15	20,164	234
Cash & bank balances	17	135,143	18,871
		<b>156,993</b>	20,245
<b>Total Assets</b>		<b>998,290</b>	1,011,351
<b>EQUITY</b>			
Share capital	18	76,935	76,935
Reserves	19	921,261	924,422
<b>Total equity</b>		<b>998,196</b>	1,001,357
<b>LIABILITIES</b>			
Current liabilities			
Creditors & accruals		387	424
Secured bank loans	20	-	9,863
Tax refundable		(293)	(293)
<b>Total liabilities</b>		<b>94</b>	9,994
<b>Total equity and liabilities</b>		<b>998,290</b>	1,011,351

# Consolidated Statement of Cash Flow

For the year ended 31 March 2009

	2009 HK\$'000	2008 HK\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>72,675</b>	162,974
Share of net profit of associates	<b>(8,568)</b>	(47,060)
Other gains and losses	<b>642</b>	(32,537)
Decrease/(increase) in fair value of investment properties	<b>24,800</b>	(53,726)
Depreciation & amortisation	<b>2,870</b>	3,047
Interest income	<b>(3,856)</b>	(975)
Interest expenses	<b>2,939</b>	6,470
Dividend income		
– listed	<b>(5,541)</b>	(8,928)
– unlisted	<b>(38,828)</b>	(7,636)
Decrease/(increase) in debtors, advances & prepayments	<b>561</b>	(4,815)
Increase/(decrease) in creditors & accruals	<b>2,438</b>	(439)
<b>Cash generated from operations</b>	<b>50,132</b>	16,375
Hong Kong profits tax paid	<b>(983)</b>	(782)
Hong Kong profits tax refunded	<b>29</b>	349
Overseas profits tax paid	<b>(70)</b>	(30)
<b>Net cash from operating activities</b>	<b>49,108</b>	15,912
<b>Cash flows from investing activities</b>		
Interest received	<b>3,324</b>	975
Dividend received	<b>26,253</b>	16,564
Investment properties:		
Purchase of investment properties	–	(12,274)
Deposit received on disposal of investment properties	–	7,860
Proceeds on disposal of investment properties	<b>69,806</b>	–
Associates:		
Advance to associates	<b>(3,131)</b>	(24,719)
Distribution from associates	<b>171,520</b>	46,536
New investment in associates	–	(180,000)
Available for sale investments:		
Purchase of available for sale investments	<b>(32,759)</b>	(15,026)
Deposit paid on purchase of available for sale investments	<b>(12,649)</b>	–
Distribution from available for sales investments	<b>754</b>	78,045
Proceeds on disposal of available for sale investments	<b>2,583</b>	64,327

# Consolidated Statement of Cash Flow

For the year ended 31 March 2009

	Note	2009 HK\$'000	2008 HK\$'000
Property, plant & equipment:			
Purchase of property, plant & equipment		(257)	(1,400)
Proceeds on disposal of property, plant & equipment		-	290
Purchase of other assets		(3,013)	(429)
Financial assets at fair value:			
Purchase of financial assets		(44,565)	(805)
Proceeds on disposal of financial assets		15,673	1,684
<b>Net cash generated from/(used in) investing activities</b>		<b>193,539</b>	<b>(18,372)</b>
Cash flows from financing activities			
Interest paid		(3,069)	(6,635)
Distributions to minority shareholders		(735)	(703)
Advance from minority shareholders		800	-
Dividend paid to shareholders		(17,695)	(17,695)
Bank loans raised		-	34,107
Bank loans repaid		(82,363)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(103,062)</b>	<b>9,074</b>
Net increase in cash and cash equivalents		139,585	6,614
Cash and cash equivalents at the beginning of the year		22,367	15,568
Effect of foreign exchange rates changes		(50)	185
<b>Cash and cash equivalents at the end of the year</b>		<b>161,902</b>	<b>22,367</b>
Analysis of the balances of cash and cash equivalents			
Bank balances, cash & deposits placed with banks up to three months' maturity	17	161,902	22,367

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2009

	Attributable to shareholders of the Company								
	Share capital	Share premium	Capital	Exchange reserve	Investment	Retained earnings	Total	Minority interests	Total equity
			reserve & surplus		revaluation reserve				
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2007	76,935	307,687	41,242	16,165	227,658	494,761	1,164,448	15,332	1,179,780
Fair value change									
of available for sale									
investments									
– subsidiaries	-	-	-	-	(18,023)	-	(18,023)	-	(18,023)
– minority interests	-	-	-	-	-	-	-	693	693
– associates	-	-	-	-	105,284	-	105,284	-	105,284
Exchange on translation of									
– subsidiaries	-	-	-	103	-	-	103	-	103
– associates	-	-	-	(390)	-	-	(390)	-	(390)
Net income/(loss) recognised									
directly in equity	-	-	-	(287)	87,261	-	86,974	693	87,667
Profit attributable to									
equity holders	-	-	-	-	-	149,146	149,146	664	149,810
Total recognised income/ (loss) for the year	-	-	-	(287)	87,261	149,146	236,120	1,357	237,477
Distribution to minority									
interests	-	-	-	-	-	-	-	(703)	(703)
2007 final dividend paid	-	-	-	-	-	(11,540)	(11,540)	-	(11,540)
2008 interim dividend paid	-	-	-	-	-	(6,155)	(6,155)	-	(6,155)
At 31 March 2008	76,935	307,687	41,242	15,878	314,919	626,212	1,382,873	15,986	1,398,859

