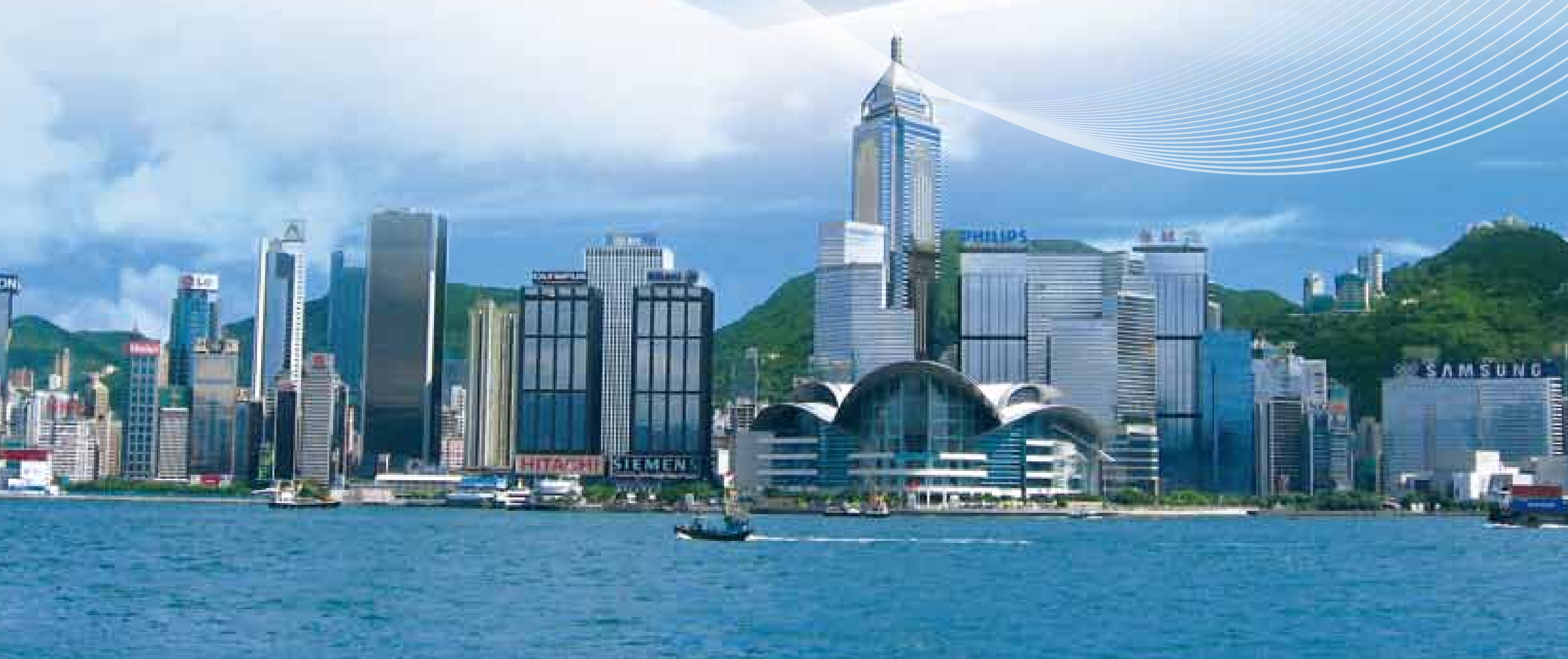
CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 674)

Annual Report 2011



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Corporate Information

DIRECTORS

Executive Directors
Cheng Yang *(Chairman and Chief Executive Officer)*
Zheng Yuchun
Liu Yu Mo
Li Weipeng

Independent Non-executive Directors
So Tat Keung
Tong Jingguo
Yang Rusheng

AUDITOR

BDO Limited
Certified Public Accountants

SOLICITORS

Jennifer Cheung & Co

COMPANY SECRETARY

Cheung Mei Ha, Jennifer

PRINCIPAL BANKERS

Hang Seng Bank Limited
Barclays Bank PLC
Chiyu Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM11
Bermuda

HEAD OFFICE

Rooms 2501-2505
25th Floor, China Resources Building
26 Harbour Road
Wanchai
Hong Kong

PRINCIPAL REGISTRARS

Butterfield Corporate Services Limited
Rosebank Centre
14 Bermudiana Road
Pembroke
Bermuda

HONG KONG SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen’s Road East
Hong Kong

Five Year Financial Summary

	2011	2010	2009	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Results					
Year ended 31 March					
(Loss)/profit attributable to owners of the Company	**(266,228)**	(1,153,701)	(190,773)	31,902	57,132
Assets and liabilities					
At 31 March					
Total assets	**1,159,575**	1,286,376	1,014,551	1,229,867	786,453
Total liabilities	**(270,434)**	(248,780)	(220,461)	(263,861)	(139,801)
Total equity	**889,141**	1,037,596	794,090	966,006	646,652

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

Financial Review

Consolidated results

The turnover of the Group from continuing operations for the year ended 31 March 2011 was about HK$174 million, representing an increase of about 15% as compared to that of last year. The Group incurred a loss of about HK$288 million this year mainly due to the impairment loss of about HK$224 million in respect of goodwill, intangible asset and other assets arising from the acquisition of Hua Rong Sheng Shi Holding Limited (which holds a wholly owned subsidiary and jointly controlled entities, Tian He Culture Holding Co. Ltd. ("Tian He") and its subsidiaries (together the "HR Group")).

Review

Hotel operations

The Group owns 94% interest in 肇慶星湖俱樂部 (Star-Lake Club Zhaoqing) which owns and operates the hotel under the business name of Dynasty Hotel in Zhaoqing, the PRC. The business recorded a turnover of HK$72 million and a loss of HK$25 million. The loss was mainly due to depreciation of its assets of HK$20 million and amortisation of payments for leasehold land held for own use under operating leases of about HK$4 million. This business had been affected by keen competition from other hotels during the year.

Restaurant operations

The business of the Group's Chiu Chow restaurant at Star House contributed operating profit of about HK$6 million to the Group for the year. The operation of the restaurant at Star House ceased in end of March 2011 as the Group disposed of the property.

In May 2011, the Group acquired the business of a hot pot restaurant under the name of "Number One Hot Pot (第一火鍋)" at Jaffe Road, Hong Kong. The Group is renovating the restaurant premises and the restaurant is expected to commence business soon.

Entertainment business

Baron Production and Artiste Management Company Limited, a 51% owned subsidiary engaged in providing services relating to production and artist management in the entertainment industry, incurred a loss of about HK$0.4 million.

Chance Music Limited ("CML"), a 60% owned subsidiary engaged in entertainment and related business and owns intellectual property rights to lyrics of various songs, recorded a loss of about HK$0.3 million. The Group has terminated its obligations to make further payment to the non-controlling shareholder of CML under an agreement dated 24 October 2007 and has demanded this non-controlling shareholder to buy back its 60% interest in CML at HK$15,000,000 pursuant to such agreement.

Management Discussion and Analysis

In February 2011, the Group acquired about 18.79% of the outstanding voting securities of Xinya Media Private Limited ("Xinya"), a company incorporated in Singapore with limited liability, for a total consideration of US$3,000,000. It is principally engaged in programming, broadcasting and operating a satellite entertainment television channel "Xinya Azio" in Singapore which covers audience in countries in North America, Europe and Asia, including China. It has a business plan to expand its penetration in the PRC. In April 2011, the Group increased its interest in the outstanding voting securities of Xinya to 22.27% for a total consideration of US$1,000,000. The Group intends to leverage Xinya's broadcasting coverage, programming capability and networks established in the entertainment industry to broaden the Group's content offering to its customers, expand licensing revenue sources and bolster content procurement ability.

Property investment

The investment properties of the Group in Hong Kong and the PRC contributed rental income to the Group during the year. The investment property located at the commercial district of Guangzhou, the PRC has been leased for ten years from 9 October 2008.

During the year, the Group disposed of an investment property in Sheung Wan with a gain of about HK$28 million. Together with this gain, the business contributed a profit of about HK$58 million to the Group.

Licence fee collection business

The Group entered into various agreements with owners of intellectual property rights of music products relating to collection of fees for licensing of copyright to karaoke music products to karaoke operators in the PRC. The Group is entitled to receive portion of fee payment from karaoke operators in the PRC.

The Group acquired in April 2009 the HR Group, which is principally engaged in the provision of copyright licence fees settlement and collection services in respect of karaoke music products and videos in the PRC.

For the year, the licence fee collection business recorded a turnover of HK$44 million and a loss of HK$278 million. The loss was mainly due to impairment losses of about HK$224 million in respect of goodwill, intangible assets and other assets arising from the acquisition of the HR Group and depreciation of property, plant and equipment and amortisation of intangible assets and deferred expenditure of about HK$62 million.

Tian He is owned equally by 深圳市華融盛世投資管理有限公司 (Shenzhen Hua Rong Sheng Shi Investment Management Company Limited) ("Shenzhen Hua Rong"), a wholly owned subsidiary of the Company, and 北京中文發數字科技有限公司 (China Culture Development Digital Technology Co., Ltd.) ("CCDDT"). It has entered into a licensing agreement with CCDDT pursuant to which Tian He was granted an exclusive right to use CCDDT's karaoke content management service system (the "Karaoke CMS") to provide copyright transaction settlement services and the right to develop related value-added services in the PRC for a term of 10 years from 15 July 2007. The system connects its data centre to karaoke venues to supervise and keep track of karaoke music videos played in these venues.

Management Discussion and Analysis

The Group had experienced delays in rollout of copyright licence fees settlement and collection services relating to karaoke music products and videos in various provinces in the PRC as a result of disagreement with CCDDT in respect of the operations and future development of the business. On 22 June 2011, Shenzhen Hua Rong started arbitration proceedings in Beijing, the PRC against CCDDT for its breach of the terms of a shareholders' agreement dated 15 July 2007 and an agreement signed in 2007 for the transfer of 20% of the registered capital of Tian He by Shenzhen Hua Rong to CCDDT to claim for termination of the shareholders' agreement, return of 20% interest in Tian He and damages of RMB10 million. The Group has prepared to cease provision of copyright licence fees settlement and collection services through the Karaoke CMS in December 2011.

Provision of intellectual property enforcement services

In December 2010, the Group acquired 60.8% interest in 北京天語同聲信息技術有限公司 (Song Labs Co., Limited) ("Song Labs"), a company established in the PRC and principally engaged in the provision of intellectual property enforcement services in return for certain percentage of the licence fee collected from karaoke venues. It has also entered into contracts with various owners of copyrights to audio-visual works for vocal accompaniment whereby it acquires the exclusive rights to, inter alia, grant licence to karaoke operators in the PRC the rights to replicate and play audio-visual works with vocal accompaniment. The acquisition allows the Group to expand its business to provision of intellectual property enforcement services in respect of karaoke music products in the PRC and to receive copyright fees as a result of Song Labs' rights under such contracts.

Prospects

The directors are optimistic about the future prospects of the entertainment industry in the PRC. The Group's licence fee collection business in respect of karaoke copyright in the PRC is gradually yielding income to the Group. The directors believe the provision of intellectual property enforcement services in respect of karaoke music products to karaoke operators in the PRC will broaden the income source of the Group.

The Group will continue its current principal activities of hotel operations, restaurant operations, licence fee collection business in the PRC, property investment and entertainment business. The Group's financial position is strong with a net asset value of HK$889 million.

The management will look for suitable investment opportunities to expand the business of the Group.

Directors' Report

The directors would like to present their annual report together with the audited financial statements for the year ended 31 March 2011.

Principal Activities

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 23 to the financial statements.

An analysis of the Group's performance for the year by business segment is set out in note 6 to the financial statements.

Results and Appropriations

The results of the Group for the year ended 31 March 2011 are set out in the consolidated statement of comprehensive income on page 25.

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2011.

Fixed Assets

Details of movements in fixed assets of the Group and the Company during the year are set out in notes 18 to 22 to the financial statements.

Share Capital

Details of the share capital of the Company are set out in note 36 to the financial statements.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 29 and note 37 to the financial statements respectively.

Distributable Reserves

Details of the distributable reserves of the Company as at 31 March 2011 are set out in note 37 to the financial statements.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Bye-laws and there was no restriction against such rights under the laws of Bermuda.

Directors’ Report

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 3.

Retirement Benefit Schemes

Details of the retirement benefit schemes are set out in note 4(r) to the financial statements.

Share Option Scheme

On 30 August 2002, the Company adopted a share option scheme (the “Scheme”). Details of the Scheme, including grant and lapse of options, are disclosed in note 39 to the financial statements.

Directors and Senior Management

The directors during the year and up to date of this report are as follows:

Cheng Yang (appointed on 30 April 2010) *(Chairman and Chief Executive Officer)*
Ma Shuk Kam (resigned on 18 June 2010)
Yeung Chi Hang (resigned on 18 June 2010)
Zheng Yuchun (appointed on 1 September 2010)
Liu Yu Mo
Au Edmond Wah (resigned on 30 September 2010)
Li Weipeng (appointed on 20 October 2010)
Chan Lai Mei (resigned on 20 October 2010)
Lee Wai Loun (resigned on 18 June 2010)
Lee Yuk Sang, Angus (resigned on 28 October 2010)
Tong Jingguo (appointed on 18 June 2010)
Yang Rusheng (appointed on 20 October 2010)
So Tat Keung (appointed on 28 October 2010)

In accordance with Bye-law 87(2) of the Company’s Bye-laws, Mr. Liu Yu Mo shall retire by rotation. In accordance with Bye-law 86(2) of the Company’s Bye-laws, Mr. Zheng Yuchun, Mr. Li Weipeng, Mr. Yang Rusheng and Mr. So Tat Keung shall retire at the coming annual general meeting of the Company. Being eligible, these directors have offered themselves for re-election.

Directors and Senior Management *(Continued)*

Biographical details of directors and senior management

Executive Directors

Mr. Cheng Yang, aged 47, is an executive director, the Chairman and the Chief Executive Officer of the Company. He has more than 10 years of experience in entertainment and media business. Mr. Cheng is the founder and a director of Cheng Films and Video Production Limited, which produces and distributes films and television drama series in Greater China. He is also a director of Xinya Media Private Limited, a Singapore-based media asset management company, and its wholly owned subsidiary, Xinya Satellite TV Private Limited, a television broadcaster licensed in Singapore which programs and manages the Xinya Satellite Television Channel and broadcasts the Channel to audience in Asia and the US.

Mr. Zheng Yuchun, aged 45, is an executive director and the Deputy Chief Executive Officer of the Company. He has over 10 years of experience in corporate management and investment. Prior to joining the Company, he was engaged in the functions of analysis, investment and management in several investment banks and large enterprises in mainland China and Hong Kong, including senior vice president and chief financial officer of Sun Media Investment Holdings Ltd and chief executive officer of Observer Star (HK) Co. Ltd and Star Newspapers Co. Ltd. Mr. Zheng was an independent director of Shenzhen Tonge (Group) Company Ltd (its shares listed on the Shenzhen Stock Exchange) from August 2004 to November 2009. Mr. Zheng graduated from the department of physics of Peking University in 1989 with a bachelor's degree in science, and graduated from the school of management of Harbin Institute of Technology in 1999 with a master's degree in business administration. He also graduated from the Faculty of Economics and Finance of the University of Hong Kong in 2004 and obtained a doctor's degree in Philosophy. Mr. Zheng is a member of the CFA Institute and a member of the Hong Kong Society of Financial Analysts.

Mr. Liu Yu Mo, aged 52, is an executive director and vice president of the Company. He has over 24 years of experience in management, auditing and accounting. He is a certified practising accountant (Aust.) and a fellow member of the Hong Kong Institute of Certified Public Accountants, and holds a master degree of business administration.

Mr. Li Weipeng, aged 53, is an executive director of the Company. He had been the deputy director and director of foreign exchange management office of People's Bank in Yantai, deputy director in the state administration of foreign exchange business of Port Operations in Qingdao. During the period from June 1994 to July 2007, Mr. Li served as president in Yantai Branch, vice president in Chongqing Branch and president in Shanghai Padong Branch of CITIC Bank (its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Shanghai Stock Exchange); and served as director of Shanghai Hong Yang Culture Media. He was an executive director of Shangdong International Finance Institute; a director of Chongging Finance Institute and a director of Pudong Financial Promotion Association. Mr. Li graduated from Tianjin University in December 1993 with a Master's degrees in business administration.

Directors and Senior Management *(Continued)*

Biographical details of directors and senior management *(Continued)*

Independent non-executive Directors

Mr. Tong Jingguo, aged 39, holds a Bachelor Degree of Engineering and a Master Degree of Business Administration from Shanghai Jiaotong University. He is a part-time professor of the School of Management, Xian Jiaotong University. He had been an independent non-executive director of Zhejiang Hisun Pharmaceutical Co., Ltd. (which shares are listed on the Shanghai Stock Exchange) from March 2008 to March 2010. During the period from October 2002 to March 2004, he was the President of Zhuhai Gaoling Information Technology Co., Ltd. In 2004, Mr. Tong found Shenzhen Huajing Management Consulting Co., Ltd.

Mr. Yang Rusheng, aged 43, has 16 years of experience in finance, audit and tax. Mr. Yang worked in the financial department of Shenzhen Construction Industry (Group) Co. from July 1993 to October 1994. Thereafter, he had worked in various CPA firms in China, including, as a manager and senior manager in Shenzhen Yongming CPA firm, a director in Shenzhen Guangsheng CPA firm and Shenzhen Youxin CPA firm and a partner of Wanlong Asia CPA Co., Ltd and a director of its Shenzhen Branch. As from October 2009, he has been a partner and vice-president of Crowe Horwath China Certified Public Accountants Co., Ltd. and a director of its Shenzhen Branch. His clients include corporation, public listed companies, state-owned enterprises and financial institutions. Mr. Yang was a member of Shenzhen Certified Public Accountants Ethic Committee and Shenzhen Finance Bureau Certified Public Accountant Responsibility Judge Committee. Currently, he is a vice-president of Institute of Shenzhen Certified Public Accountants, an executive director of Shenzhen Certified Tax Agents Association and a director of The China Certified Tax Agents Association. Mr. Yang gradated from Jinan University in 1993 with a master degree in Economics. He is a Chinese Certified Public Accountant and Chinese Certified Tax Agent in China. Mr. Yang was an independent director of a public listed company, Shenzhen Coship Electronics Co., Ltd. during the period from September 2006 to September 2009. Now Mr. Yang is an independent director of two public listed companies in China, namely Shenzhen Tianjian (Group) Co., Ltd and Shenzhen SEG Co., Ltd and an independent director of a public company, Shenzhen Ping An Bank Co. Ltd.

Mr. So Tat Keung, aged 55, is a solicitor practicing in Hong Kong and a notary public in Hong Kong. Prior to work as a solicitor, he had worked in the construction industry in government departments and private companies during the period from 1978 to 1986. Mr. So was admitted as a solicitor in Hong Kong in 1988. Now he is a consultant in Paul C. W. Tse & Co. Mr. So is a degree holder of Bachelor of Science in Civil Engineering in University of Hong Kong and Bachelor of Law in University of London. He was admitted as a member of The Institution of Civil Engineer in United Kingdom in 1982 and admitted as a member of the Hong Kong Institute of Engineers in 1985.

The Company has received confirmations of independence from each of the independent non-executive directors in accordance with Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and considers them to be independent.

Directors and Senior Management *(Continued)*

Biographical details of directors and senior management *(Continued)*

Senior management

Mr. Jin Lei, aged 48, is the vice president of the Company and responsible for cultural property business of the Company. Mr. Jin joined the Company in March 2011 and has extensive experience in real estate development. Prior to joining the Company, Mr. Jin worked at Jiangxi Bureau Limited as general manager. Mr. Jin graduated from Hunan University in 1984 and obtained a bachelor's degree in electrical engineering and obtained an EMBA degree in 2004 from Sun Yat-sen University.

