



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

Stock Code 股份代號 : 00224





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

Tsui Yan LAW

BANKERS

Bangkok Bank Public Company Limited

Citibank N.A. Hong Kong

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking
Corporation Limited

SOLICITORS

Baker & McKenzie

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

<http://www.pioneerglobalgroup.com>

<http://www.irasia.com/listco/hk/pioneer/index.htm>

Bloomberg: 224:HK

Reuters: 0224.hk

Managing Director's Report

BUSINESS REVIEW

Since the summer of 2011, world economy has been unstable due to the Eurozone sovereign debt crisis, which has greatly affected global economic growth.

During 2011, China has been successful in cooling inflation and housing prices by keeping higher bank reserve requirement and interest rate while maintaining severe restrictions on property purchases. However, in face of uncertain world economy and slowdown in its export sector, the Chinese Government started to inject liquidity into the banking system in the beginning of 2012. And for the first time in more than two years, it surprised the markets by lowering interest rates. While it is unlikely for China to repeat its RMB4 trillion stimulus program after the 2008 global financial crisis, signs are clear that China will be using monetary and fiscal policy tools to avoid a hard landing.

During the second half of 2011, tight monetary policies in China and the sovereign debt crisis in Europe affected liquidity and the property market in Hong Kong. However, with the historically low interest rate tied to loose US monetary policy and an economy tied to the high growth Chinese economy, prices had strong support. In particular, retail and office properties have continued to be robust due to lack of supply in the market. Looking forward, the biggest fundamental effect for the Hong Kong market will be the government's land supply and public housing policies. It is expected that the new administration of CY Leung will change the Hong Kong government's land and public housing policies.

In 2011, Thailand held a successful general election which brought landslide victory for the Pheu Thai Party led by Yingluck Shinawatra. This is only the second time in Thai political history that a single party won the parliamentary majority. But then this positive mood was spoilt by unprecedented flooding in central Thailand and Bangkok. While the floods

caused significant damages to industrial facilities and agricultural production, the economy and consumer spending have recovered surprisingly quickly since then. And as all of the major tourist resorts (like Pattaya, Koh Samui, Phuket) are outside of the flood zone, the tourism industry escaped largely unaffected. The exception is Bangkok, which suffered from high cancellations during the crisis. Fortunately, since most major hotels in the city have not been affected during the flood, recovery came quickly in the high season.

For the year ended 31 March 2012, the Group had turnover (including share of associates) of HK\$258.1 million, compared to HK\$212.9 million in 2011. Operating profits also increased to HK\$129.5 million (2011: HK\$122.7 million). The increase in turnover and operating profits were due to the acquisitions of the Pemberton building and Pullman Bangkok Hotel G (previously Sofitel Silom), and the full year accounting of revenues from 68 Yee Wo Street Building. Net profit for the Group was HK\$402.4 million (2011: HK\$547.9 million). While operating results rose during the period, the decrease in net profit was mainly due to lower fair value increase in investment properties, lower gain on disposal of properties, goodwill write-off related to acquisition, and higher financial costs. Net profit attributable to shareholders (less non-controlling interest) was HK\$340.6 million (2011: HK\$469.6 million).

On 17 October 2011, the Group completed an open offer of 384,679,552 new shares at a subscription price of HK\$0.73 per share, raising a total amount (before expenses) of HK\$280.8 million. The proceeds from the offer will be used to finance the upcoming Pioneer Building conversion works as well as any other attractive investment opportunities.



The Pemberton

Property Investments

As at 31 March 2012, occupancy for the Group's 60% owned 68 Yee Wo Street Building (229,200 sq.ft.) in Causeway Bay was 90%. During the period, the property also contributed rental and related revenues of HK\$91.1 million and a fair value gain of HK\$134.8 million on the back of a robust commercial property market.

During the reporting period, the Club Lusitano Building (80,100 sq.ft.) contributed HK\$37.1 million in rental and related revenues and fair value increase of HK\$76.9 million. As at 31 March 2012, the property had an occupancy rate of 100%.

The Pioneer Building (245,678 sq.ft.) in Kwun Tong, Kowloon also enjoys a high occupancy rate (100% as at 31 March 2012), and contributed HK\$24.3 million in rental and related revenues and HK\$72.0 million in fair value increase during the year.

In September 2011, the Group acquired the holding company which owns the 70,616 sq.ft. The Pemberton, Nos. 22-26 Bonham Strand, Hong Kong for a property value of HK\$523.0 million. As at 31 March 2012, the property was valued at HK\$540.0 million by an independent appraiser. The property is located near the Sheung Wan MTR station and is well occupied by a fine roster of commercial and F&B tenants. The Group plans to hold this asset as a long-term investment for rental income and capital appreciation. During the period since acquisition, the Pemberton building contributed HK\$9.4 million in rental and related revenues to the Group.

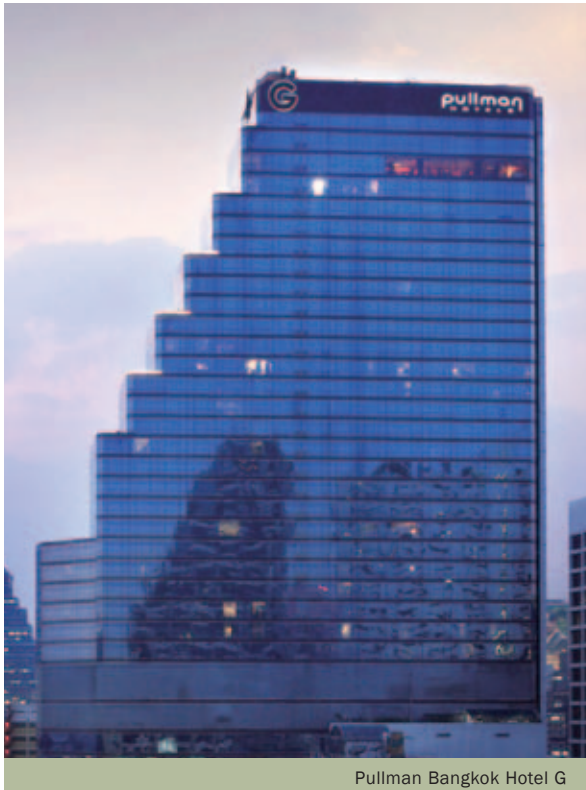
The Shanghai K. Wah Centre (a GFA 750,000 sq.ft. commercial tower in Shanghai held through an associated company) contributed an associate profit of HK\$20.0 million to the Group.

In November 2011, the Group disposed of an investment property located on 6th Floor, On Lok Yuen Building, Des Voeux Road Central, Hong Kong. The property was purchased in 1986 for the consideration of HK\$3.8 million. The sale consideration was HK\$40.0 million and the disposal has achieved a total capital gain of HK\$35.7 million.

Investments in Hotel Industry

The Group's investments in hotel industry have all been made through associated companies.

During the 12 months ended 31 March 2012, the Pullman Pattaya Aisawan Resort (owned by the Group's 49.5% owned associated company) had revenues of Baht 310.2 million (2011: Baht 264.3 million) and operating profits of Baht 125.5 million (2011: Baht 102.4 million). Net profit after depreciation and interest was Baht 27.1 million (2011: Baht 5.9 million). Throughout the past 12 months, the Thai tourism industry has continued its recovery from the political crisis of 2010. However, due to increased competition from newly completed



Pullman Bangkok Hotel G



Pullman Bangkok Hotel G - Entrance



Pullman Bangkok Hotel G - Deluxe Room

hotels in the Pattaya market, room rates are still below pre-crisis levels even though occupancy has rebounded. In order to take advantage of synergistic marketing effects with its newly acquired sister property in Bangkok, the Pullman Pattaya Aisawan Resort has been rebranded as Pullman Pattaya Hotel G since April this year.

In June 2011, the Group (through the same 49.5% owned associate that holds the Pullman Pattaya Hotel G) acquired the 469 rooms Sofitel Silom Hotel in central Bangkok for Baht 2.02 billion. We believe that this new property will provide significant operational synergies with the Pullman Pattaya Hotel G. Since taking over the property, we have carried out a major renovation program to rebrand the property into a lifestyle hotel. New lobby, new rooms, new restaurants, and new function rooms were all unveiled in the first half of 2012 and the property was renamed Pullman Bangkok Hotel G. Since our acquisition in June 2011, the Pullman Bangkok Hotel

G had revenues of Baht 266.7 million and operating profit of Baht 33.8 million. Net loss after financing costs and depreciation was Baht 97.7 million. The hotel operating performance was negatively affected by floods in the 3rd and 4th quarter and the property underwent a major renovation program during the period. In spite of this, we are confident that the property will become a strong competitor in the market place.

The Group (through its 49.5% owned Thai associated company) 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. Phase 1 of the project is planned as a 100-keys all villa resort and luxury residences operating under the brand of Park Hyatt Phuket. During the reporting period, we have started the submission process to the local government authorities. It is expected that approvals for the project will be obtained in the second half of this year.

In November 2011, the Mercure Pattaya Hotel (65% owned by the Group's 49.5% associated company) was sold for a consideration of Baht 490.0 million. The disposal generated an estimated gain of Baht 176.3 million to our associated company.

A 50% owned associated company of the Group holds 10.3% of Dusit Thani Public Company Limited ("Dusit Thani"), the leading owner and operator of hotels in Thailand. For the year ended 31 December 2011, Dusit Thani had revenues of Baht 3.92 billion (2010: Baht 3.60 billion) and net profit of Baht 31.0 million (2010: Baht 108.1 million). Dividend income to our associated company was Baht 4.4 million (2010: Baht 4.4 million).

The Group's unlisted associate (27.71% owned by the Group), Strand Hotels International Limited, is in a 50/50 joint venture with the government of Myanmar to own and operate three hotels in Yangon – the Strand Hotel, the Inya Lake Hotel, and the Thamada Hotel. Since Myanmar's general election in late 2010, the new regime has engaged in a series of political reforms. The most significant of these reforms have been the release of the opposition leader Aung San Suu Kyi, who was recently elected into the parliament. In addition, economic reforms have also started, including the regularization of the currency regime. As a result of these very encouraging developments, we have seen a significant increase in both tourists and business visitors. As long as the reforms continue, we believe that Myanmar as a country will offer significant investment opportunities in tourism and other sectors.

PROSPECTS

Touted as the new major business district of the city, Kowloon East (Kowloon Bay and Kwun Tong) has been changing rapidly, with by far the largest completion of new commercial buildings in Hong Kong and attracting many large office space users. With the future redevelopment of the old Kai Tak Airport and its accompanying new infrastructure, the area is anticipated to have the class A office space multiple times of that in Hong Kong Central. As a result, both rental rates and capital values have risen strongly in the area. In light of these developments in the neighborhood, the management has applied for a conversion of the Pioneer Building into a commercial building under Hong Kong Government's revitalization scheme for industrial buildings. We are pleased to report that the proposed scheme has been approved by the government in May 2012. The conversion works will start in 2nd quarter of 2013, and completion is expected by the middle of 2014.

On 27 February 2012, a sale and purchase agreement was signed by the Group to dispose of a shop unit at 14 Kau U Fong, Central for a consideration of HK\$30.0 million. This transaction was completed in May 2012 and will contribute a total capital gain of HK\$4.5 million for the Group.

