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 2012

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 2012 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2012

	Notes	**2012** *HK$*	2011 *HK$*
Turnover	*5*	**399,992,754**	349,696,043
Cost of sales		**(322,216,543)**	(284,166,304)
Gross profit		**77,776,211**	65,529,739
Other revenue and other income	*6*	**11,727,643**	13,607,472
Gain arising on change in fair value of investment properties		**77,025,438**	71,706,026
Gain on disposal of unlisted available-for-sale financial assets		**–**	1,211,589
(Loss) gain arising on change in fair value of financial assets at fair value through profit or loss		**(3,325,142)**	2,099,808
Impairment losses on amounts due from associates		**–**	(4,334,682)

	Notes	**2012** *HK$*	2011 *HK$*
Distribution expenses		**(16,862,946)**	(12,458,617)
Administrative expenses		**(58,122,273)**	(47,075,385)
Other operating income (expenses)		**379,514**	(645,761)
Profit from operations	*7*	**88,598,445**	89,640,189
Finance costs	*8*	**(6,666,464)**	(6,103,754)
Share of profits of associates		**3,690,206**	1,987,200
Profit before tax		**85,622,187**	85,523,635
Income tax expense	*9*	**(4,523,411)**	(7,296,348)
Profit for the year		**81,098,776**	78,227,287
Profit attributable to:			
Owners of the Company		**80,264,886**	77,370,847
Non-controlling interests		**833,890**	856,440
		81,098,776	78,227,287
Earnings per share			
Basic and diluted	*11*	**36.9 cents**	35.6 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	2012	2011
	HK$	*HK$*
Profit for the year	**81,098,776**	78,227,287
Other comprehensive income:		
Available-for-sale financial assets:		
(Loss) gain arising on change in fair value	**(4,430,523)**	918,355
Exchange differences arising on translation of financial statements of overseas subsidiaries	**5,463,835**	5,772,650
Share of exchange reserve of associates	**65,057**	86,593
Total comprehensive income for the year	**82,197,145**	85,004,885
Attributable to:		
Owners of the Company	**80,911,060**	84,076,073
Non-controlling interests	**1,286,085**	928,812
	82,197,145	85,004,885

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	Notes	2012 HK$	2011 HK$
NON-CURRENT ASSETS			
Investment properties		**544,474,958**	467,449,520
Property, plant and equipment		**214,728,338**	202,791,662
Leasehold land and land use right		**13,538,989**	13,400,616
Interests in associates		**68,582,558**	67,470,734
Available-for-sale financial assets		**26,323,909**	30,189,169
Intangible assets		**3,702,706**	3,702,706
Deferred tax assets		**–**	303,967
Other assets		**3,052,178**	2,700,000
		874,403,636	788,008,374
CURRENT ASSETS			
Inventories		**85,737,359**	75,041,386
Trade and other receivables	*12*	**141,405,213**	185,907,978
Financial assets at fair value through profit or loss		**8,244,088**	11,569,230
Deposits and prepayments		**5,158,067**	4,198,228
Tax prepaid		**2,852,511**	3,155,022
Time deposits		**4,100,000**	5,100,000
Trust accounts of shares dealing clients		**54,326,889**	56,315,997
Cash and bank balances		**60,940,600**	21,042,484
		362,764,727	362,330,325
CURRENT LIABILITIES			
Trade and other payables	*13*	**151,845,873**	130,975,939
Amounts due to related companies		**2,489,954**	21,775,406
Amount due to an associate		**1,366,096**	1,406,012
Bank loans and overdrafts		**213,283,485**	187,432,235
Taxation		**2,435,174**	1,750,135
		371,420,582	343,339,727

	Notes	**2012** *HK$*	2011 *HK$*
NET CURRENT (LIABILITIES) ASSETS		**(8,655,855)**	18,990,598
TOTAL ASSETS LESS CURRENT LIABILITIES		**865,747,781**	806,998,972
NON-CURRENT LIABILITIES			
Bank loans		**65,377,583**	84,389,829
Amounts due to non-controlling interests		**2,664,500**	–
Deferred tax liabilities		**3,682,008**	5,402,625
		71,724,091	89,792,454
NET ASSETS		**794,023,690**	717,206,518
CAPITAL AND RESERVES			
Share capital		**217,418,850**	217,418,850
Reserves		**566,064,295**	491,222,369
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**783,483,145**	708,641,219
Non-controlling interests		**10,540,545**	8,565,299
TOTAL EQUITY		**794,023,690**	717,206,518

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited. The addresses of 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 ("HKD"), which is the same as the functional currency of the Company.