Mr. Kan Yisong, aged 38, is the vice president of the Company and responsible for advertising and exhibition business of the Company. Mr. Kan joined the Company in May 2011 and has extensive experience in exhibition and advertising business. Prior to joining the Company, Mr. Kan was a director and a general manager in a subsidiary of China Resources (Holdings) Company Limited. Mr. Kan has a Bachelor degree in Engineering from the Xi'an Jiaotong University and a Master degree in Business Administration from the Hong Kong Polytechnic University.

Ms. Hui Ching, aged 33, is the vice president of the Company and responsible for the Company's cultural business. Ms. Hui joined the Company in July 2010 and has extensive experience in media and arts business. Ms. Hui has a Bachelor degree in Language and Communication from the Hong Kong Polytechnic University and a Master degree in World Economy from Fudan University.

Mr. Tang Sze Lok, aged 40, is the chief financial officer of the Company. Mr. Tang holds a Bachelor degree in Business Administration (Hons.) in Accounting from the Hong Kong Baptist University. He is a Certified Public Accountant (Practising), Certified Tax Adviser and Senior International Finance Manager with over 16 years of experience in auditing, taxation, financial reporting, corporate finance and corporate governance in respect of Sarbanes-Oxley Act 404 and internal control compliance. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He is also a member of the Society of Chinese Accountants and Auditors, the Taxation Institute of Hong Kong, the International Financial Management Association, the Institute of Accountants Exchange, the Hong Kong Association of Women Accountants, the Information Systems Audit and Control Association which he is a sub-committee member of I.T. professional development. He is an independent non-executive director, audit committee chairman and remuneration committee member of a Hong Kong listed corporation.

Directors' service contracts

None of the directors has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' interest in contracts

Save as disclosed in the section headed "Connected transactions" below, no contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors and Senior Management *(Continued)*

Directors' interests in equity or debt securities

As at 31 March 2011, the interests of the directors and chief executives of the Company in the share capital of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name	Number of shares	Nature of interest	Percentage of shareholding
Cheng Yang	1,786,980,000	*(Note 1)*	17.48
Zheng Yuchun	35,000,000	Personal *(Note 2)*	0.34
Liu Yu Mo	1,048,000	Personal	0.01

Notes:

1. 1,786,000,000 shares were owned by Mr. Cheng Yang personally and 980,000 shares were owned by his wife.

2. This relates to the options granted under the share option scheme of the Company to Mr. Zheng Yuchun to subscribe for (i) 12,000,000 shares from 1 October 2010 to 28 July 2020; (ii) 12,000,000 shares from 1 July 2011 to 28 July 2020; and (iii) 11,000,000 shares from 1 July 2012 to 28 July 2020, all at the exercise price of HK$0.262 per share.

Save as disclosed herein, as at 31 March 2011, none of the directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Substantial Shareholders

At 31 March 2011, other than the interests of a director and chief executive of the Company disclosed in the paragraph headed "Directors' interests in equity or debt securities" above, according to the register of interests required to be kept by the Company under section 336 of the SFO, the following persons had interests in the shares or underlying shares of the Company:

Name	Number of shares	Nature of interest	Percentage of shareholding
China Resources (Holdings) Company Limited	1,333,333,333	Interest of controlled corporation	13.04
China Resources Co., Limited	1,333,333,333	Interest of controlled corporation	13.04
China Resources National Corporation	1,333,333,333	Interest of controlled corporation	13.04
Commotra Company Limited	1,333,333,333	Beneficial interest	13.04
CRC Bluesky Limited	1,333,333,333	Interest of controlled corporation	13.04
Elite Forever Limited	982,260,000	Beneficial interest	9.61
Li Fengxiao	982,260,000	Interest of controlled corporation	9.61

Substantial Shareholders *(Continued)*

Save as disclosed above, as at 31 March 2011, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Management Contracts

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

Major Customers and Suppliers

During the year, the Group's five largest customers accounted for less than 4% of its total turnover.

During the year, the Group's five largest suppliers accounted for less than 22% of its total purchases.

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

Connected Transactions

1. The Group had not entered into any connected transactions not exempt under Rule 14A.31of the Listing Rules during the year ended 31 March 2011.

2. The following tenancy agreements between associates of Madam Ma Shuk Kam ("Madam Ma") and/or Mr. Yeung Chi Hang ("Mr. Yeung") (two former directors of the Company) as landlords and Golden Island Catering Group Company Limited as tenant (being continuing connected transactions not exempt under Rule14A.33 of the Listing Rules) were entered into/subsisted during the year ended 31 March 2011:

   (a) Tenancy agreement dated 18 January 2010 relating to Workshop Space B on the 2nd Floor, Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong

Landlord	**Term**	**Monthly rent**
Source Expand Development Limited (an associate of Madam Ma and Mr. Yeung)	1 January 2010 to 31 December 2011	HK$17,300 (exclusive of rates, management fees and government rent which are payable to independent third parties)

   (b) Tenancy agreement dated 23 June 2010 relating to Unit 2811 on the 28th Floor of West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong

Landlord	**Term**	**Monthly rent**
High Brand Limited (an associate of Madam Ma)	1 July 2010 to 31 December 2010 (extended to 17 January 2011)	HK$92,000 (exclusive of rates, management fees and government rent which are payable to independent third parties)

Connected Transactions *(Continued)*

(c) Tenancy agreement dated 1 December 2008 relating to No. 135, Waterloo Road, Kowloon, Hong Kong

Landlord	Term	Monthly rent
West Global Investments Limited (an associate of Madam Ma and Mr. Yeung)	1 December 2008 to 30 November 2010	HK$180,000 (exclusive of rates, management fees and government rent which are payable to independent third parties)

The independent non-executive directors of the Company have reviewed the continuing connected transactions and confirm that the transactions have been entered into:

1. in the ordinary and usual course of business of the Group;

2. either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

3. in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The board of directors of the Company would state that BDO Limited, the auditor of the Company, has confirmed the matters stated in Rule 14A.38 of the Listing Rules relating to the continuing connected transactions.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Save as disclosed above, there is no contract of significance between the Group and a controlling shareholder of the Company (as defined in the Listing Rules) or any of its subsidiaries, including for the provision of services to the Group.

Emolument Policy

As at 31 March 2011, the Group had a total of 788 employees. The Group remunerates its employees based on their performance, experience and prevailing industry practices.

The Group periodically reviews its remuneration package in order to attract, motivate and retain its employees. Discretionary bonuses are rewarded to staff and directors based on the Group's profit and their performance.

The Company had a share option scheme mentioned above for the employees and directors of the Group as incentive for them to contribute to the business and operation of the Group. The Group also provides in-house and external training courses for its staff to improve their skill and services.

Directors' Report

Financial Review

Liquidity and financial resources

The Group finances its operations with internally generated resources. The Group maintains good business relationship with banks and has banking facilities available for future business development.

As at 31 March 2011, the Group had no bank borrowings. The gearing ratio of the Group, based on total borrowings to shareholders' equity, was 0% (2010: 0%) as at 31 March 2011.

The Group was able to generate sufficient cash flow from its operations to fulfil its repayment obligations and meet the cash requirements for its day-to-day operations for the year. No financial instrument was used for hedging. The Group was not exposed to any exchange rate risk or any related hedges.

Charges

At 31 March 2011, the carrying value of investment properties, leasehold land and buildings, interests in leasehold land for own use under operating leases and land premium charged as security for the Group's bank facilities of HK$0 (2010: HK$53 million) amounted to HK$0 (2010: HK$225 million).

Remuneration of Directors and Senior Management

Details of the remuneration paid by the Group to the directors of the Company and senior management of the Group for the year ended 31 March 2011 are set out in notes 12 and 42(c) to the financial statements.

Purchase, Sale or Redemption of Securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2011.

Public Float

Based on information publicly available to the Company and within the knowledge of its directors, not less than 25% of the issued share capital of the Company are held by the public.

Auditor

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board
Cheng Yang
Chairman

Hong Kong, 30 June 2011

Corporate Governance Report

Corporate Governance Practices

The Company is committed to maintaining high standard corporate governance practices. It met all the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in the year ended 31 March 2011 except the following:

(a) the non-executive directors were not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company at least once every three years in accordance with the Bye-laws of the Company; and

(b) the roles of the chairman and chief executive officer of the Company are not segregated and are exercised by the same individual.

Directors' securities transactions

The Company has adopted a code of conduct regarding directors' securities transactions on terms set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules.

Having made specific enquiry of all directors of the Company, they have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2011.

Board of directors

The Company is governed by a board of directors (the "Board") which has the responsibility for leadership and control of the Company. The directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board set strategies and directions for the Group's activities with a view to develop its business and to enhance shareholder value.

Board of directors *(Continued)*

The Board met 25 times during the year ended 31 March 2011. Its composition and the attendance of individual directors at these board meetings were follows:

Name	Number of meetings held during the director's term of office	Number of meetings attended
Non-executive chairperson		
Ma Shuk Kam (resigned on 18 June 2010)	5	0
Executive directors		
Cheng Yang (appointed on 30 April 2010)	23	19
Zheng Yuchun (appointed on 1 September 2010)	17	15
Liu Yu Mo	25	25
Li Weipeng (appointed on 20 October 2010)	12	7
Yeung Chi Hang (resigned on 18 June 2010)	5	4
Au Edmond Wah (resigned on 30 September 2010)	12	11
Independent Non-executive directors		
Tong Jingguo (appointed on 18 June 2010)	21	8
Yang Rusheng (appointed on 20 October 2010)	12	7
So Tat Keung (appointed on 28 October 2010)	11	6
Chan Lai Mei (resigned on 20 October 2010)	13	3
Lee Wai Loun (resigned on 18 June 2010)	5	1
Lee Yuk Sang, Angus (resigned on 28 October 2010)	14	3

Madam Ma Shuk Kam is the mother of Mr. Yeung Chi Hang.

Chairman and Chief Executive Officer

From 1 April 2010 to 18 June 2010, Madam Ma Shuk Kam was the Chairperson and Mr. Yeung Chi Hang was the Chief Executive Officer of the Company respectively and the roles of the Chairperson and Chief Executive Officer of the Company were separated, with a clear division of responsibilities. The Chairperson was responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and for setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda. The Chief Executive Officer was responsible for the day-to-day management of the Group's business.

Mr. Cheng Yang ("Mr. Cheng") was appointed the Chairman and the Chief Executive Officer of the Company on 18 June 2010. Mr. Cheng takes up both roles of Chairman and Chief Executive Officer of the Company temporarily to fill the vacancies resulted from the resignation of Madam Ma Shuk Kam and Mr. Yeung Chi Hang. On 1 July 2010, the Company appointed Mr. Zheng Yuchun as its Deputy Chief Executive Officer to share the responsibility of Mr. Cheng.

Non-executive directors

All the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings at least once every three years in accordance with the Bye-laws of the Company.

Remuneration of directors

The Remuneration Committee has 3 members, comprising all independent non-executive directors of the Company from time to time.

Its composition during the year ended 31 March 2011 was as follows:

Chan Lai Mei (Chairman, from 1 April 2010 to 20 October 2010)
Lee Wai Loun (from 1 April 2010 to 18 June 2010)
Lee Yuk Sang, Angus (from 1 April 2010 to 28 October 2010)
Yang Rusheng (Chairman, from 20 October 2010 to 31 March 2011)
Tong Jingguo (from 18 June 2010 to 31 March 2011)
So Tat Keung (from 28 October 2010 to 31 March 2011)

The terms of reference of the Remuneration Committee have been determined with reference to the Code.

Remuneration of directors *(Continued)*

The Remuneration Committee met once during the year. The attendance of individual members at the meeting was as follows:

Name	Number of meetings held during the member's term of office	Number of meetings attended
Tong Jingguo	1	1
Yang Rusheng	1	1
So Tat Keung	1	1
Chan Lai Mei	0	0
Lee Wai Loun	0	0
Lee Yuk Sang, Angus	0	0

The Remuneration Committee has reviewed and approved the Group's remuneration policy and the levels of remuneration paid to executive directors and senior management of the Group.

Nomination of directors

Executive directors identify potential new directors and recommend to the Board for decision. A director appointed by the Board is subject to election by shareholders at the first annual general meeting after his appointment.

Potential new directors are selected on the basis of their qualifications, skills and experience which the directors consider will make a positive contribution to the performance of the Board.

During the year, the following directors were appointed:

Name	Date of appointment	Category
Cheng Yang	30 April 2010	Executive
Zheng Yuchun	1 September 2010	Executive
Li Weipeng	20 October 2010	Executive
Tong Jingguo	18 June 2010	Independent non-executive
Yang Rusheng	20 October 2010	Independent non-executive
So Tat Keung	28 October 2010	Independent non-executive

Nomination of directors *(Continued)*

The Board met 5 times during the year ended 31 March 2011 in respect of nomination of directors. The attendance of individual directors at these board meetings was follows:

Name	Number of meetings held during the director's term of office	Number of meetings attended
Cheng Yang	5	4
Zheng Yuchun	3	2
Liu Yu Mo	5	5
Yeung Chi Hang	2	1
Au Edmond Wah	3	3
Chan Lai Mei	4	2
Lee Wai Loun	2	1
Lee Yuk Sang, Angus	4	2

Accountability and audit

The directors acknowledge their responsibility for preparing the accounts of the Company. As at 31 March 2011, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the external auditors about their financial reporting are set out in the Report of the Auditors attached to the Company's Financial Statements for the year ended 31 March 2011.

The Board has conducted a review of the effectiveness of the Group's internal control system covering all controls, including financial, operational and compliance controls and risk management functions. In particular, the Board's review has considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The result has been reported to the Audit Committee. Areas for improvement have been identified and appropriate measures taken.

Auditors' remuneration

During the year ended 31 March 2011, fees paid to the Company's external auditor for audit services totalled HK$2,220,000, compared with HK$1,900,000 in the previous year. For non-audit services, the fees paid amounted to HK$120,000, compared with HK$320,000 in the previous year.

Audit Committee

The Audit Committee has 3 members, comprising all independent non-executive directors of the Company from time to time.

Its composition during the year ended 31 March 2011 was as follows:

Chan Lai Mei (Chairman, from 1 April 2010 to 20 October 2010)
Lee Wai Loun (from 1 April 2010 to 18 June 2010)
Lee Yuk Sang, Angus (from 1 April 2010 to 28 October 2010)
Yang Rusheng (Chairman, from 20 October 2010 to 31 March 2011)
Tong Jingguo (from 18 June 2010 to 31 March 2011)
So Tat Keung (from 28 October 2010 to 31 March 2011)

The terms of reference of the Audit Committee follow the guidelines set out in the Code.

During the year, the Audit Committee had reviewed the Group's interim and annual results, and internal control system.

Audit Committee *(Continued)*

The Audit Committee met 2 times in the year. The attendance of individual members at these meetings was as follows:

Name	**Number of meetings held during the member's term of office**	**Number of meetings attended**
Tong Jingguo	2	2
Yang Rusheng	1	1
So Tat Keung	1	1
Chan Lai Mei	1	1
Lee Wai Loun	0	0
Lee Yuk Sang, Angus	1	1

Independent Auditor's Report

Tel : +852 2541 5041
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2541 5041
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CULTURE LANDMARK INVESTMENT LIMITED
(文化地標投資有限公司)
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Culture Landmark Investment Limited (formerly known as United Power Investment Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 25 to 125, which comprise the consolidated and company statements of financial position as at 31 March 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

Auditor's responsibility *(Continued)*

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants

Alfred Lee
Practising Certificate Number P04960

Hong Kong, 30 June 2011

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2011

	Notes	2011 HK$	2010 HK$
Continuing operations			
Turnover	7	**173,791,595**	151,357,369
Other income and gains	8	**33,201,016**	15,364,140
Amortisation	9	**(64,235,278)**	(51,900,434)
Costs of inventories		**(39,102,938)**	(34,820,241)
Depreciation on property, plant and equipment		**(27,759,030)**	(29,859,289)
Other operating expenses		**(77,695,641)**	(54,528,417)
Impairment losses	9	**(224,127,756)**	(1,131,069,860)
Operating lease payments		**(7,919,369)**	(2,293,301)
Staff costs	11	**(81,709,147)**	(72,659,830)
Fair value gain on investment properties	19	**27,637,000**	41,519,000
Share of loss of associates	24	**(320,928)**	—
Finance costs	13	**(56,953)**	(15,568)
Loss before income tax credit	9	**(288,297,429)**	(1,168,906,431)
Income tax credit	14	**24,751,161**	15,778,654
Loss for the year from continuing operations		**(263,546,268)**	(1,153,127,777)
Discontinued operation			
Loss for the year from discontinued operation	10	**(16,181,209)**	(6,118,294)
Loss for the year		**(279,727,477)**	(1,159,246,071)
Other comprehensive income			
Exchange differences on translating foreign operations		**19,334,682**	(5,928,148)
Gain on revaluation of properties		**36,338,882**	42,619,830
Tax expense related to changes on revaluation of properties		**(5,995,916)**	(7,032,272)
Other comprehensive income for the year, net of tax		**49,677,648**	29,659,410
Total comprehensive income for the year		**(230,049,829)**	(1,129,586,661)
Loss for the year attributable to:			
Owners of the Company		**(266,227,812)**	(1,153,700,747)
Non-controlling interests		**(13,499,665)**	(5,545,324)
		(279,727,477)	(1,159,246,071)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(216,604,624)**	(1,124,060,383)
Non-controlling interests		**(13,445,205)**	(5,526,278)
		(230,049,829)	(1,129,586,661)
Loss per share	17		
From continuing operations			
Basic *(HK cents)*		**(2.50)**	(12.47)
Diluted *(HK cents)*		**(2.50)**	(12.47)
From discontinued operation			
Basic *(HK cents)*		**(0.16)**	(0.06)
Diluted *(HK cents)*		**(0.16)**	(0.06)
From continuing and discontinued operations			
Basic *(HK cents)*		**(2.66)**	(12.53)
Diluted *(HK cents)*		**(2.66)**	(12.53)

Consolidated Statement of Financial Position

As at 31 March 2011

	Notes	**2011** **HK$**	2010 HK$
Assets			
Non-current assets			
Property, plant and equipment	*18*	**45,861,259**	219,237,766
Investment properties	*19*	**80,655,000**	203,418,000
Payments for leasehold land held for own use under operating leases	*20*	**212,859,250**	207,312,219
Goodwill	*21*	**79,427,363**	121,815,830
Intangible assets	*22*	**109,931,613**	111,667,878
Interests in associates	*24*	**23,035,875**	—
Available-for-sale investment	*26*	**16,550,554**	—
Deferred expenditure	*27*	**2,629,300**	2,789,383
Deferred tax assets	*35*	**—**	3,409,658
Total non-current assets		**570,950,214**	869,650,734
Current assets			
Inventories	*28*	**7,913,385**	7,184,224
Trade and other receivables	*29*	**57,306,832**	53,643,350
Deferred expenditure	*27*	**30,438,146**	26,370,596
Tax recoverable		**—**	48,386
Cash and cash equivalents		**251,800,764**	325,733,132
		347,459,127	412,979,688
Assets classified as held for sale	*38*	**241,166,342**	3,745,500
Total current assets		**588,625,469**	416,725,188
Total assets		**1,159,575,683**	1,286,375,922
Liabilities			
Current liabilities			
Trade and other payables	*30*	**89,580,119**	64,435,994
Amounts due to non-controlling shareholders	*31*	**92,994,313**	99,901,150
Current tax liabilities		**3,390,458**	2,860,325
		185,964,890	167,197,469
Liabilities associated with assets classified as held for sale	*38*	**25,229,331**	—
Total current liabilities		**211,194,221**	167,197,469
Net current assets		**377,431,248**	249,527,719
Total assets less current liabilities		**948,381,462**	1,119,178,453