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2009

	Attributable to shareholders of the Company									
	Share capital	Share premium	Capital reserve &		Investment		Retained earnings	Total	Minority interests	Total equity
			contributed	Exchange	revaluation	reserve				
			surplus	reserve	reserve	reserve				
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>At 1 April 2008</b>	76,935	307,687	41,242	15,878	314,919	626,212	1,382,873	15,986	1,398,859	
Fair value change										
of available for sale										
investments										
– subsidiaries	-	-	-	-	(145,631)	-	(145,631)	-	(145,631)	
– minority interests	-	-	-	-	-	-	-	(2,205)	(2,205)	
– associates	-	-	-	-	(30,402)	-	(30,402)	-	(30,402)	
Exchange on translation of										
– subsidiaries	-	-	-	(50)	-	-	(50)	-	(50)	
– associates	-	-	-	(9,205)	-	-	(9,205)	-	(9,205)	
Net loss recognised										
directly in equity	-	-	-	(9,255)	(176,033)	-	(185,288)	(2,205)	(187,493)	
Profit/(loss) attributable to										
equity holders	-	-	-	-	-	84,693	84,693	(71)	84,622	
Total recognised income/ (loss) for the year	-	-	-	(9,255)	(176,033)	84,693	(100,595)	(2,276)	(102,871)	
Distribution to										
minority interests	-	-	-	-	-	-	-	(735)	(735)	
Contribution from										
minority interests	-	-	-	-	-	-	-	800	800	
2008 final dividend paid	-	-	-	-	-	(11,540)	(11,540)	-	(11,540)	
2009 interim dividend paid	-	-	-	-	-	(6,155)	(6,155)	-	(6,155)	
<b>At 31 March 2009</b>	<b>76,935</b>	<b>307,687</b>	<b>41,242</b>	<b>6,623</b>	<b>138,886</b>	<b>693,210</b>	<b>1,264,583</b>	<b>13,775</b>	<b>1,278,358</b>	

# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) General information

Pioneer Global Group Limited is a limited liability company, incorporated in Bermuda with its shares listed on the Stock Exchange. The principal activities of the Company, through its subsidiaries and associates, are described in notes 12 and 27.

### (b) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Listing Rules.

In the current year, the Group has applied the revised HKFRSs, HKASs and Interpretations (hereinafter collectively referred to as “new HKFRSs”) that are effective for the accounting period beginning on 1 April 2008 and relevant to the operations of the Group.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures – Reclassification of Financial Assets
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However, the adoption of these new HKFRSs does not have any significant effect on the accounting policies or results and financial position of the Group.

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

HKAS 1 (Revised)	Presentation of Financial Statements <sup>(1)</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>(1)</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>(2)</sup>
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>(1)</sup>
HKAS 39 Amendment	Eligible Hedged items <sup>(2)</sup>
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>(1)</sup>
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations <sup>(1)</sup>
HKFRS 3 (Revised)	Business Combinations <sup>(2)</sup>
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments <sup>(1)</sup>



# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### (b) Statement of compliance *(continued)*

HKFRS 8	Operating Segments <sup>(1)</sup>
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate <sup>(1)</sup>
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation <sup>(3)</sup>
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners <sup>(2)</sup>
HK(IFRIC) – Int 18	Transfers of Assets from Customers <sup>(4)</sup>

<sup>(1)</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>(2)</sup> Effective for annual periods beginning on or after 1 January 2010

<sup>(3)</sup> Effective for annual periods beginning on or after 1 October 2008

<sup>(4)</sup> Effective for transfer of assets from customers received on or after 1 July 2009

The directors of the Company anticipate that the application of these HKFRSs, HKASs and interpretations will have no material impact on the results and the financial position of the Group.

### (c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2009 comprise the Company and its subsidiaries (the “Group”) and the Group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties, available for sale investments and financial assets at fair value are stated at their fair values as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### (d) Subsidiaries

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital or controls more than half of the voting power or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. All material intra-group transactions, balances and realized surplus and deficits on transactions between group companies have been eliminated. Minority interests represent the proportion of the results and net assets of subsidiaries not attributable to the Group.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses, unless the investment is classified as held for sale.

### (e) Associates

Associates are companies where the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is classified as held for sale. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investments in associates recognised for the year.

In the Company's balance sheet, its investments in associates are stated at cost less impairment losses, unless it is classified as held for sale.

### (f) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment of associates over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Goodwill is stated at cost less accumulated impairment losses.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in the income statement.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### (g) Investment properties

Investment properties are land and/or buildings, which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value is recognised in the income statement.

### (h) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost over their estimated useful lives on the following bases:

Buildings	4% p.a.	straight line method
Others	10-25% p.a.	reducing balance method

### (i) Investments in securities

Investments in securities, other than investments in subsidiaries and associates, are classified into two categories: financial assets at fair value and available for sale investments. Financial assets at fair value are stated at fair value with changes recognised in the income statement. Available for sale investments are carried at fair value with any changes recognised in equity.

### (j) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets other than financial assets excluding investment in subsidiaries and associates to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, 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 in prior years. Except for available for sale investments, a reversal of an impairment loss is recognised as income in the income statement.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### (k) Leases

#### (i) Operating leases

Leases whereby substantially all the rewards and risks of ownership of assets remain with the leasing company are considered as operating leases. Rental income and expenses under operating leases are accounted for on a straight-line basis over the respective periods of the leases.

#### (ii) Leasehold land lease

Leasehold land represents up-front payments to acquire long-term interests in lease-occupied properties. The land leases are stated at cost and are amortised over the period of the lease on a straight-line basis to the income statement or, when there is impairment, it is expensed in the income statement.

### (l) Foreign currencies

The functional and presentation currency of the Company, subsidiaries and associates which operate in Hong Kong is Hong Kong dollars. Certain overseas subsidiaries and associates which operate overseas are in their respective local currencies.

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates ruling at that date. Exchange differences are dealt with in the income statement. 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.

On consolidation, the income statement of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange reserve.

### (m) Revenue recognition

#### (i) Rental income

Rental income is recognised on a straight-line basis over the periods of the leases.

#### (ii) Rendering of services

Services income is recognised when the services are rendered and billed to clients.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### (m) Revenue recognition *(continued)*

#### (iii) Dividend income

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend. Dividend income from unlisted investments is recognised when the Group's right to receive payment is established.

#### (iv) Interest income

Interest income is recognised on a time proportion basis.

### (n) Employee benefits

The Group participates in a defined contribution mandatory provident fund retirement benefits scheme in compliance with the Mandatory Provident Fund Schemes Ordinance. The assets of this scheme are held separately from those of the Group and administered independently. The Group's contributions are recognised in the income statement when incurred. The amount of contributions by the Group is based on a specified percentage of the monthly relevant income of the eligible employees. Forfeited contributions of the fund will be used to reduce the existing retirement scheme costs.

