

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda on 20 December 2005)

(Co. Reg. No: 37749)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	Group		Increase/ (Decrease)
	Year ended 31 March 2011 (Unaudited)	Year ended 31 March 2010 (Audited)	
Revenue	768,767	432,684	77.7%
Cost of Sales	(468,282)	(256,042)	82.9%
Gross Profit	300,485	176,642	70.1%
Other income and gains	81,525	97,764	(16.6%)
Selling expenses	(13,738)	(14,896)	(7.8%)
Administrative expenses	(21,473)	(18,390)	16.8%
Other operating expenses	(1,277)	(506)	152.4%
Operating profit	345,522	240,614	43.6%
Finance costs	(4,063)	(4,211)	(3.5%)
Share of result of jointly controlled entity	(768)	(611)	25.7%
Share of result of associate	(116)	(69)	68.1%
Profit before income tax	340,575	235,723	44.5%
Income tax expense	(105,115)	(65,044)	61.6%
Profit for the year	235,460	170,679	38.0%
Other comprehensive income			
Exchange differences on translation of financial statements of foreign operations	9,970	(6,465)	254.2%
Total comprehensive income for the year	<u>245,430</u>	<u>164,214</u>	49.5%
Profit for the year attributable to:			
Owners of the Company	235,370	171,463	37.3%
Non-controlling interests	90	(784)	111.5%
	<u>235,460</u>	<u>170,679</u>	38.0%
Total comprehensive income attributable to:			
Owners of the Company	245,340	164,998	48.7%
Non-controlling interests	90	(784)	111.5%
	<u>245,430</u>	<u>164,214</u>	49.5%
Dividends	<u>26,745</u>	<u>12,645</u>	111.5%
Earnings per share for profit attributable to the owners of the Company during the year (in RMB cents):			
- Basic	45.62	33.87	34.7%
- Diluted	N/A	N/A	NM

Note:

	Group	
	Year ended 31 March 2011 (Unaudited)	Year ended 31 March 2010 (Audited)
Profit before income tax is arrived at after charging:		
Interest charges on financial liabilities stated at amortised cost:		
- Bank loans wholly repayable within five year	7,902	12,800
- Other loans wholly repayable within one year	4,623	1,277
Less: amount capitalised in properties held under development and investment properties under construction	(8,462)	(9,866)
	4,063	4,211
Cost of properties held for sale recognised as expense	429,563	233,352
Depreciation of property, plant and equipment and investment property	1,459	1,452
Less: amount capitalised in properties held under development	(286)	(171)
	1,173	1,281
Loss/(Gain) on disposal of property, plant and equipment	15	(63)
Operating lease charge in respect of land and buildings	305	137
Less: amount capitalised in properties held under development	(227)	-
	78	137
Outgoings in respect of investment properties that generated rental income during the year	268	222
Staff costs, including directors' remuneration		
- Wages and salaries	11,703	9,198
- Retirement benefit scheme contributions - defined contribution plans	968	867
Less: amount capitalised in properties held under development	(2,717)	(1,880)
	9,954	8,185
and crediting :		
Commission income	-	791
Consultancy fee income	2,757	17,548
Compensation income	-	31,255
Exchange gain	76	2,274
Government grant	-	7,461
Gain on disposal of property, plant and equipment	-	63
Net fair value gain for investment properties	55,815	3,303
Net fair value gain for financial assets at fair value through profit or loss	6,917	6,618
Gain on disposal of subsidiary	-	9,070
Interest income		
- from bank deposits and cash at banks	4,981	3,973
- from other deposits	-	1,800
- from other receivables and amount due from a jointly controlled entity	6,965	8,594
Rental income	3,911	4,314