Consolidated Statement of Financial Position

As at 31 March 2011

	Notes	2011 HK$	2010 HK$
Non-current liabilities			
Provision for long service payments	34	**42,373**	1,856,254
Deferred tax liabilities	35	**59,197,705**	79,726,564
Total non-current liabilities		**59,240,078**	81,582,818
Total liabilities		**270,434,299**	248,780,287
NET ASSETS		**889,141,384**	1,037,595,635
Capital and reserves attributable to owners of the Company			
Share capital	36	**511,091,570**	496,091,570
Reserves		**220,964,681**	534,332,964
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets/disposal group classified as held for sale		**145,715,936**	—
		877,772,187	1,030,424,534
Non-controlling interests		**11,369,197**	7,171,101
TOTAL EQUITY		**889,141,384**	1,037,595,635

On behalf of the Board

Cheng Yang
Chairman

Tang Sze Lok
Chief Financial Officer

Statement of Financial Position

As at 31 March 2011

	Notes	2011 HK$	2010 HK$
Assets			
Non-current assets			
Interests in subsidiaries	23	**315,692,957**	404,666,095
Current assets			
Amounts due from subsidiaries	23	**486,501,708**	496,140,602
Other receivables	29	**25,426**	26,141
Cash and cash equivalents		**75,585,106**	130,701,031
Total current assets		**562,112,240**	626,867,774
Total assets		**877,805,197**	1,031,533,869
Liabilities			
Current liabilities			
Other payables	30	**1,793,884**	634,325
Amounts due to subsidiaries	23	**189,499,585**	118,400,764
Total current liabilities		**191,293,469**	119,035,089
Net current assets		**370,818,771**	507,832,685
Total assets less current liabilities		**686,511,728**	912,498,780
NET ASSETS		**686,511,728**	912,498,780
Capital and reserves			
Share capital	36	**511,091,570**	496,091,570
Reserves	37	**175,420,158**	416,407,210
TOTAL EQUITY		**686,511,728**	912,498,780

On behalf of the Board

Cheng Yang
Chairman

Tang Sze Lok
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended 31 March 2011

	Share capital	Share premium	Other reserves	Contributed surplus	Employee share-based compensation reserve	Other properties revaluation reserve	Foreign exchange reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	(note 36)	*(note 37)*	*(note 37)*	*(note 37)*	*(note 37)*	*(note 37)*	*(note 37)*	*(note 37)*			
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2009	169,911,570	723,939,216	(2,370,305)	28,784,000	56,206	83,722,118	43,817,512	(280,585,519)	767,274,798	26,815,526	794,090,324
Loss for the year	–	–	–	–	–	–	–	(1,153,700,747)	(1,153,700,747)	(5,545,324)	(1,159,246,071)
Exchange differences on translating foreign operations	–	–	–	–	–	–	(5,947,194)	–	(5,947,194)	19,046	(5,928,148)
Gain on revaluation of properties	–	–	–	–	–	42,619,830	–	–	42,619,830		42,619,830
Tax expense related to changes on revaluation of properties	–	–	–	–	–	(7,032,272)	–	–	(7,032,272)	–	(7,032,272)
Total comprehensive income	–	–	–	–	–	35,587,558	(5,947,194)	(1,153,700,747)	(1,124,060,383)	(5,526,278)	(1,129,586,661)
Disposal of a subsidiary *(note 41)*	–	–	–	–	–	–	–	–	–	(16,283,563)	(16,283,563)
Issuance of ordinary shares *(note 36(a)(ii))*	228,409,091	685,227,273	–	–	–	–	–	–	913,636,364	–	913,636,364
Placement of ordinary shares *(note 36(a)(iii))*	26,180,000	162,316,000	–	–	–	–	–	–	188,496,000	–	188,496,000
Share issue expenses	–	(5,449,625)	–	–	–	–	–	–	(5,449,625)	–	(5,449,625)
Issue of convertible preference shares and conversion into ordinary shares *(notes 36(a)(ii)* and *36(a)(iv))*	71,590,909	214,772,727	–	–	–	–	–	–	286,363,636	–	286,363,636
Waiver of amounts due to minority shareholders upon cessation of business of subsidiaries	–	–	–	–	–	–	–	4,163,744	4,163,744	2,165,836	6,329,580
Deregistration of subsidiaries	–	–	–	–	–	–	–	–	–	(420)	(420)
	326,180,000	1,056,866,375	–	–	–	35,587,558	(5,947,194)	(1,149,537,003)	263,149,736	(19,644,425)	243,505,311
At 31 March 2010 and 1 April 2010	496,091,570	1,780,805,591	(2,370,305)	28,784,000	56,206	119,309,676	37,870,318	(1,430,122,522)	1,030,424,534	7,171,101	1,037,595,635
Loss for the year	–	–	–	–	–	–	–	(266,227,812)	(266,227,812)	(13,499,665)	(279,727,477)
Exchange differences on translating foreign operations	–	–	–	–	–	–	19,280,222	–	19,280,222	54,460	19,280,222
Gain on revaluation of properties	–	–	–	–	–	36,338,882	–	–	36,338,882	–	36,338,882
Tax expense related to changes on revaluation of properties	–	–	–	–	–	(5,995,916)	–	–	(5,995,916)	–	(5,995,916)
Total comprehensive income	–	–	–	–	–	30,342,966	19,280,222	(266,227,812)	(216,604,624)	(13,445,205)	(230,049,829)
Issuance of ordinary shares *(note 36(a)(ii))*	15,000,000	45,000,000	–	–	–	–	–	–	60,000,000	–	60,000,000
Equity-settled share-based transactions *(note 39)*	–	–	–	–	3,952,277	–	–	–	3,952,277	–	3,952,277
Release upon lapse of share options *(note 39)*	–	–	–	–	(56,206)	–	–	56,206	–	–	–
Acquisition of subsidiaries *(note 40(a))*	–	–	–	–	–	–	–	–	–	17,643,301	17,643,301
	15,000,000	45,000,000	–	–	3,896,071	30,342,966	19,280,222	(266,171,606)	(152,652,347)	4,198,096	(148,454,251)
At 31 March 2011	511,091,570	1,825,805,591	(2,370,305)	28,784,000	3,952,277	149,652,642	57,150,540	(1,696,294,128)	877,772,187	11,369,197	889,141,384

Consolidated Statement of Cash Flows

For the year ended 31 March 2011

	Notes	2011 HK$	2010 HK$
Cash flows from operating activities			
Net cash used in operations	43	**(37,229,978)**	(25,599,926)
Interest received		**874,830**	2,252,082
Tax (paid)/refunded		**(665,141)**	109,722
Net cash used in operating activities		**(37,020,289)**	(23,238,122)
Cash flows from investing activities			
Disposal of subsidiaries, net of cash disposed of	41	**—**	29,008,649
Acquisition of subsidiaries, net of cash acquired	40	**(115,109,780)**	(46,407,729)
Contingent consideration paid for acquisition of a subsidiary in prior year	21	**—**	(5,000,000)
Deposits received from disposal of assets held for sale	30	**25,000,000**	—
Proceeds from disposal of property, plant and equipment		**4,138,975**	905,904
Proceeds from disposal of investment property		**121,887,000**	—
Purchase of property, plant and equipment		**(8,051,773)**	(20,003,641)
Proceeds from disposal of film and movie rights		**—**	21,561,200
Proceeds from disposal of assets held for sale		**3,745,138**	—
Deferred expenditure paid		**(25,959,569)**	(35,878,600)
Purchase of intangible assets		**(1,500,000)**	—
Purchase of available-for-sale investment		**(16,550,554)**	—
Acquisition of an associate		**(23,356,803)**	—
Net cash used in investing activities		**(35,757,366)**	(55,814,217)
Cash flows from financing activities			
Interest paid		**(56,953)**	(15,568)
Advances from non-controlling shareholders		**941,523**	4,157,714
Repayment to non-controlling shareholders		**(7,848,360)**	—
Proceeds from placement of ordinary shares		**—**	188,496,000
Share issue expenses		**—**	(5,449,625)
Net cash (used in)/generated from financing activities		**(6,963,790)**	187,188,521
Net (decrease)/increase in cash and cash equivalents		**(79,741,445)**	108,136,182
Cash and cash equivalents at the beginning of year		**325,733,132**	218,370,788
Effect of exchange rate changes on cash and cash equivalents		**6,697,941**	(773,838)
Cash and cash equivalents at the end of year		**252,689,628**	325,733,132
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		**251,800,764**	325,733,132
Cash and bank balances included in assets held for sale	38	**888,864**	—
Cash and cash equivalents at the end of year		**252,689,628**	325,733,132

Notes to the Financial Statements

For the year ended 31 March 2011

1. General

Culture Landmark Investment Limited (formerly known as United Power Investment Limited) (the "Company") is a public limited company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its registered office and principal place of business are at Clarendon House, Church Street, Hamilton HM 11, Bermuda and Room 2501-05, 25th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, respectively.

The Company is engaged in investment holding. The principal activities of the subsidiaries are set out in note 23.

2. Adoption of Hong Kong Financial Reporting Standards ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 April 2010

HKFRSs (Amendments)	Improvements to HKFRSs
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HKFRS 2	Share-based Payment — Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) — Interpretation 17	Distributions of Non-cash Assets to Owners
HK Interpretation 5	Presentation of Financial Statements — Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of these new/revised standards and interpretations has no significant impact on the reported results or financial position of the Company and its subsidiaries (collectively referred to as the "Group") for the current or prior reporting periods, except for the following:

- ***HKAS 27 (revised), "Consolidated and Separate Financial Statements"***

  The revised standard applies prospectively for annual periods beginning on or after 1 July 2009, requires the effects of all transactions with non-controlling interest (previously minority interest) to be recognised within equity if there is no loss in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. Furthermore, losses of non-wholly-owned subsidiary are attributed to the owners of the Company and non-controlling interest even if that results in a deficit balances. Losses prior to 1 April 2010 were not re-allocated between owners of the Company and non-controlling interests. The Group applied the revised standard to prepare its consolidated financial statements during the year ended 31 March 2011 and the adoption of the revised standard had no significant impact on the Group's consolidated financial statements.

2. Adoption of Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(a) Adoption of new/revised HKFRSs — effective 1 April 2010 *(Continued)*

- ***HKFRS 3 (revised), "Business Combinations"***

  The revised standard introduces significant changes in the accounting for business combinations for annual periods beginning on or after 1 July 2009. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combination achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that at an acquisition occurs and future reported results. The Group applied HKFRS 3 (revised) to account for the acquisition of additional interests in a joint venture during the year as set out in note 40(a) to the Group's consolidated financial statements.

  The change in accounting policy upon adoption of HKFRS 3 (revised) has resulted in the recognition of HK$950,577 acquisition-related costs in profit or loss. In addition, upon acquisition date, the Group derecognised its previously held interests in joint venture at fair value and recognised a gain of HK$452,054 (see note 40(a)). This has had immaterial effect on the loss per share calculation for the year.

- ***HKAS 17 (Amendment), "Leases"***

  The amendment to HKAS 17 made under "Improvements to HKFRSs 2009", mandatory for accounting periods beginning on or after 1 January 2010, removes the specific guidance which stated that land held under a lease should be classified as an operating lease unless title to the land is expected to pass at the end of the lease term. It provides new guidance which indicates that entity should use judgment to decide whether the lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in HKAS 17. The Group has reassessed the classification of land elements of unexpired leases at the date it adopts the amendments on the basis of information existing at the inception of the lease and concluded that the classification of such land leases as operating leases continues to be appropriate.

2. Adoption of Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's consoldiated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1&2]
HK(IFRIC) — Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[1]
HKAS 24 (Revised)	Related Party Disclosures[2]
Amendments to HKFRS 7	Disclosure — Transfers of Financial Assets[3]
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets[4]
HKFRS 9	Financial Instruments[5]

1 Effective for annual periods beginning on or after 1 July 2010
2 Effective for annual periods beginning on or after 1 January 2011
3 Effective for annual periods beginning on or after 1 July 2011
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 January 2013

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The disclosure exemptions introduced in HKAS 24 (Revised) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the revised standard.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. Adoption of Hong Kong Financial Reporting Standards ("HKFRSs") *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

The directors anticipate that HKFRS 9 that will be adopted in the Group's financial statements for the annual period beginning 1 April 2013 and that the application of HKFRS 9 may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively. The Group will consider the presumption and reassess the deferred tax relating to the investment properties measured at fair value.

The Group is in the process of making an assessment of the potential impact of other new and revised HKFRSs and the directors so far concluded that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain properties and available-for-sale investment, which are measured at revalued amount or fair value as explained in the accounting policies set out below.

Non-current assets or disposal group classified as assets/liabilities held for sale is stated at the lower of their carrying amounts and fair values less costs to sell.

3. Basis of Preparation *(Continued)*

(c) Functional and presentation currency

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

4. Significant Accounting Policies

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates 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.

Business combination from 1 April 2010

Acquisition of subsidiaries or businesses and additional interests in jointly controlled entities is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. Significant Accounting Policies *(Continued)*

(a) Business combination and basis of consolidation *(Continued)*

Business combination from 1 April 2010 *(Continued)*

Changes in the Group's interests in subsidiaries which do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Business combination prior to 1 April 2010

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connected with business combinations were capitalised as part of the cost of the acquisition.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

4. Significant Accounting Policies *(Continued)*

(a) Business combination and basis of consolidation *(Continued)*

Business combination prior to 1 April 2010 *(Continued)*

The Group applies a policy of treating transactions with minority interests as transactions with owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of subsidiary acquired is recognised in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recognised in equity.

(b) Subsidiaries

A subsidiary is an entity over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate and the entire carrying amount of the investment is subject to impairment test, by comparing the carrying amount with its recoverable amount, which is higher of value in use and fair value less costs to sell.

4. Significant Accounting Policies *(Continued)*

(d) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

Interests in jointly controlled entities are included in the financial statements using proportionate consolidation. The Group's share of each of the jointly controlled entity's assets, liabilities, income and expenses are combined line-by-line with similar items of the Group. Any premium paid for an interest in a jointly controlled entity above the fair value of the Group's share of identifiable assets, liabilities and contingent liabilities is dealt with under the Group's accounting policy on goodwill.

Profits and losses arising on transactions between the Group and jointly controlled entities are recognised only to the extent of unrelated investors' interests in the entity. The investor's share in the jointly controlled entity's profits and losses resulting from these transactions is eliminated against the asset or liability of the joint venture arising on the transactions.

(e) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of a consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets acquired, liabilities and contingent liabilities assumed.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4. Significant Accounting Policies *(Continued)*

(f) Property, plant and equipment

Leasehold land and buildings, other than hotel property, are stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. As the fair value of the land cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, the land portion is accounted for as being held under a finance lease. Fair value is determined by the directors of the Company based on independent valuations which are performed periodically. The valuations are on the basis of open market value. The directors of the Company review the carrying value of the leasehold land and buildings and adjustment is made where they consider that there has been a material change. Increases in value arising on revaluation are recognised in other comprehensive income and accumulated in equity under other properties revaluation reserve. Decreases in value arising on revaluation are first offset against increases on earlier valuations in respect of the same property and are thereafter recognised in profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged and thereafter to the other properties revaluation reserve.

Upon disposal of leasehold land and buildings, the relevant portion of the other properties revaluation reserve realised in respect of previous valuations is released from the other properties revaluation reserve to retained earnings.

The hotel property and other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised as an expense in profit or loss during the financial period in which they are incurred.

4. Significant Accounting Policies *(Continued)*

(f) Property, plant and equipment *(Continued)*

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Hotel buildings in the People's Republic of China (the "PRC")	5 years
Leasehold land and buildings	40 years
Leasehold improvements	2-5 years
Wardrobe	1 year
Furniture, fixtures and equipment	3-5 years
Motor vehicles	3-5 years
Yacht	10 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss arising from disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(g) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on a straight-line basis over their useful lives as follows:

Provision of copyright licence fees settlement and collection services	8 years
Provision of intellectual property enforcement services	11 years
Karaoke content management service system ("Karaoke CMS")	8 years
Golf club memberships	12 years, indefinite
Website	3 years

Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses.

4. Significant Accounting Policies *(Continued)*

(g) Intangible assets *(Continued)*

(ii) Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired (note 4(t)).

(h) Investment properties

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

(i) Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties in the PRC. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

(j) Deferred expenditure

Deferred expenditure represents non-refundable prepayment to co-operation venturers for their share of operating profits from the co-operation business to collect licence fees from karaoke operators in the PRC. The deferred expenditure is initially recognised at cost. Subsequent to initial recognition, deferred expenditure is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for deferred expenditure is provided on a straight-line basis over the co-operation period.

4. Significant Accounting Policies *(Continued)*

(k) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on straight-line basis over the lease term.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

(l) Financial instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

4. Significant Accounting Policies *(Continued)*

(I) Financial instruments *(Continued)*

(i) ***Financial assets*** *(Continued)*

Available-for-sale investments

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives which are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses.

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor’s financial difficulty; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

4. Significant Accounting Policies *(Continued)*

(l) Financial instruments *(Continued)*

(ii) Impairment loss on financial assets *(Continued)*

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For available-for-sale investments

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

4. Significant Accounting Policies *(Continued)*

(l) Financial instruments *(Continued)*

(iii) Financial liabilities

Financial liabilities, including trade and other payables and amounts due to non-controlling shareholders, are initially recognised at fair value, net of directly attributable transaction costs incurred, and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised within "finance costs" in the consolidated statement of comprehensive income.

Gains or losses recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. Significant Accounting Policies *(Continued)*

(m) Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

(n) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4. Significant Accounting Policies *(Continued)*

(o) Revenue recognition

Hotel room revenue is recognised when hotel rooms are occupied.

Revenue from restaurants is recognised when food and beverages are sold and services are provided.

Revenue from licence fee collection business is recognised when services are performed.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Revenue from entertainment services is recognised when services are rendered.

Revenue from musical works is recognised when the Group's entitlement to such payments has been established which is upon the delivery of the master copy or materials to the customers.

Compensation for infringement of music licence is recognised when the right to receive the compensation is established and it is probable that the Group will receive the compensation.

Revenue from sale of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Revenue from provision of wedding services is recognised when contracts are signed and relevant services are rendered.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(p) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

4. Significant Accounting Policies *(Continued)*

(p) Income taxes *(Continued)*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

(q) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which cases, the exchange differences are also recognised in other comprehensive income.

4. Significant Accounting Policies *(Continued)*

(q) Foreign currency *(Continued)*

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating, to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in the profit or loss of group entities' separate or individual financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to the profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

(r) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Profit-sharing and bonus plans

The expected costs of profit-sharing and bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for profit-sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

4. Significant Accounting Policies *(Continued)*

(r) Employee benefits *(Continued)*

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(iv) Post-employment benefits

Retirement benefits to employees are provided through several defined contribution plans.

The Group adopts a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance of Hong Kong for all employees of its subsidiaries operating in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries but subject to a cap in accordance with the statutory requirement and are recognised in profit or loss as they become payable in accordance with the rules of the MPF Scheme.

The Group has recorded provisions for long service payments for employees who had completed the required number of years of service under Hong Kong's Employment Ordinance for whom the Group is obligated to pay long service payment on termination of their employment.

The obligations for long service payments are assessed using the projected unit credit method, under which the provision for long service payment is recognised in profit or loss so as to spread the cost over the service lives of employees. The obligations are determined based on actuarial assumptions that are the Group's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. The provisions are calculated as the present values of the estimated future cash outflows for each employee using interest rates of high quality corporate bonds that have terms to maturity approximating the terms of the related liabilities, less the fair value of the Group's contributions to MPF Scheme for that employee. Plan assets are measured at fair values. Actuarial gains and losses are recognised over the average remaining service lives of employees.

The employees of the Group's subsidiaries that operate in the PRC are required to participate in a government-managed retirement benefit schemes. These subsidiaries are required to contribute a fixed cost per employee to the government-managed retirement benefit schemes. The contributions are charged to profit or loss as they become payable.

