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SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

華信地產財務有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 252

Website: http://www.seapnf.com.hk

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2011

The Board of Directors (the "Board") of Southeast Asia Properties & Finance Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (hereby collectively referred to as the "Group") for the year ended 31 March 2011 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2011

	Notes	**2011** *HK$*	2010 *HK$* (Restated)
Turnover	*6*	**349,696,043**	308,036,722
Cost of sales		**(284,166,304)**	(239,122,826)
Gross profit		**65,529,739**	68,913,896
Other revenue and other income	*7*	**16,918,869**	15,627,880
Gain arising on change in fair value of investment properties		**71,706,026**	84,579,535
Impairment loss on amount due from an associate		**(4,334,682)**	(3,000,000)
Impairment losses on available-for-sale financial assets		**–**	(1,405,620)
Distribution expenses		**(12,458,617)**	(13,316,191)
Administrative expenses		**(47,075,385)**	(46,198,531)
Other operating expenses		**(645,761)**	(762,651)

	Notes	**2011**	2010
		HK$	*HK$*
			(Restated)
Profit from operations	*8*	**89,640,189**	104,438,318
Finance costs	*9*	**(6,103,754)**	(4,663,915)
Share of profits of associates		**1,987,200**	3,511,267
Profit before tax		**85,523,635**	103,285,670
Income tax expense	*10*	**(7,296,348)**	(6,485,907)
Profit for the year		**78,227,287**	96,799,763
Profit attributable to:			
Owners of the Company		**77,370,847**	96,547,619
Non-controlling interests		**856,440**	252,144
		78,227,287	96,799,763
Earnings per share			
Basic and diluted	*11*	**35.6 cents**	44.4 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	2011	2010
	HK$	*HK$*
		(Restated)
Profit for the year	**78,227,287**	96,799,763
Other comprehensive income:		
Available-for-sale financial assets:		
Gain arising on change in fair value	**918,355**	12,218,559
Exchange differences arising on translation of foreign operations	**5,772,650**	2,986,407
Share of exchange reserve of associates	**86,593**	7,515
Total comprehensive income for the year	**85,004,885**	112,012,244
Attributable to:		
Owners of the Company	**84,076,073**	111,764,518
Non-controlling interests	**928,812**	247,726
	85,004,885	112,012,244

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	Notes	**2011 31 March HK$**	2010 31 March HK$ (Restated)	2009 1 April HK$ (Restated)
NON-CURRENT ASSETS				
Investment properties		**467,449,520**	395,743,494	311,163,959
Property, plant and equipment		**202,791,662**	202,163,987	210,382,729
Leasehold land and land use right		**13,400,616**	13,277,283	13,583,636
Interests in associates		**67,470,734**	69,079,411	64,359,669
Available-for-sale financial assets		**30,189,169**	31,441,840	19,131,267
Intangible assets		**3,702,706**	3,702,706	3,702,706
Deferred tax assets		**303,967**	1,087	170,699
Other assets		**2,700,000**	2,700,000	1,200,000
		788,008,374	718,109,808	623,694,665
CURRENT ASSETS				
Inventories		**75,041,386**	58,733,930	41,233,957
Trade and other receivables	*13*	**185,907,978**	141,815,779	92,469,137
Financial assets at fair value through profit or loss		**11,569,230**	9,469,423	4,908,687
Deposits and prepayments		**4,198,228**	15,104,973	4,759,318
Tax prepaid		**3,155,022**	1,864,070	1,090,017
Time deposits		**5,100,000**	5,100,000	7,100,000
Trust accounts of shares dealing clients		**56,315,997**	61,809,267	20,288,690
Cash and bank balances		**21,042,484**	24,265,251	60,123,714
		362,330,325	318,162,693	231,973,520
CURRENT LIABILITIES				
Trade and other payables	*14*	**130,975,939**	127,578,594	92,788,255
Amount due to a related company		**21,775,406**	12,747,786	12,748,515
Amount due to an associate		**1,406,012**	1,367,487	955,109
Bank loans and overdrafts		**187,432,235**	137,065,121	128,827,039
Financial liabilities at fair value through profit or loss		**–**	–	263,007
Taxation		**1,750,135**	3,009,330	1,002,245
		343,339,727	281,768,318	236,584,170