2. 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 ("HKICPA"), which are effective for the Group's financial year at the beginning of 1 April 2011. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects: (a) HKAS 24 (as revised in 2009) has changed the definition of a related party and (b) HKAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The application of the revised definition of related party set out in HKAS 24 (as revised in 2009) in the current year has resulted in the identification of related parties that were not identified as related parties under the previous standard. Specifically, associates of the ultimate holding company of the Company are treated as related parties of the Group under the revised standard whilst such entities were not treated as related parties of the Group under the previous standard. Changes have been applied retrospectively.

Save as described above, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years.

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

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 19 (Revised)	Employee Benefits[3]
HKAS 27 (Revised)	Separate Financial Statements[3]
HKAS 28 (Revised)	Investments in Associates and Joint Ventures[3]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets[1]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[3]
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date of HKFRS 9 and transition disclosures[5]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangement[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[3]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 July 2012
[3] Effective for annual periods beginning on or after 1 January 2013
[4] Effective for annual periods beginning on or after 1 January 2014
[5] Effective for annual periods beginning on or after 1 January 2015

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 Company.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis. The Group's current liabilities exceeded its current assets by HK$8,655,855 as at 31 March 2012. In preparing the consolidated financial statements, the directors of the Company have reviewed the Group's financial and liquidity position, and implemented financing measure as follows:

- Subsequent to the balance sheet date on 27 April 2012, the Group obtained a new long term bank loans of HK$124,000,000.

The directors of the Company believe that, taking into account of the above factor, the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future, and accordingly, have prepared the consolidated financial statements on a going concern basis.

4. 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 review the Group's internal reporting in order to assess performance and allocate resources. The directors of the Company have 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, the directors of the Company assess as the performance of property investments and development/hotel, manufacturing and distribution 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, bargain purchase gain recognised in a business combination, finance costs, share of profits (losses) of associates and income tax expenses are 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.

The Group's measurement methods used to determine operating segment profit or loss remain unchanged from 2011.

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 leasing of rental development/hotel	Provision of hotel services and properties in Hong Kong and the People's Republic of China (the "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 investment services and in trading securities

i) Segment revenues and results

	Property investments and development/hotel		Manufacturing and distribution of plastic packaging materials		Stock broking and finance		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Turnover								
External sales	**40,414,757**	36,651,875	**337,806,868**	291,716,718	**21,771,129**	21,327,450	**399,992,754**	349,696,043
Segment result	**19,538,169**	18,560,596	**(10,415,259)**	(11,155,037)	**1,987,479**	10,528,604	**11,110,389**	17,934,163
Gain arising on change in fair value of investment properties	**77,025,438**	71,706,026	**–**	–	**–**	–	**77,025,438**	71,706,026
Profit (loss) from operations	**96,563,607**	90,266,622	**(10,415,259)**	(11,155,037)	**1,987,479**	10,528,604	**88,135,827**	89,640,189
Bargain purchase gain recognised in a business combination							**462,618**	–
Unallocated finance costs							**(6,666,464)**	(6,103,754)
Share of profits (losses) of associates	**4,439,477**	1,788,468	**(1,053,424)**	(191,040)	**304,153**	389,772	**3,690,206**	1,987,200
Profit before tax							**85,622,187**	85,523,635
Unallocated income tax expense							**(4,523,411)**	(7,296,348)
Profit for the year							**81,098,776**	78,227,287

ii) Geographical Segment

	2012	2011
	HK$	HK$
Europe	**33,952,565**	31,380,268
Hong Kong	**93,932,422**	90,644,315
North America	**42,343,800**	48,821,731
Oceania	**31,944,870**	30,145,518
Other Asian countries	**105,557,273**	98,627,558
PRC	**92,261,824**	49,849,148
Others	**–**	227,505
	399,992,754	349,696,043

5. 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.