### (o) Taxation

Income tax expense represents the sum of the tax currently payable and the deferred tax. The tax currently payable is based on the taxable profit using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

### (p) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits with banks repayable within three months from the date of placement, less bank overdrafts and advances from banks repayable within three months from the date of advance.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### (q) 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 capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

## 2. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary businesses and geographical location.

### Business segment

	Property and hotels		Investments and others		Consolidated	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
<b>Segment turnover</b>						
Company and subsidiaries	<b>70,779</b>	44,347	<b>48,259</b>	17,539	<b>119,038</b>	61,886
<b>Segment result</b>	<b>45,148</b>	19,533	<b>47,467</b>	16,894	<b>92,615</b>	36,427
Unallocated corporate expenses					<b>(127)</b>	(306)
Operating profit					<b>92,488</b>	36,121
Share of profits of associates	<b>8,568</b>	47,060	-	-	<b>8,568</b>	47,060
Change in fair value of investment properties	<b>(24,800)</b>	53,726	-	-	<b>(24,800)</b>	53,726
Other gains and losses	<b>3,633</b>	(1,643)	<b>(4,275)</b>	34,180	<b>(642)</b>	32,537
Finance costs					<b>(2,939)</b>	(6,470)
Taxation					<b>11,947</b>	(13,164)
Minority interests					<b>71</b>	(664)
Profit attributable to shareholders					<b>84,693</b>	149,146

# Notes to the Financial Statements

For the year ended 31 March 2009

## 2. SEGMENT INFORMATION *(continued)*

### Segment assets and liabilities

	Property and hotels		Investments and others		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	<b>533,765</b>	659,296	<b>319,456</b>	216,512	<b>853,221</b>	875,808
Investment in associates	<b>592,524</b>	791,952	-	-	<b>592,524</b>	791,952
Consolidated total assets					<b>1,445,745</b>	1,667,760
Segment liabilities	<b>(164,001)</b>	(259,447)	<b>(1,958)</b>	(1,994)	<b>(165,959)</b>	(261,441)
Unallocated corporate liabilities					<b>(1,428)</b>	(7,460)
Consolidated total liabilities					<b>(167,387)</b>	(268,901)
<b>Other information</b>						
Capital expenditure	<b>15,662</b>	209,934	<b>77,582</b>	-	<b>93,244</b>	209,934
Depreciation and amortisation	<b>2,870</b>	3,047	-	-	<b>2,870</b>	3,047

### Geographical segment

In geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. Overseas segment includes China, Thailand, Malaysia & United States.

	Turnover by geographical market		Segment assets	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	<b>83,635</b>	52,380	<b>759,854</b>	747,793
Overseas	<b>35,403</b>	9,506	<b>93,367</b>	128,015
	<b>119,038</b>	61,886	<b>853,221</b>	875,808

## Notes to the Financial Statements

For the year ended 31 March 2009

### 3. TURNOVER

	2009	2008
	HK\$'000	HK\$'000
Rental income	<b>29,011</b>	27,851
Property expenses recovery	<b>2,683</b>	3,020
Asset management fee	<b>10,351</b>	5,281
Advisory fee income	–	8,190
Carried interest income	<b>28,734</b>	–
Dividend income	<b>44,369</b>	16,564
Interest income	<b>3,856</b>	975
Others	<b>34</b>	5
	<b>119,038</b>	61,886

### 4. OTHER GAINS AND LOSSES

	2009	2008
	HK\$'000	HK\$'000
Net (loss)/gain on disposal of investments	<b>(886)</b>	33,917
Gain/(loss) on disposal of investment properties and other fixed assets	<b>159</b>	(46)
(Decrease)/increase in fair value of financial assets	<b>(3,389)</b>	1,142
Provision for impairment losses on available for sale investments	–	(2,047)
Provision for impairment losses on other assets	–	(429)
Other gains and losses	<b>3,474</b>	–
	<b>(642)</b>	32,537



# Notes to the Financial Statements

For the year ended 31 March 2009

## 5. PROFIT BEFORE TAXATION

	2009 HK\$'000	2008 HK\$'000
<b>Profit before taxation has been arrived at after charging:</b>		
Interest on bank loans wholly repayable within five years	2,939	6,470
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	11,464	10,070
Pension scheme contributions	152	160
Auditors remuneration	330	342
Depreciation and amortisation	2,870	3,047
Provision for long service payments to employees	51	184
Exchange loss	340	96
<b>and after crediting:</b>		
Rental income from investment properties	29,011	27,851
Less: direct outgoings	(3,516)	(5,978)
Listed investment income	5,541	8,928
Unlisted investment income	38,828	7,636
Interest income	3,856	975

## 6. TAXATION

### (a) Taxation

	2009			2008		
	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000
Hong Kong						
– Provision for the year	1,429	(13,446)	(12,017)	2,084	9,885	11,969
– Under/(over)-provision in prior years	–	–	–	1,271	(100)	1,171
Overseas						
– Provision for the year	44	–	44	24	–	24
– Under-provision in prior years	26	–	26	–	–	–
	<b>1,499</b>	<b>(13,446)</b>	<b>(11,947)</b>	3,379	9,785	13,164

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated Hong Kong source assessable profits for the year. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

## Notes to the Financial Statements

For the year ended 31 March 2009

### 6. TAXATION *(continued)*

#### (b) Reconciliation between accounting profits and the tax (credit)/charge

	2009 HK\$'000	2008 HK\$'000
Profit before taxation	<b>72,675</b>	162,974
Less: Share of profits of associates	<b>(8,568)</b>	(47,060)
Profit before taxation attributable to the Company and its subsidiaries	<b>64,107</b>	115,914
Tax calculated at applicable tax rate of 16.5% (2008: 17.5%)	<b>10,578</b>	20,285
Expenses not deductible for taxation purposes	<b>737</b>	1,458
Income not subject to taxation	<b>(22,194)</b>	(8,666)
Current year tax losses not recognised	<b>310</b>	991
Utilisation of previously unrecognised tax loss	<b>(1,576)</b>	(1,830)
Deferred tax liability/(asset) not recognised during the year	<b>198</b>	(245)
Under-provision in prior years	-	1,171
Taxation (credit)/charge	<b>(11,947)</b>	13,164

### 7. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit for the year attributable to equity holders of the Company for the year ended 31 March 2009 in the financial statements of the Company was HK\$21,147,000 (2008: HK\$20,309,000).