	Notes	2011 31 March *HK$*	2010 31 March *HK$* (Restated)	2009 1 April *HK$* (Restated)
NET CURRENT ASSETS (LIABILITIES)		**18,990,598**	36,394,375	(4,610,650)
TOTAL ASSETS LESS CURRENT LIABILITIES		**806,998,972**	754,504,183	619,084,015
NON-CURRENT LIABILITIES				
Bank loans		**84,389,829**	112,093,878	76,547,167
Deferred tax liabilities		**5,402,625**	3,268,147	3,340,981
		89,792,454	115,362,025	79,888,148
NET ASSETS		**717,206,518**	639,142,158	539,195,867
CAPITAL AND RESERVES				
Share capital		**217,418,850**	217,418,850	197,653,500
Reserves		**491,222,369**	413,668,861	327,904,537
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**708,641,219**	631,087,711	525,558,037
Non-controlling interests		**8,565,299**	8,054,447	13,637,830
TOTAL EQUITY		**717,206,518**	639,142,158	539,195,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The Company is a limited liability company incorporated in Hong Kong and listed on the Main Board of the Hong Kong Stock Exchange Limited. The registered office of the Company is located at Units 407-410, 4th Floor, Tower 2 Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding, property investment and development, hotel ownership and management, manufacturing and trading of plastic packaging materials, stock broking and finance during the year.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. Prior year adjustments

In preparing the current period's consolidated financial statements, the following comparative financial information has been restated:

For the year ended 31 March 2006, the Group changed in use of owner-occupied properties and transferred it to investment properties. However, the leasehold land of those properties were not transferred to investment properties and continued to be classified as "Leasehold land and land use right" which amortisation was provided. In addition, a car park which was owner-occupied property and did not have change in use was transferred to investment properties. As a result of the above-mentioned errors, prior year adjustments have been made retrospectively by restating the comparative financial information.

At 31 March 2010, the total effect of the prior year adjustments were stated as below:

- Investment properties were understated by HK$2,625,000
- Property, plant and equipment was understated by HK$69,856
- Leashold land and land use right was overstated by HK$318,014
- Property revaluation reserve was understated by HK$623,030
- Retained profits were understated by HK$1,723,470
- Non-controlling interests were understated by HK$30,342

Effects of the prior year adjustments on the consolidated income statement:

	Year ended 31 March 2010		
	Originally stated	**Adjustments**	**After prior year adjustments stated**
	HK$	*HK$*	*HK$*
			(Note 3)
Gain arising on change in fair value of investment properties	84,299,535	280,000	84,579,535
Administrative expenses	(45,740,250)	(458,281)	(46,198,531)
Income tax expense	(20,266,707)	–	(20,266,707)
Profit for the year	82,734,228	284,735	83,018,963
Profit for the year attributable to:			
Owners of the Company	82,600,715	284,735	82,885,450
Non-controlling interests	133,513	–	133,513
	82,734,228	284,735	83,018,963
Earnings per share			
Basic and diluted	37.9 cents		38.1 cents

Effects of the prior year adjustments on the consolidated statement of financial position:

	At 31 March 2010			At 1 April 2009		
	Originally stated	**Adjustments**	**After prior year adjustments stated**	**Originally stated**	**Adjustments**	**After prior year adjustments stated**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
			(Note 3)			*(Note 3)*
Investment properties	393,118,494	2,625,000	395,743,494	308,818,959	2,345,000	311,163,959
Property, plant and equipment	172,792,209	69,856	172,862,065	180,316,346	73,714	180,390,060
Leasehold land and land use right	42,897,219	(318,014)	42,579,205	43,902,912	(326,607)	43,576,305
Deferred tax liabilities	(42,964,079)	–	(42,964,079)	(29,256,113)	–	(29,256,113)
Property revaluation reserve	(2,555,496)	(623,030)	(3,178,526)	(2,555,496)	(623,030)	(3,178,526)
Retained profits	(336,180,119)	(1,723,470)	(337,903,589)	(279,579,598)	(1,438,735)	(281,018,333)
Non-controlling interests	(7,861,857)	(30,342)	(7,892,199)	(13,563,871)	(30,342)	(13,594,213)

3. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on 1 April 2010. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 4 Amendment	Amendment to HK-Int 4 Lease – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the adoption of the new and revised HKFRSs has no material effect on the consolidated financial statements of the Group for the current or prior accounting period.