4. Significant Accounting Policies *(Continued)*

(s) Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the employee share-based compensation reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit or loss is charged with the fair value of goods or services received unless the goods or services qualify for recognition as assets. A corresponding increase in equity is recognised. For cash settled share based payments, a liability is recognised at the fair value of the goods or services received.

(t) Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets;
- payments for leasehold land held for own use under operating leases;
- investments in subsidiaries, associates and joint ventures, except for those classified as held for sale; and
- deferred expenditure.

4. Significant Accounting Policies *(Continued)*

(t) Impairment of other assets *(Continued)*

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation decrease under that HKFRS.

(u) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Estimates are evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value of investment properties and leasehold land and buildings

The fair value of the investment properties and leasehold land and buildings are determined by independent valuers on an open market value for existing use basis. In making their judgment, consideration has been given to assumptions that are mainly based on market conditions existing at the end of reporting period, by reference to recent market transactions and appropriate capitalisation rates based on an estimation of the rental income. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(b) Useful lives of property, plant and equipment

Management determines the estimated useful lives of the property, plant and equipment. Management will revise depreciation charges when useful lives differ from previous estimates.

(c) Impairment test of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Impairment loss on intangible assets

Determining whether an intangible asset is impaired requires an estimation of the future cash flow and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(e) Impairment loss on loans and receivables

The policy for impairment of loans and receivables of the Group is based on the evaluation of collectability and ageing analysis of the loans and receivables and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these loans and receivables, including the current creditworthiness of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty *(Continued)*

(f) Impairment loss on deferred expenditure

The carrying amounts of deferred expenditure are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions.

(g) Provision for long service payments

The obligations for long service payments are assessed using the projected unit credit method. The provisions are calculated as the present values of the estimated future cash outflows for each employee. To estimate the future cash flows, management uses the best estimates for suitable discount rates and expected rates of future salary increases.

6. Segment Reporting

Management determines operating segments based on the reports regularly reviewed by the chief operating decision maker, which is the board of directors, in assessing performance and allocating resources. The chief operating decision maker considers the business primarily on the basis of the types of services supplied by the Group. The Group is currently organised into five operating divisions – hotel operations, restaurant operations, licence fee collection business, property investment and entertainment business.

Principal activities are as follows:

Hotel operations	—	ownership, operation and management of hotel
Restaurant operations	—	sale of food and beverages
Licence fee collection business	—	provision of copyright licence fees settlement and collection services and intellectual property enforcement services in respect of karaoke copyright in the PRC as managed and administered by the China Audio-Video Copyright Association, the sole official recognised national audio-video organisation in the PRC
Property investment	—	leasing of investment properties
Entertainment business	—	provision of talent management and entertainment business

The Group was also involved in the wedding services business. During the year ended 31 March 2011, the Group ceased the wedding services business as detailed in note 10.

6. Segment Reporting *(Continued)*

Segment information is presented below:

(a) Information about reportable segment revenue, profit or loss, assets and liabilities and other information

	2011								
	Continuing operations							Discontinued operation	
	Hotel operations *HK$*	Restaurant operations *HK$*	License fee collection business *HK$*	Property investment *HK$*	Enter-tainment business *HK$*	Elimination *HK$*	Sub-total *HK$*	Wedding services *HK$*	Total *HK$*
Reportable segment revenue									
External sales	71,914,053	44,555,585	43,865,367	9,960,350	3,496,240	–	173,791,595	16,288,171	190,079,766
Inter-segment sales	–	–	–	5,710,000	–	(5,710,000)	–	–	–
	71,914,053	44,555,585	43,865,367	15,670,350	3,496,240	(5,710,000)	173,791,595	16,288,171	190,079,766
Reportable segment (loss)/profit before income tax credit	(25,233,315)	5,868,406	(278,346,228)	57,669,102	(1,086,168)	–	(241,128,203)	(16,181,209)	(257,309,412)
Other segment information									
Interest income	174,818	232	250,472	1,017	112	–	426,651	762	427,413
Interest expenses	–	–	56,953	–	–	–	56,953	–	56,953
Depreciation of property, plant and equipment	20,114,132	150,126	1,689,969	4,238,882	404,240	–	26,597,349	2,503,950	29,101,299
Amortisation of payments for leasehold land held for own use under operating leases	3,892,025	–	–	–	–	–	3,892,025	–	3,892,025
Amortisation of intangible assets	–	–	18,714,107	–	–	–	18,714,107	–	18,714,107
Amortisation of deferred expenditure	–	–	41,629,146	–	–	–	41,629,146	–	41,629,146
Written off of property, plant and equipment	706,844	334,430	–	–	39,280	–	1,080,554	1,682,893	2,763,447
Impairment loss on property, plant and equipment	–	–	2,564,936	–	–	–	2,564,936	–	2,564,936
Impairment loss on goodwill	–	–	121,815,830	–	–	–	121,815,830	–	121,815,830
Impairment loss on intangible assets	–	–	96,081,987	–	–	–	96,081,987	–	96,081,987
Impairment loss on trade and other receivables	–	–	3,171,025	–	493,978	–	3,665,003	–	3,665,003
Share of loss of associates	–	–	–	–	320,928	–	320,928	–	320,928
Fair value gain on investment properties	–	–	–	27,637,000	–	–	27,637,000	–	27,637,000
Gain on disposal of investment property	–	–	–	26,887,000	–	–	26,887,000	–	26,887,000
Gain on step acquisition	–	–	452,054	–	–	–	452,054	–	452,054
Reportable segment assets	261,648,506	4,443,810	330,156,927	328,322,191	29,662,020	–	954,233,454	993,968	955,227,422
Expenditure for reportable segment non-current assets	1,127,949	6,100	624,616	–	35,813	–	1,794,478	790,256	2,584,734
Interests in associates	–	–	–	–	23,356,803	–	23,356,803	–	23,356,803
Reportable segment liabilities	41,660,042	2,561,618	141,970,423	64,990,472	4,424,318	–	255,606,873	8,586	255,615,459

6. Segment Reporting *(Continued)*

(a) Information about reportable segment revenue, profit or loss, assets and liabilities and other information *(Continued)*

	2010								
	Continuing operations							Discontinued operation	
	Hotel operations *HK$*	Restaurant operations *HK$*	License fee collection business *HK$*	Property investment *HK$*	Enter-tainment business *HK$*	Elimination *HK$*	Sub-total *HK$*	Wedding services *HK$*	Total *HK$*
Reportable segment revenue									
External sales	72,602,180	42,346,672	20,339,822	11,628,283	4,440,412	–	151,357,369	47,466,299	198,823,668
Inter-segment sales	–	–	–	5,905,000	50,000	(5,955,000)	–	–	–
	72,602,180	42,346,672	20,339,822	17,533,283	4,490,412	(5,955,000)	151,357,369	47,466,299	198,823,668
Reportable segment (loss)/profit before income tax credit	(109,234,950)	6,168,021	(1,095,852,256)	47,278,680	2,410,358	–	(1,149,230,147)	(6,118,294)	(1,155,348,441)
Other segment information									
Interest income	110,376	241	1,876,352	14,435	21,520	–	2,022,924	1,005	2,023,929
Interest expenses	–	–	15,568	–	–	–	15,568	–	15,568
Depreciation of property, plant and equipment	23,821,972	2,892,954	1,487,645	291,892	1,364,826	–	29,859,289	3,623,049	33,482,338
Amortisation of payments for leasehold land held for own use under operating leases	5,256,422	–	–	–	–	–	5,256,422	–	5,256,422
Amortisation of intangible assets	–	–	15,858,471	–	–	–	15,858,471	–	15,858,471
Amortisation of deferred expenditure	–	–	30,785,541	–	–	–	30,785,541	–	30,785,541
Impairment loss on property, plant and equipment	14,575,409	–	–	–	–	–	14,575,409	–	14,575,409
Impairment loss on payments for leasehold land held for own use under operating leases	71,281,145	–	–	–	–	–	71,281,145	–	71,281,145
Impairment loss on goodwill	–	–	1,034,838,611	–	5,000,000	–	1,039,838,611	–	1,039,838,611
Impairment loss on intangible assets	–	–	132,341	–	–	–	132,341	–	132,341
Impairment loss on assets classified as held for sale	242,354	–	–	–	–	–	242,354	–	242,354
Impairment loss on an amount due from a related company	–	–	5,000,000	–	–	–	5,000,000	–	5,000,000
Fair value gain on investment properties	–	–	–	41,519,000	–	–	41,519,000	–	41,519,000
Gain on disposal of a subsidiary	–	–	–	–	4,658,187	–	4,658,187	–	4,658,187
Gain on disposal of film and movie rights	–	–	–	–	4,241,200	–	4,241,200	–	4,241,200
Reportable segment assets	273,116,376	141,078,231	365,404,764	210,350,863	3,831,219	–	993,781,453	45,847,626	1,039,629,079
Expenditure for reportable segment non-current assets	6,019,403	226,224	838,813	–	29,960	–	7,114,400	12,889,241	20,003,641
Reportable segment liabilities	39,349,826	5,768,481	144,263,595	40,752,884	4,698,987	–	234,833,773	3,662,469	238,496,242

6. Segment Reporting *(Continued)*

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

Loss before income tax credit

	2011 HK$	2010 HK$
Reportable segment loss before income tax credit	**(257,309,412)**	(1,155,348,441)
Unallocated interest income and other income	**4,376,223**	228,153
Unallocated head office and corporate expenses	**(51,545,449)**	(19,904,437)
Segment loss from discontinued operation	**16,181,209**	6,118,294
Loss before income tax credit from continuing operations	**(288,297,429)**	(1,168,906,431)

Assets

	2011 HK$	2010 HK$
Reportable segment assets	**955,227,422**	1,039,629,079
Cash and cash equivalents	**155,740,824**	245,378,927
Unallocated head office and corporate assets	**48,607,437**	1,367,916
Total assets	**1,159,575,683**	1,286,375,922

Liabilities

	2011 HK$	2010 HK$
Reportable segment liabilities	**255,615,459**	238,496,242
Unallocated head office and corporate liabilities	**14,818,840**	10,284,045
Total liabilities	**270,434,299**	248,780,287

6. Segment Reporting *(Continued)*

(c) Geographical information

The Group's operations are located in Hong Kong and the PRC.

An analysis of the Group's geographical segments is set out as follows:

	2011					
	Hong Kong		**PRC**		**Total**	
	Continuing operations *HK$*	**Discontinued operation** *HK$*	**Continuing operations** *HK$*	**Discontinued operation** *HK$*	**Continuing operations** *HK$*	**Discontinued operation** *HK$*
Turnover	**53,226,172**	**16,288,171**	**120,565,423**	**—**	**173,791,595**	**16,288,171**
Non-current assets other than financial instruments and deferred tax assets	**28,832,055**	**—**	**502,531,730**	**—**	**531,363,785**	**—**

	2010					
	Hong Kong		PRC		Total	
	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*
Turnover	53,706,505	47,466,299	97,650,864	—	151,357,369	47,466,299
Non-current assets other than financial instruments and deferred tax assets	378,026,569	—	488,214,507	—	866,241,076	—

7. Turnover

Analysis of the Group's revenue for the year is as follows:

	Group	
	2011	2010
	HK$	*HK$*
Continuing operations:		
Revenue from hotel operations		
Room rental	**18,586,013**	20,360,914
Food and beverages	**53,328,040**	52,241,266
Sale of food and beverages from restaurant operations	**44,555,585**	42,346,672
Revenue from licence fee collection business	**43,865,367**	20,339,822
Gross rental income from investment properties	**9,960,350**	11,628,283
Revenue from talent management and entertainment business	**3,496,240**	4,440,412
	173,791,595	151,357,369
Discontinued operation *(note 10)*:		
Revenue from provision of wedding services	**16,288,171**	47,466,299
	190,079,766	198,823,668

8. Other Income and Gains

	Group	
	2011	2010
	HK$	*HK$*
Continuing operations:		
Bank interest income	**874,068**	1,439,577
Loan interest income	**—**	811,500
Gain on disposal of property, plant and equipment	**63,687**	50,000
Gain on disposal of investment properties	**26,887,000**	—
Gain on disposal of film and movie right	**—**	4,241,200
Gain on disposal of a subsidiary *(note 41)*	**—**	4,658,187
Compensation received for infringement of music licence	**—**	3,662,053
Others	**5,376,261**	501,623
	33,201,016	15,364,140
Discontinued operation:		
Bank interest income	**762**	1,005
Gain on disposal of property, plant and equipment	**691,744**	—
Others	**65,374**	1,060,167
	757,880	1,061,172
	33,958,896	16,425,312

9. Loss Before Income Tax Credit

Loss before income tax credit from continuing operations is arrived at after charging/(crediting):

	Group	
	2011	2010
	HK$	*HK$*
Amortisation on		
— payments for leasehold land held for own use under operating leases	**3,892,025**	5,256,422
— intangible assets	**18,714,107**	15,858,471
— deferred expenditure	**41,629,146**	30,785,541
	64,235,278	51,900,434
Direct operating expenses from investment properties that generated rental income during the year	**1,330,624**	1,463,347
Written off of property, plant and equipment	**1,086,158**	—
Impairment loss on		
— property, plant and equipment	**2,564,936**	14,575,409
— payments for leasehold land held for own use under operating leases	**—**	71,281,145
— goodwill	**121,815,830**	1,039,838,611
— intangible assets	**96,081,987**	132,341
— assets classified as held for sale	**—**	242,354
— an amount due from a related company	**—**	5,000,000
— trade and other receivables	**3,665,003**	—
	224,127,756	1,131,069,860
Auditor's remuneration	**2,205,442**	2,220,000

10. Discontinued Operation

During the year ended 31 March 2011, the Group ceased the wedding services business in order to align the Group's business strategy and to focus on the continuing businesses.

The turnover and results of the wedding services business for the year ended 31 March 2011 are as follows:

	Group	
	2011	2010
	HK$	*HK$*
Turnover	**16,288,171**	47,466,299
Other income and gains	**757,880**	1,061,172
Costs of inventories	**(4,275,461)**	(13,543,185)
Depreciation on property, plant and equipment	**(2,503,950)**	(3,623,049)
Written off of property, plant and equipment	**(1,682,893)**	—
Other operating expenses	**(8,687,211)**	(8,837,074)
Operating lease payments	**(4,203,538)**	(8,102,799)
Staff costs	**(11,874,207)**	(20,539,658)
Loss before income tax expense	**(16,181,209)**	(6,118,294)
Income tax expense	**—**	—
Loss for the year from discontinued operation	**(16,181,209)**	(6,118,294)

	Group	
	2011	2010
	HK$	*HK$*
Cash flows (used in)/from discontinued operation		
Operating cash flows	**(6,464,867)**	11,245,558
Investing cash flows	**1,810,506**	(12,888,236)
Total cash outflow	**(4,654,361)**	(1,642,678)

For the purpose of presenting discontinued operation, the comparative consolidated statement of comprehensive income and the related notes have been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period.

11. Staff Costs

	Group					
	Continuing operations		Discontinued operation		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Staff costs (including directors) comprise:						
Salaries	**64,910,216**	65,928,967	**10,865,234**	19,063,342	**75,775,450**	84,992,309
Contribution to defined contribution pension plans	**8,725,719**	4,622,357	**482,350**	865,769	**9,208,069**	5,488,126
Equity settled share-based payment expense *(note 39)*	**3,952,277**	—	**—**	—	**3,952,277**	—
Other short-term monetary benefits	**4,120,935**	2,108,506	**526,623**	448,253	**4,647,558**	2,556,759
Provision for long service payments	**—**	—	**—**	162,294	**—**	162,294
	81,709,147	72,659,830	**11,874,207**	20,539,658	**93,583,354**	93,199,488

12. Directors' and Employees' Emoluments

Directors' emoluments

The aggregate amounts of the directors' emoluments, disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance and the Listing Rules, are as follows:

	Group				
	Fees	Salaries and other benefits	Share-based payment expense	Retirement scheme contributions	Total
2011	***HK$***	***HK$***	***HK$***	***HK$***	***HK$***
Executive directors					
Cheng Yang *(i)*	—	1,984,333	—	12,000	1,996,333
Zheng Yuchun *(ii)*	—	1,500,000	3,952,277	9,000	5,461,277
Liu Yu Mo	—	2,568,000	—	12,000	2,580,000
Li Weiping *(iii)*	555,586	—	—	—	555,586
Yeung Chi Hang *(iv)*	—	2,380,000	—	7,000	2,387,000
Au Edmond Wah *(v)*	—	1,200,000	—	6,000	1,206,000
Non-executive director					
Ma Shuk Kam *(iv)*	—	—	—	—	—
Independent non-executive directors					
Tong Jingguo *(vi)*	89,105	—	—	—	89,105
Yang Rusheng *(iii)*	52,986	—	—	—	52,986
So Tat Keung *(vii)*	51,290	—	—	—	51,290
Chan Lai Mei *(viii)*	53,161	—	—	—	53,161
Lee Wai Loun *(iv)*	24,000	—	—	—	24,000
Lee Yuk Sang, Angus *(ix)*	55,226	—	—	—	55,226
	881,354	9,632,333	3,952,277	46,000	14,511,964

12. Directors' and Employees' Emoluments *(Continued)*

Directors' emoluments *(Continued)*

	Group				
	Fees	Salaries and other benefits	Discretionary bonuses	Retirement scheme contributions	Total
2010	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Executive directors					
Yeung Chi Hang *(iv)*	—	2,210,000	1,020,000	12,000	3,242,000
Liu Yu Mo	—	2,080,000	480,000	12,000	2,572,000
Au Edmond Wah *(v)*	—	2,600,000	600,000	12,000	3,212,000
Non-executive director					
Ma Shuk Kam *(iv)*	—	—	—	—	—
Independent non-executive directors					
Chan Lai Mei *(viii)*	96,000	—	—	—	96,000
Lee Wai Loun *(iv)*	96,000	—	—	—	96,000
Lee Yuk Sang, Angus *(ix)*	96,000	—	—	—	96,000
	288,000	6,890,000	2,100,000	36,000	9,314,000

No directors waived their emoluments in respect of the year ended 31 March 2011 (2010: Nil).

Discretionary bonuses were granted base on the performance of individual directors and were approved by the Company's remuneration committee.

(i) The director was appointed on 30 April 2010.
(ii) The director was appointed on 1 September 2010.
(iii) The directors were appointed on 20 October 2010.
(iv) The directors resigned with effect from 18 June 2010.
(v) The director resigned with effect from 30 September 2010.
(vi) The director was appointed on 18 June 2010.
(vii) The director was appointed on 28 October 2010.
(viii) The director resigned with effect from 20 October 2010.
(ix) The director resigned with effect from 28 October 2010.

12. Directors' and Employees' Emoluments *(Continued)*

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, all (2010: three) were directors of the Company whose emoluments are included in the above.

The emolument of the remaining two highest paid individuals in 2010 was as follows:

	Group 2010 *HK$*
Basic salaries, housing allowances, other allowances and benefits in kind	2,520,974
Retirement scheme contributions	12,000
	2,532,974

Their emoluments were within the following band:

	Group 2010 *Number of employees*
HK$1,000,001 to HK$1,500,000	2

13. Finance Costs

	Group					
	Continuing operations		Discontinued operation		Total	
	2011 **HK$**	2010 *HK$*	**2011** **HK$**	2010 *HK$*	**2011** **HK$**	2010 *HK$*
Interest on other borrowings	**56,953**	15,568	**—**	—	**56,953**	15,568

14. Income Tax Credit

The amount of income tax credit in the consolidated statement of comprehensive income represents:

	Group					
	Continuing operations		Discontinued operation		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Current tax — Hong Kong profits tax						
— tax for the year	**21,040**	81,424	**—**	—	**21,040**	81,424
— under provision in respect of prior years	**—**	3,252	**—**	—	**—**	3,252
	21,040	84,676	**—**	—	**21,040**	84,676
Current tax — PRC Enterprise Income Tax						
— tax for the year	**1,144,282**	2,785,194	**—**	—	**1,144,282**	2,785,194
— under/(over) provision in respect of prior years	**4,953**	(144,522)	**—**	—	**4,953**	(144,522)
	1,149,235	2,640,672	**—**	—	**1,149,235**	2,640,672
Deferred tax *(note 35)*						
— current year	**(25,921,436)**	(18,504,002)	**—**	—	**(25,921,436)**	(18,504,002)
	(24,751,161)	(15,778,654)	**—**	—	**(24,751,161)**	(15,778,654)

Hong Kong profits tax has been provided for certain subsidiaries within the Group and is calculated at 16.5% (2010: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong profits tax has been made for other subsidiaries within the Group as those subsidiaries have sufficient tax losses brought forward to offset against the estimated profits for the year on an individual basis.