# Notes to the Financial Statements

For the year ended 31 March 2009

## 8. DIVIDENDS

	<b>2009</b>	2008
	<b>HK\$'000</b>	HK\$'000
Interim dividend of HK0.80 cent (2008: HK0.80 cent) per ordinary share	<b>6,155</b>	6,155
Proposed final cash dividend of HK1.50 cents (2008: HK1.50 cents) per ordinary share	<b>11,540</b>	11,540
	<b>17,695</b>	17,695

The dividends which have been paid during the year by cash are as follows:

Interim for the year ended 31 March 2009 (2008)	<b>6,155</b>	6,155
Final for the year ended 31 March 2008 (2007)	<b>11,540</b>	11,540
	<b>17,695</b>	17,695

The 2009 final cash dividend of HK1.50 cents (2008: HK1.50 cents) per ordinary share has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

## 9. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$84,693,000 (2008: HK\$149,146,000) and on 769,359,104 shares (2008: 769,359,104 shares) in issue during the year.

No diluted earnings per share have been presented for the years ended 31 March 2009 and 31 March 2008 as the Company had no dilutive potential ordinary shares during both years.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

### (a) Directors' emoluments

	Directors' fee	Salaries, allowances and benefits	Discretionary bonus	Pension scheme contributions	2009 Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive directors					
Rossana Wang Gaw	50	1,800	120	12	1,982
Goodwin Gaw	50	420	-	-	470
Kenneth Gaw	50	2,520	1,200	12	3,782
Jane Kwai Ying Tsui	50	180	30	9	269
Independent non-executive directors					
Charles Wai Bun Cheung	80	-	-	-	80
Stephen Tan	80	-	-	-	80
Arnold Tin Chee Ip	80	-	-	-	80
<b>Total</b>	<b>440</b>	<b>4,920</b>	<b>1,350</b>	<b>33</b>	<b>6,743</b>

	Directors' fee	Salaries, allowances and benefits	Discretionary bonus	Pension scheme contributions	2008 Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive directors					
Rossana Wang Gaw	50	1,800	120	12	1,982
Goodwin Gaw	50	420	-	-	470
Kenneth Gaw	50	2,520	255	12	2,837
Jane Kwai Ying Tsui	50	153	24	8	235
Independent non-executive directors					
Charles Wai Bun Cheung	80	-	-	-	80
Stephen Tan	80	-	-	-	80
Arnold Tin Chee Ip	80	-	-	-	80
<b>Total</b>	<b>440</b>	<b>4,893</b>	<b>399</b>	<b>32</b>	<b>5,764</b>

# Notes to the Financial Statements

For the year ended 31 March 2009

## 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(continued)*

### (b) Other senior management's emoluments

During the year, the five highest paid individuals included three directors (2008: three directors), details of whose emoluments are included above. The details of the remuneration of the remaining two (2008: two) highest paid individual are set out below:

	<b>2009</b>	2008
	<b>HK\$'000</b>	HK\$'000
Salaries, allowances and benefits in kind	<b>1,524</b>	1,493
Bonuses	<b>756</b>	247
Pension scheme contributions	<b>24</b>	24
	<b>2,304</b>	1,764

The number of highest paid individuals fell within emoluments bands are as follows:

	<b>2009</b>	2008
HK\$		
Nil – 1,000,000	<b>1</b>	1
1,000,001 – 2,000,000	<b>1</b>	1

# Notes to the Financial Statements

For the year ended 31 March 2009

## 11. FIXED ASSETS

### (a) Investment properties

	2009 HK\$'000	2008 HK\$'000
At 31 March 2008 (31 March 2007)	<b>555,600</b>	489,600
Additions	–	12,274
Disposals	<b>(77,000)</b>	–
Revaluation	<b>(24,800)</b>	53,726
At 31 March 2009 (31 March 2008)	<b>453,800</b>	555,600

Investment properties comprised the following:

	2009 HK\$'000	2008 HK\$'000
At valuation:		
Leasehold properties in Hong Kong – long term	<b>149,200</b>	241,300
Leasehold properties in Hong Kong – medium term	<b>297,100</b>	305,600
Long term leasehold properties in Mainland China	<b>7,500</b>	8,700
	<b>453,800</b>	555,600

Investment properties have been valued at 31 March 2009 by AA Property Services Limited, independent professional valuers, on an open market value basis.

### (b) Leasehold land

The Group's interest in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

	2009 HK\$'000	2008 HK\$'000
In Hong Kong, held on leases:		
Over 50 years	<b>10,648</b>	10,885

# Notes to the Financial Statements

For the year ended 31 March 2009

## 11. FIXED ASSETS (continued)

### (c) Property, plant & equipment

	<b>Building</b> HK\$'000	<b>Other assets</b> HK\$'000	<b>Total</b> HK\$'000
<b>Cost</b>			
At 31 March 2007	11,832	19,736	31,568
Additions	–	1,400	1,400
Disposals	–	(955)	(955)
<b>At 31 March 2008</b>	<b>11,832</b>	<b>20,181</b>	<b>32,013</b>
Additions	–	257	257
<b>At 31 March 2009</b>	<b>11,832</b>	<b>20,438</b>	<b>32,270</b>
<b>Accumulated depreciation</b>			
At 31 March 2007	946	8,113	9,059
Charge for the year	474	2,337	2,811
Disposals	–	(619)	(619)
<b>At 31 March 2008</b>	<b>1,420</b>	<b>9,831</b>	<b>11,251</b>
Charge for the year	473	2,160	2,633
<b>At 31 March 2009</b>	<b>1,893</b>	<b>11,991</b>	<b>13,884</b>
<b>Net book value</b>			
<b>At 31 March 2009</b>	<b>9,939</b>	<b>8,447</b>	<b>18,386</b>
<b>At 31 March 2008</b>	<b>10,412</b>	<b>10,350</b>	<b>20,762</b>

Other assets comprised of leasehold improvements, furniture and fixtures and motor vehicles.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 12. ASSOCIATES

	2009 HK\$'000	2008 HK\$'000
<b>The Group</b>		
At cost	195,588	195,588
Goodwill written off	(3,029)	(3,029)
Impairment loss	(18,588)	(18,588)
Exchange reserves	2,931	12,136
Attributable to post acquisition profit	130,133	221,129
Attributable to investment revaluation reserve	169,984	200,386
	<b>477,019</b>	<b>607,622</b>
Share of net assets	477,019	607,622
Amount due from associates	124,319	188,966
Amount due to associates	(8,814)	(4,636)
	<b>592,524</b>	<b>791,952</b>
<b>The Company</b>		
At cost	2,093	2,093
Amount due from associates	38,701	38,690
	<b>40,794</b>	<b>40,783</b>

The amounts due from/to associates are unsecured, interest-free and have no fixed terms of repayment. The carrying value of the amounts due from/to associates approximates their fair values.