Amendments to HKAS17 Leases

The Annual Improvements to HKFRSs issued in 2009 contain amendments to HKAS 17 "Leases", which has resulted in a change in accounting policy for the classification of leasehold land of the Group. Previously, the Group's interests in leasehold land were accounted for as leasehold land and land use right which were amortised and recognised in the consolidated income statement over the unexpired lease terms using the straight-line method. As substantially all risks and rewards of the leasehold land and land use right are considered having been transferred to the Group based on HKAS 17 (Amendment), the Group's interests in leasehold land and land use right are now accounted for as assets held under finance leases and are stated at cost less accumulated depreciation. The amendment has been applied retrospectively to unexpired leases since 1 April 2009 on the basis of information existing at the inception of the leases. The amendment does not apply to the leasehold land and land use right disposed of by the Group in prior years.

In addition, the Group has early adopted HKAS 12 (Amendments) which is effective for annual periods beginning on or after 1 January 2012.

Amendments to HKAS 12 Income taxes

Amendments to HKAS 12 "Deferred tax: Recovery of underlying assets" have been applied in advance of their effective date (accounting periods beginning on or after 1 January 2012). Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property" are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. Prior to the amendment, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use. Therefore, based on the amendment, the Group's investment properties in Hong Kong do not have to provide deferred tax on fair value changes arising from revaluation of investment properties or arising from a business combination, unless the presumption is rebutted. This change in policy has been applied retrospectively by restating the opening balances at 1 April 2009, with consequential adjustments to comparatives for the year ended 31 March 2010.

Effects of the changes in the accounting policies on the consolidated income statement:

	Year ended 31 March 2010		
	After prior year adjustments stated *(Note 2)*	**HKAS 12**	**Restated**
	HK$	*HK$*	*HK$*
Gain arising on change in fair value of investment properties	84,579,535	–	84,579,535
Administrative expenses	(46,198,531)	–	(46,198,531)
Income tax expense	(20,266,707)	13,780,800	(6,485,907)
Profit for the year	83,018,963	13,780,800	96,799,763
Profit for the year attributable to:			
Owners of the Company	82,885,450	13,662,169	96,547,619
Non-controlling interests	133,513	118,631	252,144
	83,018,963	13,780,800	96,799,763
Earnings per share			
Basic and diluted	38.1 cents		44.4 cents

Effects of the changes in the accounting policies on the consolidated statement of financial position:

	At 31 March 2010				At 1 April 2009			
	After prior year adjustments stated	HKAS 12	HKAS 17	Restated	After prior year adjustments stated	HKAS 12	HKAS 17	Restated
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
	(Note 2)				*(Note 2)*			
Investment properties	395,743,494	–	–	395,743,494	311,163,959	–	–	311,163,959
Property, plant and equipment	172,862,065	–	29,301,922	202,163,987	180,390,060	–	29,992,669	210,382,729
Leasehold land and land use right	42,579,205	–	(29,301,922)	13,277,283	43,576,305	–	(29,992,669)	13,583,636
Deferred tax liabilities	(42,964,079)	39,695,932	–	(3,268,147)	(29,256,113)	25,915,132	–	(3,340,981)
Property revaluation reserve	(3,178,526)	–	–	(3,178,526)	(3,178,526)	–	–	(3,178,526)
Retained profits	(337,903,589)	(39,533,684)	–	(377,437,273)	(281,018,333)	(25,871,515)	–	(306,889,848)
Non-controlling interests	(7,892,199)	(162,248)	–	(8,054,447)	(13,594,213)	(43,617)	–	(13,637,830)

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[2]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for Firsts-time Adopters[3]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[4]
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets[4]
HKFRS 9	Financial Instruments[5]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[2]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

[2] Effective for annual periods beginning on or after 1 January 2011

[3] Effective for annual periods beginning on or after 1 July 2010

[4] Effective for annual periods beginning on or after 1 July 2011

[5] Effective for annual periods beginning on or after 1 January 2013

The directors of the Company have commenced their assessments of the impact of the above new and revised HKFRSs, but it is not yet in a position to state whether these new and revised HKFRSs would have a material impact on the results and the financial position of the Group.

4 Basis of preparation

4.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards which include all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance and applicable disclosure provisions of The Rules Governing the Listing of Securities on the HKEx (the "Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

4.2 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

5. Segment information

HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and to assessing their performance.

The chief operating decision maker has been identified as the directors of the Company. The directors of the Company reviews the Group's internal reporting in order to assess performance and allocate resources. The directors of the Company has determined the operating segments based on these reports.