Note: The independent auditors received non-audit fee of approximately RMB846,000 for professional service rendered in connection with the financial information of the Group during the year ended 31 March 2011. Saved as disclosed above, no other non-audit fees were paid to the auditors by the Group or the Company during the financial years presented.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 March 2011 Unaudited	31 March 2010 Audited (Restated)	31 March 2011 Unaudited	31 March 2010 Audited
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	14,313	15,064	-	-
Investment properties	105,593	59,227	-	-
Investment properties under construction	-	49,436	-	-
Investments in subsidiaries	-	-	278,608	278,608
Interest in a jointly controlled entity	138,077	134,148	-	-
Interest in an associate	2,815	2,931	-	-
Other receivables	7,000	7,000	-	-
Deferred tax assets	18,671	10,300	-	-
	286,469	278,106	278,608	278,608
Current assets				
Properties held under development	1,440,805	1,118,574	-	-
Properties held for sale	231,645	566,764	-	-
Account receivables	20,861	12,825	-	-
Deposits paid, prepayments and other receivables	100,580	235,131	-	-
Amounts due from related parties	16	805	483,791	323,581
Financial assets at fair value through profit or loss	17,478	18,559	-	-
Pledged bank deposits	180,786	233,490	-	-
Cash and bank balances	223,069	71,176	92	92
	2,215,240	2,257,324	483,883	323,673
Non-current assets held for sale				
Investment properties held for sale	80,533	-	-	-
	2,295,773	2,257,324	483,883	323,673
Current liabilities				
Account payables	13,555	11,408	-	-
Accruals, receipts in advance and other payables	654,599	879,212	201	24
Provision for tax	164,619	128,911	-	-
Amounts due to related parties	1,367	4,002	162,948	7,969
Amount due to an associate	600	9,100	-	-
Bank and other loans	364,779	362,167	-	-
	1,199,519	1,394,800	163,149	7,993
Net current assets	1,096,254	862,524	320,734	315,680
Total assets less current liabilities	1,382,723	1,140,630	599,342	594,288
Non-current liabilities				
Deferred tax liabilities	21,516	7,545	-	-
	21,516	7,545	-	-
Net assets	1,361,207	1,133,085	599,342	594,288
EQUITY				
Equity attributable to the Company's owners				
Share capital	313,446	313,446	313,446	313,446
Reserves	799,143	585,211	259,151	268,197
Proposed final dividend	26,745	12,645	26,745	12,645
	1,139,334	911,302	599,342	594,288
Non-controlling interests	221,873	221,783	-	-
Total equity	1,361,207	1,133,085	599,342	594,288

**1(b)(ii) Aggregate amount of group's borrowings and debt securities. Amount repayable in one year or less, or on demand****Amount repayable in one year or less, or on demand**

As at 31/03/2011		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
RMB\$'000	RMB\$'000	RMB\$'000 (Restated)	RMB\$'000
304,779	60,000	362,167	-

Amount repayable after one year

As at 31/03/2011		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
RMB\$'000	RMB\$'000	RMB\$'000 (Restated)	RMB\$'000
-	-	-	-

Details of any collateral

Bank loans of approximately RMB154,660,000 were secured by the Group's land use rights, including the land classified as "properties held under development" and "leasehold interest in land and buildings" as at 31 March 2011. Bank loans of HKD178,500,000 (approximately RMB150,119,000) were secured by a deposit of RMB160,000,000 which was classified as "Pledged bank deposits" as at 31 March 2011.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	Group	
	Year ended 31 March 2011 (Unaudited)	Year ended 31 March 2010 (Audited)
Cash flows from operating activities		
Profit before income tax	340,575	235,723
Adjustments for:		
Interest income	(11,946)	(14,367)
Interest expense	4,063	4,211
Depreciation of property, plant and equipment	1,173	1,281
Loss/(Gain) on disposal of property, plant and equipment	15	(63)
Gain on disposal of subsidiary	-	(9,070)
Share of result of jointly controlled entity	768	611
Share of result of associate	116	69
Fair value adjustment on investment properties and investment properties under construction	(55,815)	(3,303)
Operating profit before working capital changes	278,949	215,092
Decrease/(Increase) in properties held under development and properties held for sale	168,197	(455,998)
Increase in account and other receivables, prepayments and deposits paid	(78,287)	(17,415)
Decrease in amount due from related parties	789	14,173
(Decrease)/Increase in account and other payables, accruals and receipts in advance	(64,024)	424,409
(Decrease)/Increase in amounts due to related parties	(11,135)	12,418
Cash generated from operations	294,489	192,679
Interest received	7,249	5,773
Income taxes paid	(63,807)	(26,016)
Net cash generated from operating activities	237,931	172,436
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,336)	(1,600)
Proceeds from disposal of property, plant and equipment	17	130
Additions to investment properties	(6,756)	(2,642)
Additions to investment properties under construction	-	(40,221)
Proceeds from disposal of investment properties	1,767	22,100
Investment in an associate	-	(3,000)
Acquisition of additional interest of a subsidiary from a minority equity holder	-	(9,610)
Acquisition of subsidiaries, net	(158,442)	(63,359)
Proceeds from disposal of a subsidiary, net	34,665	3,863
Advance to a jointly controlled entity	-	(40,000)
Acquisition of financial assets at fair value through profit or loss	(504)	(3,473)
Proceeds from disposal of financial assets at fair value through profit or loss	8,502	-
Increase in pledged bank deposits with original maturity over three months	(43,796)	(127,545)
Net cash used in investing activities	(165,883)	(265,357)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	55,766
Repurchase of shares	(4,705)	(7,944)
Proceeds from disposal of treasury shares	-	4,572
Dividend paid	(12,603)	-
New borrowings	210,118	257,408
Repayment of borrowings	(207,288)	(244,961)
Interest paid	(12,525)	(14,077)
Net cash (used in)/generated from financing activities	(27,003)	50,764
Net increase/(decrease) in cash and cash equivalents	45,045	(42,157)
Effect of foreign exchange difference	10,348	(6,181)
Cash and cash equivalents at beginning of the year	167,676	216,014
Cash and cash equivalents at end of the year (note)	223,069	167,676