### (a) Major associates

Name	Country of incorporation	Investment by associates	Group's effective		Issued share capital
			investment	interest in associates	
Causeway Bay 68 Ltd	British Virgin Islands	68 Yee Wo Street, Hong Kong	30.0%	30.0%	HK\$180,000,000
Keencity Properties Ltd	British Virgin Islands	Aisawan Resorts, Pattaya, Thailand	49.5%	49.5%	US\$9,939,020
Pioneer Hospitality Siam (GBR) Ltd	Thailand	Hotel operating businesses	49.5%	49.5%	Baht 20,000,000



# Notes to the Financial Statements

For the year ended 31 March 2009

## 12. ASSOCIATES (continued)

### (a) Major associates (continued)

Name	Country of incorporation	Investment by associates	Group's effective		Issued share capital
			interest in investment	associates	
Pioneer iNetwork Ltd	Hong Kong	10% of listed shares of Dusit Thani Public Company Ltd and 5% of shares of Gateway China Fund I	50.0%	50.0%	HK\$2
Right Cheer Ltd	Hong Kong	Guangzhou Jie Fang Building, China	50.0%	50.0%	HK\$2
Strand Hotels International Ltd	British Virgin Islands	Three hotels in Myanmar	14.0%	28.0%	US\$11,101,191
Tidefull Investment Ltd	Liberia	Shanghai K. Wah Centre, China	7.7%	50.0%	2 full paid without par value
Valuedrive Investments Ltd	British Virgin Islands	AIA Tower, Macau	25.0%	50.0%	HK\$10

### (b) The summarised financial information in respect of the Group's associates is set out below:

	2009 HK\$'000	2008 HK\$'000
Total assets	<b>2,846,182</b>	3,447,504
Total liabilities	<b>(1,489,597)</b>	(1,928,239)
Net assets	<b>1,356,585</b>	1,519,265
Revenue	<b>119,271</b>	106,011
(Loss)/profit for the year	<b>(108,350)</b>	156,862

## Notes to the Financial Statements

For the year ended 31 March 2009

### 13. AVAILABLE FOR SALE INVESTMENTS

	2009 HK\$'000	2008 HK\$'000
<b>The Group</b>		
Listed investments		
In Hong Kong	66,982	127,224
Outside Hong Kong	33,787	16,998
Unlisted investments		
In Hong Kong	1,864	21,029
Outside Hong Kong	47,531	80,081
	<b>150,164</b>	245,332
<b>The Company</b>		
Listed investments		
In Hong Kong	5,290	2,792
Outside Hong Kong	25,191	2,676
	<b>30,481</b>	5,468

The available for sale investments are shown at fair value. The fair value of the listed investments is based on market value. Unlisted investments are valued by reference to the underlying investments.

### 14. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the followings:

	2009 HK\$'000	2008 HK\$'000
Deposit on acquisition of available for sale investments	12,649	–
Deposit on acquisition of properties	5,481	7,431
Other deposits and prepayments	5,030	4,919
Trade and rental debtors	1,452	777
	<b>24,612</b>	13,127

# Notes to the Financial Statements

For the year ended 31 March 2009

## 14. DEBTORS, ADVANCES & PREPAYMENTS (continued)

At 31 March, the aging analysis of the trade and rental debtors is as follows:

	2009 HK\$'000	2008 HK\$'000
0 – 30 days	498	755
31 – 60 days	455	–
61 – 90 days	455	–
> 90 days	44	22
	<b>1,452</b>	<b>777</b>

The Group only allows an average credit period of 30 days to its trade customers. The Group considered the above trade and rental debtors are fully recoverable.

## 15. FINANCIAL ASSETS AT FAIR VALUE

### The Group

	2009 HK\$'000	2008 HK\$'000
Listed shares, at market value		
In Hong Kong	29,317	371
Outside Hong Kong	2,945	5,917
	<b>32,262</b>	<b>6,288</b>

### The Company

	2009 HK\$'000	2008 HK\$'000
Listed shares, at market value		
In Hong Kong	20,164	234

## Notes to the Financial Statements

For the year ended 31 March 2009

### 16. SUBSIDIARY COMPANIES

	2009	2008
	HK\$'000	HK\$'000
Unlisted shares, at cost	424,433	424,433
Amount due by subsidiaries	391,255	566,088
Provision for impairment	(45,666)	(45,666)
	<b>770,022</b>	944,855

The amounts due by subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The carrying value of these amounts due by subsidiaries approximates their fair values. A list of major subsidiaries is set out in note 27.

### 17. CASH & BANK BALANCES

	2009	2008
	HK\$'000	HK\$'000
<b>The Group</b>		
Cash at bank and in hand	51,976	2,686
Short-term bank deposits	109,926	19,681
	<b>161,902</b>	22,367
<b>The Company</b>		
Cash at bank and in hand	26,817	191
Short-term bank deposits	108,326	18,680
	<b>135,143</b>	18,871

The effective interest rate on short-term bank deposits was 1.61% (2008: 2.43%). The carrying amounts of these assets approximate their fair values.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 17. CASH & BANK BALANCES (continued)

The cash and bank balances were denominated in the following currencies:

	2009 HK\$'000	2008 HK\$'000
<b>The Group</b>		
Hong Kong dollar	53,890	3,190
United States dollar	108,012	19,105
Others	-	72
	<b>161,902</b>	22,367
<b>The Company</b>		
Hong Kong dollar	36,292	191
United States dollar	98,851	18,680
	<b>135,143</b>	18,871

## 18. SHARE CAPITAL

	No. of Shares of HK\$0.10 each	HK\$'000
Authorised		
At 31 March 2009 and 31 March 2008	2,000,000,000	200,000
Issued and fully paid		
At 31 March 2009 and 31 March 2008	769,359,104	76,935