The directors of the Company consider the business from both a geographic and product perspective. From a geographic and product perspective, directors of the Company assess the performance of property development and investment/hotel, manufacturing and trading of plastic packaging materials and stock broking and finance.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment performance is evaluated based on operating segment results, which is a measure of segment results. The segment results is measured consistently with the Group's profit except that gain arising on change in fair value of investment properties is excluded from such measurement. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Transactions between segments are carried out at arm's length. The revenue from external parties reported to the directors of the Company is measured in a manner consistent with that in the consolidated income statement.

In a manner consistent with the way in which information is reported internally to chief operating decision maker for the purposes of resources allocation and performance assessment, the Group is currently organised into the following operating segments:

Property investments and development/hotel	Provision of hotel services and leasing of rental properties in Hong Kong and PRC.
Manufacturing and distribution of plastic packaging materials	Production and distribution of plastic bags and packaging materials.
Stock broking and finance	Securities investment provision of financial services and investment in trading securities.

i) *Operating Segment*

	Property investments and development/hotel		Manufacturing and distribution of plastic packaging materials		Stock broking and finance		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
		(Restated)						(Restated)
Turnover								
External sales	**36,651,875**	32,661,461	**291,716,718**	249,193,195	**21,327,450**	26,182,066	**349,696,043**	308,036,722
Segment result	**18,560,596**	11,765,273	**(11,155,037)**	(7,293,210)	**10,528,604**	15,386,720	**17,934,163**	19,858,783
Fair value changes on investment properties	**71,706,026**	84,579,535	**–**	–	**–**	–	**71,706,026**	84,579,535
Profit from operations	**90,266,622**	96,344,808	**(11,155,037)**	(7,293,210)	**10,528,604**	15,386,720	**89,640,189**	104,438,318
Unallocated finance costs	**–**	–	**–**	–	**–**	–	**(6,103,754)**	(4,663,915)
Share of profits/(losses) of associates	**1,788,468**	3,719,977	**(191,040)**	(208,710)	**389,772**	–	**1,987,200**	3,511,267
Profit before tax							**85,523,635**	103,285,670
Unallocated income tax expense							**(7,296,348)**	(6,485,907)
Profit for the year							**78,227,287**	96,799,763

ii) *Geographical Segment*

	2011	2010
	HK$	*HK$*
Other Asian countries	**98,627,558**	86,554,074
Hong Kong	**90,644,315**	84,523,582
North America	**48,821,731**	40,483,059
Oceania	**30,145,518**	36,976,651
Europe	**31,380,268**	28,537,489
Mainland China	**49,849,148**	30,424,945
Other	**227,505**	536,922
	349,696,043	308,036,722

6. Turnover

Turnover comprises the aggregate of gross invoiced values of goods sold less discounts and returns, gross rental income, brokerage commission, hotel income and dividend income.

	2011	2010
	HK$	*HK$*
Sale of goods	**291,716,717**	249,193,195
Gross rental income	**17,653,762**	17,181,813
Brokerage commission	**19,821,585**	25,154,728
Hotel income	**18,998,114**	15,479,648
Dividend income		
– Listed equity securities	**1,505,865**	1,027,338
	349,696,043	308,036,722

7. Other revenue and other income

	2011	2010
	HK$	*HK$*
		(Restated)
Interest income	**8,889,596**	5,297,282
Other income	**4,592,654**	4,884,210
Reversal of impairment losses on trade and other receivables	**125,222**	241,051
Gain on disposal of unlisted available-for-sale financial assets	**1,211,589**	–
Gain arising on change in fair value of financial assets at fair value through profit or loss	**2,099,808**	5,034,869
Gain on disposal of forward exchange contracts	**–**	170,468
	16,918,869	15,627,880

8. Profit from operations

	2011	2010
	HK$	*HK$*
		(Restated)
Profit from operations is arrived at after charging (crediting):		
Auditors' remuneration	**763,889**	704,964
Cost of inventories sold	**223,269,895**	178,338,561
Impairment losses on trade and other receivables	**686,273**	623,577
Impairment losses on an associate	**4,334,682**	3,000,000
Provision of obsolescent inventories	**47,815**	–
Impairment losses on available-for-sale financial assets	**–**	1,405,620
Staff costs (including directors' remuneration):		
Salaries, wages and allowance	**43,542,223**	38,386,581
Staff benefits	**2,364,358**	2,977,070
Defined contribution plans	**711,295**	691,590
Provision for PRC economic compensation	**–**	2,000,000
	46,617,876	44,055,241
Operating lease rental in respect of office premises	**1,765,468**	1,819,241
Depreciation of property, plant and equipment	**14,223,194**	14,303,989
Loss on disposal of property, plant and equipment	**765**	269,853
Loss on disposal of financial assets at fair value through profit or loss	**8,755**	22,695
Amortisation of leasehold land and land use right	**351,239**	353,049
Exchange loss	**645,385**	114,822
Gross rental income from investment properties	**(17,653,762)**	(17,181,813)
Less: Direct outgoing expenses from investment generated rental income during the year	**45,300**	15,425
	(17,608,462)	(17,166,388)