PRC subsidiaries and jointly controlled entities are subject to PRC Enterprise Income Tax at rates ranging from 22% to 25% (2010: 20% to 25%).

14. Income Tax Credit *(Continued)*

The Tenth National People's congress enacted a new Enterprise Income Tax Law ("EIT Law") on 16 March 2007, which provides for a unified income tax rate of 25% to both domestic enterprises and foreign-invested enterprises. The new tax law became effective on 1 January 2008. As a result, the tax rate for domestic enterprises will be reduced to 25%, whereas the tax rate for foreign-invested enterprises that have enjoyed preferential tax treatment shall have five years from the time when the EIT Law takes effect to transition progressively to the legally prescribed tax rate. During this period, an enterprise that previously enjoyed 15% tax rate shall be subject to 18% tax rate for the year 2008, 20% for the year 2009, 22% for the year 2010, 24% for the year 2011, and 25% for the year 2012; an enterprise that previously enjoyed 24% tax rate shall be subject to 25% tax rate starting the year 2008.

The income tax credit for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	2011	2010
	HK$	*HK$*
Loss before income tax credit		
Continuing operations	**(288,297,429)**	(1,168,906,431)
Discontinued operation	**(16,181,209)**	(6,118,294)
	(304,478,638)	(1,175,024,725)
Tax credit calculated at Hong Kong profits tax rate of 16.5% (2010: 16.5%)	**(50,238,975)**	(193,879,080)
Effect of different tax rates of subsidiaries and jointly controlled entities operating in other jurisdictions	**(12,478,348)**	(8,017,631)
Tax effect of share of loss of associates	**(52,953)**	—
Tax effect of non-deductible expenses	**31,297,263**	178,233,490
Tax effect of non-taxable revenue	**(7,674,654)**	(1,689,991)
Tax effect of tax losses not recognised	**21,988,217**	9,762,055
Utilisation of tax losses previously not recognised	**(6,664)**	(46,227)
Reversal of previously recognised deferred tax liabilities on disposal of an investment property	**(7,590,000)**	—
Under/(over) provision in respect of prior years	**4,953**	(141,270)
Income tax credit	**(24,751,161)**	(15,778,654)

15. Loss Attributable to Shareholders

Loss attributable to shareholders includes an amount of HK$20,966,167 (2010: HK$3,311,526) which has been dealt with in the financial statements of the Company.

16. Dividends

No dividend was paid or proposed in respect of the year ended 31 March 2011, nor has any dividend been proposed since the end of reporting period (2010: Nil).

17. Loss Per Share

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2011	2010
	HK$	*HK$*
Loss for the purpose of basic and diluted loss per share		
Loss for the year attributable to owners of the Company		
— from continuing operations	**(250,046,603)**	(1,147,582,453)
— from discontinued operation	**(16,181,209)**	(6,118,294)
— from continuing and discontinued operations	**(266,227,812)**	(1,153,700,747)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**10,008,132,762**	9,205,863,820
Effect of dilutive potential ordinary shares:		
— Share options *(note)*	**—**	—
— Convertible preference shares *(note)*	**—**	—
— Contingently issuable shares for acquisition of subsidiaries *(note)*	**—**	—
Weighted average number of ordinary shares for the purpose of diluted loss per share	**10,008,132,762**	9,205,863,820

Note:

There are no dilutive effects on the share options granted, convertible preference shares issued and contingently issuable shares as they are anti-dilutive. Share options that were not dilutive may affect earnings per share in future periods.

18. Property, Plant and Equipment

Group

	Hotel buildings in the PRC HK$	Leasehold land and buildings HK$	Leasehold improvements HK$	Wardrobe HK$	Furniture, fixtures and equipment HK$	Motor vehicles HK$	Yacht HK$	Total HK$
Cost or valuation								
At 1 April 2009	24,928,228	106,796,863	43,749,433	1,137,797	60,698,861	8,727,618	—	246,038,800
Surplus on revaluation	—	40,000,000	—	—	—	—	—	40,000,000
Additions	—	—	6,341,441	—	1,960,643	4,901,557	6,800,000	20,003,641
Transfer from investment properties *(note 19)*	—	15,000,000	—	—	—	—	—	15,000,000
Acquired through business combination *(note 40(b))*	—	—	615,034	—	1,224,268	1,864,121	—	3,703,423
Disposals	—	—	(10,590,301)	—	(11,011,844)	(777,052)	—	(22,379,197)
Disposal of a subsidiary *(note 41)*	—	(3,771,077)	—	—	(859,215)	(2,660,659)	—	(7,290,951)
Exchange differences	(1,606,633)	(25,786)	(651,690)	—	(861,689)	(93,818)	—	(3,239,616)
At 31 March 2010 and 1 April 2010	23,321,595	158,000,000	39,463,917	1,137,797	51,151,024	11,961,767	6,800,000	291,836,100
Surplus on revaluation	—	32,100,000	—	—	—	—	—	32,100,000
Additions	—	—	5,907,860	—	1,371,638	772,275	—	8,051,773
Acquired through business combination *(note 40(a))*	—	—	205,387	—	1,637,098	2,135,407	—	3,977,892
Transfer to assets held for sale *(note 38)*	—	(184,600,000)	—	—	(106,899)	—	—	(184,706,899)
Disposals	—	—	(475,400)	—	(844,000)	(3,308,680)	—	(4,628,080)
Written off	—	—	(5,872,898)	—	(6,820,045)	(1,502,248)	—	(14,195,191)
Exchange differences	1,068,478	—	3,525,313	—	4,003,441	290,300	—	8,887,532
At 31 March 2011	24,390,073	5,500,000	42,754,179	1,137,797	50,392,257	10,348,821	6,800,000	141,323,127
Accumulated depreciation and impairment								
At 1 April 2009	5,894,853	—	21,301,217	1,137,797	21,297,574	1,708,032	—	51,339,473
Charge for the year	4,136,329	2,619,830	10,077,902	—	13,139,836	3,055,108	453,333	33,482,338
Eliminated on revaluation	—	(2,619,830)	—	—	—	—	—	(2,619,830)
Impairment loss	3,497,918	—	5,320,771	—	5,756,720	—	—	14,575,409
Eliminated on disposals	—	—	(10,290,035)	—	(10,456,206)	(777,052)	—	(21,523,293)
Disposal of a subsidiary *(note 41)*	—	—	—	—	(583,676)	(763,460)	—	(1,347,136)
Exchange differences	(380,638)	—	(437,612)	—	(456,806)	(33,571)	—	(1,308,627)
At 31 March 2010 and 1 April 2010	13,148,462	—	25,972,243	1,137,797	28,697,442	3,189,057	453,333	72,598,334
Charge for the year	3,824,092	4,238,882	9,268,995	—	9,173,736	3,077,275	680,000	30,262,980
Eliminated on revaluation	—	(4,238,882)	—	—	—	—	—	(4,238,882)
Impairment loss	—	—	46,299	—	752,428	1,766,209	—	2,564,936
Transfer to assets held for sale *(note 38)*	—	—	—	—	(82,367)	—	—	(82,367)
Eliminated on disposals	—	—	(229,943)	—	(230,580)	(784,013)	—	(1,244,536)
Eliminated on written off	—	—	(4,009,579)	—	(5,584,538)	(1,832,023)	—	(11,426,140)
Exchange differences	651,339	—	3,061,381	—	3,132,378	182,445	—	7,027,543
At 31 March 2011	17,623,893	—	34,109,396	1,137,797	35,858,499	5,598,950	1,133,333	95,461,868
Net book value								
At 31 March 2011	6,766,180	5,500,000	8,644,783	—	14,533,758	4,749,871	5,666,667	45,861,259
At 31 March 2010	10,173,133	158,000,000	13,491,674	—	22,453,582	8,772,710	6,346,667	219,237,766

18. Property, Plant and Equipment *(Continued)*

The analysis of the net book value or valuation of the above assets at 31 March 2011 is as follows:

	Hotel buildings in the PRC	Lease hold land and buildings	Lease hold improvements	Furniture, fixtures and equipment	Motor vehicles	Yacht	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At cost	6,766,180	—	8,644,783	14,533,758	4,749,871	5,666,667	40,361,259
At 2011 professional valuation	—	5,500,000	—	—	—	—	5,500,000
	6,766,180	5,500,000	8,644,783	14,533,758	4,749,871	5,666,667	45,861,259

The analysis of the net book value or valuation of the above assets at 31 March 2010 is as follows:

	Hotel buildings in the PRC	Lease hold land and buildings	Lease hold improvements	Furniture, fixtures and equipment	Motor vehicles	Yacht	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At cost	10,173,133	—	13,491,674	22,453,582	8,772,710	6,346,667	61,237,766
At 2010 professional valuation	—	158,000,000	—	—	—	—	158,000,000
	10,173,133	158,000,000	13,491,674	22,453,582	8,772,710	6,346,667	219,237,766

The Group's leasehold land and buildings and hotel buildings are located in Hong Kong and the PRC respectively and are analysed at their carrying values as follows:

	2011	2010
	HK$	*HK$*
Properties located in Hong Kong		
Leases of over 50 years	**—**	154,000,000
Leases of between 10 to 50 years	**5,500,000**	4,000,000
	5,500,000	158,000,000
Properties located in the PRC		
Leases of over 50 years	**6,766,180**	10,173,133

18. Property, Plant and Equipment *(Continued)*

An impairment loss on property, plant and equipment used in the hotel operations of HK$14,575,409 was made during the year ended 31 March 2010 due to keen competition in hotel business which resulted in weak performance for that year and uncertainty arose for subsequent years. The impairment loss was determined with reference to a valuation provided by Savills Valuation and Professional Services Limited, an independent professional valuer. The valuation was arrived at by considering the capitalised net earnings to be derived from the hotel operations.

Leasehold land and buildings were revalued at 31 March 2011 on the open market value basis by Savills Valuation and Professional Services Limited, an independent professional valuer. A net revaluation surplus of HK$1,342,106 (2010: HK$35,587,558) was credited to other properties revaluation reserve, after netting off applicable deferred tax expense of HK$265,207 (2010: HK$7,032,272).

The carrying amount of leasehold land and building of the Group would have been HK$785,382 (2010: HK$24,113,404) had they been stated at cost less accumulated depreciation and accumulated impairment losses.

Leasehold land and buildings transferred to assets held for sale as disclosed in note 38(a) were revalued at 31 March 2011 (date of classification as held for sale) on the open market value basis by the directors of the Company. A net revaluation surplus of HK$29,000,860 was credited to other properties revaluation reserve, after netting off applicable deferred tax expense of HK$5,730,709.

At 31 March 2011, the Group did not pledge any leasehold land and buildings due to the cancellation of banking facilities previously made available to the Group. At 31 March 2010, leasehold land and buildings with carrying value of HK$130,000,000 were pledged to secure the banking facilities available to the Group.

19. Investment Properties

Group

	2011	2010
	HK$	*HK$*
At beginning of year	**203,418,000**	176,899,000
Transfer to property, plant and equipment *(note (d))*	**—**	(15,000,000)
Transfer to assets held for sale *(note 38(a))*	**(55,400,000)**	—
Disposals	**(95,000,000)**	—
Change in fair value	**27,637,000**	41,519,000
At end of year	**80,655,000**	203,418,000

(a) Investment properties, including those transferred to assets held for sale, were revalued at 31 March 2011 (date of classification as held for sale) on the open market value basis by Savills Valuation and Professional Services Limited, an independent professional valuer.

(b) At 31 March 2011, the Group did not pledge any investment property due to the cancellation of banking facilities previously made available to the Group. At 31 March 2010, one investment property with carrying value of HK$95,000,000 was pledged to secure the banking facilities available to the Group.

(c) Gross rental income from investment properties amounted to HK$9,960,350 (2010: HK$11,628,283).

(d) During the year ended 31 March 2010, certain investment properties were used for the Group's wedding business and such properties were reclassified to leasehold land and buildings (note 18) at the date of change in use.

(e) The Group's investment properties are analysed at their carrying values as follows:

	2011	2010
	HK$	*HK$*
Investment properties located in Hong Kong		
Leases of over 50 years	**—**	95,000,000
Leases of between 10 to 50 years	**6,700,000**	44,200,000
	6,700,000	139,200,000
Investment properties located in the PRC		
Leases of between 10 to 50 years	**73,955,000**	64,218,000

20. Payments for Leasehold Land Held for Own Use Under Operating Leases

Group

	HK$
At 1 April 2009	290,625,600
Transfer to assets classified as held for sale *(note 38(a))*	(3,987,854)
Charge for the year	(5,256,422)
Impairment loss	(71,281,145)
Exchange differences	(2,787,960)
At 31 March 2010 and 1 April 2010	207,312,219
Charge for the year	(3,892,025)
Exchange differences	9,439,056
At 31 March 2011	212,859,250

The above land is held under long-term lease and is located in the PRC.

The impairment of HK$71,281,145 was recognised in 2010 in respect of a parcel of land currently used for hotel operations. Management believes that the current use of the land as hotel operations would be the most beneficial to the Group as the redevelopment opportunity is currently uncertain despite the fact the hotel business competition is keen. The recoverable amount of land is determined using the same basis as explained in note 18 on the hotel operations.

21. Goodwill and Impairment

Group

	Provision of copyright licence fees settlement and collection services *(note (a))* HK$	Provision of intellectual property enforcement services *(note (b))* HK$	Wedding services HK$	Entertainment business *(note (c))* HK$	Restaurant operations HK$	Others HK$	Total HK$
Cost							
At 1 April 2009	—	—	18,988,140	10,287,287	920,494	15,000	30,210,921
Addition	—	—	—	5,000,000	—	—	5,000,000
Arising from business combinations *(note 40(b))*	1,156,654,441	—	—	—	—	—	1,156,654,441
At 31 March 2010 and 1 April 2010	1,156,654,441	—	18,988,140	15,287,287	920,494	15,000	1,191,865,362
Arising from business combinations *(note 40(a))*	—	79,427,363	—	—	—	—	79,427,363
At 31 March 2011	1,156,654,441	79,427,363	18,988,140	15,287,287	920,494	15,000	1,271,292,725
Impairment							
At 1 April 2009	—	—	18,988,140	10,287,287	920,494	15,000	30,210,921
Impairment loss	1,034,838,611	—	—	5,000,000	—	—	1,039,838,611
At 31 March 2010 and 1 April 2010	1,034,838,611	—	18,988,140	15,287,287	920,494	15,000	1,070,049,532
Impairment loss	121,815,830	—	—	—	—	—	121,815,830
At 31 March 2011	1,156,654,441	—	18,988,140	15,287,287	920,494	15,000	1,191,865,362
Carrying value							
At 31 March 2011	—	79,427,363	—	—	—	—	79,427,363
At 31 March 2010	121,815,830	—	—	—	—	—	121,815,830

21. Goodwill and Impairment *(Continued)*

(a) During the year ended 31 March 2011, the result of provision of copyright licence fees settlement and collection services has not improved and the Group had disputes with the other venturer in respect of the operations and future development of the business, which the joint ventures as disclosed in note 25 operate. Following the unsuccessful discussions with the other venturer, the Group commenced arbitration proceedings after the end of reporting period against the other venturer to claim for return of 20% equity interests in the joint ventures, and prepared to cease the provision of copyright licence fees settlement and collection services undertaken by its joint ventures in December 2011.

In determining the recoverable amount of the related goodwill and intangible assets, the directors have taken the assumptions that the operation of the provision of copyright licence fees settlement and collection services would be adversely affected by the above incident together with the unfavorable result of operations, and any possible claims against the Group by the other venturer and other parties including the China Audio-Video Copyright Association for early termination of the service agreement in respect of the exclusive right granted to the Group as detailed in note 22(a).

As a result, impairment losses of HK$121,815,830 and HK$95,547,837 were provided on goodwill and intangible assets (note 22(a), (c)) from provision of copyright licence fees settlement and collection services.

Up to the date of approval of these financial statements, the results of arbitration proceedings have not been finalised. The board of directors of the Company will follow closely on the development of the above matters and inform the shareholders of the Company on a timely basis.

For the year ended 31 March 2010, the recoverable amount of the cash generating unit (“CGU”) in relation to the provision of copyright licence fees settlement and collection services has been determined from value-in-use calculation based on cash flow projections covering an eight-year period. Impairment was provided on goodwill from provision of copyright licence fees settlement and collection services as cashflow forecast indicates that there will be net cash outflows from this CGU.

The key assumptions used for cash flow projections for this CGU as at 31 March 2010 are as follows:

	2011	2012	2013	2014	2015
Growth rate	78%	100%	154%	56%	67%
Discount rate	18%	18%	18%	18%	18%

Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 2%.

21. Goodwill and Impairment *(Continued)*

(a) *(Continued)*

The Group has also performed sensitivity analysis calculations on the future cash flows adopted in the cash flow projections. Sensitivity analysis is based on a 10% decline in future cash flows because changes up to this magnitude are reasonably possible. If the actual present value of future cash flows was 10% lower than the anticipated present value, the carrying amount of goodwill in connection with the provision of copyright licence fees settlement and collection services would be subject to further impairment of HK$22,642,000.

In considering the impairment loss in connection with the provision of copyright licence fees settlement and collection services for the year ended 31 March 2010, substantial increase in market price of the consideration shares issued for the acquisition on the date of completion over their issue price and delay in rollout of service are also taken into account.

(b) The recoverable amount of the CGU in relation to the provision of intellectual property enforcement services has been determined from value-in-use calculation based on cash flow projections covering an eleven-year period, which is the period whereby exclusive right is granted to the Group by the China Audio-Video Copyright Association to provide the intellectual property enforcement services. No impairment was provided on goodwill from provision of intellectual property enforcement services as cashflow forecast indicates that there will be net cash inflows in this CGU.

Management of the Group has adopted the following key assumptions in preparation of the cash flow projections to undertake impairment testing of goodwill:

— The China Audio-Video Copyright Association will continuously arrange collection agent to carry out the copyright licence fees settlement and collection services.

— The growth rate and discount rate used for cash flow projections for the provision of intellectual property enforcement services are as follows:

	2012	2013	2014	2015	2016
Growth rate	75%	98%	114%	60%	54%
Discount rate	19%	19%	19%	19%	19%

— Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 5%.

21. Goodwill and Impairment *(Continued)*

(b) *(Continued)*

The Group has also performed sensitivity analysis calculations on the future cash flows adopted in the cash flow projections. Sensitivity analysis is based on a 20% decline in future cash flows because changes up to this magnitude are reasonably possible. If the actual present value of future cash flows was 20% lower than the anticipated present value, it would still be sufficient to support the carrying amount of goodwill in connection with the CGU regarding provision of intellectual property enforcement services.

(c) On 31 October 2007, the Group acquired 60% of the issued share capital of Chance Music Limited ("CML") at a consideration of HK$5,000,000. Pursuant to the agreement, the Group had committed to make further annual payments of HK$5,000,000 for the period from 1 November 2008 to 31 October 2013 to the vendor if the turnover of CML cannot reach the specified amounts as stated in the agreement. During the year ended 31 March 2010, the Group paid HK$5,000,000 to the vendor in accordance with the agreement, which resulted in additional goodwill of HK$5,000,000. During the year ended 31 March 2011, the Group terminated its obligations to make further payment to the vendor under the agreement and demanded the vendor to buy back its 60% interest in CML at HK$15,000,000 pursuant to such agreement.