	2012	2011
	HK$	*HK$*
Sale of goods	**337,806,868**	291,716,717
Gross rental income	**18,047,237**	17,653,762
Brokerage commission	**18,466,908**	19,821,585
Hotel income	**22,367,520**	18,998,114
Dividend income		
– Listed equity securities	**3,304,221**	1,505,865
	399,992,754	349,696,043

6. OTHER REVENUE AND OTHER INCOME

	2012	2011
	HK$	*HK$*
Interest income	**7,290,378**	8,889,596
Other income *(Note)*	**4,050,603**	4,592,654
Reversal of impairment losses on trade and other receivables	**386,662**	125,222
	11,727,643	13,607,472

Note: Other income mainly consists of other securities income and other ancillary hotel revenue.

7. PROFIT FROM OPERATIONS

	2012	2011
	HK$	*HK$*
Profit from operations is arrived at after charging (crediting):		
Amortisation of leasehold land and land use right	**376,318**	351,239
Auditors' remuneration	**741,307**	763,889
Bargain purchase gain recognised in a business combination	**(462,618)**	–
Cost of inventories sold	**252,179,514**	223,269,895
Depreciation of property, plant and equipment	**14,433,238**	14,223,194
Exchange (gain) loss, net	**(204,365)**	645,385
Gain on disposal of unlisted available-for-sale financial assets	**–**	(1,211,589)
Impairment losses on trade and other receivables	**–**	686,273
Impairment losses on amounts due from associates	**–**	4,334,682
Loss (gain) arising on change in fair value of financial assets at fair value through profit or loss	**3,325,142**	(2,099,808)
Loss on disposal of property, plant and equipment	**31,272**	765
Provision of obsolescent inventories	**–**	47,815
Staff costs (including directors' remuneration)		
Salaries, wages and allowances	**52,743,394**	43,542,223
Staff benefits	**3,425,829**	2,364,358
Defined contribution plans	**749,544**	711,295
	56,918,767	46,617,876
Operating lease rental in respect of office premises	**2,992,006**	1,765,468
Gross rental income from investment properties	**(18,047,237)**	(17,653,762)
Less: Direct outgoing expenses from investment properties that generated rental income during the year	**28,937**	45,300
	(18,018,300)	(17,608,462)

8. FINANCE COSTS

	2012	2011
	HK$	*HK$*
Interest on:		
Bank loans and overdrafts wholly repayable:		
within five years	**4,064,379**	3,923,280
over five years	**1,019,876**	1,073,554
Amounts due to related companies	**983,980**	593,786
Bank charges	**598,229**	513,134
	6,666,464	6,103,754

9. INCOME TAX EXPENSE

	2012	2011
	HK$	*HK$*
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**4,177,484**	5,464,750
Under provision:		
Hong Kong Profits Tax	**1,762,578**	–
	5,940,062	5,464,750
Deferred tax:		
Current year charged	**(1,416,651)**	1,831,598
Tax charge for the year	**4,523,411**	7,296,348

10. DIVIDENDS

	2012	2011
	HK$	*HK$*
Final dividend proposed after the reporting date of HK3 cents (2011: HK3 cents) per ordinary share	**6,522,565**	6,522,565

The 2012 final cash dividend of HK3 cents (2011: 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 final dividend proposed after the reporting date has not been recognised as a liability at the end of the reporting period.

11. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to owners of the Company HK$80,264,886 (2011: HK$77,370,847) and the number of outstanding ordinary shares in issue during the year 217,418,850 (2011: 217,418,850).

The denominators used are the same for both basic and diluted earning per share.

12. TRADE AND OTHER RECEIVABLES

The Group's trade receivables arose from (i) property investments and development/hotel, (ii) manufacturing and distribution of plastic packaging materials, and (iii) stock broking and finance for the year.