# Notes to the Financial Statements

For the year ended 31 March 2009

## 19. RESERVES

### The Group

	2009 HK\$'000	2008 HK\$'000
Share premium	307,687	307,687
Capital reserve and contributed surplus	41,242	41,242
Exchange reserve	6,623	15,878
Investment revaluation reserve	138,886	314,919
Retained earnings	693,210	626,212
	<b>1,187,648</b>	<b>1,305,938</b>

### The Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Investment revaluation reserve HK\$'000	Total HK\$'000
At 31 March 2007	307,687	381,051	231,915	5,658	926,311
Profit for the year	–	–	20,309	–	20,309
Final dividend paid for the year ended 31 March 2007	–	–	(11,540)	–	(11,540)
Interim dividend paid for the year ended 31 March 2008	–	–	(6,155)	–	(6,155)
Reversal upon disposal of available for sale investments	–	–	–	(7,905)	(7,905)
Revaluation of available for sale investments	–	–	–	3,402	3,402
At 31 March 2008	307,687	381,051	234,529	1,155	924,422
At 31 March 2008	307,687	381,051	234,529	1,155	924,422
Profit for the year	–	–	21,147	–	21,147
Final dividend paid for the year ended 31 March 2008	–	–	(11,540)	–	(11,540)
Interim dividend paid for the year ended 31 March 2009	–	–	(6,155)	–	(6,155)
Reversal to impairment loss	–	–	–	374	374
Revaluation of available for sale investments	–	–	–	(6,987)	(6,987)
<b>At 31 March 2009</b>	<b>307,687</b>	<b>381,051</b>	<b>237,981</b>	<b>(5,458)</b>	<b>921,261</b>

The reserves of the Company available for distribution to shareholders as at the balance sheet date, calculated in accordance with the Bermuda Companies Act, amounted to HK\$619,032,000 (2008: HK\$615,580,000).

# Notes to the Financial Statements

For the year ended 31 March 2009

## 20. SECURED BANK LOANS

	2009 HK\$'000	2008 HK\$'000
<b>The Group</b>		
Current		
Repayable on demand	<b>22,100</b>	89,513
Non-current		
Repayable more than one year but not exceeding two years	<b>17,000</b>	76,050
Repayable more than two years but not exceeding five years	<b>61,100</b>	17,000
	<b>78,100</b>	93,050
<b>The Company</b>		
Current		
Repayable on demand	–	9,863

All bank loans are denominated in Hong Kong Dollars (2008: all bank loans were denominated in Hong Kong Dollars). The effective interest rate at the balance sheet date was 1.40% (2008: 2.93%). The carrying amount of bank loans approximates their fair values based on prevailing market interest rate.

## 21. DEFERRED TAXATION

The components of deferred tax liabilities recognised in the consolidated balance sheet and movements thereon during the current and prior years are as follows:

	Revaluation of investment properties HK\$'000	Accelerated tax depreciation HK\$'000	Total HK\$'000
At 31 March 2007	49,230	3,272	52,502
Charge to income statement	9,058	727	9,785
At 31 March 2008	58,288	3,999	62,287
At 31 March 2008	58,288	3,999	62,287
Charge to income statement	(3,894)	(196)	(4,090)
Reversal upon disposal of investment properties	(5,334)	(814)	(6,148)
Change in profits tax rate	(3,026)	(182)	(3,208)
<b>At 31 March 2009</b>	<b>46,034</b>	<b>2,807</b>	<b>48,841</b>

The Group has tax losses of HK\$33,309,000 (2008: HK\$41,371,000) to offset against future taxable profits for which no deferred tax assets have been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

## Notes to the Financial Statements

For the year ended 31 March 2009

### 22. CREDITORS & ACCRUALS

	2009 HK\$'000	2008 HK\$'000
Creditors and accruals comprised the followings:		
Rental deposit received	8,559	7,265
Deposit received on disposal of investment properties	–	7,860
Provision for long service payments	1,945	1,894
Accruals	2,486	2,512
Trade payables	1,343	982
	<b>14,333</b>	20,513

At 31 March, the aging analysis of the trade payables was as follows:

	2009 HK\$'000	2008 HK\$'000
0 – 30 days	678	683
31 – 60 days	183	–
61 – 90 days	183	–
> 90 days	299	299
	<b>1,343</b>	982

Trade payables are non-interest-bearing and have an average term of three months.

### 23. GUARANTEES & COMMITMENTS

	The Group		The Company	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Guarantees				
– given to bank in respect of banking facilities utilized by subsidiaries	–	–	100,200	182,563
– on utility deposits	160	160	–	–
Commitments				
– for total future minimum lease payments				
– not later than one year	1,842	1,440	–	–
– later than one year and not later than five years	3,128	720	–	–
– for purchase of investment properties				
– not later than one year	–	–	–	–
– later than one year and not later than five years	12,548	12,548	–	–
– for purchase of available for sale investments				
– not later than one year	–	3,606	–	–



# Notes to the Financial Statements

For the year ended 31 March 2009

## 24. OPERATING LEASE RECEIVABLE

At the balance sheet date, the Group's total future minimum lease payments to be received under non-cancellable rental leases in respect of investment properties were as follows:

	<b>2009</b>	2008
	<b>HK\$'000</b>	HK\$'000
Not later than one year	<b>29,821</b>	28,463
Later than one year but not later than five years	<b>23,799</b>	20,757
	<b>53,620</b>	49,220

## 25. PLEDGE OF ASSETS

At the balance sheet date, properties with total carrying values of approximately HK\$440 million (2008: properties of HK\$460 million, available for sale investments of HK\$121 million and bank balances of HK\$19 million) were pledged to secure banking and other loan facilities to the extent of HK\$297 million (2008: HK\$306 million) of which HK\$100 million (2008: HK\$183 million) was utilized at that date.

## 26. RELATED PARTY TRANSACTIONS

The Group rented office space at market rate from an entity controlled by two directors of the Company. Gross rental expenses in the financial year ended 31 March 2009 amounted to HK\$979,200. For the financial year ended 31 March 2008, the Group rented office space to an entity controlled by two Directors of the Company. Gross rental income amounted to HK\$587,000.

The transaction was exempted from announcement, reporting and shareholders' approval as the transaction was within the relevant maximum amount permitted under the Listing Rules.