The recoverable amount of goodwill in connection with the entertainment business as at 31 March 2010 has been determined from value-in-use calculation based on cash flow projections covering a five-year period with discount rate of 8.5% and at zero growth rate. Impairment was provided on goodwill from entertainment business as cashflow forecasts indicate that there will be net cash outflows from the CGU.

22. Intangible Assets

Group

	Provision of copyright licence fees settlement and collection services *(note a)* *HK$*	Provision of intellectual property enforcement services *(note b)* *HK$*	Karaoke CMS *(note c)* *HK$*	Golf club memberships *(note d)* *HK$*	Website *(note e)* *HK$*	Total *HK$*
Cost						
At 1 April 2009	—	—	—	—	—	—
Acquired through business combination *(note 40(b))*	120,210,480	—	6,859,042	515,700	146,230	127,731,452
Exchange differences	—	—	(65,837)	(4,950)	(1,404)	(72,191)
At 31 March 2010 and 1 April 2010	120,210,480	—	6,793,205	510,750	144,826	127,659,261
Acquired through business combination *(note 40(a))*	—	111,221,900	—	—	—	111,221,900
Addition	—	—	—	1,500,000	—	1,500,000
Exchange differences	5,507,440	—	311,231	23,400	6,635	5,848,706
At 31 March 2011	125,717,920	111,221,900	7,104,436	2,034,150	151,461	246,229,867
Accumulated amortisation and impairment						
At 1 April 2009	—	—	—	—	—	—
Amortisation for the year	15,026,310	—	819,676	—	12,485	15,858,471
Impairment loss	—	—	—	—	132,341	132,341
Exchange differences	—	—	571	—	—	571
At 31 March 2010 and 1 April 2010	15,026,310	—	820,247	—	144,826	15,991,383
Amortisation for the year	15,077,423	2,780,547	846,397	9,740	—	18,714,107
Impairment loss	90,157,860	—	5,389,977	534,150	—	96,081,987
Exchange differences	5,456,327	—	47,815	—	6,635	5,510,777
At 31 March 2011	125,717,920	2,780,547	7,104,436	543,890	151,461	136,298,254
Net book value						
At 31 March 2011	—	108,441,353	—	1,490,260	—	109,931,613
At 31 March 2010	105,184,170	—	5,972,958	510,750	—	111,667,878

22. Intangible Assets *(Continued)*

(a) Provision of copyright licence fees settlement and collection services represents the exclusive right in respect of the karaoke copyright in the PRC managed and administered by the China Audio-Video Copyright Association for a period of 10 years from 27 December 2007. The recoverable amount of the CGU of provision of copyright licence fees settlement and collection services to which the licence fee collection right is allocated has been determined by the value-in-use calculation, the details of which are disclosed in note 21(a). During the year ended 31 March 2011, an impairment loss of HK$90,157,860 in respect of the licence fee collection right was recognised. The Group intends to cease the provision of copyright licence fees settlement and collection services undertaken by its joint ventures in December 2011.

(b) During the year ended 31 March 2011, the Group obtained an exclusive right to provide intellectual property enforcement services in respect of karaoke copyright in the PRC through the acquisition of subsidiaries as disclosed in note 40(a), in return for certain percentage of the licence fee collected from karaoke venues.

The recoverable amount of the CGU of provision of intellectual property enforcement services to which the intellectual property enforcement services right is allocated has been determined by the value-in-use calculation, the details of which are disclosed in note 21(b). At the end of the reporting period, management of the Group determined that there was no impairment as the recoverable amount exceeded its carrying amount.

(c) Karaoke CMS represents the exclusive right to use a nationwide karaoke content management service system in the PRC for a term of 10 years from 15 July 2007. The recoverable amount of the CGU of provision of copyright licence fees settlement and collection services to which the Karaoke CMS right is allocated has been determined by the value-in-use calculation, details of which are disclosed in note 21(a). During the year ended 31 March 2011, an impairment loss of the Karaoke CMS of HK$5,389,977 was recognised since the Group intends to cease the provision of copyright licence fees settlement and collection services undertaken by its joint ventures.

(d) In addition to a golf club membership with indefinite useful life acquired by the Group in prior years, the Group further acquired a golf club membership with a useful live of 12 years during the year ended 31 March 2011. For the purpose of impairment testing on the golf club memberships with indefinite useful life, the recoverable amount has been determined based on fair value less costs to sell. The fair value less costs to sell is referenced to the second-hand market price of the golf club memberships less estimated cost of disposal. During the year ended 31 March 2011, an impairment loss of the golf club memberships of HK$534,150 was recognised since the recoverable amount of the golf club memberships was less than its carrying amount.

(e) Website has a useful life of three years. During the year ended 31 March 2010, management of the Group has decided to terminate the use of website and therefore the carrying value of the website was fully impaired.

23. Interests in Subsidiaries

	Company	
	2011	2010
	HK$	*HK$*
Unlisted shares, at cost	**1,708,591,352**	1,528,591,328
Less: Impairment loss	**(1,392,898,395)**	(1,123,925,233)
	315,692,957	404,666,095
Amounts due from subsidiaries	**719,569,061**	775,879,879
Less: Impairment loss	**(233,067,353)**	(279,739,277)
	486,501,708	496,140,602
Amounts due to subsidiaries	**(189,499,585)**	(118,400,764)

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

The following is a list of the principal subsidiaries as at 31 March 2011.

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Description of shares/capital held	Percentage of ownership interests held directly	indirectly
Golden Island Bird's Nest Chiu Chau Restaurant (Star House) Limited	Limited liability company	Hong Kong	Investment holding in Hong Kong	100 ordinary shares of HK$100 each and 240,000 deferred shares of HK$100 each	100	—
Golden Island (Management) Limited	Limited liability company	Hong Kong	Provision of management services to group companies in Hong Kong	10,000 ordinary shares of HK$1 each	100	—
Hua Rong Sheng Shi Holdings Limited ("Hua Rong")	Limited liability company	The British Virgin Islands ("BVI")	Investment holding in Hong Kong	100 ordinary shares of US$1	100	—
Welly Champ International Limited	Limited liability company	BVI	Investment holding in Hong Kong	196.13 ordinary shares of US$1 each	83.06	—

23. Interests in Subsidiaries *(Continued)*

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Description of shares/capital held	Percentage of ownership interests held directly	indirectly
Wholly Gain Limited	Limited liability company	BVI	Investment holding in Hong Kong	1 ordinary share of US$1	100	—
Win Castle Group Limited	Limited liability company	BVI	Investment holding in Hong Kong	1 ordinary share of US$1	100	—
Win Fame Limited	Limited liability company	BVI	Investment holding in Hong Kong	1 ordinary share of US$1	100	—
Win Success Enterprises Holdings Limited ("Win Success")	Limited liability company	BVI	Investment holding in Hong Kong	100 ordinary shares of US$1 each	100	—
Wide Stand Holdings Limited ("Wide Stand")	Limited liability company	BVI	Investment holding in Hong Kong	100 ordinary shares of US$1 each	100	—
Wise Mark Group Limited	Limited liability company	BVI	Investment holding in Hong Kong	1 ordinary share of US$1	100	—
Wave High International Limited	Limited liability company	BVI	Investment holding in Hong Kong	1 ordinary share of US$1	100	—
Win Sea Group Limited	Limited liability company	Hong Kong	Investment holding in Hong Kong	1 ordinary share of HK$1	100	—
Wellrich Investments Limited	Limited liability company	BVI	Investment holding in Hong Kong	100 ordinary shares of US$1 each	100	—
Baron Productions and Artiste Management Company Limited	Limited liability company	Hong Kong	Music production and artist management in Hong Kong	51 ordinary shares of HK$1 each	—	51
CML *(note 38(b))*	Limited liability company	Hong Kong	Music production in Hong Kong	6,000 ordinary shares of HK$1 each	—	60

23. Interests in Subsidiaries *(Continued)*

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Description of shares/capital held	Percentage of ownership interests held directly	indirectly
Golden Capital Entertainment Company Limited	Limited liability company	BVI	Investment holding in Hong Kong	10 ordinary shares of US$1 each	—	100
Golden Capital Entertainment Limited	Limited liability company	Hong Kong	Investment holding in Hong Kong	1 ordinary share of HK$1	—	100
Golden Island Bird's Nest Chiu Chau Restaurant (Causeway Bay) Limited	Limited liability company	Hong Kong	Property holding in Hong Kong	12,000 ordinary shares of HK$100 each	—	100
Shenzhen Land Company Limited	Limited liability company	Hong Kong	Investment holding in Hong Kong	10,000 ordinary shares of HK$1 each	—	100
Solid Sound Productions Limited	Limited liability company	Hong Kong	Music production and artist management in Hong Kong	51 ordinary shares of HK$1 each	—	51
Song Labs Co., Limited ("Song Labs")	Limited liability company	PRC	Intellectual property enforcement activities in the PRC	RMB34,200,000	—	60.8
Well Allied Investments Limited ("Well Allied")	Limited liability company	BVI	Investment holding in Hong Kong	159,567 ordinary shares of US$1 each	—	55.5
World Honour Investments Limited	Limited liability company	Hong Kong	Property holding in Hong Kong	100 ordinary shares of HK$1 each	—	100
中音傳播(深圳)有限公司 ("China Music")	Foreign enterprise	PRC	Karaoke license fee collection business in the PRC	HK$15,900,000	—	55.5
肇慶星湖俱樂部	Sino-foreign equity joint venture	PRC	Hotel operations in the PRC	RMB101,425,044	—	94

23. Interests in Subsidiaries *(Continued)*

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities outstanding at the end of the year (2010: none).

24. Interests in Associates

	Group	
	2011	2010
	HK$	*HK$*
Share of net assets of the associates	**1,457,441**	—
Goodwill	**21,578,434**	—
	23,035,875	—

Details of the associates are as follows:

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Percentage of ownership interest indirectly held
Xinya Media Private Limited	Corporation	Singapore	Investment holding in Singapore	18.79
Xinya Satellite TV Private Limited	Corporation	Singapore	TV programming and broadcasting	18.79
Xinya International Private Limited	Corporation	Singapore	Services allied to motion picture/video production and distribution	18.79
Xinya Entertainment Private Limited	Corporation	Singapore	Services allied to motion promotion and distribution	18.79
Xinya Productions Private Limited	Corporation	Singapore	Services allied to motion picture/video production and distribution	18.79
Xinya Advertising Private Limited	Corporation	Singapore	Advertising activities	18.79

24. Interests in Associates *(Continued)*

On 8 February 2011, the Group entered into an agreement with Cheng Films and Video Production Limited, a company wholly owned by the spouse of Mr. Cheng Yang, a director of the Company, to acquire 18.79% equity interests in Xinya Media Private Limited ("Xinya Media") and its subsidiaries (collectively referred to as the "Xinya Media Group") at a consideration of HK$23,356,803. In addition, Mr. Cheng Yang is a director of Xinya Media. Given the above, the directors of the Company consider that the Company has the power to exercise significant influence over Xinya Media Group and have accounted for the equity interests in the Xinya Media Group as associates despite the Group's ownership in the Xinya Media Group being less than 20%.

For the purpose of impairment testing on the interests in associates, the recoverable amount has been determined by the value-in-use calculation based on cash flow projections of TV programming and broadcasting operation covering a ten-year period and at a discount rate of 10%. At the end of the reporting period, management of the Group determines that there was no impairment of the interests in associates as the recoverable amount of the interests in associates exceeds their carrying amount.

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

	2011
	HK$
Total assets	**49,199,501**
Total liabilities	**(39,735,055)**
Net assets	**9,464,446**
Group's share of net assets of associates	**1,778,369**
Total revenue for the period from 8 February 2011 (date of acquisition) to 31 March 2011	**626,983**
Total expense for the period from 8 February 2011 (date of acquisition) to 31 March 2011	**(2,334,954)**
Net loss for the period from 8 February 2011 (date of acquisition) to 31 March 2011	**(1,707,971)**
Group's share of loss of associates for the year	**(320,928)**

25. Interests in Jointly Controlled Entities

As disclosed in note 40(b), the Group acquired certain subsidiaries and jointly controlled entities during the year ended 31 March 2010. The jointly controlled entities, which are principally engaged in the provision of copyright licence fees settlement and collection services, are accounted for using proportionate consolidation.

The following amounts have been recognised in the consolidated statement of financial position and consolidated statement of comprehensive income relating to these jointly controlled entities.

	2011	2010
	HK$	*HK$*
Non-current assets	**98,646,923**	116,389,546
Current assets	**51,993,689**	61,874,373
Current liabilities	**(105,585,464)**	(26,017,704)
Non-current liabilities	**(20,056,691)**	(26,296,042)
Net assets	**24,998,457**	125,950,173
Income	**10,427,487**	11,979,494
Expenses	**(36,062,636)**	(34,291,408)
Loss before income tax credit	**(25,635,149)**	(22,311,914)
Income tax credit	**4,558,954**	4,637,458
Loss after income tax credit	**(21,076,195)**	(17,674,456)

25. Interests in Jointly Controlled Entities *(Continued)*

Details of jointly controlled entities are as follows:

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Percentage of ownership interest indirectly held
天合文化集團有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC through a nationwide Karaoke CMS and investment holding	50%
福建天合文化傳播有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
浙江天合文化發展有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
安徽天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
北京天合新紀元文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	50%

25. Interests in Jointly Controlled Entities *(Continued)*

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Percentage of ownership interest indirectly held
天津天合新紀元文化傳播有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	37.8%
山東天合世紀文化傳播有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	50%
北京天合傳媒網絡有限公司	Corporation	PRC	Dormant	50%
湖南天合世嘉文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	37.8%
上海天合文化傳播有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
遼寧天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	28%

25. Interests in Jointly Controlled Entities *(Continued)*

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Percentage of ownership interest indirectly held
湖北天合文化發展有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
河南天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
海南天合傳美文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
重慶天合世紀文化傳媒有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
黑龍江天合世紀文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	38%
四川天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.1%

25. Interests in Jointly Controlled Entities *(Continued)*

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Percentage of ownership interest indirectly held
山西天合文化傳播有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	23%
雲南天合世紀文化傳播有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	18%
吉林天合世嘉文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	50%
貴州天合陽光文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
陝西天合陽光文化傳播有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	50%
寧夏天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	50%

25. Interests in Jointly Controlled Entities *(Continued)*

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Percentage of ownership interest indirectly held
江蘇天合新紀元文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	37.8%
江西天合新紀元文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
廣州天合文化發展有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
新疆天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
廣西天合世紀文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
甘肅天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	50%

25. Interests in Jointly Controlled Entities *(Continued)*

Name	Form of business structure	Place of incorporation	Principal activities and place of operation	Percentage of ownership interest indirectly held
青海天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
內蒙古天合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	25.5%
河北天人合文化有限公司	Corporation	PRC	Provision of copyright transactions settlement services relating to karaoke venues in the PRC	50%

The above jointly controlled entities do not have any capital commitments at the end of the reporting period and details of the relevant contingent liabilities are disclosed in note 21(a).

26. Available-for-sale Investments

	Group	
	2011	2010
	HK$	*HK$*
Listed securities in Hong Kong, at fair value *(note)*	**16,550,554**	—

Note:

On 29 March 2011, the Group acquired 12.43% equity interests in KH Investment Holdings Limited ("KH Investment"), a company listed on the Growth Enterprise Market of the Stock Exchange at a consideration of HK$16,550,554.

27. Deferred Expenditure

Group	
	HK$
Cost	
At 1 April 2009	124,411,943
Additions	35,878,600
At 31 March and 1 April 2010	160,290,543
Acquired through business combination (note 40(a))	19,577,044
Additions	25,959,569
At 31 March 2011	205,827,156
Accumulated amortisation and impairment	
At 1 April 2009	100,345,023
Amortisation for the year	30,785,541
At 31 March and 1 April 2010	131,130,564
Amortisation for the year	41,629,146
At 31 March 2011	172,759,710
Carrying amount	
At 31 March 2011	33,067,446
At 31 March 2010	29,159,979

27. Deferred Expenditure *(Continued)*

	2011	2010
	HK$	HK$
Shown in the financial statements as:		
Deferred expenditure — current portion		
(to be amortised within one year)	**30,438,146**	26,370,596
Deferred expenditure — non-current portion	**2,629,300**	2,789,383
	33,067,446	29,159,979

During the years ended 31 March 2011 and 2010, the Group entered into cooperation agreements with various copyright holders for the business of collecting license fees from karaoke operators in the PRC for their use of licensed audio-visual works on behalf of the copyright holders.

As a condition of the agreements, the Group advanced the sum of HK$26.0 million (2010: HK$35.9 million) to the copyright holders as their guaranteed share of the expected profit on license fees that will be earned.

The recoverable amount of the deferred expenditure has been determined by the value-in-use calculation, which was also used for the impairment testing of goodwill in connection with the CGU of provision of intellectual property enforcement services. Details of the calculation are disclosed in note 21(b). At the end of the reporting period, management of the Group determined that there was no impairment of the deferred expenditure as the recoverable amount exceeded its carrying amount.

The Group has also committed to make further payments to the copyright holders as their guaranteed share of the expected profit on license fees as follows:

	2011	2010
	HK$	*HK$*
Year ended 31 March 2011	**—**	30,076,000
Year ended 31 March 2012	**16,162,000**	4,576,000

28. Inventories

	Group	
	2011	2010
	HK$	*HK$*
Food, beverages, wine and low value consumables	**7,913,385**	7,184,224

29. Trade and Other Receivables

	Group		Company	
	2011	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
Amount due from a related company *(note (a))*	**26,200,000**	26,200,000	**—**	—
Impairment loss	**(26,200,000)**	(26,200,000)	**—**	—
	—	—	**—**	—
Trade debtors *(notes (b), (c))*	**42,720,088**	21,512,073	**—**	—
Deposits, prepayments and other receivables	**14,230,644**	31,961,027	**25,426**	26,141
Other loan *(note(c), (d))*	**356,100**	170,250	**—**	—
	57,306,832	53,643,350	**25,426**	26,141

Notes:

(a) Amount due from a related company of the Group (before impairment loss) disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance are as follows:

	Balance of the outstanding amount, before impairment
	HK$
At 31 March 2011	26,200,000
At 1 April 2010	26,200,000
Maximum balance outstanding during the year	26,200,000

Pursuant to a loan agreement dated 4 July 2007 between (i) Well Allied, a subsidiary of the Company; and (ii) PLD International Company Limited ("PLD"), Well Allied agreed to advance a loan of HK$9 million to PLD at the interest rate of 8% per annum and repayable within 1 year from the date of the loan agreement. On 9 May 2008, Well Allied entered into another loan agreement with PLD and agreed to advance another loan of HK$17.2 million to PLD at the interest rate of 5.25% per annum and repayable within 1 year from the date of loan agreement.

Two directors of Well Allied, Mr. Lee Tien-Yung and Mr. Philip Lu Yueh-Wei, have beneficial interests in PLD. As both of the loans were past due at 31 March 2009, they were fully impaired as at 31 March 2010.

29. Trade and Other Receivables *(Continued)*

Notes: (Continued)

(b) Included in trade and other receivables are trade debtors with the following ageing analysis as of the end of reporting period.

	Group	
	2011	2010
	HK$	*HK$*
Current *(note i)*	**14,560,220**	9,537,592
Less than 1 month past due	**13,994,181**	5,963,935
1 to 3 months past due	**13,914,157**	5,932,046
More than 12 months past due	**251,530**	78,500
Amount past due at the end of reporting period but not impaired *(note ii)*	**28,159,868**	11,974,481
	42,720,088	21,512,073

(i) The balances that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

(ii) The balances that were past due but not impaired relate to number of customers that have good track record with the Group. Based on past experience, management estimated that the carrying amounts could be fully recovered.