Group

	2012	2011
	HK$	*HK$*
Trade receivables from:		
Clearing house and cash clients	**17,573,663**	63,238,912
Secured margin clients	**64,667,777**	73,828,188
Others	**52,732,013**	48,948,394
	134,973,453	186,015,494
Less: Allowance on bad and doubtful debts	(**6,334,543**)	(9,220,448)
	128,638,910	176,795,046
Other receivables	**12,766,303**	9,112,932
	141,405,213	185,907,978

Trade receivables from other customers are comprised of sales of goods and rental income.

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.

Room guests are requested to settle all outstanding balance before they check out. Normally, upon check-in, the Group will request its room guest cash deposit or credit card debit authorisation. Other than that, the Group does not obtain any other collateral from its room guests.

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.

(a) Aging analysis

The aging 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:

	2012	2011
	HK$	*HK$*
Repayable on demand margin clients receivables	**64,667,777**	71,943,898
0 – 30 days	**50,994,534**	89,949,283
31 – 60 days	**12,732,510**	9,192,310
Over 60 days	**244,089**	5,709,555
	128,638,910	176,795,046

Included in trade receivables of HK$64,667,777 (net of allowance on bad and doubtful debts) (2011: HK$71,943,898) 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 2012, the total market value of securities pledged as collateral by the customers in respect of the advances to customers is HK$93,066,180 (2011: HK$133,675,108). No aging analysis is disclosed as, in the opinion of the directors of the Company, an aging analysis is not meaningful in view of the revolving nature of the business of securities margin financing.

13. TRADE AND OTHER PAYABLES

The Group's trade payables arose from (i) property investments and development/hotel, (ii) manufacturing and distribution of plastic packaging materials, and (iii) stock broking and finance for the year.

	2012	2011
	HK$	*HK$*
Trade payables from:		
Clearing house and cash clients	**60,749,924**	67,738,036
Secured margin clients	**40,494,868**	18,003,348
Others	**23,886,445**	24,283,749
	125,131,237	110,025,133
Other payables	**26,714,636**	20,950,806
	151,845,873	130,975,939

Trade payables from other creditors are comprised of purchases of materials and supplies.

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

	2012	2011
	HK$	*HK$*
0 – 30 days	**114,507,318**	98,331,288
31 – 60 days	**5,511,682**	7,152,335
Over 60 days	**5,112,237**	4,541,510
	125,131,237	110,025,133

Included in trade and other payables, HK$60,749,924 (2011: HK$67,738,036) are amounts payable to clearing house and cash clients which would be due within 30 days.

EXTRACTED FROM INDEPENDENT AUDITOR'S REPORT

The following paragraphs extracted from the independent auditor's report on the Group's financial statements for the year ended 31 March 2012.

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 Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 3 to the consolidated financial statements which indicates that the Group's current liabilities exceeded its current assets by HK$8,655,855 as at 31 March 2012. This condition, along with other matters set forth in note 3 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast doubt about the Group's ability to continue as a going concern.

COMMENTARY ON ANNUAL RESULTS

Business Review

During the year, turnover was HK$400 million (2010/2011: HK$349.7 million), the profit attributable to owners of the Company was HK$80.3 million (2010/2011: HK$77.4 million) and earnings per share was HK36.9 cents (2010/2011: HK35.6 cents).

- *Property Investments and Development*

  China's economy continued to grow in 2011. Thanks to individual Chinese visitors, domestic consumption displayed remarkable resiliency, thereby rendering a strong cushion to the overall economic performance. Given the low interest rate environment, the property market is booming and property prices reached new heights. During the year, the Group recorded a gain arising on change in fair value of investment properties amounted to HK$77 million (2010/2011: HK$71.7 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$18 million (2010/2011: HK$17.7 million), representing an increase of 1.7% over last year.

- *Hotel*

  Arrivals to Hong Kong in 2011 kept increasing, with a year-on-year cumulative growth of 16.4% driven largely by the growth of visitors from Mainland China, which accounted for 67% of total arrivals. Hotel Benito, though services mostly visitors from South-east Asia, benefited from this overall increase in visitors and experienced growth in both average room rate and occupancy rate. Total revenue of the hotel amounted to HK$22.4 million (2010/2011: HK$19.0 million), representing an increase of 17.9% from last year.