9. Finance costs

	2011	2010
	HK$	*HK$*
Interest on:		
Bank loans and overdrafts wholly repayable:		
within five years	**3,923,280**	2,912,077
over five years	**1,073,554**	710,858
Other borrowings	**593,786**	475,490
Bank charges	**513,134**	565,490
	6,103,754	4,663,915

10. Income tax expense

	2011	2010
	HK$	*HK$*
		(Restated)
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**5,465,837**	6,064,392
Under provision:		
Hong Kong Profits Tax	**–**	324,737
	5,465,837	6,389,129
Deferred tax:		
Current year charged	**1,830,511**	96,778
Tax charge for the year	**7,296,348**	6,485,907

11. Earnings per share

The calculation of the earnings per share is based on the profit attributable to owners of the Company HK$77,370,847 (2010 restated: HK$96,547,619) and the number of outstanding ordinary shares in issue during the year 217,418,850 (2010: 217,418,850).

12. Dividends

	2011	2010
	HK$	*HK$*
Final dividend proposed after the reporting date of HK3 cents (2010: HK3 cents) per ordinary share	**6,522,565**	6,522,565

The 2011 final cash dividend of HK3 cents (2010: HK3 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.

The dividend proposed after the reporting date has not been recognised as a liability at the end of the reporting period.

13. Trade and other receivables

The Group's trade receivables arose from stockbroking and finance, manufacturing and trading of plastic packaging materials, property investment and hotel services for the year.

Group

	2011	2010
	HK$	*HK$*
Trade receivables from:		
Clearing house and cash clients	**63,238,912**	29,313,162
Secured margin clients	**73,828,188**	62,679,598
Others	**48,948,394**	51,032,711
	186,015,494	143,025,471
Less: Allowance on bad and doubtful debts	**(9,220,448)**	(8,659,397)
	176,795,046	134,366,074
Other receivables	**9,112,932**	7,449,705
	185,907,978	141,815,779

The Group allows a credit period up to the respective settlement dates for securities transactions (normally two business days after the respective trade date for cash clients). Each secured margin client has a credit limit.

Trade receivables of manufacturing business falls into the general credit term ranged from 0-90 days except for a credit period mutually agreed between the Company and the customers.

The Group maintains straight control over its outstanding receivables. Overdue balances are reviewed regularly by managers and senior management. In view of the above-mentioned and the fact that the Group's trade receivables relate to a large number of diversified customers, in the opinion of the directors of the Company, there is no significant concentration of credit risk as at 31 March 2011 and 2010.

(a) Ageing analysis

The aged analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of allowance on bad and doubtful debts is as follows:

	2011	2010
	HK$	*HK$*
Repayable on demand margin clients receivables	**71,943,898**	61,413,946
0 – 30 days	**89,949,283**	56,964,242
31 – 60 days	**9,192,310**	14,030,338
Over 60 days	**5,709,555**	1,957,548
	176,795,046	134,366,074

Included in trade receivables of HK$71,943,898 (net of allowance on bad and doubtful debts) (2010: HK$61,413,946) are advances to margin clients, which are secured by client's listed securities held by the Group as collateral and are interest bearing. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 31 March 2011, the total market value of securities pledged as collateral by the customers in respect of the advances to customers is HK$133,675,108 (2010: HK$161,173,919). No ageing analysis is disclosed as, in the opinion of the directors of the Company, an ageing analysis is not meaningful in view of the revolving nature of the business of securities margin financing.

14 . Trade and other payables

The Group's trade payables arose from stockbroking and finance, manufacturing and trading of plastic packaging materials and property development and hotel services for the year.