On 25 April 2012, the Group entered into a provisional sale and purchase agreement to dispose of the 12th Floor and the roof and car parking spaces of Edwick Industrial Centre, Kwai Chung, for a total consideration of HK\$36.2 million. The completion date is scheduled to be in July 2012. When completed, the sale will achieve a total capital

gain of HK\$30.0 million of which about HK\$20.2 million were already recognized in previous financial years.

With the proceeds from the open offer and the divestiture of non-core assets, the Group has maintained a healthy balance sheet and is well placed to take advantage of opportunities that may arise from the current economic crisis.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2012, the Group continued to enjoy a strong financial position with substantial unutilized bank facilities. At 31 March 2012, the Group's total debts to total assets ratio was 30.2% (31 March 2011: 32.4%) and net debt to total assets ratio was 27.3% (31 March 2011: 31.2%).

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, 22 June 2012

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 2012.

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 29 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 2012 are set out in the consolidated income statement on page 25.

An interim dividend of HK1.20 cent per share, totalling HK\$13,849,000 which was paid on 11 January 2012.

The Directors recommend the payment of a final dividend for the year ended 31 March 2012 at the rate of HK2.30 cents (2011: HK1.80 cents) per share, payable on 27 September 2012 to all persons registered as shareholders on 21 September 2012. The transfer of books and register of members of the Company will be closed from 19 September 2012 to 21 September 2012, both days inclusive, during which period no transfer of shares will be effected. 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 Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 18 September 2012.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 18 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a company is available for distribution. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after payment be, unable to pay its liabilities as they become due; or
- (b) the realizable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

The reserves of the Company available for distribution to shareholders as at 31 March 2012, including contributed surplus and retained earnings amounted to HK\$702,418,000 (2011: HK\$676,011,000).

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 72.

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 2012 are set out in note 29 to the financial statements.

LOANS AND BORROWINGS

Details of loans and borrowings are set out in notes 20 and 21 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 and the five largest suppliers also accounted for less than 30% of the Group's expenditure on goods and services.

DONATIONS

During the financial year, the Group has made HK\$80,000 charitable donations (2011: HK\$22,000).

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 at 31 March 2012, 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 | – | 24,894,731 ¹ | 215,768,260 ² | 240,662,991 | 20.85 |
| Kenneth Gaw | 61,418,428 | 12,725,857 ³ | 41,305,864 ⁴ | 115,450,149 | 10.00 |
| Jane Kwai Ying Tsui | 600,750 | – | – | 600,750 | 0.05 |

¹ Mrs. Rossana Wang Gaw owns the entire issue share capital of Vitality Holdings Limited, which was beneficially interested in 24,894,731 shares.

² Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares.

³ Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 12,725,857 shares.

⁴ Family trust of which Mr. Kenneth Gaw is the sole beneficiary held an aggregate of 41,305,864 shares.

Long Position in Shares of Associated Corporations

| Name of company | Name of director | Number of shares held by controlled corporation | % |
|--|------------------|---|------|
| Grandsworth Pte. Limited | Rossana Wang Gaw | 1* | 50.0 |
| Grandsworth Pte. Limited | Kenneth Gaw | 1* | 50.0 |
| Pioneer Hospitality Siam (GBR) Limited | Rossana Wang Gaw | 2,020,000* | 50.5 |
| Pioneer Hospitality Siam (GBR) Limited | Kenneth Gaw | 2,020,000* | 50.5 |
| Keencity Properties Limited | Rossana Wang Gaw | 5,019,205* | 50.5 |
| Keencity Properties Limited | Kenneth Gaw | 5,019,205* | 50.5 |
| Pioneer iNetwork Limited | Rossana Wang Gaw | 1* | 50.0 |
| Pioneer iNetwork Limited | 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.

Save as disclosed above, as at 31 March 2012, 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 SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2012, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who had interests or short positions in the shares and underlying shares 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.

| Name of shareholder | Number of shares | % |
|--|--------------------------|-------|
| Asset-Plus Investments Ltd. | 115,403,866 | 10.00 |
| Forward Investments Inc. | 283,200,215 | 24.54 |
| Intercontinental Enterprises Corporation | 215,768,260 ¹ | 18.70 |
| Prosperous Island Limited | 97,324,936 | 8.43 |

¹ Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 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 at 31 March 2012, had interests or short positions in the shares and underlying shares 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.

EMOLUMENT POLICY

As at 31 March 2012, the number of salaried staff at the holding company level was 18 (2011: 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.

The emoluments of the directors of the Company are determined with reference to the Company's performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions.

Directors' Report

SHARE OPTION SCHEME

As at 31 March 2012, 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' 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 17 to 22.

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 TRANSACTION

The Group entered into certain transaction with parties regarded as “related parties” under the applicable accounting standards. Details of the transaction are set out in note 28 to the financial statements.

AUDITORS

The financial statements for the year ended 31 March 2012 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, 22 June 2012

Biographical Details of Directors

EXECUTIVE DIRECTORS

Mrs. Rossana WANG GAW (Chairman)

Aged 66, 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 43, 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 firm focusing on Asia real estate markets. He is also the President of Downtown Properties Holdings, a private real estate investment company with commercial properties interest in the United States. 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 41, 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, 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 firm 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) LLC in Hong Kong. He is the son of Mrs. Rossana Wang Gaw and the brother of Mr. Goodwin Gaw.

Ms. Jane Kwai Ying TSUI

Aged 68, 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 advising on company secretarial matters of the Group. Ms. Tsui previously worked in the banking sector for about 3 years before joining the Group in 1980.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Charles Wai Bun CHEUNG, JP

Aged 75, 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 in Business Administration and a Bachelor of Science Degree. He has over 35 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. Dr. Cheung is Chairman of Joy Harvest International Limited, a director and Vice Chairman of the Executive Committee of Metropolitan Bank (China) Ltd.. He is a director and director of Audit Committee of China Resources Bank of Zhuhai Co. Ltd.. He is also an independent non-executive director and Chairman of Audit Committee of both Shanghai Electric Group Company Limited and China Financial International Investments Limited (formerly named Sunshine Capital Investments Group Limited) and an independent non-executive director of Universal Technologies Holdings Ltd. which are listed on the main board of the Stock Exchange. Dr. Cheung is an independent non-executive director and Chairman of Remuneration Committee of Grand T G Gold Holdings Limited which is listed on GEM board of the Stock Exchange. Dr. Cheung is a Senior Adviser to the Metropolitan Bank & Trust Company, Philippines and Executive Chairman of Lightscape Technologies Inc.. Dr. Cheung is a Visiting Professor of School of Business of Nanjing University, China and Special Adviser to the President of University of Victoria B.C. Canada. He is a member of Hospital Governing Committee of both Kowloon Hospital and Hong Kong Eye Hospital. He is a council member of The Hong Kong Institute of Directors. Dr. Cheung was a former director and adviser of Tung Wah Group of Hospitals. He was awarded the Directors of the year Awards 2002 of Listed Company Non-executive Director. Dr. Cheung was elected Outstanding Director Award by the Chartered Association of Directors, Outstanding Management Award by Chartered Management Association and Outstanding CEO Award by the Asia Pacific CEO Association in December 2010.

Mr. Arnold Tin Chee IP

Aged 49, 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, specializing 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 specializing in taxation and qualified as a chartered accountant in 1988.

Biographical Details of Directors

Mr. Stephen TAN

Aged 58, 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 Cantonese Opera Development Fund Investment Committee of Hong Kong Special Administration Region and Bangkok Mercantile (Hong Kong) Company Limited. He is the President of Chiu Yang Residents Association of Hong Kong Limited, a voting member of Tung Wah Group of Hospitals Advisory Board and Hong Kong Sinfonietta Limited, a founding member of Hong Kong-Thailand Business Council and a trustee of Outward Bound Trust of Hong Kong. Mr. Tan is also a member of Election Committee (Finance), a member of the Mega Events Fund Assessment Committee and an honorary advisor of both the New Graduate School of Business of the Hong Kong Polytechnic University and the 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. 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 2012, the Company has applied and complied with the applicable CG Code.

THE BOARD OF DIRECTORS

There is a clear division of responsibilities between the Board and the management. The Board is responsible for directing business affairs of the Group 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 corporate governance requirements and appropriate framework of laws and regulatory guidelines. The management is delegated with the day-to-day running and operational matters of the Group in accordance with the Board's policies. The respective functions to the Board and the management have been formalized and set out in writing.

The Board currently comprises seven directors, including four Executive Directors and three Independent Non-executive Directors. The biographical details of the Directors including their names, positions and relationships are set out on pages 14 to 16. In particular, Mrs. Rossana Wang Gaw (Chairman) is the mother of Mr. Goodwin Gaw (Vice Chairman) and Mr. Kenneth Gaw (Managing Director). 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.

BOARD MEETINGS AND PROCEDURES

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.

Corporate Governance Report

In respect of regular Board meetings, at least 14 days' notice is normally given to all Directors and all Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying Board papers in respect of regular Board meetings are sent out in full to all Directors within reasonable time before the Board meetings, which enable the Board to make an informed decision on the matters. Draft minutes of every Board meeting are circulated to all Directors for their comment within a reasonable time after the Board meeting is held. All the minutes are kept by the Company Secretary and are open for inspection by any Director.

According to the current Board practice, any material transaction, which involves a conflict of interest for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

All Board members are encouraged to update their knowledge of and familiarity with the Group through active participation at Board meetings.

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

| Directors | Number of Board Meeting attended | Attendance rate |
|--|---|------------------------|
| Executive Directors | | |
| Rossana Wang Gaw (<i>Chairman</i>) | 6/6 | 100% |
| Goodwin Gaw (<i>Vice Chairman</i>) | 4/6 | 67% |
| Kenneth Gaw (<i>Managing Director</i>) | 6/6 | 100% |
| Jane Kwai Ying Tsui | 6/6 | 100% |
| Independent Non-executive Directors | | |
| Dr. Charles Wai Bun Cheung, JP | 5/6 | 83% |
| Arnold Tin Chee Ip | 6/6 | 100% |
| Stephan Tan | 6/6 | 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 with good corporate governance practice. With the support of the senior management, the Chairman ensures that all Directors receive adequate, complete and reliable information, and are properly briefed on issues arising at Board meetings and that all key and appropriate issues are discussed by the Board in a timely manner.

The Managing Director heads the management and focuses on implementing objectives, policies and strategies approved and delegated by the Board. He has the executive responsibilities over the Company's day-to-day management and operation.

During the year under review, the Chairman of the Company is Mrs. Rossana Wang Gaw whereas the Managing Director is Mr. Kenneth Gaw.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each Independent Non-executive Director is appointed for a specific term of not more than 3 years 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.

The Board as a whole is responsible for ensuring that all the directors and senior executives appointed are fit and proper persons. When there is a vacancy or an addition director, the Directors will identify and nominate suitable candidates to the Board for consideration. The Board will review the qualification of the candidates for determining the suitability to the Group on the basis of 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. As there was no appointment of new director during the financial year, no board meeting was convened for that purpose.