Note:

Analysis of balances of cash and cash equivalents

RMB'000	Group	
	Year ended 31 March 2011 (Unaudited)	Year ended 31 March 2010 (Audited)
Cash and bank balances	223,069	71,176
Time deposits with maturity of less than three months	-	96,500
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Cash and cash equivalents	223,069	167,676

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Equity attributable to equity holders of the Company											
	Share capital	Treasury shares	Share premium	Merger reserve	Statutory reserve	Capital reserve	Exchange reserves	Retained earnings	Proposed final dividend	Total	Non - Controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2009	298,164	-	153,080	(2,243)	4,278	3,838	(7,249)	234,683	-	684,551	60,540	745,091
Issue of shares on placement	12,607	-	43,159	-	-	-	-	-	-	55,766	-	55,766
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	181,490	181,490
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	(9,977)	(9,977)
Additional interest in subsidiary	-	-	-	-	-	-	-	(124)	-	(124)	(9,486)	(9,610)
Issue of shares on acquisition of a subsidiary	2,675	-	6,808	-	-	-	-	-	-	9,483	-	9,483
Purchases of treasury shares	-	(7,944)	-	-	-	-	-	-	-	(7,944)	-	(7,944)
Disposal of treasury shares	-	4,369	203	-	-	-	-	-	-	4,572	-	4,572
Transactions with owners	15,282	(3,575)	50,170	-	-	-	-	(124)	-	61,753	162,027	223,780
Profit for the year	-	-	-	-	-	-	-	171,463	-	171,463	(784)	170,679
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	(6,465)	-	-	(6,465)	-	(6,465)
Total comprehensive income for the year	-	-	-	-	-	-	(6,465)	171,463	-	164,998	(784)	164,214
Transfer to statutory reserves	-	-	-	-	21,339	-	-	(21,339)	-	-	-	-
Final dividend proposed for the year	-	-	-	-	-	-	-	(12,645)	12,645	-	-	-
At 31 March 2010 and 1 April 2010	313,446	(3,575)	203,250	(2,243)	25,617	3,838	(13,714)	372,038	12,645	911,302	221,783	1,133,085
Purchases of treasury shares	-	(4,705)	-	-	-	-	-	-	-	(4,705)	-	(4,705)
Dividend paid	-	-	-	-	-	-	-	-	(12,603)	(12,603)	-	(12,603)
Transactions with owners	-	(4,705)	-	-	-	-	-	-	(12,603)	(17,308)	-	(17,308)
Profit for the year	-	-	-	-	-	-	-	235,370	-	235,370	90	235,460
Other comprehensive income												
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	9,970	-	-	9,970	-	9,970
Total comprehensive income for the year	-	-	-	-	-	-	9,970	235,370	-	245,340	90	245,430
Transfer to statutory reserves	-	-	-	-	21,443	-	-	(21,443)	-	-	-	-
Reduction in dividend paid due to purchased treasury shares	-	-	-	-	-	-	-	42	(42)	-	-	-
Final dividend proposed for the year	-	-	-	-	-	-	-	(26,745)	26,745	-	-	-
At 31 March 2011 (unaudited)	313,446	(8,280)	203,250	(2,243)	47,060	3,838	(3,744)	559,262	26,745	1,139,334	221,873	1,361,207