	2011	2010
	HK$	*HK$*
Trade payables from:		
Clearing house and cash clients	**67,738,036**	72,248,739
Secured margin clients	**18,003,348**	18,060,596
Others	**24,283,749**	18,734,635
	110,025,133	109,043,970
Other payables	**20,950,806**	18,534,624
	130,975,939	127,578,594

The ageing analysis of the Group's trade payables at the end of the reporting period, based on the invoice billing date is as follows:

	2011	2010
	HK$	*HK$*
0 – 30 days	**98,331,288**	98,512,246
31 – 60 days	**7,152,335**	3,121,985
Over 60 days	**4,541,510**	7,409,739
	110,025,133	109,043,970

Included in trade and other payables, HK$67,738,036 (31 March 2010: HK$72,248,739) are amounts payable to cash clients and clearing house which would be due within 30 days.

COMMENTARY ON ANNUAL RESULTS

Business Review

During the year, the Group's profits attributable to Shareholders was HK$77.4 million (2009/2010: HK$96.5 million). Earnings per share was 35.6 cents (2009/2010: 44.4 cents). Turnover was HK$349.7 million (2009/2010: HK$308.0 million). The Group's operating profit before finance costs, share of profit of associates and profits tax amounted to HK$89.6 million (2009/2010: HK$104.4 million). If the fair value changes on investment properties net of deferred tax of HK$71.7 million were to be excluded (2009/2010: HK$84.6 million), the underlying profit for the year would have been HK$17.9 million (2009/2010: HK$19.8 million).

- *Property Investments and Development*

  In 2010, Mainland China's economy grew by 10.3% and the momentum continued in the first quarter of 2011. Thanks to the global economic recovery, Hong Kong's GDP gained 6.8% in 2010. Unemployment rate also came off from the peak of the global financial crisis. Given the rebounding economy and the low interest rate environment, the property market is booming. During the year, the Group recorded an increase in the fair value changes of the Group's investment properties amounted to HK$71.7 million (2009/2010: HK$84.6 million).

  The Group's investment properties, namely, the shops on the Ground Floor of Hotel Benito, the office unit in Silvercord at Tsimshatsui, the residential property at Essex Crescent, Kowloon Tong, the whole block of Nan Sing Industrial Building and the office/warehouse units in Kwai Tak Industrial Centre at Kwai Chung, together with the office units in Chao Shan Building and the residential property in Ming Yue Hua Yuan at Shenzhen, were all leased out and generated steady rental income for the Group during the year. The Group's rental income amounted to HK$17.7 million (2009/2010: HK$17.2 million), representing an increase of 2.7% over last year.

- *Hotel*

  Arrivals to Hong Kong for 2010 kept increasing, this positive gain was largely driven by the growth of visitors from Mainland China, which contributed almost 62% of total arrivals and a year-on-year cumulative growth of 33% amongst all market regions. Both average room rate and the revenue of Hotel Benito increased whilst its occupancy rates also continued to stay on a satisfactory level. Total Revenue of the hotel amounted to HK$19.0 million (2009/2010: HK$15.5 million), representing an increase of 22.7% from last year.

- *Manufacturing and Distribution of Plastic Packaging Materials*

  During the year, this business recorded a turnover of HK$291.7 million (2009/2010: HK$249.2 million) representing an increase of 17.1% over last year. The increase in turnover was mainly due to the increase in sales volume and better price. Gross profit and gross profit margin were HK$31.6 million (2009/2010: HK$28.8 million) and 10.8% (2009/2010: 11.6%) respectively. Operating loss before financing cost, share of loss of associates and profit tax was HK$11.2 million (2009/2010: HK$7.3 million).

  2010/2011 remained to be a challenging year for this business sector. Export business was stagnant and business operating environment remained difficult with a marked shortfall of migrant workers in Guangdong province coupled with fast-inflating raw material and labour costs. To cope with the elevating operating cost, we have reviewed the organisation structure and scrutinised the operating expenses of each department. Furthermore, we have planned for an overhaul of the production workshop to enhance our productivity on our core range of products with more efficient and advance technologies.

  Last year was a significant milestone for our business in Mainland China. Our mainland domestic market has recorded another year of strong growth and it is now our second largest market by sales volume. Since the introduction of our Nan Sing brand disposable household goods in 2009, we have further expanded our presence successfully in the Southern and Eastern China by establishing ourselves in supermarket chain such as Vanguard and Lotus during the year. This gave us a strong platform of over 600 retail outlets in Mainland China to launch intense marketing campaigns for the Nan Sing brand to drive towards achieving critical mass.