## Notes to the Financial Statements

For the year ended 31 March 2009

### 27. LIST OF MAJOR SUBSIDIARIES

<b>Name of company</b>	<b>Main activity</b>	<b>Country of incorporation</b>	<b>No. of issued shares</b>	<b>Par value</b>	<b>Percentage of equity held</b>
All Success Holdings Limited	Real Estate	Hong Kong	1	HK\$1	100
Asian Champion Limited	Investment	Liberia	2	US\$1,000	100
Brilliant Valley Investment Limited	Investment	Liberia	1	Nil	100
Dragon Phoenix Land Investment Limited	Real Estate	Hong Kong	1,000	HK\$10	100
Forerunner Investments Limited	Investment	Hong Kong	3,000,000	HK\$1	65
Fortune Far East Limited	Investment	Liberia	1	US\$1,000	100
Future Star Company Limited	Investment	British Virgin Islands	1	US\$1	100
Gamolon Investments Limited	Real Estate	Hong Kong	1,000	HK\$10	100
Glory East Limited	Real Estate	Liberia	1	Nil	100
Golden Mile Limited	Real Estate	Liberia	1	Nil	100
Long Growth Investments Limited	Real Estate	British Virgin Islands	1	US\$1	100
Master Yield Limited	Investment	British Virgin Islands	1	Nil	100
Nice Fortune Limited	Real Estate	Hong Kong	1	HK\$1	100
Pearl River Investment Limited	Investment	Liberia	1	Nil	100
PGG Development Company Limited	Investment	Hong Kong	70,000	HK\$10	100
PGG Asset Management Limited	Asset management	British Virgin Islands	1	US\$1	100
PGG Morrison Holding Limited	Real Estate	Hong Kong	2	HK\$1	100
Pine International Limited	Investment	British Virgin Islands	1	HK\$1	100

# Notes to the Financial Statements

For the year ended 31 March 2009

## 27. LIST OF MAJOR SUBSIDIARIES *(continued)*

Name of company	Main activity	Country of incorporation	No. of issued shares	Par value	Percentage of equity held
Pioneer Estates Limited	Real Estate	Hong Kong	100	HK\$10	100
Pioneer Industries (Holdings) Limited	Investment	Hong Kong	150,794,424	HK\$0.50	100
Supreme Success Limited	Real Estate	Hong Kong	1	HK\$1	100
Treasure Unit Limited	Investment	British Virgin Islands	1	US\$1	100
Wealth Instrument Inc.	Investment	British Virgin Islands	1	US\$1	100

The principal place of operations of the major subsidiaries is mainly in Hong Kong.

## 28. FINANCIAL RISKS MANAGEMENT

The Group's principal financial instruments comprise bank loans and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operation. The Group has various other financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

### (a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings and short-term bank deposits with a floating interest rate. The interest rates and terms of repayment of the Group's bank borrowings are disclosed in note 20 to the financial statements.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's profit before taxation (through the impact on floating rate borrowings and floating rate bank deposits) and the Group's and the Company's equity.

# Notes to the Financial Statements

For the year ended 31 March 2009

## 28. FINANCIAL RISKS MANAGEMENT *(continued)*

### (a) Interest rate risk *(continued)*

	Change in basis points	The Group Change in profit before taxation HK\$'000	Change in equity HK\$'000	Change in basis points	The Company Change in profit before taxation HK\$'000	Change in equity HK\$'000
<b>2009</b>						
Bank borrowings	100	1,002	1,002	100	-	-
Short-term bank deposits	100	1,099	1,099	100	1,083	1,083
<b>2008</b>						
Bank borrowings	100	1,826	1,826	100	99	99
Short-term bank deposits	100	197	197	100	187	187

### (b) Foreign currency risk

The Group's financial assets and financial liabilities are substantially denominated in Hong Kong dollars or United States dollars. As Hong Kong dollars are pegged to the United States dollars, the management considers that the foreign currency risk to the Group is not significant.

The Group's exposure to foreign currency risk is primarily through its investment in available for sale investments and financial assets at fair value which are denominated in Thai Baht, Singapore Dollar and Malaysian Ringgit. The following table demonstrates the sensitivity at the balance sheet date to a reasonable possible change in the foreign exchange rate, with all other variables held constant, of the Group's profit before taxation and the Group's equity.

	Change in exchange rate %	Change in profit before taxation HK\$'000	Change in equity HK\$'000
<b>As 31 March 2009</b>			
Thai Baht	5%	94	722
Singapore Dollar	5%	73	807
Malaysian Ringgit	5%	105	1,944
<b>As 31 March 2008</b>			
Thai Baht	5%	296	1,117
Malaysian Ringgit	5%	-	2,259

# Notes to the Financial Statements

For the year ended 31 March 2009

## 28. FINANCIAL RISKS MANAGEMENT *(continued)*

### (c) Credit risk

The Group's exposure to credit risk is mainly attributable to bank deposits and investments. Bank deposits are placed with high-quality financial institutions with good credit ratings. Investments are those listed securities and investment funds of counterparties that have high credit standing, the equity share price movements are closely monitored by our management.

The Group is also exposed to counterparties credit risk from its operating activities. Stringent monitoring procedures are in place to deal with the overdue debts. Debtors balance are reviewed regularly to ensure adequate impairment loss is provided.

### (d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities.

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

#### The Group at 31 March 2009

	<b>Within 1 year or on demand</b>	<b>1 to 2 years</b>	<b>3 to 5 years</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest bearing bank borrowings	<b>22,100</b>	<b>17,000</b>	<b>61,100</b>	<b>100,200</b>
Rental deposit received	<b>1,625</b>	<b>6,934</b>	–	<b>8,559</b>
Accruals and trade payables	<b>3,829</b>	–	–	<b>3,829</b>
	<b>27,554</b>	<b>23,934</b>	<b>61,100</b>	<b>112,588</b>

## Notes to the Financial Statements

For the year ended 31 March 2009

### 28. FINANCIAL RISKS MANAGEMENT *(continued)*

#### (d) Liquidity risk *(continued)*

The Group at 31 March 2008

	Within 1 year or on demand <i>HK\$'000</i>	1 to 2 years <i>HK\$'000</i>	3 to 5 years <i>HK\$'000</i>	Total <i>HK\$'000</i>
Interest bearing bank borrowings	89,513	76,050	17,000	182,563
Rental deposit received	2,583	4,189	493	7,265
Accruals and trade payables	3,494	–	–	3,494
	95,590	80,239	17,493	193,322