- *Manufacturing and Distribution of Plastic Packaging Materials*

  During the year, this business recorded a turnover of HK$337.8 million (2010/2011: HK$291.7 million) representing an increase of 15.8% over last year. The increase in turnover was mainly due to the increase in sales volume and the price of raw materials. Gross profit and gross profit margin increased to HK$30.6 million (2010/2011: HK$25.5 million) and 9.1% (2010/2011: 8.7%) respectively due to an improved operating performance. Operating loss before financing costs, share of loss of associates and profit tax was HK$10.4 million (2010/2011: loss HK$11.2 million).

  2011/2012 remained a challenging year for this business sector. Given that the Western countries are trying to recover from the effects of the financial tsunami, exports inevitably dropped and we had to rely on sales in the domestic market for growth. However, the increase in turnover is still insufficient to cover for the escalating labor related costs and the maintenance costs of the factory.

Since the introduction of our NAN SING brand disposable household goods in 2009, we have established ourselves in Carrefour in the Southern and Eastern Mainland China. Carrefour is one of the largest and most influential supermarket chains in Mainland China. It has the ability to dictate the shopping habit of the consumers and build awareness of our brand effectively. To seize this opportunity, we have invested in a team of promoters coupled with aggressive pricings to build market share and brand awareness. We have successfully increased our retail sales fourfold and built a strong platform for further expansion during the year.

- *Stock Broking and Finance*

  During the financial year, Hang Seng Index fell from 23,801 as at 1 April 2011 to 20,556 as at 30 March 2012 with a drop of 3,245 points. The turnover dropped due to decrease in stock prices. Although the Hong Kong Exchanges and Clearing Limited (HKEx) has further prolonged the trading hours of the securities and derivatives markets by half an hour in March to a total of 5.5 hours each day, turnover remains low. This may be also caused by the decrease in money supply as a consequence of de-leveraging by the financial sector.

  Furthermore, fiscal consolidations and tightening measures have caused China's exports to slow down substantially in the past two years, lowering its GDP growth to 8.1%. Stock prices of Chinese enterprises were weak and a lot of capital has moved to lower risk assets such as bonds which further affected market turnover.

  Stockwell Commodities Limited, a wholly-owned subsidiary of the Group has recommenced business in January 2012, providing a platform for the trading of Hong Kong Futures Exchange products. We have successfully introduced this service to our existing securities clients and have received their recognition and support.

  The Group's commission revenue remains stable during the year with net brokerage commission reaching HK$13.9 million (2010/2011: HK$12.6 million). Due to the weak market sentiment, clients are less inclined to hold stocks. Interest earned from margin clients was HK$7 million (2010/2011: HK$8.8 million), representing a drop of 20.5%. During the year, operating profit was HK$2 million (2010/2011: HK$10.5 million) as a result of increased operating expenses, loss arising on change in fair value of financial assets at fair value through profit or loss amounted to HK$3.3 million (2010/2011: gain HK$2.1 million) and provision of bad debt totaling HK$1.48 million.

Outlook

Looking ahead, the sovereign debt crisis and sluggish economic conditions in Europe, and the slow recovery of the US economy will continue to affect China's economic growth and Hong Kong's economy. Hong Kong recorded a moderate GDP growth of 5% in 2011. The growth moderation was mainly caused by a slowdown in exports since the second quarter of 2011 amid a worsening global economic environment. Despite facing such great challenges, the Group 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*

  The uncertain global economic environment will inevitably affect Hong Kong's economy. However, we believe Hong Kong's economic foundation will remain sound. In view of the low interest rate environment and long term tenancy agreements, we expect the Group's investment properties to continue to generate stable rental income in coming year.

- *Hotel*

  As the population of the middle- to high-income individual in Mainland China grows, so does their interest in travel. This will further gear up the demand in local leisure, retails and hotel accommodation for the coming year. Situate at Tsimshatsui's tourist and shopping areas, we expect revenue of Hotel Benito to rise further this year as a result of increase in both occupancy and average room rate.