- *Stock Broking and Finance*

  Hang Seng Index rebounded to 23,527 as at 31 March 2011, increased by 2,288 points as compared to the last financial year. During the year, European Sovereign Debt Crisis and the earthquake in Japan shocked the worldwide financial market. Hong Kong stock market was quite volatile.

  Following the recovery of worldwide economy, the high Consumer Price Index in Mainland China forced the Chinese Government to increase the deposit-reserve ratio and interest rate several times to cope with the high inflation and to suppress the overheating of its property market. Such measures resulted in the underperformance of the Mainland China and Hong Kong stock markets in the past year.

For the year ended 31 March 2011, as compared with the last financial year, the turnover volume of the company decreased by 17%. Correspondingly, the operating profit before finance costs also decreased by 32% to HK$10.5 million (2009/2010: HK$15.4 million). Net brokerage commission was HK$12.6 million (2009/2010: HK$17.5 million), decreased by 28%. Interest earned from clients recorded a significant increase of 76.0% to HK$8.8 million (2009/2010: HK$5.0 million) as margin clients were more willing to hold on to their stocks during the year. The said operating profit included the decrease in the fair value change on trading securities amounting to HK$286,000.

Outlook

Looking ahead, economic recovery in Europe and America remains fragile. The problem of sovereign debts in some Eurozone countries is yet to be resolved while unemployment remains high in America. On top of all this is the recent surge in oil prices brought on by political upheavals in North Africa and the Middle East. Despite facing such great challenges, the Group still remains cautiously optimistic and sees opportunities in the recent market. The Group intends to deploy more resources to expand its core businesses.

- *Property Investments and Development*

  Hong Kong will continue to benefit from the ongoing growth of the Chinese and Asian economies. In light of this, if interest rates stay low, the local property market will continue to be supported. Rental incomes of the Group's investment properties are expected to remain stable since rental leases are secured by long-term tenancy agreements.

- *Hotel*

  Economies of Mainland China will continue to grow progressively, and its opening up of travel visa requirements will further gear up the demand in local leisure, retails and hotel accommodation for coming year. Situate at Tsimshatsui's tourist and shopping areas, Hotel Benito is expecting its total revenue to step up to a farther extent this year, resulting from an increase in both occupancy and average room rate.

- *Manufacturing and Distribution of Plastic Packaging Materials*

  Whilst the western countries are still trying to recover from the effects of the financial tsunami, it is expected that the global economy will still be facing considerable uncertainties in the coming year. Furthermore, the appreciation of the Yuan and the fast inflating labour costs would inevitably affect the outlook of our export businesses and management hence take a conservative view in export markets' growth.

However, the Group has reason to believe that the next five to ten years will be the golden years for growth in Mainland China as the Chinese Government places far greater emphasis on internal markets and domestic demand than ever before. The Group is determined to continue to seize this opportunity to forge ahead and conduct intense marketing campaigns for the Nan Sing brand, expand our presence and broaden our disposable household goods portfolio in the secondary and tertiary cities and towns in Southern China and Eastern China. At the same time, plans are already underway to expand our capacity and strengthen our production capability in order to exploit the fullest extent the benefit of economy of scale and brand management. It is expected that these plans will be completed by the end of 2011.

- *Stock Broking and Finance*

  Mainland China's export and economic growth are expected to improve as a result of the turning around of the global economic environment.

  Economists and investors are inferring the likely consequences on the economy when the Federal Reserve ends the second round of Quantitative Easing (QE2) in June this year. As QE2 assisted in the stabilising of asset value and brought about economic growth, people worries that money supply will be affected when the program ends, resulting in weaker markets and investment sentiment.

  We are pleased to announce the grand opening of a new branch in Tsimshatsui in 2011 to cater for individual client's needs.

Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 31 March 2011, cash and bank balances were HK$21.0 million (31 March 2010: 24.3 million) with trade and other receivables at HK$185.9 million (31 March 2010: 141.8 million). Trade and other payables were HK$131.0 million (31 March 2010: HK$127.6 million). The increase in trade receivables was mainly attributed to the increased daily turnover of the stock broking and finance business at the year end.