The Company at 31 March 2009

	Within 1 year or on demand <i>HK\$'000</i>	1 to 2 years <i>HK\$'000</i>	3 to 5 years <i>HK\$'000</i>	Total <i>HK\$'000</i>
Accruals and trade payables	387	–	–	387

The Company at 31 March 2008

	Within 1 year or on demand <i>HK\$'000</i>	1 to 2 years <i>HK\$'000</i>	3 to 5 years <i>HK\$'000</i>	Total <i>HK\$'000</i>
Interest bearing bank borrowings	9,863	–	–	9,863
Accruals and trade payables	424	–	–	424
	10,287	–	–	10,287

# Notes to the Financial Statements

For the year ended 31 March 2009

## 28. FINANCIAL RISKS MANAGEMENT *(continued)*

### (e) Equity price risk

Equity price risk is the risk that the fair value of equity securities decreases as a result of changes in the level of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual investments classified as available for sale investments (note 13) and financial assets at fair value (note 15) as at 31 March 2009. The Group's listed investments are valued at quoted market prices at the balance sheet date.

The following table demonstrates the sensitivity to every 5% change in fair value of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the balance sheet date. For the purpose of this analysis, for the available for sale investments the impact is deemed to be on the available for sale investments revaluation reserve and no account is given for factors such as impairment which might impact on the income statement.

	Carrying amount of investments <i>HK\$'000</i>	Change in profit before taxation <i>HK\$'000</i>	Change in equity <i>HK\$'000</i>
<b>At 31 March 2009</b>			
Listed investments:			
Available for sale	100,769	–	5,038
Financial assets at fair value	32,262	1,613	1,613
At 31 March 2008			
Listed investments:			
Available for sale	144,222	–	7,211
Financial assets at fair value	6,288	314	314

### (f) Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 March 2009 and 31 March 2008.

## Notes to the Financial Statements

For the year ended 31 March 2009

### 28. FINANCIAL RISKS MANAGEMENT *(continued)*

#### (f) Capital management *(continued)*

The Group monitors capital using a gearing ratio, which is net debt divided by the total assets. Net debt includes interest bearing bank borrowings less cash and cash equivalents. The gearing ratios as at the balance sheet dates were as follows:

	2009 HK\$'000	2008 HK\$'000
Interest bearing bank borrowings	100,200	182,563
Less: Cash and cash equivalents	(161,902)	(22,367)
Net debt	(61,702)	160,196
Total assets	1,445,745	1,667,760
Gearing ratio	N/A	9.6%

The gearing ratio for 2009 is not applicable because the Group is currently in a net cash position as its cash and cash equivalents exceed its interest bearing bank borrowings.

### 29. EVENT AFTER BALANCE SHEET DATE

In April 2009, the Group entered into a provisional sale and purchase agreement to dispose of the office units on 18th Floor, Great Eagle Centre, Wanchai, Hong Kong for a total consideration of HK\$48,900,000. Details of the disposal were provided in an announcement published on 27 April 2009.

### 30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 23 to 62 have been approved and authorised for issue by the Board of Directors on 2 July 2009.



## Schedule of the Group's Properties

The following is a list of properties held for investment as at 31 March 2009:

Location/Lot No.	Type of property	Lease term	Group's effective interest	GFA
1. Pioneer Building, 213 Wai Yip Street, Kwun Tong, Kowloon Kwun Tong Inland Lot No. 294	Industrial	Medium-term	100%	245,678 ft <sup>2</sup>
2. 12th Floor and the roof and car parking spaces Nos. 24 and 25, Edwick Industrial Centre, 4-30 Lei Muk Road, Kwai Chung, New Territories 98/1210th shares of and in the remaining portion of Kwai Chung Town Lot No. 302	Industrial	Medium-term	100%	51,340 ft <sup>2</sup>
3. 6th Floor, On Lok Yuen Building, Nos. 25, 27 and 27A Des Voeux Road Central, Hong Kong 5/81th shares of and in Inland Lot No. 2178	Commercial	Long-term	100%	3,878 ft <sup>2</sup>
4. The whole of basement, shops 1 & 2 on Ground Floor, Shops 1, 47, 59 & 87 on 1st Floor of the podium of blocks 1, 2 & 3, City Garden, No. 233 Electric Road, Hong Kong	Commercial	Long-term	100%	63,840 ft <sup>2</sup>
5. Suites 1808-11, 18th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Commercial	Long-term	100%	6,630 ft <sup>2</sup>
6. 1st Floor, Fu Hop Factory Building, Nos. 209 & 211 Wai Yip Street, Kwun Tong, Hong Kong	Industrial	Medium-term	100%	11,100 ft <sup>2</sup>
7. Apartments A and B on 19th Floor, Wah Tai Mansion, No. 388 Zhao Jia Bang Road, Shanghai, People's Republic of China	Residential	Long-term	100%	5,248 ft <sup>2</sup>

## Five Years Financial Summary

	2005 <i>HK\$'000</i>	2006 <i>HK\$'000</i> Restated	2007 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2009 <b><i>HK\$'000</i></b>
<b>RESULTS</b>					
Turnover	32,048	45,853	96,112	61,886	<b>119,038</b>
Profit attributable to shareholders	103,653	129,519	189,461	149,146	<b>84,693</b>
Dividends	11,541	11,541	13,079	17,695	<b>17,695</b>
Earnings per share ( <i>HK cents</i> )	13.67	16.83	24.63	19.39	<b>11.01</b>
<b>BALANCE SHEET</b>					
Total assets	850,482	1,175,357	1,394,617	1,667,760	<b>1,445,745</b>
Total liabilities	(213,174)	(243,894)	(214,837)	(268,901)	<b>(167,387)</b>
	637,308	931,463	1,179,780	1,398,859	<b>1,278,358</b>
Capital and reserves					
Share capital	76,935	76,935	76,935	76,935	<b>76,935</b>
Reserves	558,892	838,119	1,087,513	1,305,938	<b>1,187,648</b>
Shareholders' funds	635,827	915,054	1,164,448	1,382,873	<b>1,264,583</b>
Minority interests	1,481	16,409	15,332	15,986	<b>13,775</b>
	637,308	931,463	1,179,780	1,398,859	<b>1,278,358</b>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<b><i>HK cents</i></b>
Net asset value per share	83.8	118.9	151.4	179.7	<b>164.4</b>