Company	Share capital	Treasury shares	Share premium	Contributed surplus	Retained profits	Proposed final dividend	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 March 2009	298,164	-	153,080	59,579	6,606	-	517,429
Profit for the year	-	-	-	-	14,982	-	14,982
Issue of shares on placement	12,607	-	43,159	-	-	-	55,766
Issue of shares on acquisition of a subsidiary	2,675	-	6,808	-	-	-	9,483
Purchases of treasury shares	-	(7,944)	-	-	-	-	(7,944)
Disposal of treasury shares	-	4,369	203	-	-	-	4,572
Final dividend proposed for the year	-	-	-	-	(12,645)	12,645	-
At 31 March 2010	313,446	(3,575)	203,250	59,579	8,943	12,645	594,288
Profit for the year	-	-	-	-	22,362	-	22,362
Purchases of treasury shares	-	(4,705)	-	-	-	-	(4,705)
Dividend paid	-	-	-	-	-	(12,603)	(12,603)
Reduction in dividend paid due to purchased treasury shares	-	-	-	-	42	(42)	-
Final dividend proposed for the year	-	-	-	-	(26,745)	26,745	-
At 31 March 2011 (unaudited)	313,446	(8,280)	203,250	59,579	4,602	26,745	599,342

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

Date	Particulars	Number of shares		Amount	
		Issued share capital	Treasury share	Share capital RMB'000	Treasury share RMB'000
01 April 2010	Balance at beginning of the year	518,855,024	(1,480,000)	313,446	(3,575)
27 May 2010	Share buy back - held as treasury	-	(413,000)	-	(1,013)
31 May 2010	Share buy back - held as treasury	-	(300,000)	-	(741)
01 June 2010	Share buy back - held as treasury	-	(239,000)	-	(589)
02 June 2010	Share buy back - held as treasury	-	(70,000)	-	(171)
04 June 2010	Share buy back - held as treasury	-	(240,000)	-	(578)
21 June 2010	Share buy back - held as treasury	-	(30,000)	-	(74)
02 July 2010	Share buy back - held as treasury	-	(140,000)	-	(311)
06 July 2010	Share buy back - held as treasury	-	(156,000)	-	(361)
07 July 2010	Share buy back - held as treasury	-	(85,000)	-	(197)
09 July 2010	Share buy back - held as treasury	-	(30,000)	-	(70)
01 February 2011	Share buy back - held as treasury	-	(150,000)	-	(319)
08 February 2011	Share buy back - held as treasury	-	(77,000)	-	(171)
10 February 2011	Share buy back - held as treasury	-	(50,000)	-	(110)
31 March 2011	Balance at end of the year	518,855,024	(3,460,000)	313,446	(8,280)

For the year ended 31 March 2011, the Company purchased 1,980,000 (For the year ended 31 March 2010: 3,180,000) of its ordinary shares by way of on-market purchases at share prices ranging from S\$0.410 to S\$0.505 (For the year ended 31 March 2010: S\$0.385 to S\$0.560) and these shares were held as treasury shares.

WARRANTS

As at 31 March 2011, there were 155,506,206 warrants (31 March 2010: 155,506,206) that might be exercised into ordinary shares. Each warrant will carry the right to subscribe for one (1) new ordinary share in the capital of the Company.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 March 2011 was 518,855,024 (31 March 2010: 518,855,024), of which 3,460,000 (31 March 2010: 1,480,000) were held by the Company as treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The movement of treasury shares is as follows:

As at 01 April 2010	: 1,480,000 shares
Purchase of treasury shares	: 1,980,000 shares
As at 31 March 2011	: 3,460,000 shares

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 31 March 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In current year, the Group has applied, for the first time, the following new standards, amendments and interpretations (the "new IFRSs") issued by IASB and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning on April 2010.

IFRSs (Amendments)	Improvements to IFRSs
Amendments to IAS 39	Eligible Hedged Items
Amendments to IFRS 2	Share-based Payment – Group Cash - settled
	Share-based Payment Transactions
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IFRS 3 (Revised)	Business Combinations
IFRIC 17	Distributions of Non-cash Assets to Owners

Other than as note below, the adoption of the new IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

IFRS 3 (Revised) – Business Combinations and IAS 27 (Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are described in note 3 to the financial statements, which are effective prospectively for business combinations effected in financial periods beginning on or after 1 July 2009. Changes in IFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised IFRS 3 has had no impact to the financial statements as there has been no business combination transaction during the year.