INTERNAL CONTROLS

The Board recognizes 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. The Board has, through the Audit Committee and the external auditors, conducted the review of effectiveness of the Company's internal control system for the year ended 31 March 2012, including all material financial, operational and compliance controls and risk management functions and assessed the adequacy of resources, qualification and experience of the staff of the Company's accounting and financial reporting function, and their training programs and budgets. The result of assessment is satisfactory and there are no significant control failings or weaknesses identified during the financial year which might affect shareholders.

BOARD COMMITTEES

Various Board Committees have been set up to assist the Board to manage the overall strategies of the Company. These include Remuneration Committee, Audit Committee and Nomination Committee. Nomination Committee will become effective in the financial year 2012/13 and Mrs. Rossana Wang Gaw is the Chairman of the Nomination Committee whereas Mr. Kenneth Gaw, Dr. Charles Wai Bun Cheung, JP, Mr. Arnold Tin Chee Ip and Mr. Stephen Tan are the Committee members.

REMUNERATION COMMITTEE

The Remuneration Committee consists 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 responsibilities and functions of the Remuneration Committee are set out in its terms of reference. The principal duties of the Remuneration Committee are to make recommendations to the Board regarding the Company'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. Sufficient resources are provided to the Committee to discharge its duty. The Committee can consult the Chairman and the Managing Director about their proposals relating to the remuneration of the Executive Directors and have access to independent professional advice at the Company's expense if necessary.

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

| Directors | Number of Remuneration Committee Meeting attended | Attendance rate |
|--|--|------------------------|
| Independent Non-executive Directors | | |
| Arnold Tin Chee Ip (<i>Chairman</i>) | 1/1 | 100% |
| Dr. Charles Wai Bun Cheung, JP | 1/1 | 100% |
| Stephen Tan | 1/1 | 100% |
| Executive Director | | |
| 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 2012 and the bonus for year 2011. The Committee also recommended an increase of Independent Non-executive Directors' fee for shareholders' approval.

Details of the Directors' remuneration for year 2012 are set out in note 10 to the financial statements.

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 with its terms of reference in compliance with the Listing Rules. The principal duties of the Audit Committee are to review the interim and annual financial statements; to investigate any activity within its terms of reference; to discuss any issues arising from the audits and any matters raised by the external auditors; to assess the internal control and risk management systems, and to monitor the financial aspects of the Group. The Audit Committee meets twice a year and is provided with sufficient resources to discharge its duty and has access to independent professional advice according to the Company's policy if necessary.

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

| Directors | Number of Audit Committee Meeting attended | Attendance rate |
|--|--|-----------------|
| Independent Non-executive Directors | | |
| 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, paying attention to any changes in accounting policies and practices and their impact on the Group's financial statements. The Committee also reviewed the internal control and risk management systems report prepared by the management and discussed the same with the external auditors to ensure the effectiveness and efficiency of the Group's operation. The work and finding of the Audit Committee were reported to the Board.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge that they are responsible for preparing the accounts. The consolidated financial statements of the Company for the year ended 31 March 2012 have been audited by the external auditors, Wong Brothers & Co., and reviewed by the Audit Committee. The Auditors' reporting responsibilities are included in the Independent Auditors' Report on pages 23 to 24.

During the financial year ended 31 March 2012, the fees charged for statutory audit services provided to the Company and its subsidiaries amounted to HK\$498,000, and in addition HK\$52,000 was charged for other non-statutory audit services, mainly comprised tax advisory services.

DIRECTORS' DEALING IN SHARES OF THE COMPANY

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 2012.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes 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 or www.irasia.com/listco/hk/pioneer/index.htm) for relevant corporate and financial information.

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. The Chairman, senior management and external auditors participates in the meeting to answer any questions from the shareholders. An annual general meeting circular is distributed to all shareholders at least 20 clear business days prior to the annual general meeting. To facilitate enforcement of the shareholders' rights, significant issues are dealt with under separate resolutions. All resolutions at the annual general meeting of the Company will be decided on a poll and the Company will engage external scrutineer for proper counting of the votes. Results of the poll will be published on the websites of the Company and the Stock Exchange.

Any enquiries by shareholders drawing the Board's attention can be sent in writing to the Company Secretary at the Company's principal place of business in Hong Kong or via email (info@pioneerglobalgroup.com).

Independent Auditors' Report

To the Shareholders of

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Pioneer Global Group Limited ("the Company") and its subsidiaries (together the "Group") set out on pages 25 to 70, which comprise the consolidated and Company statements of financial position as at 31 March 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2012 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
22 June 2012

Consolidated Income Statement

For the year ended 31 March 2012

| | | For the year ended 31 March | |
|---|-------|--|-----------------|
| | Notes | 2012 | 2011 |
| | | HK\$'000 | HK\$'000 |
| Turnover | | | |
| Company and subsidiaries | | 179,762 | 160,767 |
| Share of associates | | 78,324 | 52,163 |
| | | 258,086 | 212,930 |
| Turnover of Company and subsidiaries | 3 | 179,762 | 160,767 |
| Properties operating expenses | | (31,717) | (21,902) |
| Staff costs | | (13,522) | (12,082) |
| Depreciation | | (525) | (611) |
| Other expenses | | (4,501) | (3,453) |
| | | (50,265) | (38,048) |
| Operating profit | | 129,497 | 122,719 |
| Share of profits of associates | | 37,457 | 102,067 |
| Change in fair value of investment properties | 11 | 296,249 | 335,882 |
| Other gains and losses | 4 | 31,268 | 57,901 |
| Finance costs | | (29,843) | (13,536) |
| Profit before taxation | 5 | 464,628 | 605,033 |
| Taxation | | | |
| Current | 6 | (3,052) | (1,309) |
| Deferred | 6 | (59,224) | (55,787) |
| Profit for the year | | 402,352 | 547,937 |
| Profit attributable to: | | | |
| Shareholders of the Company | | 340,563 | 469,622 |
| Non-controlling interests | | 61,789 | 78,315 |
| | | 402,352 | 547,937 |
| | | HK cents | HK cents |
| Earnings per share | 9 | 36.08 | 61.04 |

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2012

| | For the year ended 31 March | |
|---|--------------------------------|----------|
| | 2012 | 2011 |
| | HK\$'000 | HK\$'000 |
| Profit for the year | 402,352 | 547,937 |
| Other comprehensive income | | |
| Change in fair value of available for sale investments | | |
| – subsidiaries | (57,104) | 28,661 |
| – associates | (1,474) | 13,819 |
| Exchange difference on translation of associates | (7,349) | 5,199 |
| Release of exchange reserve upon disposal of subsidiaries | – | (3,741) |
| Other comprehensive income for the year, net of tax | (65,927) | 43,938 |
| Total comprehensive income for the year | 336,425 | 591,875 |
| Total comprehensive income attributable to: | | |
| Shareholders of the Company | 272,635 | 510,975 |
| Non-controlling interests | 63,790 | 80,900 |
| | 336,425 | 591,875 |

Consolidated Statement of Financial Position

At 31 March 2012

| | Notes | At 31 March 2012 HK\$'000 | At 31 March 2011 HK\$'000 |
|-------------------------------------|-------|---------------------------------|---------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | 11 | 4,136,700 | 3,282,800 |
| Associates | 12 | 669,864 | 625,371 |
| Available for sale investments | 13 | 229,085 | 353,348 |
| Property, plant & equipment | 11 | 2,072 | 2,607 |
| Other assets | | 950 | 1,447 |
| | | 5,038,671 | 4,265,573 |
| Current assets | | | |
| Debtors, advances & prepayments | 14 | 26,113 | 23,810 |
| Available for sale investments | 13 | 12,260 | 48,970 |
| Financial assets at fair value | 15 | 1,780 | 5,887 |
| Cash & bank balances | 17 | 155,582 | 54,884 |
| | | 195,735 | 133,551 |
| Total assets | | 5,234,406 | 4,399,124 |
| EQUITY | | | |
| Share capital | 18 | 115,404 | 76,935 |
| Reserves | 19 | 2,607,755 | 2,122,756 |
| Shareholders' funds | | 2,723,159 | 2,199,691 |
| Non-controlling interests | | 498,765 | 441,640 |
| Total equity | | 3,221,924 | 2,641,331 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Creditors & accruals | 23 | 31,615 | 29,272 |
| Secured bank loans | 20 | 433,410 | 1,221,997 |
| Deferred payment | 21 | 61,500 | 102,500 |
| Deferred taxation | 22 | 365,999 | 279,816 |
| | | 892,524 | 1,633,585 |
| Current liabilities | | | |
| Creditors & accruals | 23 | 31,577 | 20,648 |
| Secured bank loans | 20 | 1,046,053 | 102,044 |
| Deferred payment | 21 | 41,000 | – |
| Tax liabilities | | 1,328 | 1,516 |
| | | 1,119,958 | 124,208 |
| Total liabilities | | 2,012,482 | 1,757,793 |
| Total equity and liabilities | | 5,234,406 | 4,399,124 |

Statement of Financial Position

At 31 March 2012

| | Notes | 2012 HK\$'000 | 2011 HK\$'000 |
|-------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Subsidiary companies | 16 | 1,320,585 | 1,003,273 |
| Associates | 12 | 40,953 | 40,899 |
| Available for sale investments | 13 | 3,713 | 11,346 |
| | | 1,365,251 | 1,055,518 |
| Current assets | | | |
| Debtors, advances & prepayments | | 129 | 762 |
| Cash & bank balances | 17 | 93 | 288 |
| | | 222 | 1,050 |
| Total Assets | | 1,365,473 | 1,056,568 |
| EQUITY | | | |
| Share capital | 18 | 115,404 | 76,935 |
| Reserves | 19 | 1,248,907 | 978,842 |
| Total equity | | 1,364,311 | 1,055,777 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Creditors & accruals | | 1,173 | 802 |
| Tax refundable | | (11) | (11) |
| Total liabilities | | 1,162 | 791 |
| Total equity and liabilities | | 1,365,473 | 1,056,568 |

Consolidated Statement of Cash Flows

For the year ended 31 March 2012

| | Notes | 2012 HK\$'000 | 2011 HK\$'000 |
|---|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Profit before taxation | | 464,628 | 605,033 |
| Share of net profits of associates | | (37,457) | (102,067) |
| Increase in fair value of investment properties | | (296,249) | (335,882) |
| Other gains and losses | | (31,268) | (57,901) |
| Depreciation | | 525 | 611 |
| Interest income | | (5,199) | (9,843) |
| Interest expenses | | 29,843 | 13,536 |
| Dividend income | | | |
| – listed | | (6,039) | (5,542) |
| – unlisted | | (2,664) | (2,200) |
| Operating cash flows before working capital changes | | 116,120 | 105,745 |
| Increase in debtors, advances & prepayments | | (1,841) | (4,839) |
| Increase in creditors & accruals | | 1,433 | 242 |
| Cash generated from operations | | 115,712 | 101,148 |
| Hong Kong profits tax paid | | (3,940) | (1,635) |
| Overseas profits tax paid | | (29) | (26) |
| Net cash from operating activities | | 111,743 | 99,487 |
| Cash flows from investing activities | | | |
| Interest received | | 4,969 | 9,848 |
| Dividend received | | 9,342 | 8,121 |
| Investment properties: | | | |
| – Purchase of investment properties | | (22,807) | – |
| – Addition to investment properties | | (7,974) | (318) |
| – Deposit on purchase of investment properties | | – | (2,380) |
| – Deposit received on disposal of investment properties | | 3,000 | – |
| – Proceeds on disposal of investment properties | | 39,573 | 188,843 |
| Associates: | | | |
| – Advance to associates | | (36,121) | (81,150) |
| – Distribution from associates | | 20,262 | 28,301 |
| Available for sale investments: | | | |
| – Purchase of available for sale investments | | (60,557) | (70,148) |
| – Distribution from available for sale investments | | 1,596 | 2,649 |
| – Proceeds on disposal of available for sale investments | | 182,126 | 58,300 |
| – Recovery of impairment loss on available for sale investments | | 1,200 | – |
| Property, plant & equipment: | | | |
| – Purchase of property, plant & equipment | | (24) | (1,171) |
| – Proceeds on disposal of property, plant & equipment | | – | 65 |
| Financial assets at fair value: | | | |
| – Purchase of financial assets | | – | (76) |
| – Proceeds on disposal of financial assets | | 4,792 | 82 |
| – Proceeds on disposal of other assets | | 487 | – |
| – Acquisition of subsidiaries | 24 | (259,281) | (229,288) |
| Net cash used in investing activities | | (119,417) | (88,322) |