- *Manufacturing and Distribution of Plastic Packaging Materials*

  It is expected that the global economy in coming year will be even more volatile given that it is the reelection year for many countries coupled with the possibility of a Euro zone breakup, thereby, putting immense political and economical pressure on China with the likes of trade barriers and economic sanctions. Furthermore, the slowdown of the Chinese economy and the fast-inflating labor costs would inevitably affect the outlook of our business.

  In addition, we will need to become more service- and technology-driven to stay competitive in China and adhere to the reforms ordered by Guangdong party chief Wang Yang under his promise to "empty the cage and change the birds".

  The Group strongly believes that the spending power in China will increase rapidly as the PRC Government continues to place strong emphasis on internal markets and domestic demand. The Group will continue to seize this opportunity to develop our own NAN SING brand, expand our presence and broaden our disposable household goods portfolio in the secondary and tertiary cities and towns in Mainland China.

- *Stock Broking and Finance*

  The market will remain volatile in the short term as investors awaits further development of the European sovereign debt crisis. The operation twist conducted by the US will end in June this year, bringing more uncertainties to the market.

  The Group is exploring the feasibility to extend our services to the global futures markets in order to diversify and internationalize our commodities business.

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 2012, cash and bank balances were HK$60.9 million (31 March 2011: HK$21.0 million) with trade and other receivables at HK$141.4 million (31 March 2011: HK$185.9 million). Trade and other payables were HK$151.8 million (31 March 2011: HK$131.0 million). The increase in cash and bank balances and trade and other payables were mainly attributed to the increase in client trust account balances from futures and options business. The net current liabilities of HK$8.7 million as at 31 March 2012 became net current assets after the reporting date.

At the reporting date, the Group's bank borrowings slightly increased from HK$271.8 million of the last year end date to HK$278.7 million of this year, in which the short term borrowings amounted to HK$213.3 million (31 March 2011: HK$187.4 million) and long term borrowings amounted to HK$65.4 million (31 March 2011: HK$84.4 million). The Group's current year net debt to equity ratio was 27.6% (31 March 2011: 37.7%), calculated on the basis of the Group's net borrowings (after bank balances and cash together with time deposit) over total equity attributable to owners of the Company. The decrease was due to the gain arising on change in the fair value of investment properties, which increased the total equity attributable to owners of the Company.

Foreign Exchange Exposure

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 2012, the total equity attributable to owners of the Company amounted to HK$783.5 million (31 March 2011: HK$708.6 million). The Group's consolidated net assets per share as at the reporting date was HK$3.60 (31 March 2011: HK$3.26).

Employees and Remuneration Policies

The Group had 885 employees as at 31 March 2012. Employees were remunerated according to nature of the job and market trend.

DIVIDENDS

No interim dividend was paid during the year (2010/2011: Nil). The Directors now recommend for the adoption at the Annual General Meeting ("AGM") to be held on Friday, 17 August 2012 the payment on 30 August 2012 of a final dividend of HK3 cents per share (2010/2011: HK3 cents per share) in respect of the financial year ended 31 March 2012 to Shareholders on record as at 24 August 2012, absorbing a total amount of HK$6.5 million (2010/2011: HK$6.5 million).

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The Register of Members of the Company will be closed from Tuesday, 14 August 2012 to Friday, 17 August 2012, both days inclusive, during which period no share transfers can be registered. In order to eligible to attend and vote at the AGM, all transfer, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, 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, 13 August 2012.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The Register of Members of the Company will be closed from Thursday, 23 August 2012 to Friday, 24 August 2012, both dates inclusive, during which period no share transfers can be registered. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, 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 Wednesday, 22 August 2012.

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 2012 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 2012, 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 the Stock Exchange of Hong Kong Limited at www.hkexnews.hk under "Latest Listed Companies Information" and on the website of the Company at www.seapnf.com.hk. The Company's annual report for 2011/2012 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, 22 June 2012

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.