At the year end date, the Group's bank borrowings increased from HK$249.2 million of the last year end date to HK$271.8 million of this year, in which the short term borrowings amounted to HK$187.4 million (31 March 2010: HK$137.1 million) and long term borrowings amounted to HK$84.4 million (31 March 2010: HK$112.1 million). The Group's current year net debt to equity ratio was 34.7% (31 March 2010: 34.5%), calculated on the basis of the Group's net borrowings (after bank balances and cash together with time deposit) over Shareholders' funds. There was no significant change in the Group's net debt to equity ratio during the year. Due to (a) the adoption of new accounting standards and (b) the gain arising on change in the fair value of investment properties, the Shareholders' funds was also increased during the year.

To minimise exposure on foreign exchange fluctuations, the Group's borrowings are primarily denominated in Hong Kong dollars and United States dollars. Foreign currency risk exposure on other foreign currencies is normally covered by forward exchange contracts. The Group has no significant exposure to foreign exchange rate fluctuations.

Capital Structure

As at 31 March 2011, the Group's Shareholders' funds amounted to HK$708.7 million (31 March 2010: HK$631.0 million). The Group's consolidated net assets per share as at the reporting date was HK$3.26 (31 March 2010: HK$2.90).

Employees

The Group had about 829 employees as at 31 March 2011. Employees were remunerated according to nature of the job and market trend.

DIVIDENDS

No interim dividend was paid during the year (2009/2010: Nil). The Directors now recommend for the adoption at the Annual General Meeting to be held on Friday, 12 August 2011 the payment on 19 August 2011 of a final dividend of HK3 cents per share (2009/2010: HK3 cents per share) in respect of the financial year ended 31 March 2011 to Shareholders on record as at 12 August 2011, absorbing a total amount of HK$6.5 million (2009/2010: HK$6.5 million).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 9 August 2011 to Friday, 12 August 2011, both dates inclusive, during which period no share transfers can be registered. In order to qualify for the proposed dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, General Secretarial Services Limited at 20th Floor, Capitol Centre, 5-19 Jardine's Bazaar, Causeway Bay, Hong Kong, not later than 4:30 p.m. on Monday, 8 August 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with all those code provisions set out in the Code on Corporate Governance Practices ("Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") except the following deviations:

Pursuant to Code A.2.1, the roles of chairman and chief executive officer should be performed by different individuals. Currently, the two roles are performed by the same individual. After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company. As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

Pursuant to Code A.4.1, non-executive directors should be appointed for a specific term. Currently, non-executive directors are not appointed for a specific term but they are subject to retirement by rotation and become eligible for re-election at each annual general meeting under the articles of association of the Company. The deviation is deemed appropriate as the retirement by rotation has given the Company's Shareholders the right to approve or disapprove the continuation of the service of non-executive directors.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

AUDIT COMMITTEE

The Audit Committee of the Company, which comprises the three independent non-executive directors of the Company, namely Mr. Chan Siu Ting (Chairman of the Audit Committee), Mr. James L. Kwok and Mr. Wong Shek Keung and two non-executive directors of the Company, namely Mr. Chan Man Hon, Eric and Mr. Tsai Han Yung. The annual results of the Group for the year ended 31 March 2011 have been reviewed by the Audit Committee, prior to their approval by the Board.

INTERNAL CONTROL

The Directors are ultimately responsible for the internal control system of the Group and, through the Audit Committee, have reviewed the effectiveness of the system.

A review of the effectiveness of the Group's internal control system and procedures covering all controls, including financial, operational and compliance and risk management, was conducted by the Audit Committee and subsequently reported to the Board during the year. Based on the result of the review, in respect of the year ended 31 March 2011, the Directors considered that the internal control system and procedures of the Group were effective and adequate.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and on the website of the Company at www.seapnf.com.hk. The Company's annual report for 2010/2011 will be despatched to the Shareholders of the Company and available on the above websites in due course.

On behalf of the Board
Southeast Asia Properties & Finance Limited
Chua Nai Tuen
Chairman and Managing Director

Hong Kong, 28 June 2011

As at the date of this announcement, the board of directors of the Company comprises: (1) Executive directors: Mr. Chua Nai Tuen (Chairman and Managing Director), Mr. Chua Nai King (Deputy Chairman), Mr. Nelson Junior Chua and Mr. Gilson Chua; (2) Non-executive directors: Mr. Chan Man Hon, Eric, Mr. Jimmy Siy Tiong, Mr. Luis Siy, Mr. Rene Siy Chua, Mr. Tsai Han Yung, Mr. Samuel Siy Yap and Ms. Vivian Chua; and (3) Independent non-executive directors: Mr. Chan Siu Ting, Mr. James L. Kwok and Mr. Wong Shek Keung.