Consolidated Statement of Cash Flows

For the year ended 31 March 2012

| | Notes | 2012 HK\$'000 | 2011 HK\$'000 |
|--|-------|------------------|------------------|
| Cash flows from financing activities | | | |
| Interest paid | | (29,718) | (13,318) |
| Distributions to non-controlling interest shareholders | | (6,665) | (539) |
| Dividend paid to shareholders | | (27,697) | (21,542) |
| Open offer | | 278,530 | – |
| Bank loans raised | | – | 82,811 |
| Bank loans repaid | | (106,078) | (90,649) |
| Net cash generated from/(used in) financing activities | | 108,372 | (43,237) |
| Net increase/(decrease) in cash and cash equivalents | | 100,698 | (32,072) |
| Cash and cash equivalents at the beginning of the year | | 54,884 | 86,930 |
| Effect of foreign exchange rates changes | | – | 26 |
| Cash and cash equivalents at the end of the year | | 155,582 | 54,884 |
| Analysis of the balances of cash and cash equivalents | | | |
| Bank balances, cash & deposits placed with banks up to three months' maturity | 17 | 155,582 | 54,884 |

Consolidated Statement of Changes in Equity

For the year ended 31 March 2012

| | Attributable to shareholders of the Company | | | | | | | | |
|---|---|---------------------------|---------------------------|------------------|--------------------------------|------------------|-------------------------------|---------------------------------------|--------------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Capital reserve & surplus | | Investment revaluation reserve | | Retained earnings HK\$'000 | Non-controlling interests HK\$'000 | Total equity HK\$'000 |
| | | | contributed | Exchange reserve | revaluation | reserve | | | |
| | | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | | | |
| At 1 April 2011 | 76,935 | 307,687 | 41,242 | 15,598 | 297,047 | 1,461,182 | 2,199,691 | 441,640 | 2,641,331 |
| Open offer | 38,469 | 240,061 | - | - | - | - | 278,530 | - | 278,530 |
| Fair value change of available for sale investments | | | | | | | | | |
| - subsidiaries | - | - | - | - | (59,105) | - | (59,105) | - | (59,105) |
| - non-controlling interests | - | - | - | - | - | - | - | 2,001 | 2,001 |
| - associates | - | - | - | - | (1,474) | - | (1,474) | - | (1,474) |
| Exchange on translation of associates | - | - | - | (7,349) | - | - | (7,349) | - | (7,349) |
| Net income recognized directly in equity | - | - | - | (7,349) | (60,579) | - | (67,928) | 2,001 | (65,927) |
| Profit attributable to equity holders | - | - | - | - | - | 340,563 | 340,563 | 61,789 | 402,352 |
| Total comprehensive income for the year | - | - | - | (7,349) | (60,579) | 340,563 | 272,635 | 63,790 | 336,425 |
| Distribution to non-controlling interests | - | - | - | - | - | - | - | (6,665) | (6,665) |
| 2011 final dividend paid | - | - | - | - | - | (13,848) | (13,848) | - | (13,848) |
| 2012 interim dividend paid | - | - | - | - | - | (13,849) | (13,849) | - | (13,849) |
| At 31 March 2012 | 115,404 | 547,748 | 41,242 | 8,249 | 236,468 | 1,774,048 | 2,723,159 | 498,765 | 3,221,924 |

Consolidated Statement of Changes in Equity

For the year ended 31 March 2012

| | Attributable to shareholders of the Company | | | | | | | | |
|---|---|---------------|---------------------------------------|------------------|--------------------------------|-------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium | Capital reserve & contributed surplus | Exchange reserve | Investment revaluation reserve | Retained earnings | Total | Non-controlling interests | Total equity |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2010 | 76,935 | 307,687 | 41,242 | 14,140 | 257,152 | 1,013,102 | 1,710,258 | 15,933 | 1,726,191 |
| Acquisition of subsidiaries | - | - | - | - | - | - | - | 345,346 | 345,346 |
| Fair value change of available for sale investments | | | | | | | | | |
| - subsidiaries | - | - | - | - | 26,076 | - | 26,076 | - | 26,076 |
| - non-controlling interests | - | - | - | - | - | - | - | 2,585 | 2,585 |
| - associates | - | - | - | - | 13,819 | - | 13,819 | - | 13,819 |
| Exchange on translation of associates | - | - | - | 5,199 | - | - | 5,199 | - | 5,199 |
| Release of exchange reserve upon disposal of subsidiaries | - | - | - | (3,741) | - | - | (3,741) | - | (3,741) |
| Net income recognized directly in equity | - | - | - | 1,458 | 39,895 | - | 41,353 | 2,585 | 43,938 |
| Profit attributable to equity holders | - | - | - | - | - | 469,622 | 469,622 | 78,315 | 547,937 |
| Total comprehensive income for the year | - | - | - | 1,458 | 39,895 | 469,622 | 510,975 | 80,900 | 591,875 |
| Distribution to non-controlling interests | - | - | - | - | - | - | - | (539) | (539) |
| 2010 final dividend paid | - | - | - | - | - | (13,848) | (13,848) | - | (13,848) |
| 2011 interim dividend paid | - | - | - | - | - | (7,694) | (7,694) | - | (7,694) |
| At 31 March 2011 | 76,935 | 307,687 | 41,242 | 15,598 | 297,047 | 1,461,182 | 2,199,691 | 441,640 | 2,641,331 |

Notes to the Financial Statements

For the year ended 31 March 2012

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 29.

(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.

During the current year, the Group has applied a number of new and revised Standards, Amendments to Standards and Interpretations (“new and revised HKFRSs”) issued by the HKICPA which are relevant to its operations.

| | |
|---------------------|---|
| HKAS 1 (Amendment) | Presentation of Financial Statements |
| HKAS 24 (Revised) | Related Parties Disclosures |
| HKAS 27 (Amendment) | Consolidated and Separate Financial Statements |
| HKAS 32 (Amendment) | Financial Instruments: Presentation |
| HKAS 34 (Amendment) | Interim Financial Reporting |
| HKFRS 3 (Revised) | Business Combinations |
| HKFRS 7 (Amendment) | Financial Instruments: Disclosures |
| HK (IFRIC) – Int 19 | Extinguishing Financial Liabilities with Equity Instruments |

The application of the above new and revised HKFRSs did not have any material effect on the financial position or performance of the Group for the current and/or prior accounting years.

Notes to the Financial Statements

For the year ended 31 March 2012

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Statement of compliance *(continued)*

New and revised Standards and Interpretations in issue but not yet effective

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

| | |
|---------------------|---|
| HKAS 1 (Amendment) | Presentation of Financial Statements ³ |
| HKAS 12 (Amendment) | Deferred Tax: Recovery of Underlying Assets ² |
| HKAS 19 (Amendment) | Employee Benefits ⁴ |
| HKAS 27 (2011) | Separate Financial Statements ⁴ |
| HKAS 28 (2011) | Investments in Associates and Joint Ventures ⁴ |
| HKAS 32 (Amendment) | Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities ⁵ |
| HKFRS 7 (Amendment) | Financial Instruments: Disclosures – Transfers of Financial Assets ¹ |
| HKFRS 7 (Amendment) | Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities ⁴ |
| HKFRS 9 | Financial Instruments ⁶ |
| HKFRS 10 | Consolidated Financial Statements ⁴ |
| HKFRS 11 | Joint Arrangements ⁴ |
| HKFRS 12 | Disclosure of Interests in Other Entities ⁴ |
| HKFRS 13 | Fair Value Measurement ⁴ |

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2012

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2013

⁵ Effective for annual periods beginning on or after 1 January 2014

⁶ Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the potential impact of the above new and revised standards, amendments or interpretations. The Group is not yet in a position to determine the impact of these new and revised standards, amendments or interpretations on the results of operations and financial position of the Group.

Notes to the Financial Statements

For the year ended 31 March 2012

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2012 incorporate the financial statements of 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 recognized 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.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

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

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less any impairment losses.

Notes to the Financial Statements

For the year ended 31 March 2012

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Associates

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

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 recognized for the year.

In the Company's statement of financial position, its investments in associates are stated at cost less impairment losses.

(f) Business combinations

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

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

(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 statement of financial position at fair value. Any gain or loss arising from a change in fair value is recognized in the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost over their estimated useful lives on the reducing balance method at 10-25% p.a..

(i) Financial assets

The Group classifies its financial assets in the categories of financial assets at fair value and available for sale investments. When financial assets are recognized initially, they are measured at fair value, plus attributable transactions costs if the investments are not financial assets at fair value. The Group determines the classification of its investments after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of investments are recognized on the trade date i.e. the date that the Group commits to purchase the assets. Regular way purchases or sales are purchases or sales of investments that require delivery of assets within the period generally established by regulation or convention in the market place.

(a) *Financial assets at fair value*

Financial assets held for short term trading purposes is classified as 'financial assets at fair value'. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses arising from changes in fair value are recognized in profit or loss.

(b) *Available for sale investments*

Available for sale investments are those non-derivative financial assets that are designated as available for sale or are not classified in any other categories of financial assets. After initial recognition, available for sale investments are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is derecognized or the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

If any objective evidence exists for available for sale investments are impaired, the accumulated loss which is measured as the difference between the acquisition cost and the current fair value, is removed from equity and recognized in profit or loss. Impairment loss recognized on equity investments is not reversed.

Notes to the Financial Statements

For the year ended 31 March 2012

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Impairment of assets

At each year end 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 recognized 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 recognized for the asset in prior years.

(k) 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.

(l) Debtors

Debtors are recognized initially at fair value and subsequently stated at amortized cost using the effective interest method, less allowance for doubtful debt. When doubtful debts are identified, provisions are made and recognized in the income statement.

(m) 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.

(n) Bank loans and interest-bearing borrowings

Bank loans and interest-bearing borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to raising of the bank loans and interest-bearing borrowings. They are subsequently stated at amortized cost. Any difference between the cost and the redemption value is recognized in profit or loss over the period of the bank loans and interest-bearing borrowings using the effective interest rate method.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Creditors

Creditors are recognized initially at fair value and subsequently stated at amortized cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost. Creditors are classified as current liabilities if payment is due within one year or less; otherwise, they are presented as non-current liabilities.