The revised IAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognized within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss. The adoption of revised IAS 27 has had no impact on the current year.

IAS 17 (Amendments) – Leases

As part of Improvements to IFRSs issued in 2009, IAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to IAS 17, the Group was required to classify leasehold land as operating leases. The amendment to IAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in IAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. The Group concluded that the classification of interest which is registered and transferable ownership interest in land located in Hong Kong and subject to the Hong Kong government's land policy of renewal without payment of additional land premium will no longer be classified by the Group as operating leases. The Group considers that it is in a position economically similar to that of a purchaser. Accordingly, the Group has reclassified the interest from "Leasehold interest in land" to "Property, plant and equipment". This amendment had no impact on the Group's retained profits and current year results.

Change of accounting policy – Classification by the borrower of liabilities that contains a repayment on demand clause

The International Reporting Interpretations Committee (the "IFRIC") received a request on the classification of a liability as current or non-current when the liability is not scheduled for repayment within twelve months after the reporting date, but may be callable by the lender at any time without cause (an overriding right of demand). The IFRIC noted that paragraph 69(d) of IAS 1 requires that a liability must be classified as a current liability if the entity does not have the unconditional right at the reporting date to defer settlement for at least twelve months after the reporting date. IFRIC confirmed this view at its meeting held in November 2010.

In light of the above conclusion held in the IFRIC meeting, the Group has changed its accounting policy on the classification of liabilities that contain a repayment on demand clause. Under the new policy, liabilities with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the statement of financial position. Previously, such liabilities were classified in accordance with the agreed repayment schedule unless the Group had breached any of the covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future. The directors of the Company decided that it is more appropriate to account for and present the liabilities with this new accounting policy.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1 April 2009, with consequential reclassification adjustments to comparatives for each of the year ended 31 March 2010. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

Effect of changes of accounting policy in the classification by the borrower of the liabilities that contains a repayment on demand clause and classification of leases of land and building on the consolidated statement of financial position:

	31 March 2010 RMB'000	1 April 2009 RMB'000
Increase/(decrease) in		
Non-current assets:		
Property, plant and equipment	6,863	7,067
Leasehold interest in land	(6,863)	(7,067)
Current liabilities:		
Bank borrowings	154,752	105,121
Non-current liabilities:		
Bank borrowings	(154,752)	(105,121)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Year ended 31 March 2011 (Unaudited)	Year ended 31 March 2010 (Audited)
Earnings per ordinary share (in RMB cents):		
(a) Basic	45.62	33.87
(b) Diluted	NA	NA

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB235,370,000 (2010: RMB171,463,000) divided by weighted average of 515,950,000 ordinary shares (excluding treasury shares) (2010: the weighted average of 506,211,000) during the year.

Diluted earnings per share for the year has not been presented as there is no dilutive potential share (2010: Nil).

7. Net asset value (for the issuer and group) per ordinary share based on of the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31/03/2011	As at 31/03/2010	As at 31/03/2011	As at 31/03/2010
Net asset value per ordinary share (in RMB cents)	264.11	219.01	116.29	114.87

Note:

The number of ordinary shares of the Company as at 31 March 2011 was 515,395,024 (excluding treasury shares) (31 March 2010: 517,375,024).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**
- (a) REVIEW OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2011 ("4Q2011") COMPARED TO THE PREVIOUS CORRESPONDING YEAR ENDED 31 MARCH 2010 ("4Q2010")**

	Year ended 31 March 2011	Year ended 31 March 2010
Revenue (RMB '000)		
Residential	606,829	419,686
Commercial and others	161,938	12,998
	<u>768,767</u>	<u>432,684</u>

Revenue

Group revenue for financial year ended 31 March 2011 ("FY2011") was RMB768.8 million compared to RMB432.7 million in the previous corresponding financial year ("FY2010"), an increase of 77.7%.

The significantly higher revenue in FY2011 was due mainly to more residential units sold in Nanchang Honggu Kaixuan Phase 2 (南昌紅谷凱旋二期), Hua Cui Ting Yuan Phase 1 (華萃庭院一期) and Hangzhou Liyang Yuan (杭州兩陽苑) and commercial units sold in Huzhou Liyang Jingyuan Phase 2 (湖州麗陽景苑二期) and Nanchang Honggu Kaixuan. The increase in units sold were realized from the pre-sold units in previous quarters as and when these units were handed over to the buyers.