(c) The ageing analysis of trade receivables based on invoice date before impairment loss is as follows:

	Group	
	2011	2010
	HK$	*HK$*
Within 90 days	**42,377,967**	21,433,573
91 days to 365 days	**309,621**	—
More than 365 days	**32,500**	78,500
	42,720,088	21,512,073

The below table reconciled the impairment loss of trade and other receivables for the year:

	Group	
	2011	2010
	HK$	*HK$*
At 1 April 2010	**—**	—
Impairment loss recognised	**3,665,003**	—
At 31 March 2011	**3,665,003**	—

The Group and the Company recognised impairment loss on individual assessment based on the accounting policy stated in Note 4(l)(ii).

(d) Other loan is unsecured, interest-free and repayable on demand.

30. Trade and Other Payables

	Group		Company	
	2011	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
Trade creditors	**21,603,133**	30,207,177	**—**	—
Other payables and accruals	**33,614,417**	25,125,520	**1,793,884**	634,325
Deposits received from disposal of assets held for sale	**25,000,000**	—	**—**	—
Other deposits received	**9,362,569**	9,103,297	**—**	—
	89,580,119	64,435,994	**1,793,884**	634,325

Included in trade and other payables are trade creditors with the following ageing analysis as of the end of reporting period:

	Group		Company	
	2011	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
Current or within 30 days	**9,369,099**	10,546,361	**—**	—
31 to 60 days	**4,492,284**	6,594,101		
61 to 90 days	**175,688**	8,009,899	**—**	—
Over 90 days	**7,566,062**	5,056,816	**—**	—
	21,603,133	30,207,177	**—**	—

Trade and other payables are expected to be settled within one year.

31. Amounts Due to Non-Controlling Shareholders

At 31 March 2011, except for the amount of HK$1,330,000 (2010: HK$875,000) which borne interest at 5% per annum, the amounts due to non-controlling shareholders were unsecured, interest-free and repayable on demand.

32. Financial Risk Management

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investment in other entity.

These risks are limited by the Group's financial management policies and practices described below.

Policy for managing these risks is set by the Board following recommendations from the Chief Financial Officer. Certain risks are managed centrally, while others are managed locally following guidelines communicated from the management. The policy for each of the above risks is described in more detail below.

(a) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group exposes to credit risk from loans and receivables. The Group has adopted a credit policy to monitor and mitigate credit risk arising from trade debtors. Credit limit is regularly reviewed and approved by head of credit control. The Group assesses credit risk based on customers' past due records, trading history, financial conditions or credit ratings. The Group and the Company is not exposed to concentration of credit risk.

The maximum exposure to credit risk on loans and receivables are the carrying amount of these assets.

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(b) Liquidity risk

The Group's objective is to ensure there are adequate funds to meet commitments associated with its financial liabilities. Cash flows of the Group are closely monitored by senior management on an ongoing basis.

32. Financial Risk Management *(Continued)*

(b) Liquidity risk *(Continued)*

The contractual maturities of financial liabilities are shown as below:

	Group		Company	
	2011	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
In less than one year	**157,588,991**	164,380,894	**191,293,469**	119,035,089

(c) Interest rate risk

Interest rate risk is the risk the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of change in market interest rates relates primarily to the Group's cash and bank balance with floating interest rate.

Interest rate profile

The following table details interest rates analysis that management of the Company evaluates their interest rate risk.

	Group				Company			
	2011		2010		**2011**		2010	
	Effective interest rate *(%)*	***HK$***	Effective interest rate *(%)*	*HK$*	**Effective interest rate *(%)***	***HK$***	Effective interest rate *(%)*	*HK$*
Financial assets								
Floating rate financial assets	**0.35%**	**251,800,764**	1%	325,733,132	**0.37%**	**75,585,106**	1%	130,701,031
Financial liabilities								
Fixed rate financial liabilities	**5%**	**1,330,000**	5%	875,000	**–**	**–**	–	–

32. Financial Risk Management *(Continued)*

(c) Interest rate risk - Continued

Sensitivity analysis

The following table indicates the approximate change in the results after tax in response to reasonably possible changes in interest rate to which the Group has significant exposure at the end of reporting period. In determining the effect on results after tax on the next accounting period until next end of reporting period, management of the Company assumes that the change in interest rate had occurred at the end of reporting period and all other variables remain constant. There is no change in the methods and assumptions used in 2011 and 2010.

	Group		Company	
	2011	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
Increase by 100 basis points	**2,518,008**	3,257,331	**755,851**	1,307,010
Decrease by 100 basis points	**(2,518,008)**	(3,257,331)	**(755,851)**	(1,307,010)

(d) Currency risk

The Group mainly operates in Hong Kong and the PRC with most of the transactions settled in their respective functional currencies in which the subsidiaries operate. Therefore the Group does not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity instruments classified as available-for-sale equity securities.

They are listed on the Growth Enterprise Market of the Stock Exchange and have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

Sensitivity analysis

The sensitivity analysis on equity price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's equity price. If the prices of the respective equity instruments had been 10% higher/lower, the other component of equity would increase/decrease by HK$1,655,055.

33. Financial Instruments — Carrying Amount and Fair Value

The directors of the Company considered that the carrying amounts of financial assets and financial liabilities approximate to their fair values.

34. Provision for Long Service Payments

The Group has recorded provision for long service payment obligations for employees who had completed the required number of years of service under Hong Kong Employment Ordinance. The provision is calculated based on the Group's best estimates using the projected unit credit method.

Movement in provision for long service payments is as follows:

	Group	
	2011	2010
	HK$	*HK$*
At the beginning of year	**1,856,254**	2,159,770
Amounts charged to profit or loss	**—**	162,294
Amounts paid	**(1,813,881)**	(465,810)
At the end of year	**42,373**	1,856,254

The principal assumptions used in the estimation of long service payments are as follows:

	Group	
	2011	2010
Discount rate	**8.5%**	8.5%
Expected rate of future salary increases	**1.2%**	1.2%

35. Deferred Tax

Group

The movements on the net deferred tax liabilities during the year are as follows:

	Group	
	2011	2010
	HK$	*HK$*
At 1 April	**76,316,906**	58,299,597
Tax arising from acquisition of subsidiaries *(note 40(a), (b))*	**27,146,689**	29,455,644
Tax credited to profit or loss *(note 14)*	**(25,921,436)**	(18,504,002)
Tax charged to other comprehensive income	**5,995,916**	7,032,272
Exchange differences	**160,598**	33,395
Transfer to liabilities associated with assets classified as held for sale *(note 38(a))*	**(24,500,968)**	—
At 31 March	**59,197,705**	76,316,906

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. At 31 March 2011, the Group had estimated unutilised tax losses of HK$207,061,000 (2010: HK$152,980,000). A deferred tax has been recognised in respect of HK$24,122,000 (2010: HK$51,731,000) of such losses. It is mainly attributable to the future benefit of tax losses arising from the property investment segment which the availability of future taxable profits against which the assets can be utilised is certain at the end of reporting period. No deferred tax asset has been recognised in respect of the remaining tax losses due to unpredictability of future profit streams. The tax losses of HK$24,122,000 (2010: HK$34,319,000) can be carried forward indefinitely and the tax losses of HK$Nil (2010: HK$17,412,000) will expire in five years' time.

The unrecognised deferred tax mainly represented the deferred tax assets in respect of the unutilised tax losses.

35. Deferred Tax *(Continued)*

Group *(Continued)*

In addition to the amount charged/credited to the profit or loss, deferred tax relating to the revaluation of the Group's certain leasehold land and buildings during the year has been recognised in other comprehensive income.

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxable entity) during the year is as follows:

	Group					
Deferred tax assets	**Accelerated accounting depreciation**		**Tax losses**		**Total**	
	2011	2010	**2011**	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
At the beginning of the year	**(18,897)**	(18,897)	**10,001,524**	9,825,539	**9,982,627**	9,806,642
Acquisition of subsidiaries	**—**	—	**658,785**	596,976	**658,785**	596,976
Credited/(charged) to profit or loss	**18,897**	—	**(6,519,622)**	(387,596)	**(6,500,725)**	(387,596)
Exchange differences	**—**	—	**(160,598)**	(33,395)	**(160,598)**	(33,395)
At the end of the year	**—**	(18,897)	**3,980,089**	10,001,524	**3,980,089**	9,982,627

35. Deferred Tax *(Continued)*

Group *(Continued)*

Deferred tax liabilities	Property revaluation		Accelerated accounting depreciation		Intangible assets		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
At the beginning of the year	**2,510,384**	16,942,250	**57,493,107**	51,163,989	**26,296,042**	—	**86,299,533**	68,106,239
Reclassification	**22,796,356**	—	**(22,796,356)**	—	**—**	—	**—**	—
Acquisition of subsidiaries	**—**	—	**—**	—	**27,805,474**	30,052,620	**27,805,474**	30,052,620
(Credited)/charged to profit or loss	**(5,165,775)**	(21,464,138)	**(265,207)**	6,329,118	**(26,991,179)**	(3,756,578)	**(32,422,161)**	(18,891,598)
Charged to other comprehensive income	**5,995,916**	7,032,272	**—**	—	**—**	—	**5,995,916**	7,032,272
Transfer to liabilities associated with assets held for sale	**(24,500,968)**	—	**—**	—	**—**	—	**(24,500,968)**	—
At the end of the year	**1,635,913**	2,510,384	**34,431,544**	57,493,107	**27,110,337**	26,296,042	**63,177,794**	86,299,533

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to income tax levied by same taxation authority on the same taxable entity. The following amounts, determined after appropriate offsetting, are shown in the Group's consolidated statement of financial position:

	Group	
	2011	2010
	HK$	*HK$*
Deferred tax assets	**—**	(3,409,658)
Deferred tax liabilities	**59,197,705**	79,726,564
	59,197,705	76,316,906

Company

At 31 March 2011, the Company had estimated unutilised tax losses of HK$30,909,000 (2010: HK$13,325,000). No deferred tax assets have been recognised in respect of the tax losses due to unpredictability of future profit streams.

36. Share Capital

(a) Authorised and issued share capital

	2011		2010	
	Number of shares	***HK$***	*Number of shares*	*HK$*
Authorised:				
Ordinary shares of HK$0.05 each				
At beginning of the year	18,568,181,818	928,409,091	18,568,181,818	928,409,091
Reclassification *(note (i))*	1,431,818,182	71,590,909	—	—
At end of the year	20,000,000,000	1,000,000,000	18,568,181,818	928,409,091
Convertible preference shares of HK$0.05 each				
At the beginning of the year	1,431,818,182	71,590,909	1,431,818,182	71,590,909
Reclassification *(note (i))*	(1,431,818,182)	(71,590,909)	—	—
At the end of the year	—	—	1,431,818,182	71,590,909
Total	20,000,000,000	1,000,000,000	20,000,000,000	1,000,000,000
Issued and fully paid:				
Ordinary shares of HK$0.05 each				
At beginning of the year	9,921,831,392	496,091,570	3,398,231,392	169,911,570
New shares issued for acquisition of subsidiaries *(note (ii))*	300,000,000	15,000,000	4,568,181,818	228,409,091
Placement of shares *(note (iii))*	—	—	523,600,000	26,180,000
Conversion of convertible preference shares *(note (iv))*	—	—	1,431,818,182	71,590,909
At end of the year	10,221,831,392	511,091,570	9,921,831,392	496,091,570
Convertible preference shares of HK$0.05 each				
At the beginning of the year	—	—	—	—
New shares issued for acquisition of subsidiaries *(note (ii))*	—	—	1,431,818,182	71,590,909
Conversion during the year *(note (iv))*	—	—	(1,431,818,182)	(71,590,909)
At the end of the year	—	—	—	—
Total	10,221,831,392	511,091,570	9,921,831,392	496,091,570

36. Share Capital *(Continued)*

(a) Authorised and issued share capital *(Continued)*

Notes:

(i) On 30 August 2010, 1,431,818,182 convertible preference shares in the authorised share capital of the Company was reclassified as 1,431,818,182 ordinary shares.

(ii) On 17 December 2010, 300,000,000 ordinary shares of HK$0.05 each were issued at an issue price of HK$0.2 each as part of the consideration for the Group's acquisition of the entire equity interests in Wide Stand and Win Success (see note 40(a)).

On 6 April 2009, 4,568,181,818 ordinary shares of HK$0.05 each and 1,431,818,182 convertible preference shares of HK$0.05 each were both issued at an issue price of HK$0.2 each as part of the consideration for the Group's acquisition of the entire equity interests in Hua Rong (see note 40(b)).

(iii) On 13 August 2009, 523,600,000 ordinary shares of HK$0.05 each were issued at an issue price of HK$0.36 each, raising net proceeds of approximately HK$183 million for additional working capital for the operation of the Group.

(iv) On 9 June 2009, 431,818,182 ordinary shares of HK$0.05 each were issued as a result of the conversion of 431,818,182 convertible preference shares.

On 18 August 2009, 1,000,000,000 ordinary shares of HK$0.05 each were issued as a result of the conversion of 1,000,000,000 convertible preference shares.

(b) Capital management policy

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital and reserves.

37. Reserves

Company

	Share premium HK$	Contributed surplus HK$	Employee share-based compensation reserve HK$	Accumulated losses HK$	Total HK$
At 1 April 2009	723,939,216	28,784,000	56,206	(273,337,137)	479,442,285
Loss for the year	—	—	—	(1,119,901,450)	(1,119,901,450)
Issuance of ordinary shares *(note 36(a)(ii))*	685,227,273	—	—	—	685,227,273
Placement of ordinary shares *(note 36(a)(iii)*	162,316,000	—	—	—	162,316,000
Share issue expenses	(5,449,625)	—	—	—	(5,449,625)
Issue of convertible preference shares *(note 36(a)(ii))*	214,772,727	—	—	—	214,772,727
At 31 March 2010 and 1 April 2010	1,780,805,591	28,784,000	56,206	(1,393,238,587)	416,407,210
Loss for the year	—	—	—	(289,939,329)	(289,939,329)
Issuance of ordinary shares *(note 36(a)(ii))*	45,000,000	—	—	—	45,000,000
Equity-settled share-based transactions *(note 39)*	—	—	3,952,277	—	3,952,277
Release upon lapse of share options *(note 39)*	—	—	(56,206)	56,206	—
At 31 March 2011	1,825,805,591	28,784,000	3,952,277	(1,683,121,710)	175,420,158

37. Reserves *(Continued)*

Company *(Continued)*

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Company	
Share premium	Amount subscribed for share capital in excess of nominal value.
Contributed surplus	The difference between the consolidated shareholders' funds of the subsidiaries at the date when they were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1991. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution to the shareholders provided that the Company is able to meet its obligations after distribution and the net realisable value of the Company's assets would not be less than the aggregate of its liabilities, issued share capital and share premium accounts.
Employee share-based compensation reserve	Cumulative expenses recognised on the granting of share options to the employees over the vesting period.
Accumulated losses	Cumulative net losses recognised in the consolidated statement of comprehensive income.
Group	
Other reserves	Amount represents the excess from consideration over the relevant share acquired of the carrying value of net assets of the subsidiaries.
Other properties revaluation reserve	Gains/losses arising on the revaluation of the Group's leasehold land and buildings (other than investment property) (see note 18). The balance on this reserve is wholly undistributable.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of foreign operations into Hong Kong dollars.

38. Assets and Liabilities Classified as Held for Sale

	2011 HK$	2010 HK$
Leasehold land and buildings *(note (a))*	**184,600,000**	3,745,500
Investment property *(note (a))*	**55,400,000**	—
Assets related to a subsidiary engaged in entertainment business *(note (b))*	**1,166,342**	—
Assets classified as held for sale	**241,166,342**	3,745,500
Deferred tax liabilities *(note (a))*	**24,500,968**	—
Liabilities related to a subsidiary engaged in entertainment business *(note (b))*	**728,363**	—
Liabilities associated with assets classified as held for sale	**25,229,331**	—
Gain on revaluation of properties	**145,715,936**	—
Cumulative other comprehensive income relating to non-current assets/disposal group classified as held for sale	**145,715,936**	—

(a) During the year, the Group intended to dispose of the leasehold land and building with carrying amount of HK$150,000,000 which was previously occupied for the Group's restaurant operations. The leasehold land and building was classified as asset held for sale and the relevant deferred tax liabilities were classified as liabilities associated with asset held for sale. On 2 March 2011, the Group entered into a sale and purchase agreement with an independent third party for the disposal of this leasehold land and building at a consideration of HK$250,000,000. The transaction was completed on 1 April 2011.

In addition, during the year, the Group intended to dispose of another leasehold land and building with carrying amount of HK$34,600,000 which was previously occupied for the Group's wedding services business, and an investment property with carrying amount of HK$55,400,000 ("Properties"). The Properties were classified as assets held for sale and relevant deferred tax liabilities were classified as liabilities associated with assets held for sale. On 10 June 2011, the Group entered into a provisional sale and purchase agreement with an independent third party for the disposal of the Properties at an aggregate consideration of HK$108,000,000.

On 18 May 2010, the Group entered into a sale and purchase agreement with an independent third party for the disposal of leasehold land held for own use under operating lease at a consideration of RMB3,300,000 (approximately HK$3,745,500). The proceeds from the disposal were less than the carrying amount of the leasehold land of HK$3,987,854 and accordingly, an impairment loss of HK$242,354 was recognised during the year ended 31 March 2010.

38. Assets and Liabilities Classified as Held for Sale *(Continued)*

(b) The Group is currently under negotiation with a non-controlling shareholder to dispose of its 60% equity interest of a subsidiary, CML of consideration of HK$15,000,000. The directors of the Company anticipate that the disposal will be completed within twelve months from the end of the reporting period. The following major classes of assets and liabilities relating to this operation have been classified as held for sale in the consolidated statement of financial position.

	2011
	HK$
Property, plant and equipment	**24,532**
Trade and other receivables	**193,246**
Tax recoverable	**59,700**
Cash and cash equivalents	**888,864**
Assets classified as held for sale	**1,166,342**
Trade and other payables	**728,363**
Liabilities classified as held for sale	**728,363**

39. Share Options

On 30 August 2002, the Company adopted a share option scheme (the "Scheme") for the purpose of attracting and retaining quality personnel and other persons who may contribute to the business and operation of the Group. Options may be granted without any initial payment to persons including directors, employees or consultants of the Group. Presently the maximum number of shares issuable under the Scheme is 109,588,400 shares (being 10% of the issued share capital of the Company at 30 August 2002). The maximum number of shares in respect of which options may be granted to any one person in any 12-month period is 1% of the issued share capital of the Company on the last date of such 12-month period unless with shareholders' approval. The option period shall not be more than 10 years from the date of grant of an option, and may include a minimum period an option must be held before it can be exercised. The exercise price is the highest of (i) the nominal value of one share of the Company; (ii) the closing price per share as stated in the daily quotation sheets of the Stock Exchange on the date of the grant of the option; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of the grant of the option. The Scheme will remain in force until 29 August 2012.

39. Share Options *(Continued)*

On 13 December 2005, options to subscribe for a total of 70,000,000 shares of the Company ("2005 Share Options") were granted to the then executive directors of the Company at the exercise price of HK$0.2254 per share. The options may be exercised from the date of grant to 30 August 2012. The estimated fair value of the options granted on that date is approximately HK$3,934,394.

On 29 July 2010, options were granted to Mr. Zheng Yuchun ("2010 Share Options'), a director of the Company, under the Scheme to subscribe for up to 35,000,000 ordinary shares of the Company. The estimated fair value of the options granted on that date is approximately HK$5,698,000.

The fair value of the 2010 Share Options and the 2005 Share Options was calculated using Binominal Option Pricing Model. The inputs into the model are as follows:

	2010 Share Options	**2005 Share Options**
Grant date	29 July 2010	13 December 2005
Grant date share price	HK$0.2490	HK$0.2150
Exercise price	HK$0.2620	HK$0.2254
Expected life	10 years	7 years
Expected volatility	83%	80%
Expected dividend yield	Nil	Nil
Risk-free interest rate	2.320%	4.354%

Expected volatility is determined by using the historical volatility of the Company's share price over the previous one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised an expense of HK$3,952,277 (2010: Nil) in respect of the options granted which was included in staff costs for the year.