(p) Revenue recognition

(i) Rental income

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

(ii) Rendering of services

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

(iii) Dividend income

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

(iv) Interest income

Interest income is recognized on a time proportion basis.

(q) Foreign currencies

The functional and presentation currency of the Company, subsidiaries and associates which operate in Hong Kong is in 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 year end 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 statements of financial position are translated into Hong Kong dollars at the exchange rates ruling at the year end date. The resulting translation differences are included in the exchange reserve.

Notes to the Financial Statements

For the year ended 31 March 2012

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) 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 recognized 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.

(s) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in profit or loss.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) 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 capitalized as part of the cost of those assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

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

(u) Related parties

(i) A person or a close member of that person's family is related to the Group if that person:

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of key management personnel of the Group or the Group's holding company.

(ii) An entity is related to the Group if any of the following conditions apply:

- (1) The entity and the Group are members of the same Group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (6) The entity is controlled or jointly controlled by a person identified in (i).
- (7) A person identified in (i)(1) has significant influence over the entity or is a member of key management personnel of the entity (or of the holding company of the entity).

Notes to the Financial Statements

For the year ended 31 March 2012

2. SEGMENT INFORMATION

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

Business segment

In accordance with the internal financial reporting of the Group provided to the chief operating decision maker (i.e. Board of Directors) for the purposes of allocating resources to segments, assessing their performance and making strategic decisions, the reportable segments are (i) property and hotels and (ii) investments and others.

| | Property and hotels | | Investments and others | | Consolidated | |
|---|---------------------|----------|------------------------|----------|-----------------|----------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segment turnover | | | | | | |
| Company and subsidiaries | 165,173 | 142,731 | 14,589 | 18,036 | 179,762 | 160,767 |
| Segment result | 116,176 | 105,656 | 13,792 | 17,441 | 129,968 | 123,097 |
| Unallocated corporate expenses | | | | | (471) | (378) |
| Operating profit | | | | | 129,497 | 122,719 |
| Share of profits of associates | 37,457 | 102,067 | - | - | 37,457 | 102,067 |
| Change in fair value of investment properties | 296,249 | 335,882 | - | - | 296,249 | 335,882 |
| Other gains and losses | 10,168 | 48,752 | 21,100 | 9,149 | 31,268 | 57,901 |
| Finance costs | | | | | (29,843) | (13,536) |
| Taxation | | | | | (62,276) | (57,096) |
| Non-controlling interests | | | | | (61,789) | (78,315) |
| Profit attributable to shareholders | | | | | 340,563 | 469,622 |

Segment assets and liabilities

| | Property and hotels | | Investments and others | | Consolidated | |
|-----------------------------------|---------------------|-------------|------------------------|----------|--------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segment assets | 4,278,687 | 3,404,590 | 285,855 | 369,163 | 4,564,542 | 3,773,753 |
| Investment in associates | 669,864 | 625,371 | - | - | 669,864 | 625,371 |
| Consolidated total assets | | | | | 5,234,406 | 4,399,124 |
| Segment liabilities | (2,001,223) | (1,750,316) | (9,980) | (5,499) | (2,011,203) | (1,755,815) |
| Unallocated corporate liabilities | | | | | (1,279) | (1,978) |
| Consolidated total liabilities | | | | | (2,012,482) | (1,757,793) |
| Other information | | | | | | |
| Capital expenditure | 325,588 | 313,136 | 60,581 | 71,395 | 386,169 | 384,531 |
| Depreciation | 525 | 611 | - | - | 525 | 611 |

Notes to the Financial Statements

For the year ended 31 March 2012

2. SEGMENT INFORMATION *(continued)*

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, Singapore and the United States.

| | Turnover by geographical market | | Segment assets | |
|-----------|------------------------------------|----------|------------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Hong Kong | 168,948 | 147,934 | 4,446,045 | 3,585,885 |
| Overseas | 10,814 | 12,833 | 118,497 | 187,868 |
| | 179,762 | 160,767 | 4,564,542 | 3,773,753 |

3. TURNOVER

| | 2012 | 2011 |
|----------------------------|----------------|----------|
| | HK\$'000 | HK\$'000 |
| Rental income | 138,516 | 88,034 |
| Property expenses recovery | 26,657 | 16,207 |
| Asset management fee | – | 8,134 |
| Dividend income | 8,703 | 7,742 |
| Interest income | 5,199 | 9,843 |
| Others | 687 | 30,807 |
| | 179,762 | 160,767 |

Notes to the Financial Statements

For the year ended 31 March 2012

4. OTHER GAINS AND LOSSES

| | 2012 | 2011 |
|---|---------------|----------|
| | HK\$'000 | HK\$'000 |
| Net gain on disposal of available for sale investments | 20,005 | 3,562 |
| Gain on disposal of investment properties and other fixed assets | 26,390 | 46,433 |
| (Goodwill written off)/negative goodwill on acquisition of subsidiaries | (17,456) | 2,229 |
| Increase in fair value of financial assets at fair value | 629 | 2,231 |
| Other gains and recovery of impairment provision | 1,700 | 3,446 |
| | 31,268 | 57,901 |

5. PROFIT BEFORE TAXATION

| | 2012 | 2011 |
|---|----------|----------|
| | HK\$'000 | HK\$'000 |
| Profit before taxation has been arrived at after charging: | | |
| Interest on bank loans wholly repayable within five years | 29,843 | 13,536 |
| Staff costs (including directors' remuneration) | | |
| Salaries, wages and other benefits | 13,419 | 11,945 |
| Pension scheme contributions | 103 | 137 |
| Auditors' remuneration | 498 | 430 |
| Depreciation | 525 | 611 |
| Provision/(over)-provision for long service payments | 161 | (80) |
| and after crediting: | | |
| Rental income from investment properties | 138,516 | 88,034 |
| Less: Direct outgoings | (1,749) | (2,444) |
| Listed investment income | 6,039 | 5,542 |
| Unlisted investment income | 2,664 | 2,200 |
| Interest income | 5,199 | 9,843 |
| Exchange gain | 193 | 237 |

Notes to the Financial Statements

For the year ended 31 March 2012

6. TAXATION

(a) Taxation

| | 2012 | | | 2011 | | |
|---------------------------------|---------------------------------|----------------------------------|-------------------|---------------------------------|----------------------------------|-------------------|
| | 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 | 3,023 | 59,224 | 62,247 | 2,510 | 55,787 | 58,297 |
| Overseas | | | | | | |
| - Provision for the year | 29 | - | 29 | 26 | - | 26 |
| - Over-provision in prior years | - | - | - | (1,227) | - | (1,227) |
| | 3,052 | 59,224 | 62,276 | 1,309 | 55,787 | 57,096 |

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) 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.

(b) Reconciliation between accounting profits and the taxation charge

| | 2012 HK\$'000 | 2011 HK\$'000 |
|---|------------------|------------------|
| Profit before taxation | 464,628 | 605,033 |
| Less: Share of profits of associates | (37,457) | (102,067) |
| Profit before taxation attributable to the Company and its subsidiaries | 427,171 | 502,966 |
| Tax calculated at applicable tax rate of 16.5% (2011: 16.5%) | 70,483 | 82,989 |
| Expenses not deductible for taxation purposes | 6,043 | 4,561 |
| Income not subject to taxation | (9,259) | (22,321) |
| Current year tax losses not recognized | 81 | 79 |
| Utilization of previously unrecognized tax losses | (5,154) | (7,315) |
| Deferred tax assets not recognized during the year | 82 | 330 |
| Over-provision in prior years | - | (1,227) |
| Taxation charge | 62,276 | 57,096 |

Notes to the Financial Statements

For the year ended 31 March 2012

7. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit for the year attributable to equity holders of the Company for the year ended 31 March 2012 in the financial statements of the Company was HK\$54,104,000 (2011: HK\$54,467,000).

8. DIVIDENDS

| | 2012 HK\$'000 | 2011 HK\$'000 |
|---|------------------|------------------|
| Interim dividend of HK1.20 cents (2011: HK1.00 cent) per ordinary share | 13,849 | 7,694 |
| Proposed final cash dividend of HK2.30 cents (2011: HK1.80 cents) per ordinary share | 26,543 | 13,848 |
| | 40,392 | 21,542 |

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

| | | |
|---|---------------|--------|
| Interim for the year ended 31 March 2012 (2011) | 13,849 | 7,694 |
| Final for the year ended 31 March 2011 (2010) | 13,848 | 13,848 |
| | 27,697 | 21,542 |

The 2012 final cash dividend of HK2.30 cents (2011: HK1.80 cents) per ordinary share has been proposed by the Board of 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\$340,563,000 (2011: HK\$469,622,000) and on the weighted average of 943,831,251 shares (2011: 769,359,104 shares) in issue during the year.

Weighted average number of shares

| | 2012 | 2011 |
|-----------------------------------|--------------------|-------------|
| Number of shares in issue | 769,359,104 | 769,359,104 |
| Effect of open offer | 174,472,147 | – |
| Weighted average number of shares | 943,831,251 | 769,359,104 |

No diluted earnings per share have been presented for the years ended 31 March 2012 and 31 March 2011 as the Company had no dilutive potential ordinary shares during both years.

Notes to the Financial Statements

For the year ended 31 March 2012

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

| | Directors' fee HK\$'000 | Salaries, allowances and benefits HK\$'000 | Discretionary bonus HK\$'000 | Pension scheme contributions HK\$'000 | 2012 Total HK\$'000 |
|-------------------------------------|----------------------------|---|---------------------------------|--|------------------------|
| Executive directors | | | | | |
| Rossana Wang Gaw | 50 | 2,520 | 250 | – | 2,820 |
| Goodwin Gaw | 50 | 420 | – | – | 470 |
| Kenneth Gaw | 50 | 3,240 | 800 | 12 | 4,102 |
| Jane Kwai Ying Tsui | 50 | 240 | 50 | – | 340 |
| Independent non-executive directors | | | | | |
| Charles, Wai Bun Cheung | 80 | – | – | – | 80 |
| Stephen Tan | 80 | – | – | – | 80 |
| Arnold Tin Chee Ip | 80 | – | – | – | 80 |
| Total | 440 | 6,420 | 1,100 | 12 | 7,972 |

| | Directors' fee HK\$'000 | Salaries, allowances and benefits HK\$'000 | Discretionary bonus HK\$'000 | Pension scheme contributions HK\$'000 | 2011 Total HK\$'000 |
|-------------------------------------|----------------------------|---|---------------------------------|--|------------------------|
| Executive directors | | | | | |
| Rossana Wang Gaw | 50 | 2,040 | 240 | 5 | 2,335 |
| Goodwin Gaw | 50 | 420 | – | – | 470 |
| Kenneth Gaw | 50 | 2,970 | 600 | 12 | 3,632 |
| Jane Kwai Ying Tsui | 50 | 195 | 30 | – | 275 |
| Independent non-executive directors | | | | | |
| Charles, Wai Bun Cheung | 80 | – | – | – | 80 |
| Stephen Tan | 80 | – | – | – | 80 |
| Arnold Tin Chee Ip | 80 | – | – | – | 80 |
| Total | 440 | 5,625 | 870 | 17 | 6,952 |