For the financial year ended 31 March 2011, the Group sold 406 units of 998 residential units at Nanchang Honggu Kaixuan Phase 2 and 128 units of 149 residential units at Hua Cui Ting Yuan Phase 1 as well as 92 units of 225 residential units at Hangzhou Liyang Yuan. The Group also sold 89 units of 110 commercial units at Huzhou Liyang Jingyuan Phase 2.

As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and completion of handover of properties that are sold. Consequently, revenue and profit for the Group looking across quarters will appear irregular.

Cost of Sales and Gross Profit Margin

In line with the increase in revenue, cost of sales increased substantially from RMB256.0 million in FY2010 to RMB468.3 million in FY2011. Gross profit margin dipped from 40.8% in FY2010 to 39.1% in FY2011. The slight decrease in gross profit margin was mainly attributable to inflation of construction costs as well as the inclusion of the sale of car parking space in Hangzhou Liyang Yuan, which carried very low gross profit margins.

Other Income and Gains

Other income and gains decreased 16.6% from RMB97.8 million in FY2010 to RMB81.5 million in FY2011. The higher other income and gains in FY2010 was due to a compensation income in relation to the delay in handover of land parcels in Fuzhou and Huzhou cities of RMB31.3 million received during that financial year.

Selling Expenses

Selling expenses decreased 7.8% from RMB14.9 million in FY2010 to RMB13.7 million in FY2011. The higher selling expenses in FY2010 was due mainly to the expenses incurred by Hua Cui Ting Yuan Phase 1 to set up a showroom in Huzhou city.

Administrative Expenses

In line with the growth in revenue, administrative expenses increased 16.8% to RMB21.5 million in FY2011 from RMB18.4 million in FY2010.

Other Operating Expenses

Other operating expenses increased 152.4% to RMB1.3 million in FY2011 from RMB0.5 million in FY2010. The increase was mainly attributable to an increase in surcharge payable due to late payment of Enterprise Income Tax ("EIT") and donation expenses.

Finance Costs

Finance costs were maintained at about RMB4.1 million for FY2011, compared to RMB4.2 million in FY2010.

Profit for the Year

Higher revenue contributed to the Group's profit before tax of RMB340.6 million in FY2011, an improvement of 44.5% from RMB235.7 million in FY2010.

Correspondingly, income tax expense increased from RMB65.0 million in FY2010 to RMB105.1 million in FY2011.

As a result, profit for the year attributable to shareholders improved 37.3% from RMB171.5 in FY2010 to RMB235.4 million in FY2011.

(b) REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2011 AND CASH FLOW FOR FY2011

Investment Properties

As at 31 March 2011, the Group had investment properties of RMB186.1 million comprising properties completed at fair value and held for sale. The Group has announced on 2 November 2010 that its wholly-owned subsidiary, Pinghu Jiahai Warehousing Limited (平湖嘉海倉儲有限公司) ("Jiahai Company") had withdrawn from the development of the warehousing centre in Pinghu City, Dushan Port project (the "Warehousing Project"). The agreed amount of RMB74 million as compensation has not been fully received by the Jiahai Company and the land title has not been transferred. Upon receipt of the full compensation, the land title would be transferred and the Group accounts will be updated accordingly.

Interests in a Jointly Controlled Entity

Interest in a jointly controlled entity increased from RMB134.1 million as at 31 March 2010 to RMB138.1 million as at 31 March 2011. Balance due from the jointly controlled entity comprise mainly an advancement of RMB80.0 million to a jointly controlled entity to the Group for the Yichun Project (宜春項目).

Interests in an Associates

The Group's interests in associates of RMB2.8 million as at 31 March 2011 remain largely unchanged compared to the previous corresponding year. These interests were the Group's capital injection in an associated company, Pinghu City Pan Hong Port Limited.

Properties Held Under Development

As at 31 March 2011, the Group's properties held under development increased to RMB1.4 billion from RMB1.1 billion as at 31 March 2010. The increase was in tandem with the construction progress of the Group's property projects during FY2011 which included the land and construction cost of the Huzhou Runyuan Project (湖州潤源項目), Fuzhou Hua Cui Ting Yuan and commercial units of Nanchang Honggu Kaixuan.