No option (2010: Nil) was exercised, but options for 1,000,000 ordinary shares (2010: Nil) have lapsed during the year ended 31 March 2011.

39. Share Options *(Continued)*

The following table discloses the movements of options during the year:

Date of grant	Exercisable period	Vesting period	Exercise price	Number of shares in respect of options granted			
				Outstanding at 1 April 2010	Granted during the year	Lapsed during the year	Outstanding at 31 March 2011
			HK$				
13 December 2005	13 December 2005 – 30 August 2012	Fully vested on date of grant	0.2254	1,000,000	—	(1,000,000)	—
29 July 2010	1 October 2010 – 28 July 2020	Vesting from 29 July 2010 to 1 October 2010	0.2620	—	12,000,000	—	12,000,000
29 July 2010	1 July 2011 – 28 July 2020	Vesting from 29 July 2010 to 1 July 2011	0.2620	—	12,000,000	—	12,000,000
29 July 2010	1 July 2012 – 28 July 2020	Vesting from 29 July 2010 to 1 July 2012	0.2620	—	11,000,000	—	11,000,000
				1,000,000	35,000,000	(1,000,000)	35,000,000

40. Acquisition of Subsidiaries

(a) On 17 December 2010, the Group entered into agreements with Mr. Zeng Guannian and Mr. Zeng Guanming (the "Vendors"), independent third parties, to acquire the entire equity interests in Wide Stand and Win Success and the right to receive repayment of shareholders' loans granted by the Vendors to Wide Stand and Win Success for a total gross consideration of HK$180,000,000 to be satisfied by the issuance of 300,000,000 ordinary shares of the Company and cash of HK$120,000,000. Win Success and Wide Stand together holds 60.80% equity interests in Song Labs, which in turn owns a 50% interest in a joint venture. Wide Stand, Win Success, Song Labs and the joint venture are collectively referred to as the "WS Group".

The joint venture was set up by Song Labs and China Music, one of the non-wholly owned subsidiaries of the Company, in 2006 with a 50%:50% profit sharing basis. Song Labs holds the exclusive right to provide intellectual property enforcement services as more fully explained in note 22(b). The joint venture is principally engaged in provision of intellectual property enforcement services.

Through the acquisition of the WS Group, the Group's effective equity interests in the joint venture increased from 27.75% to 58.15%, which enables the Group to exercise control over the business of the joint venture. This acquisition of WS Group has been accounted for using the acquisition method.

The fair value of the ordinary shares issued was determined by reference to their quoted market price of HK$0.20 per share at the date of acquisition.

The WS Group is principally engaged in intellectual property enforcement activities in the PRC by taking legal actions against karaoke venues for their illegal use of licenced musical products in return for certain percentage of the licence fee collected from karaoke venues.

The goodwill arising on the acquisition of the WS Group is attributable to the workforce, control premium and expected synergy in provision of intellectual property enforcement services in PRC. The economic factors are not recognised separately from goodwill as they cannot be identified or distinguished from the business as a whole.

40. Acquisition of Subsidiaries *(Continued)*

(a) *(Continued)*

The fair value of net assets acquired at the date of acquisition are as follows:

	HK$
Property, plant and equipment	3,977,892
Intangible assets	111,221,900
Cash and cash equivalents	4,890,220
Trade and other receivables	39,492,616
Deferred expenditure	19,577,044
Trade and other payables	(15,635,384)
Shareholders' loans	(108,569,556)
Amounts due to the Group	(18,161,661)
Deferred tax liabilities	(27,146,689)
Net assets acquired	9,646,382
Non-controlling interests	(17,643,301)
	(7,996,919)
Goodwill *(note 21(b))*	79,427,363
Total consideration	71,430,444
Satisfied by:	
Cash	120,000,000
Issue of 300,000,000 ordinary shares *(note 36(a)(ii))*	60,000,000
	180,000,000
Assignment of shareholders' loans to the Group	(108,569,556)
	71,430,444
Net cash outflow arising on acquisition	
Cash consideration paid	120,000,000
Cash and cash equivalents acquired	(4,890,220)
	115,109,780

40. Acquisition of Subsidiaries *(Continued)*

(a) *(Continued)*

The WS Group contributed HK$22,705,938 to the Group's turnover and HK$3,946,019 to the Group's loss before income tax credit for the period from the date of acquisition. If the acquisition had been completed on 1 April 2010, the WS Group contributed HK$24,537,323 to the Group's turnover and HK$90,139,961 to the Group's loss for the year. The proforma information is for illustrative purpose only and is not necessary an indication of revenue and operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2010, nor is it intended to be a projection of future results.

The fair value of trade and other receivables, equivalent to its gross contractual amount as shown above is considered as fully recoverable.

The Group has elected to measure the non-controlling interests in WS Group at the proportionate share of the acquiree's identifiable net assets.

The acquisition-related costs of HK$950,577 have been expensed and are included in other operating expenses. The attributable costs of the issuance of the equity instruments are insignificant.

The fair value of the Group's previously held equity interest of the joint ventures was determined as HK$Nil as the joint venture was at deficit position at the date of acquisition. Upon acquisition of WS Group, the share of net liabilities of the joint venture, together with the cumulative income or expense previously recognised in other comprehensive income, amount of HK$452,054 is recognised in profit or loss.

40. Acquisition of Subsidiaries *(Continued)*

(b) On 13 February 2009, the Group entered into an agreement with Mr. Yeung Chi Hang, the then executive director of the Company, and Mr. Chu Ying Man, an independent third party, to acquire the entire equity interests of Hua Rong, its subsidiary and jointly controlled entities (collectively referred to as the “HR Group”) and the right to receive repayment of shareholder loans granted by Mr. Yeung and Mr. Chu to the HR Group for a total gross consideration of HK$750,000,000 to be satisfied by the issuance of 4,568,181,818 ordinary shares, 1,431,818,182 convertible preference shares and cash of HK$90,000,000.

On 6 April 2009, the Group completed the acquisition of the entire equity interests in Hua Rong and the right to receive repayment of shareholders’ loans to the vendors (totaling about HK$82,863,845 at the date of completion) for a total gross consideration of HK$1,290,000,000 (as adjusted for the fair value of shares issued at the date of completion).

The fair value of the ordinary shares issued was determined by reference to their quoted market price of HK$0.20 per share at the date of completion to the transaction. The fair value of the convertible preference shares issued was also determined by reference to the quoted market price of the Company’s ordinary share at the date of completion as the convertible preference shares can be converted into ordinary shares on 1 for 1 basis subject to certain conditions.

The HR Group is principally engaged in the provision of copyright licence fees settlement and collection services in respect of karaoke music products and videos in the PRC. Details of the transaction were disclosed in the Company’s circular dated 6 March 2009.

The goodwill arising on the acquisition of the HR Group is attributable to the anticipated profitability generated from the synergy, revenue growth and future market development in the provision of copyright licence fees settlement and collection services and other services. The economic benefits from these factors are not recognised separately from goodwill as they cannot be identified or distinguished from the business as a whole.

40. Acquisition During the Year *(Continued)*

(b) *(Continued)*

The net assets acquired in the transaction, and the excess of the Group's cost over its interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost, are as follows:

	The HR Group		
	Acquiree's carrying amount at acquisition *HK$*	**Fair value adjustment** *HK$*	**Fair value at acquisition** *HK$*
Fair value of net assets acquired			
Property, plant and equipment	3,703,423	—	3,703,423
Intangible assets	7,520,972	120,210,480	127,731,452
Deferred tax assets/(liabilities)	596,976	(30,052,620)	(29,455,644)
Cash and cash equivalents	57,404,044	—	57,404,044
Trade and other receivables	2,108,816	—	2,108,816
Amount due from the Group	22,793,323	—	22,793,323
Trade and other payables	(12,991,581)	—	(12,991,581)
Shareholders' loan	(22,793,323)	—	(22,793,323)
Amount due to ex-shareholders of the Group	(82,863,845)	—	(82,863,845)
Amounts due to related companies	(1,343,178)	—	(1,343,178)
Net (liabilities)/assets acquired	(25,864,373)	90,157,860	64,293,487
Goodwill *(note 21(a))*			1,156,654,441
Total consideration			1,220,947,928
Satisfied by:			
Cash			90,000,000
Issue of 4,568,181,818 ordinary shares *(note 30(a)(ii))*			913,636,364
Issue of 1,431,818,182 convertible preference shares *(note 30(a)(ii))*			286,363,636
Costs associated with the acquisition			13,811,773
			1,303,811,773
Assignment of shareholders' loans to the Group			(82,863,845)
			1,220,947,928
Net cash outflow arising on acquisition			
Cash consideration paid			90,000,000
Costs associated with the acquisition			13,811,773
Cash and cash equivalents acquired			(57,404,044)
			46,407,729

40. Acquisition During the Year *(Continued)*

(b) *(Continued)*

This transaction has been accounted for using the acquisition method of accounting. The HR Group contributed HK$10,921,863 to the Group's turnover and HK$943,598,021 to the Group's loss before income tax credit for the period between the date of acquisition and 31 March 2010. If the acquisition had been completed on 1 April 2009, there will be no significant changes to the Group's turnover and loss for the year as the acquisition of the HR Group was completed at the beginning of the year. The proforma information is for illustrative purpose only and is not necessary an indication of revenue and operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2009, nor is it intended to be a projection of future results.

41. Disposal of a Subsidiary in Prior Year

On 12 September 2009, the Group entered into an agreement with a minority owner of 北京金英馬國際文化交流有限公司(“金英馬”) for the disposal of its entire equity interests of 金英馬 at a consideration of RMB25,982,472 (equivalent to HK$29,083,532) as detailed in the Company's announcement dated 14 September 2009. The transaction was completed on 3 December 2009. The net assets of 金英馬 at the date of disposal are as follows:

	Date of disposal
	HK$
Carrying amount of net assets disposed of	
Property, plant and equipment	5,943,815
Film and movie rights	21,061,908
Other receivables	13,628,302
Cash and cash equivalents	74,883
Minority interests	(16,283,563)
	24,425,345
Gain on disposal of a subsidiary	4,658,187
Total consideration	29,083,532
Satisfied by:	
Cash	29,083,532
Net cash inflow arising on disposal:	
Cash consideration	29,083,532
Cash and bank balances disposed of	(74,883)
	29,008,649

42. Related Party Transactions

Significant related party transactions during the year are:

	Notes	Group 2011 HK$	2010 HK$
Rental expenses to related companies	(a)	**2,627,977**	3,762,600
Interest income from a related company	29(a)	**—**	811,500
Interest expense to non-controlling shareholders	31	**56,953**	15,568

(a) Rental expenses were charged by related companies which are associates of two then directors of the Company, Ms. Ma Shuk Kam and Mr. Yeung Chi Hang, based on the tenancy agreements signed between the parties. These transactions are continuing connected transactions in respect of which the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

(b) On 8 February 2011, the Group acquired 18.79% equity interests in Xinya Media at a consideration of HK$23,356,803 from Cheng Films and Video Production Limited, which is beneficially owned by the spouse of Mr. Cheng Yang, a director of the Company.

(c) **Compensation of key management personnel**

The remuneration of directors and other members of key management personnel during the year were as follows:

	2011 HK$	2010 HK$
Short-term benefits	**11,626,267**	11,472,721
Post-employment benefits	**55,030**	72,000
	11,681,297	11,544,721

43. Note to the Consolidated Statement of Cash Flows

Reconciliation of loss for the year to net cash used in operations:

	2011	2010
	HK$	*HK$*
Loss before income tax credit		
Continuing operations	**(288,297,429)**	(1,168,906,431)
Discontinued operation	**(16,181,209)**	(6,118,294)
Interest income	**(874,830)**	(2,252,082)
Interest expenses	**56,953**	15,568
Depreciation of property, plant and equipment	**30,262,980**	33,482,338
Amortisation of payments for leasehold land held for own use under operating leases	**3,892,025**	5,256,422
Amortisation of intangible assets	**18,714,107**	15,858,471
Amortisation of deferred expenditure	**41,629,146**	30,785,541
Written off of property, plant and equipment	**2,769,051**	—
Impairment loss on property, plant and equipment	**2,564,936**	14,575,409
Impairment loss on payments for leasehold land held for own use under operating leases	**—**	71,281,145
Impairment loss on goodwill	**121,815,830**	1,039,838,611
Impairment loss on intangible assets	**96,081,987**	132,341
Impairment loss on assets classified as held for sale	**—**	242,354
Impairment loss on an amount due from a related company	**—**	5,000,000
Impairment loss on trade and other receivables	**3,665,003**	—
Fair value gain on investment properties	**(27,637,000)**	(41,519,000)
Gain on disposal of property, plant and equipment	**(755,431)**	(50,000)
Gain on disposal of investment property	**(26,887,000)**	—
Gain on step acquisition	**(452,054)**	—
Gain on disposal of a subsidiary	**—**	(4,658,187)
Gain on disposal of film and movie rights	**—**	(4,241,200)
Gain on deregistration of subsidiaries	**—**	(420)
Provision for long service payments	**—**	162,294
Share of loss of associates	**320,928**	—
Equity settled share-based payment expense *(note 39)*	**3,952,277**	—
Operating loss before working capital changes	**(35,359,730)**	(11,115,120)
(Increase)/decrease in inventories	**(528,209)**	1,121,290
Decrease/(increase) in trade and other receivables	**15,943,846**	(11,074,153)
Decrease in trade and other payables	**(15,472,004)**	(4,066,133)
Decrease in provision for long service payments	**(1,813,881)**	(465,810)
Net cash used in operations	**(37,229,978)**	(25,599,926)

43. Note to the Consolidated Statement of Cash Flows *(Continued)*

	2011	2010
	HK$	*HK$*
Significant non-cash transaction is as follows:		
Financing activities		
Waiver of amount due to minority shareholders upon cessation of business of subsidiaries	**—**	6,329,580

44. Leases

Operating leases — lessee

The Group leases certain properties under operating leases. The leases for properties usually run for an initial period of one to five years. Lease payments are usually negotiated to reflect market rentals. None of the leases includes contingent rentals.

The lease payments recognised as an expense are as follows:

	Group	
	2011	2010
	HK$	*HK$*
Minimum lease payments	**12,122,907**	10,396,100

The total future minimum lease payments are due as follows:

	Group	
	2011	2010
	HK$	*HK$*
Not later than one year	**19,331,381**	3,843,958
Later than one year and not later than five years	**61,886,303**	980,885
More than five years	**68,737**	77,991
	81,286,421	4,902,834

44. Leases *(Continued)*

Operating leases — lessor

The Group leases out its investment properties under operating leases. The leases for investment properties usually run for one to five years. Lease payments are usually negotiated to reflect market rentals. None of the lease includes contingent rentals.

The minimum lease receivables under non-cancellable operating leases are as follows:

	Group	
	2011	2010
	HK$	*HK$*
Not later than one year	**14,760,423**	15,057,034
Later than one year and not later than five years	**42,456,067**	24,300,385
More than five years	**14,843,975**	28,310,643
	72,060,465	67,668,062

45. Capital Commitments

	Group		Company	
	2011	2010	**2011**	2010
	HK$	*HK$*	***HK$***	*HK$*
Commitments for the acquisition of plant and equipment:				
Contracted for but not provided	**296,296**	—	**—**	—

Details of other commitments are set out in note 27 to the financial statements.

46. Summary of Financial Assets and Financial Liabilities by Category

The following table shows the carrying amount and fair value of financial assets and liabilities as defined in note 4(l):

	2011		2010	
	Carrying amount ***HK$***	**Fair value** ***HK$***	Carrying amount *HK$*	Fair value *HK$*
Financial assets				
Loans and receivables	**309,107,596**	**309,107,596**	379,376,482	379,376,482
Available-for-sale financial assets	**16,550,554**	**16,550,554**	—	—
Financial liabilities				
Financial liabilities at amortised cost	**157,574,432**	**157,574,432**	164,337,144	164,337,144

(a) The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

(b) The Group's available-for-sale financial assets (note 26) are listed equity investments, with the carrying amount determined with reference to quoted prices (unadjusted) in active market for identical assets and liabilities (i.e. Level 1 fair value hierarchy as defined by HKFRS 7 — Financial Instruments: Disclosures).

47. Events After the Reporting Period

(a) The disposal of the leasehold land and building previously occupied for Group's restaurant operations as disclosed in note 38(a) was completed on 1 April 2011.

(b) On 11 April 2011, the Group entered into a subscription agreement to subscribe for 351,062 preference shares of Xinya Media Private Limited ("Xinya") at a consideration of about US$1,000,000 (equivalent to approximately HK$7,769,000). After the subscription, the Group's equity interests in Xinya Media increased from 18.79% to 22.27%.

47. Events after the Reporting Period *(Continued)*

(c) On 3 May 2011, the Group further acquired 16.65% equity interests in KH Investment Holding Limited ("KH Investment") at a consideration of HK$28,000,000, which increased the Group's equity interests in KH Investment from 12.43% to 29.08%.

(d) On 20 May 2011, the Company completed a share subscription agreement in which the subscriber agreed to subscribe for 1,333,333,333 ordinary shares of the Company at a subscription price of HK$0.12 per share, totaling HK$160,000,000. At the same time, the Company acquired the entire equity interests in China Resources Advertising & Exhibition Company Limited and its subsidiaries from the subscriber's parent at a consideration of HK$110,000,000. The total share subscription price of HK$160,000,000 was settled in cash of HK$50,000,000, with the balance set off with the acquisition consideration.

The acquiree is principally engaged in exhibition-related business and has been acting as an organiser and a contractor for all kinds of exhibitions and meeting events mainly in Hong Kong.

The fair value of net assets acquired, which were determined provisionally, are as follows:

	HK$
Provisional fair value of net assets acquired	
Property, plant and equipment	364,520
Intangible assets	38,410,000
Cash and cash equivalents	20,523,737
Trade and other receivables	15,068,637
Trade and other payables	(22,822,549)
Current tax liabilities	(873,087)
Deferred tax liabilities	(6,201,441)
Net assets acquired	44,469,817
Goodwill	65,530,183
Total consideration	110,000,000
Satisfied by:	
Set off with the balance of total share subscription	110,000,000

The goodwill arising on the acquisition is attributable to the anticipated profitability generated from the synergy, revenue growth and future market development in the exhibition related business, which the Group intends to develop.

47. Events after the Reporting Period *(Continued)*

(e) On 25 May 2011, a subsidiary of the Group which holds a money lending licence has granted a secured interest-bearing loan amounting to HK$50 million to a independent third party at interest rate 5% per annum.

(f) On 27 May 2011, the Group agreed to acquire, subject to the fulfilment of certain conditions, the entire equity interests in BoRen Culture Development Limited and its subsidiaries at a consideration of RMB90,000,000, RMB25,000,000 of which will be paid in cash and the remaining balance of RMB65,000,000 will be satisfied by the issue of 420,176,215 ordinary shares of the Company. Details of the transaction were disclosed in the Company's announcement dated 27 May 2011. Management of the Group expects that the transaction will be completed in the latter half of 2011.

(g) On 27 May 2011, the Group entered into a sale and purchase agreement with an independent third party to acquire the business of Number One Hot Pot Restaurant Limited at a consideration of HK$1,280,000.

(h) On 10 June 2011, the Group entered into a provisional sale and purchase agreement with an independent third party for the disposal of the Properties at a consideration of HK$108,000,000 (see note 38(a) for details).

48. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 30 June 2011.

Schedule of Investment Properties

For the year ended 31 March 2011

Description	Type	Lease term
Unit no. 3001 on 3rd Floor of the Podium of Shun Tak Centre, Nos. 168-200 Connaught Road Central, Sheung Wan, Hong Kong	Commercial	Medium-term
Level 1 to 3 of Yidong Building, Nos 301, 303, Huanshizhong Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC.	Commercial	Medium-term