Notes to the Financial Statements

For the year ended 31 March 2012

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 (2011: three directors), details of whose emoluments are included above. The details of the remuneration of the remaining two (2011: two) highest paid individual are set out below:

| | 2012 | 2011 |
|---|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Salaries, allowances and benefits in kind | 1,725 | 1,626 |
| Bonuses | 880 | 750 |
| Pension scheme contributions | 24 | 24 |
| | 2,629 | 2,400 |

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

| | 2012 | 2011 |
|-----------------------|-------------|------|
| HK\$ | | |
| Nil – 1,000,000 | 1 | 1 |
| 1,000,001 – 2,000,000 | 1 | 1 |

Notes to the Financial Statements

For the year ended 31 March 2012

11. FIXED ASSETS

(a) Investment properties

| | 2012 HK\$'000 | 2011 HK\$'000 |
|---|------------------|------------------|
| At Valuation at 31 March 2011 (31 March 2010) | 3,282,800 | 1,038,800 |
| Additions | 33,161 | 318 |
| Disposals | (15,510) | (142,200) |
| Acquisition of subsidiaries | 540,000 | 2,050,000 |
| Revaluation | 296,249 | 335,882 |
| At 31 March 2012 (31 March 2011) | 4,136,700 | 3,282,800 |

Investment properties comprised the following:

| | 2012 HK\$'000 | 2011 HK\$'000 |
|--|------------------|------------------|
| At valuation: | | |
| Leasehold properties in Hong Kong – long term | 3,659,000 | 2,885,400 |
| Leasehold properties in Hong Kong – medium term | 466,000 | 386,200 |
| Long term leasehold properties in Mainland China | 11,700 | 11,200 |
| | 4,136,700 | 3,282,800 |

Investment properties have been valued at 31 March 2012 by AA Property Services Limited, independent professional valuers, on an open market value basis. The valuation was mainly arrived at by reference to comparable market transactions and where appropriate on the basis of capitalization of the net income receivable with due allowance for reversionary income potential.

Notes to the Financial Statements

For the year ended 31 March 2012

11. FIXED ASSETS (continued)

(b) Property, plant & equipment

| | HK\$'000 |
|---------------------------------|-----------------|
| <hr/> | |
| Cost | |
| At 31 March 2010 | 8,387 |
| Additions | 1,171 |
| Disposals | (1,111) |
| <hr/> | |
| At 31 March 2011 | 8,447 |
| <hr/> | |
| Additions | 24 |
| Written-off | (1,431) |
| <hr/> | |
| At 31 March 2012 | 7,040 |
| <hr/> | |
| Accumulated depreciation | |
| At 31 March 2010 | 6,065 |
| Charge for the year | 611 |
| Disposals | (836) |
| <hr/> | |
| At 31 March 2011 | 5,840 |
| <hr/> | |
| Charge for the year | 525 |
| Written-off | (1,397) |
| <hr/> | |
| At 31 March 2012 | 4,968 |
| <hr/> | |
| Net book value | |
| At 31 March 2012 | 2,072 |
| <hr/> | |
| At 31 March 2011 | 2,607 |
| <hr/> | |

Notes to the Financial Statements

For the year ended 31 March 2012

12. ASSOCIATES

| | 2012 | 2011 |
|--|------------------|-----------|
| | HK\$'000 | HK\$'000 |
| The Group | | |
| At cost | 195,588 | 195,588 |
| Goodwill written off | (3,029) | (3,029) |
| Impairment loss | (18,738) | (18,738) |
| Exchange reserves | 8,295 | 15,643 |
| Attributable to post acquisition profit | 332,086 | 300,995 |
| Attributable to investment revaluation reserve | 217,865 | 219,339 |
| Deemed disposal | (226,948) | (226,948) |
| | 505,119 | 482,850 |
| Amount due from associates | 175,602 | 170,943 |
| Amount due to associates | (10,857) | (28,422) |
| | 669,864 | 625,371 |
| The Company | | |
| At cost | 2,093 | 2,093 |
| Amount due from associates | 38,860 | 38,806 |
| | 40,953 | 40,899 |

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 value.

The directors consider that the amounts due from/to associates as at the end of the reporting period form part of the net investments in the relevant associates.

Notes to the Financial Statements

For the year ended 31 March 2012

12. ASSOCIATES (continued)

(a) Major associates

| Name | Country of incorporation | Investment by associates | Group's effective interest in | | Issued share capital |
|--|--------------------------|--|-------------------------------|------------|-------------------------------|
| | | | investment | associates | |
| Keencity Properties Limited | British Virgin Islands | Pullman Pattaya Hotel G, Thailand | 49.5% | 49.5% | US\$9,939,020 |
| Pioneer Hospitality Siam (GBR) Limited | Thailand | Hotel operating businesses | 49.5% | 49.5% | Baht 20,000,000 |
| Royal Culture Limited | Hong Kong | Pullman Bangkok Hotel G, Thailand | 49.5% | 49.5% | HK\$1 |
| Pioneer iNetwork Limited | 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 Limited | Hong Kong | Guangzhou Jie Fang Building, China | 50.0% | 50.0% | HK\$2 |
| Strand Hotels International Limited | British Virgin Islands | Three hotels in Myanmar | 14.0% | 28.0% | US\$11,101,191 |
| Tidefull Investment Limited | Liberia | Shanghai K. Wah Centre, China | 7.7% | 50.0% | 2 full paid without par value |

Notes to the Financial Statements

For the year ended 31 March 2012

12. ASSOCIATES (continued)

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

| | 2012 HK\$'000 | 2011 HK\$'000 |
|---------------------|------------------|------------------|
| Total assets | 2,199,995 | 1,912,517 |
| Total liabilities | (1,164,413) | (750,532) |
| Net assets | 1,035,582 | 1,161,985 |
| Revenue | 158,770 | 124,866 |
| Profit for the year | 75,105 | 304,651 |

13. AVAILABLE FOR SALE INVESTMENTS

| | 2012 HK\$'000 Level 1 | 2012 HK\$'000 Level 3 | 2012 HK\$'000 Total | 2011 HK\$'000 Total |
|----------------------------------|-----------------------------|-----------------------------|---------------------------|---------------------------|
| The Group (Non-current) | | | | |
| Listed investments | | | | |
| In Hong Kong | 119,255 | – | 119,255 | 124,249 |
| Outside Hong Kong | 41,161 | – | 41,161 | 164,302 |
| Unlisted investments | | | | |
| In Hong Kong | – | 37 | 37 | 37 |
| Outside Hong Kong | – | 68,632 | 68,632 | 64,760 |
| | 160,416 | 68,669 | 229,085 | 353,348 |
| The Group (Current) | | | | |
| Listed investments | | | | |
| Outside Hong Kong | 12,260 | – | 12,260 | – |
| Unlisted investments | | | | |
| In Hong Kong | – | – | – | 48,970 |
| | 12,260 | – | 12,260 | 48,970 |
| The Company (Non-current) | | | | |
| Listed investments | | | | |
| In Hong Kong | 3,713 | – | 3,713 | 11,346 |

Notes to the Financial Statements

For the year ended 31 March 2012

13. AVAILABLE FOR SALE INVESTMENTS (continued)

The available for sale investments are shown at fair value. The fair value of the listed investments are measured using quoted prices in active market (level 1 inputs). For unlisted investments that do not have quoted market price in active markets, they are measured using valuation techniques in which any significant input is not based on observable market data (level 3 inputs).

The following represents the changes in level 3 instruments for the Group:

| | 2012 | 2011 |
|---|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Unlisted available for sale investments | | |
| At 1 April 2011 (1 April 2010) | 64,797 | 57,770 |
| Additions | 2,569 | 2,295 |
| Return of capital | (3,502) | (2,649) |
| Total gains or losses: | | |
| In income statement as other gains and losses | (757) | (419) |
| In other comprehensive income as change in fair value of available for sale investments of subsidiaries | 5,562 | 7,800 |
| At 31 March 2012 (31 March 2011) | 68,669 | 64,797 |

14. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the following:

| | 2012 | 2011 |
|--------------------------------------|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Deferred rental receivables | 18,421 | 10,705 |
| Deposit on acquisition of properties | – | 2,380 |
| Other receivables | – | 3,495 |
| Other deposits and prepayments | 6,993 | 5,928 |
| Trade and rental debtors | 699 | 1,302 |
| | 26,113 | 23,810 |

Trade and rental debtors mainly comprise rental receivable. Rents from leasing of investment properties are normally received in advance.

Notes to the Financial Statements

For the year ended 31 March 2012

14. DEBTORS, ADVANCES & PREPAYMENTS (continued)

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

| | 31 March 2012 HK\$'000 | 31 March 2011 HK\$'000 |
|--------------|---------------------------------------|------------------------------|
| 0 – 30 days | 664 | 345 |
| 31 – 60 days | 35 | 957 |
| | 699 | 1,302 |

The Group considered the above trade and rental debtors are fully recoverable. The Group has not made any provision for bad and doubtful debts during the year. The carrying amount of the debtors, advances and prepayment approximates their fair value.

15. FINANCIAL ASSETS AT FAIR VALUE

The Group

| | 2012 HK\$'000 | 2011 HK\$'000 |
|--------------------------------|--------------------------|------------------|
| Listed shares, at market value | | |
| Outside Hong Kong | 1,780 | 5,887 |

All of the financial assets at fair value as at 31 March 2012 were measured using quoted price (unadjusted) in active markets for identical financial instruments (level 1 inputs).

16. SUBSIDIARY COMPANIES

| | 2012 HK\$'000 | 2011 HK\$'000 |
|----------------------------|--------------------------|------------------|
| Unlisted shares, at cost | 421,941 | 421,941 |
| Amount due by subsidiaries | 944,310 | 626,998 |
| Provision for impairment | (45,666) | (45,666) |
| | 1,320,585 | 1,003,273 |

The amounts due by subsidiaries are unsecured, interest-free and have no fixed term 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 29.

Notes to the Financial Statements

For the year ended 31 March 2012

17. CASH & BANK BALANCES

| | 2012 HK\$'000 | 2011 HK\$'000 |
|--------------------------|------------------|------------------|
| The Group | | |
| Cash at bank and in hand | 42,137 | 38,914 |
| Short-term bank deposits | 113,445 | 15,970 |
| | 155,582 | 54,884 |

| | | |
|--------------------------|----|-----|
| The Company | | |
| Cash at bank and in hand | 93 | 288 |

Included in cash and bank balances of the Group, there was a pledged bank deposit of HK\$51,971,000 (2011: HK\$39,803,000) to secure the principal and interest payments on the loan granted by the bank.

The effective interest rate on short-term bank deposits was 2.44% p.a. (2011: 1.01% p.a.). The carrying amount of these assets approximates their fair value.