Properties Held for Sale

Properties held for sale decreased from RMB566.8 million as at 31 March 2010 to RMB231.6 million as at 31 March 2011 due mainly to property units recognized as revenue during FY2011 for the projects of Nanchang Honggu Kaixuan Phase 2, Hua Cui Ting Yuan and Hangzhou Liyang Yuan.

Deposits, Prepayments and Other Receivables

As at 31 March 2011, the Group's deposits, prepayments and other receivables was RMB100.6 million, compared to RMB235.1 million as at 31 March 2010. The decrease was attributable mainly to deposit paid for acquisition of a piece of land in Fuzhou Hua Cui Ting Yuan project which was classified under prepayment as the company had not receive the Land Certificate in FY2010.

Accounts Payables, Accruals, Receipts in Advance and Other Payables

Accruals, receipts in advance and other payables decreased to RMB654.6 million as at 31 March 2011 from RMB879.2 million as at 31 March 2010. Accruals, receipts in advance and other payables comprise mainly of the advance receipts received in respect of deposit and prepayments relating to the Group's property pre-sales, and the accrued construction costs and project-related expenses that were based on the progress of project development but were not due for payment as at 31 March 2011. The decrease in receipts in advance was due to part of such receipts realized as sales.

Bank and Other Loans

As at 31 March 2011, the Group had total borrowings of RMB364.8 million, a slight increase from RMB362.2 million as at 31 March 2010. Of these borrowings as at 31 March 2011, bank loans totaled about RMB154.7 million were secured by the Group's land use rights, including the land classified as "property held under development" and "leasehold interest in land and buildings". In addition, Bank and other loans of approximately RMB150.1 million were secured by a deposit of RMB160 million which was classified as "Pledged bank deposits" as at 31 March 2011.

Based on its total equity of RMB1,361.2 million and a deposit collateral of RMB160.0 million, the Group's gearing ratio (total borrowings less deposit collateral / total equity) as at 31 March 2010 was 15.0%.

Cash Flow Analysis

For FY2011, the Group recorded a cash inflow of RMB237.9 million from its operating activities, mainly as a result of an increase in profit before income tax, a decrease in properties held under development and properties held for sale, and an increase in pledged bank deposits with original maturity over three months.

Net cash used in investing activities in FY2011 amounted to RMB165.9 million due mainly to the acquisition of subsidiaries.

Net cash used in financing activities in FY2011 amounted to RMB27.0 million. The Group repaid RMB207.3 million in borrowings, which was offset by proceeds of RMB210.1 million from new bank borrowings. Approximately RMB160.0 million was pledged as deposits with banks in FY2011 to secure the borrowings.

As at 31 March 2011, the Group had cash and cash equivalents of RMB223.1 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Review

The PRC Central Government has pledged to maintain macro control over the Chinese property market, reported Xinhuanet on 17 April 2011, amidst the implementation of various measures recently to curb rising property prices, including restricting residents in 35 major cities from buying second or third homes, higher down payment requirements for mortgages, property taxes in Chongqing and Shanghai, as well as monetary policies that have raised developers' borrowing costs. The central bank has raised the banks' reserve requirements from 21 April 2011 to cool inflation. PropertyWire.com reported on 26 April 2011 that property developers in China may be ordered to set aside more cash before they sell their projects to investors via trusts as the government look for more ways of cooling the property market. Property analysts are predicting more cooling measures in China as prices keep rising.

To address the rising demand for homes, Reuters reported on 18 May that the Government has planned to supply 218,000 hectare of land for housing construction in 2011, compared with a planned amount of 184,700 hectare and an actual supply of 126,300 hectare in 2010.

The Group believes that in spite of the market cooling measures, demand for housing in Tier 2 and 3 cities, at which the Group is targeting, will continue to grow, albeit at a slower rate.

Company Update

Property Pre-sales

The pre-sales activity for the Group's projects in Nanchang, Huzhou, and Fuzhou cities remained strong. Results of Property Pre-sale Launches (as at 20 May 2011) are summarized in the tables below:

Residential Units

	Nanchang Honggu Kaixuan Phase 2	Hua Cui Ting Yuan Phase 1	Fuzhou Hua Cui Ting Yuan Phase 1
Est. total GFA released for sale (total units)	115,000 sq m (1,003 units)	44,006 sq m (184 units)	53,366 sq m (328 units)
Est. total GFA pre-sold (total units)	112,505 sq m (988 units)	36,801 sq m (149 units)	28,664 sq m (200 units)
Percentage of pre-sold	98%	84%	54%
Pre-sale GFA (units pre-sold) not handed over to buyer as at 31 March 2011 ^	32,629 sq m (352 units)	5,890 sq m (21 units)	28,664 sq m (200 units)
Pre-sale value not handed over to buyer as at 31 March 2011 ^	RMB228.9 m	RMB40.7 m	RMB137.9 m
ASP per sq m*	RMB7,015	RMB6,910	RMB4,800

Commercial Units

	Nanchang Honggu Kaixuan Phase 1 and 2	Huzhou Liyang Jingyuan Phase 2
Est. total GFA released for sale (total units)	11,908 sq m	9,914 sq m
Est. total GFA pre-sold (sq m)	9,097 sq m	9,824 sq m
Percentage of pre-sold	76%	99%
Pre-sale GFA not handed over to buyer as at 31 March 2011 ^	6,575 sq m	1,780 sq m
Pre-sale value not handed over to buyer as at 31 March 2011 ^	RMB166.2m	RMB20.0 m
ASP per sq m*	RMB25,278	RMB11,236

*: Average Sales Price ("ASP") of the projects is computed as follows: Pre-sale value not handed over to buyer divided by Pre-sale GFA not handed over to buyer.

^: Pre-sale value not handed over to buyer is computed as follows: Beginning period pre-sales plus New pre-sales during the period less those handed over to buyers during period (Recognized as sales during period).

Company Strategies

The Group will continue to increase its land bank and seek land parcels at low cost through acquisitions or joint ventures. It will also intensify its sales and pre-sales of existing properties and maintain financial prudence and a strong cash and credit position.

The Group will continue to focus on the sales of its new project, Fuzhou Hua Cui Ting Yuan Phase 1.

Company Outlook

The management will monitor the property market closely in respect of the PRC government continued efforts in cooling the market. The Group will stay nimble and astute in timing its launches of sales of residential and commercial properties to secure healthy profit margins.

11. Dividend

(a) Current Financial Period Reported On

Name of dividend:	Final
Dividend Type:	Cash
Dividend amount per share:	S\$0.010 per ordinary share (tax not applicable)
Par value per share:	HK\$0.60
Tax rate:	Tax not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect.

Not Applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group has identified the following reportable segments:

- Zhejiang Region, which including the Group's business in Zhejiang, Xinjiang, Xizang, Gansu, Shaanxi, Qinghai, Neimenggu, Ningxia, Shanxi, Henan, Hebei, Shandong, Jiangsu, Anhui, Liaoning, Jilin, Heilongjiang, Beijing, Tianjin and Shanghai of the PRC
- Jiangxi Region, which including the Group's business in Jiangxi, Sichuan, Chongqing, Hubei, Fujian, Yunnan, Guangxi, Hunan, Guangdong, Guizhou and Hainan of the PRC

UNAUDITED SEGMENTAL ANALYSIS

By Geographical segment	Zhejiang Region RMB'000	Jiangxi Region RMB'000	Unallocated Expenses RMB'000	Total RMB'000
Year ended 31 March 2011				
Revenue from external customer				
Sales of properties held for sale	428,569	340,198	-	768,767
Reportable segment revenue	428,569	340,198	-	768,767
Reportable segment profit	115,013	123,701	(3,254)	235,460
Year ended 31 March 2010				
Revenue from external customer				
Sales of properties held for sale	235,764	196,920	-	432,684
Reportable segment revenue	235,764	196,920	-	432,684
Reportable segment profit	99,443	74,252	(3,016)	170,679

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8.

15. A breakdown of sales.

(RMB'000)		Year ended 31 March 2011	Year ended 31 March 2010	% increase/ (decrease)
(a)	Sales reported for the first half year	203,408	36,417	458.6%
(b)	Operating profit after tax before deducting non-controlling interests reported for the first half year	36,026	34,030	5.9%
(c)	Sales reported for the second half year	565,359	396,267	42.7%
(d)	Operating profit after tax before deducting non-controlling interests reported for the second half year	199,434	136,649	45.9%



16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Full year ended 31 March 2011	Full year ended 31 March 2010
	RMB'000	RMB'000
Ordinary	26,745	12,645
Preference	Nil	Nil
Total annual dividend	26,745	12,645

BY ORDER OF THE BOARD

Wong Lam Ping
Chairman
27 May 2011