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

| | 2012 HK\$'000 | 2011 HK\$'000 |
|----------------------|------------------|------------------|
| The Group | | |
| Hong Kong dollar | 48,752 | 44,336 |
| United States dollar | 836 | 377 |
| Chinese Yuan | 103,070 | 10,171 |
| Others | 2,924 | – |
| | 155,582 | 54,884 |

| | | |
|----------------------|-----------|-----|
| The Company | | |
| Hong Kong dollar | 81 | 275 |
| United States dollar | 12 | 13 |
| | 93 | 288 |

Notes to the Financial Statements

For the year ended 31 March 2012

18. SHARE CAPITAL

| | Number of Shares of HK\$0.10 each | HK\$'000 |
|------------------------------------|--------------------------------------|----------------|
| Authorised | | |
| At 31 March 2012 and 31 March 2011 | 2,000,000,000 | 200,000 |
| Issued and Fully Paid | | |
| At 31 March 2011 | 769,359,104 | 76,935 |
| Open offer | 384,679,552 | 38,469 |
| At 31 March 2012 | 1,154,038,656 | 115,404 |

On 18 October 2011, the Company issued 384,679,552 new ordinary shares of HK\$0.10 each at a price of HK\$0.73 per share on the basis of one offer share for every two shares held on 22 September 2011, the record date of the open offer. Net proceeds from such issue amounted to HK\$278,530,000, out of which HK\$38,469,000 and HK\$240,061,000 were recorded in share capital and share premium account respectively. All the new shares issued during the year ranked pari passu with the then existing shares in all respects.

19. RESERVES

The Group

| | 2012 HK\$'000 | 2011 HK\$'000 |
|---|------------------|------------------|
| Share premium | 547,748 | 307,687 |
| Capital reserve and contributed surplus | 41,242 | 41,242 |
| Exchange reserve | 8,249 | 15,598 |
| Investment revaluation reserve | 236,468 | 297,047 |
| Retained earnings | 1,774,048 | 1,461,182 |
| | 2,607,755 | 2,122,756 |

Notes to the Financial Statements

For the year ended 31 March 2012

19. RESERVES (continued)

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 2011 | 307,687 | 381,051 | 294,960 | (4,856) | 978,842 |
| Open offer | 240,061 | – | – | – | 240,061 |
| Profit for the year | – | – | 54,104 | – | 54,104 |
| Final dividend paid for the year ended 31 March 2011 | – | – | (13,848) | – | (13,848) |
| Interim dividend paid for the year ended 31 March 2012 | – | – | (13,849) | – | (13,849) |
| Revaluation of available for sale investments | – | – | – | 3,597 | 3,597 |
| At 31 March 2012 | 547,748 | 381,051 | 321,367 | (1,259) | 1,248,907 |
| At 31 March 2010 | 307,687 | 381,051 | 262,035 | 1,798 | 952,571 |
| Profit for the year | – | – | 54,467 | – | 54,467 |
| Final dividend paid for the year ended 31 March 2010 | – | – | (13,848) | – | (13,848) |
| Interim dividend paid for the year ended 31 March 2011 | – | – | (7,694) | – | (7,694) |
| Revaluation of available for sale investments | – | – | – | (6,654) | (6,654) |
| At 31 March 2011 | 307,687 | 381,051 | 294,960 | (4,856) | 978,842 |

The reserves of the Company available for distribution to shareholders as at the reporting date, calculated in accordance with the Bermuda Companies Act, amounted to HK\$702,418,000 (2011: HK\$676,011,000).

Notes to the Financial Statements

For the year ended 31 March 2012

20. SECURED BANK LOANS

| | 2012 | 2011 |
|--|------------------|-----------|
| | HK\$'000 | HK\$'000 |
| The Group | | |
| Current | | |
| Repayable on demand | 1,046,053 | 102,044 |
| Non-current | | |
| Repayable more than one year but not exceeding two years | 13,000 | 1,045,997 |
| Repayable more than two years but not exceeding five years | 420,410 | 176,000 |
| | 433,410 | 1,221,997 |

All bank loans are denominated in Hong Kong Dollars (2011: all bank loans were denominated in Hong Kong Dollars, except for a bank loan of HK\$78,953,000 which was denominated in United States Dollars). The effective interest rate at the year end date was 1.91% p.a. (2011: 1.66% p.a.). The carrying amount of bank loans approximates their fair value based on prevailing market interest rate.

21. DEFERRED PAYMENT

On the acquisition of the 80-year leasehold interest of the Club Lusitano Building, 25% of the consideration has been deferred and shall be paid by five installments at an interest rate of 3% p.a.. The carrying value of the deferred payment approximates its fair value.

Notes to the Financial Statements

For the year ended 31 March 2012

22. DEFERRED TAXATION

The components of deferred tax liabilities recognized in the consolidated statement of financial position and movements thereon during the current and prior years are as follows:

| | Revaluation of investment properties HK\$'000 | Accelerated tax depreciation HK\$'000 | Tax losses HK\$'000 | Total HK\$'000 |
|--|--|--|------------------------|-------------------|
| At 31 March 2010 | 73,201 | 4,324 | – | 77,525 |
| Acquisition of subsidiary | 155,745 | 17,173 | (26,413) | 146,505 |
| Charge to income statement | 54,846 | 2,198 | 3,442 | 60,486 |
| Reversal upon disposal of investment properties | (3,363) | (1,337) | – | (4,700) |
| At 31 March 2011 | 280,429 | 22,358 | (22,971) | 279,816 |
| At 31 March 2011 | 280,429 | 22,358 | (22,971) | 279,816 |
| Acquisition of subsidiary | 27,166 | 3,710 | (1,556) | 29,320 |
| Charge to income statement | 49,043 | 5,048 | 5,133 | 59,224 |
| Reversal upon disposal of investment properties | (2,232) | (129) | – | (2,361) |
| At 31 March 2012 | 354,406 | 30,987 | (19,394) | 365,999 |

23. CREDITORS & ACCRUALS

| | 2012 HK\$'000 | 2011 HK\$'000 |
|---|------------------|------------------|
| Creditors and accruals (due within one year) | | |
| Rental deposit received | 16,104 | 9,767 |
| Provision for long service payments | 1,989 | 1,886 |
| Deposit received on disposal of investment property | 3,000 | – |
| Accruals | 4,183 | 3,982 |
| Trade payables | 6,301 | 5,013 |
| | 31,577 | 20,648 |
| Creditors and accruals (due more than one year) | | |
| Rental deposit received | 31,615 | 29,272 |
| | 63,192 | 49,920 |

Notes to the Financial Statements

For the year ended 31 March 2012

23. CREDITORS & ACCRUALS (continued)

At 31 March, the aging analysis of the trade payables based on the date of the invoices was as follows:

| | 31 March 2012 HK\$'000 | 31 March 2011 HK\$'000 |
|--------------|---------------------------------------|------------------------------|
| 0 – 30 days | 5,717 | 1,346 |
| 31 – 60 days | 1 | 312 |
| 61 – 90 days | 517 | 206 |
| > 90 days | 66 | 3,149 |
| | 6,301 | 5,013 |

Trade payables are non-interest bearing and have an average payment term of three months. The carrying amount of the creditors and accruals approximates their fair value.

24. ACQUISITION OF SUBSIDIARIES

The Group acquired the entire issued share capital of AEW VIA Cayman 4, Ltd. and its subsidiaries (“AEW VIA Group”) on 28 September 2011. AEW VIA Group is holding an investment property, The Pemberton located at 22-26 Bonham Strand, Sheung Wan, Hong Kong. After the acquisition, AEW VIA Group became indirectly wholly owned subsidiaries of the Company. The results, assets and liabilities have been consolidated into the accounts of the Group. The acquired subsidiaries contributed revenue of HK\$9.4 million and profit after taxation of HK\$4.5 million to the Group for the period from 28 September 2011 to 31 March 2012.

| | Acquiree's carrying amount HK\$'000 | Fair value adjustment HK\$'000 | Fair value HK\$'000 |
|---|--|---|--------------------------------|
| Net assets acquired | | | |
| Investment property | 523,000 | 17,000 | 540,000 |
| Debtors, advances & prepayments | 871 | – | 871 |
| Cash and bank balance | 9,237 | – | 9,237 |
| Creditors & accruals | (8,226) | – | (8,226) |
| Bank loan | (261,500) | – | (261,500) |
| Deferred tax liabilities | (26,515) | (2,805) | (29,320) |
| | 236,867 | 14,195 | 251,062 |
| Goodwill (Note 4) | | | 17,456 |
| Total consideration, satisfied by cash | | | 268,518 |
| Cash and cash equivalents acquired | | | (9,237) |
| Net cash outflow arising on acquisition | | | 259,281 |

The goodwill arising from the acquisition was recognized in the consolidated income statement as its potential economic benefit was uncertain to be realized in the future due to the high volatility of the Hong Kong property market.

Notes to the Financial Statements

For the year ended 31 March 2012

25. GUARANTEES & COMMITMENTS

| | The Group | | The Company | |
|---|-----------|----------|-------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Guarantees | | | | |
| – given to bank in respect of banking facilities utilized by subsidiaries | 446,500 | 193,533 | 446,500 | 193,000 |
| – given to bank in respect of banking facilities utilized by an associate | 187,364 | 20,000 | 20,000 | 20,000 |
| – on utility deposits | 609 | 609 | 533 | 533 |
| Commitments (contracted but not provided for) | | | | |
| – for total future minimum lease payments | | | | |
| – not later than one year | 2,309 | 1,824 | – | – |
| – later than one year and not later than five years | 720 | 869 | – | – |
| – for purchase of available for sale investments | | | | |
| – not later than one year | 4,529 | 7,111 | – | – |
| – for purchase of an investment property | | | | |
| – not later than one year | – | 21,420 | – | – |
| – for investment through an associate | | | | |
| – not later than one year | – | 22,008 | – | – |

26. OPERATING LEASE RECEIVABLE

At the year end 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:

| | 2012 | 2011 |
|---|----------------|----------|
| | HK\$'000 | HK\$'000 |
| Not later than one year | 154,506 | 124,799 |
| Later than one year but not later than five years | 191,127 | 179,703 |
| Over five years | 8,329 | 25,046 |
| | 353,962 | 329,548 |

Notes to the Financial Statements

For the year ended 31 March 2012

27. PLEDGE OF ASSETS

At the year end date, properties with a carrying value of approximately HK\$4,050 million (2011: HK\$3,218 million) and available for sale investments with a carrying value of approximately HK\$35 million (2011: HK\$199 million) respectively were pledged to secure banking and other loan facilities to the extent of HK\$1,638 million (2011: HK\$1,520 million) of which HK\$1,479 million (2011: HK\$1,324 million) was utilized at that date.

At the year end date, bank deposits of HK\$52 million (2011: HK\$40 million) were pledged to secure the principal and interest payments of the bank loan.

28. RELATED PARTY TRANSACTION

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 2012 amounted to HK\$979,200 (2011: HK\$979,200).

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

29. LIST OF MAJOR SUBSIDIARIES

| Name of company | Main activity | Country of incorporation | No. of issued shares | Par value | Percentage of equity held |
|--|---------------|--------------------------|----------------------|-----------|---------------------------|
| AEW VIA HK 1 Limited | Real Estate | Hong Kong | 10,000 | HK\$1 | 100 |
| All Success Holdings Limited | Real Estate | Hong Kong | 1 | HK\$1 | 100 |
| Anpona Investments Limited | Real Estate | Hong Kong | 1,000 | HK\$10 | 100 |
| Brilliant Valley Investment Limited | Investment | Liberia | 1 | Nil | 100 |
| Causeway Bay 68 Limited | Investment | British Virgin Islands | 1,000 | US\$1 | 60 |
| Dragon Phoenix Land Investment Limited | Real Estate | Hong Kong | 1,000 | HK\$10 | 100 |
| Dynamic Business Limited | Real Estate | Hong Kong | 1 | HK\$1 | 100 |
| Forerunner Investments Limited | Investment | Hong Kong | 3,000,000 | HK\$1 | 65 |
| Fortune Far East Limited | Investment | Liberia | 1 | US\$1,000 | 100 |

Notes to the Financial Statements

For the year ended 31 March 2012

29. LIST OF MAJOR SUBSIDIARIES (continued)

| Name of company | Main activity | Country of incorporation | No. of issued shares | Par value | Percentage of equity held |
|---------------------------------------|---------------|--------------------------|----------------------|-----------|---------------------------|
| 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 |
| Master Yield Limited | Investment | British Virgin Islands | 1 | Nil | 100 |
| Pine International Limited | Investment | British Virgin Islands | 1 | HK\$1 | 100 |
| 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 Spot Investments Limited | Real Estate | British Virgin Islands | 1 | US\$1 | 60 |
| Wealth Instrument Inc. | Investment | British Virgin Islands | 1 | US\$1 | 100 |

Notes to the Financial Statements

For the year ended 31 March 2012

30. 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 summarized 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.

| | Change in basis points | The Group Change in profit before taxation HK\$'000 | Change in equity HK\$'000 |
|--------------------------|---------------------------|---|---------------------------------|
| 2012 | | | |
| Bank borrowings | 100 | 14,795 | 14,795 |
| Short-term bank deposits | 100 | 1,134 | 1,134 |
| 2011 | | | |
| Bank borrowings | 100 | 13,240 | 13,240 |
| Short-term bank deposits | 100 | 160 | 160 |

(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 United States dollars, the management considers that the foreign currency risk to the Group is not significant.

Notes to the Financial Statements

For the year ended 31 March 2012

30. FINANCIAL RISKS MANAGEMENT *(continued)*

(b) Foreign currency risk *(continued)*

The Group's exposure to foreign currency risk is primarily through its (i) investment in available for sale investments and financial assets at fair value which are denominated in Thai Baht, Singapore Dollar, Malaysian Ringgit, Euro and Chinese Yuan and (ii) bank deposits which are denominated in Chinese Yuan. The following table demonstrates the sensitivity at the year end 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 |
|---|--|--|--|
| At 31 March 2012 | | | |
| Available for sale investments and financial assets at fair value | | | |
| Thai Baht | 5% | 89 | 274 |
| Singapore Dollar | 5% | – | 653 |
| Malaysian Ringgit | 5% | – | 2,905 |
| Euro | 5% | – | 251 |
| Chinese Yuan | 5% | – | 891 |
| Bank deposits | | | |
| Chinese Yuan | 5% | 5,137 | 5,137 |
| At 31 March 2011 | | | |
| Available for sale investments and financial assets at fair value | | | |
| Thai Baht | 5% | 294 | 304 |
| Singapore Dollar | 5% | – | 653 |
| Malaysian Ringgit | 5% | – | 2,620 |
| Euro | 5% | – | 309 |
| Chinese Yuan | 5% | – | 106 |

(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.

Notes to the Financial Statements

For the year ended 31 March 2012

30. FINANCIAL RISKS MANAGEMENT (continued)

(c) Credit risk (continued)

The Group is also exposed to counterparties credit risk from its operating activities, primarily attributable to rental income. The directors believe that their tenants are having high credit quality and the Group has policy in place to ensure that the properties are rented to tenants with an appropriate credit history. The Group has no concentration of credit risk and had no significant outstanding balances due by tenants at the reporting date. Accordingly, the overall credit risk is considered minimal.

(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 year end date, based on the contracted undiscounted payments, was as follows:

The Group at 31 March 2012

| | Within 1 year or on demand HK\$'000 | 1 to 2 years HK\$'000 | 3 to 5 years HK\$'000 | Over 5 years HK\$'000 | Total HK\$'000 |
|----------------------------------|---|--------------------------|--------------------------|--------------------------|-------------------|
| Interest bearing bank borrowings | 1,046,053 | 13,000 | 420,410 | - | 1,479,463 |
| Deferred payment | 41,000 | 41,000 | 20,500 | - | 102,500 |
| Rental deposit received | 16,104 | 21,472 | 7,298 | 2,845 | 47,719 |
| Accruals and trade payables | 10,484 | - | - | - | 10,484 |
| | 1,113,641 | 75,472 | 448,208 | 2,845 | 1,640,166 |

The Group at 31 March 2011

| | Within 1 year or on demand HK\$'000 | 1 to 2 years HK\$'000 | 3 to 5 years HK\$'000 | Over 5 years HK\$'000 | Total HK\$'000 |
|----------------------------------|---|--------------------------|--------------------------|--------------------------|-------------------|
| Interest bearing bank borrowings | 102,044 | 1,045,997 | 176,000 | - | 1,324,041 |
| Deferred payment | - | 41,000 | 61,500 | - | 102,500 |
| Rental deposit received | 9,767 | 18,379 | 3,480 | 7,413 | 39,039 |
| Accruals and trade payables | 8,995 | - | - | - | 8,995 |
| | 120,806 | 1,105,376 | 240,980 | 7,413 | 1,474,575 |

Notes to the Financial Statements

For the year ended 31 March 2012

30. FINANCIAL RISKS MANAGEMENT (continued)

(d) Liquidity risk (continued)

The Company at 31 March 2012

| | Within 1 year or on demand HK\$'000 | 1 to 2 years HK\$'000 | 3 to 5 years HK\$'000 | Over 5 years HK\$'000 | Total HK\$'000 |
|-----------------------------|---|--------------------------|--------------------------|--------------------------|-------------------|
| Accruals and trade payables | 1,173 | - | - | - | 1,173 |

The Company at 31 March 2011

| | Within 1 year or on demand HK\$'000 | 1 to 2 years HK\$'000 | 3 to 5 years HK\$'000 | Over 5 years HK\$'000 | Total HK\$'000 |
|-----------------------------|---|--------------------------|--------------------------|--------------------------|-------------------|
| Accruals and trade payables | 802 | - | - | - | 802 |

(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 2012. The Group's listed investments are valued at quoted market prices at the year end date.

Notes to the Financial Statements

For the year ended 31 March 2012

30. FINANCIAL RISKS MANAGEMENT (continued)

(e) Equity price risk (continued)

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 year end 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 HK\$'000 | Change in profit before taxation HK\$'000 | Change in equity HK\$'000 |
|--------------------------------|--|--|---------------------------------|
| At 31 March 2012 | | | |
| Listed investments: | | | |
| Available for sale | 172,676 | – | 8,634 |
| Financial assets at fair value | 1,780 | 89 | 89 |
| | | | |
| At 31 March 2011 | | | |
| Listed investments: | | | |
| Available for sale | 288,551 | – | 14,428 |
| Financial assets at fair value | 5,887 | 294 | 294 |

(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 maximize 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 2012 and 31 March 2011.

Notes to the Financial Statements

For the year ended 31 March 2012

30. FINANCIAL RISKS MANAGEMENT *(continued)*

(f) Capital management *(continued)*

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

| | 2012 | 2011 |
|----------------------------------|------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Interest bearing bank borrowings | 1,479,463 | 1,324,041 |
| Deferred payment | 102,500 | 102,500 |
| Less: Cash and cash equivalents | (155,582) | (54,884) |
| Net debt | 1,426,381 | 1,371,657 |
| Total assets | 5,234,406 | 4,399,124 |
| Gearing ratio | 27.3% | 31.2% |

31. EVENTS AFTER THE REPORTING PERIOD

On 25 April 2012, the Group entered into a provisional sale and purchase agreement to dispose of the 12th Floor and the roof and car parking spaces of Edwick Industrial Centre, Kwai Chung, New Territories for a total consideration of HK\$36.2 million. The completion date is scheduled to be in July 2012.

32. APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 25 to 70 have been approved by the Board of Directors on 22 June 2012.

Schedule of the Group's Properties

The following is a list of properties held for investment as at 31 March 2012:

| 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 ² |
| 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 98/1210 shares of and in the remaining portion of Kwai Chung Town Lot No. 302 | Industrial | Medium-term | 100% | 51,340 ft ² |
| 3. 1st Floor, Fu Hop Factory Building, Nos. 209 & 211 Wai Yip Street, Kwun Tong, Hong Kong 8/112 shares of and in Kwun Tong Inland Lot No. 293 | Industrial | Medium-term | 100% | 11,100 ft ² |
| 4. The Pemberton, Nos. 22-26 Bonham Strand, Sheung Wan, Hong Kong The Remaining Portion of Inland Lot No. 7667 | Commercial | Long-term | 100% | 70,616 ft ² |
| 5. Club Lusitano, No. 16 Ice Street, Central, Hong Kong Remaining portion of Inland Lot No.339 | Commercial | Long-term | 100% | 80,100 ft ² |
| 6. 68 Yee Wo Street (formerly known as Paliburg Plaza) No. 68 Yee Wo Street, Causeway Bay, Hong Kong The whole of Section K of Inland Lot No. 1408 | Commercial | Long-term | 60% | 229,200 ft ² |
| 7. Ground Floor and the Cockloft, No. 14 Kau U Fong, Central, Hong Kong 2/14 shares of and in Inland Lot Nos. 7041 and 7042 | Commercial | Long-term | 100% | 1,400 ft ² |
| 8. 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 ² |

Five Years Financial Summary

| | 2008 HK\$'000 | 2009 HK\$'000 | 2010 HK\$'000 (Restated) | 2011 HK\$'000 | 2012 HK\$'000 |
|-------------------------------------|------------------|------------------|--------------------------------|------------------|--------------------|
| RESULTS | | | | | |
| Turnover | 61,886 | 119,038 | 68,515 | 160,767 | 179,762 |
| Profit attributable to shareholders | 149,146 | 84,693 | 339,126 | 469,622 | 340,563 |
| Dividend | 17,695 | 17,695 | 19,234 | 21,542 | 27,697 |
| Earnings per share (HK cents) | 19.39 | 11.01 | 44.08 | 61.04 | 36.08 |
| FINANCIAL POSITION | | | | | |
| Total assets | 1,667,760 | 1,445,745 | 2,209,977 | 4,399,124 | 5,234,406 |
| Total liabilities | (268,901) | (167,387) | (483,786) | (1,757,793) | (2,012,482) |
| | 1,398,859 | 1,278,358 | 1,726,191 | 2,641,331 | 3,221,924 |
| Capital and reserves | | | | | |
| Share capital | 76,935 | 76,935 | 76,935 | 76,935 | 115,404 |
| Reserves | 1,305,938 | 1,187,648 | 1,633,323 | 2,122,756 | 2,607,755 |
| Shareholders' funds | 1,382,873 | 1,264,583 | 1,710,258 | 2,199,691 | 2,723,159 |
| Non-controlling interests | 15,986 | 13,775 | 15,933 | 441,640 | 498,765 |
| | 1,398,859 | 1,278,358 | 1,726,191 | 2,641,331 | 3,221,924 |
| | HK cents | HK cents | HK cents | HK cents | HK cents |
| Net asset value per share (Note) | 179.7 | 164.4 | 222.3 | 285.9 | 236.0 |

Note: Net asset value per share is arrived at using shareholders' fund divided by number of issued shares at year end.

