大 凌 集 團 有 限 公 司
STYLAND HOLDINGS LIMITED
（股份代號 Stock Code: 0211）

Strengthening our Foundation

紮穩根基 無懼風雨

ANNUAL REPORT 2011/2012 年報

Developing businesses that yield strong returns

Contents

Strengthening our Foundation

Strengthening our Foundation is our theme for this year's annual report. It represents Styland Group's development and implementation of key strategic initiatives that are geared towards strengthening the Group's core businesses – our foundation for profitability and growth. To strengthen our core businesses, in FY2012, we have intensified our sales and marketing efforts, enhanced our offerings of value-added services to customers, and made improvements to the delivery of up-to-date financial information to customers.

Strengthening our Foundation also suggests the idea of strengthening our workforce. Our employees are the very essence of our business foundation. To foster team spirit and boost employee morale, we will continue to organise fun-filled social activities for our employees and their families. We are strongly committed to developing our employees. Sponsoring our employees' continuing education and educating them on environmental protection and energy conservation are other important steps that we have taken in FY2012.

DEVELOPING a winning team that is geared for SUCCESS

Our Mission

To contribute to society

To provide a rewarding career to our employees and inspire them to learn and grow

To deliver excellent products and services to our customers

To create strong returns for our shareholders

Corporate Profile

STYLAND GROUP

Styland Holdings Limited ("Styland" or the "Company") is a diversified business conglomerate. Together with its subsidiaries ("Styland Group" or the "Group"), the Group engages in its principal business activities of financial business, property development and investment, and general trading.

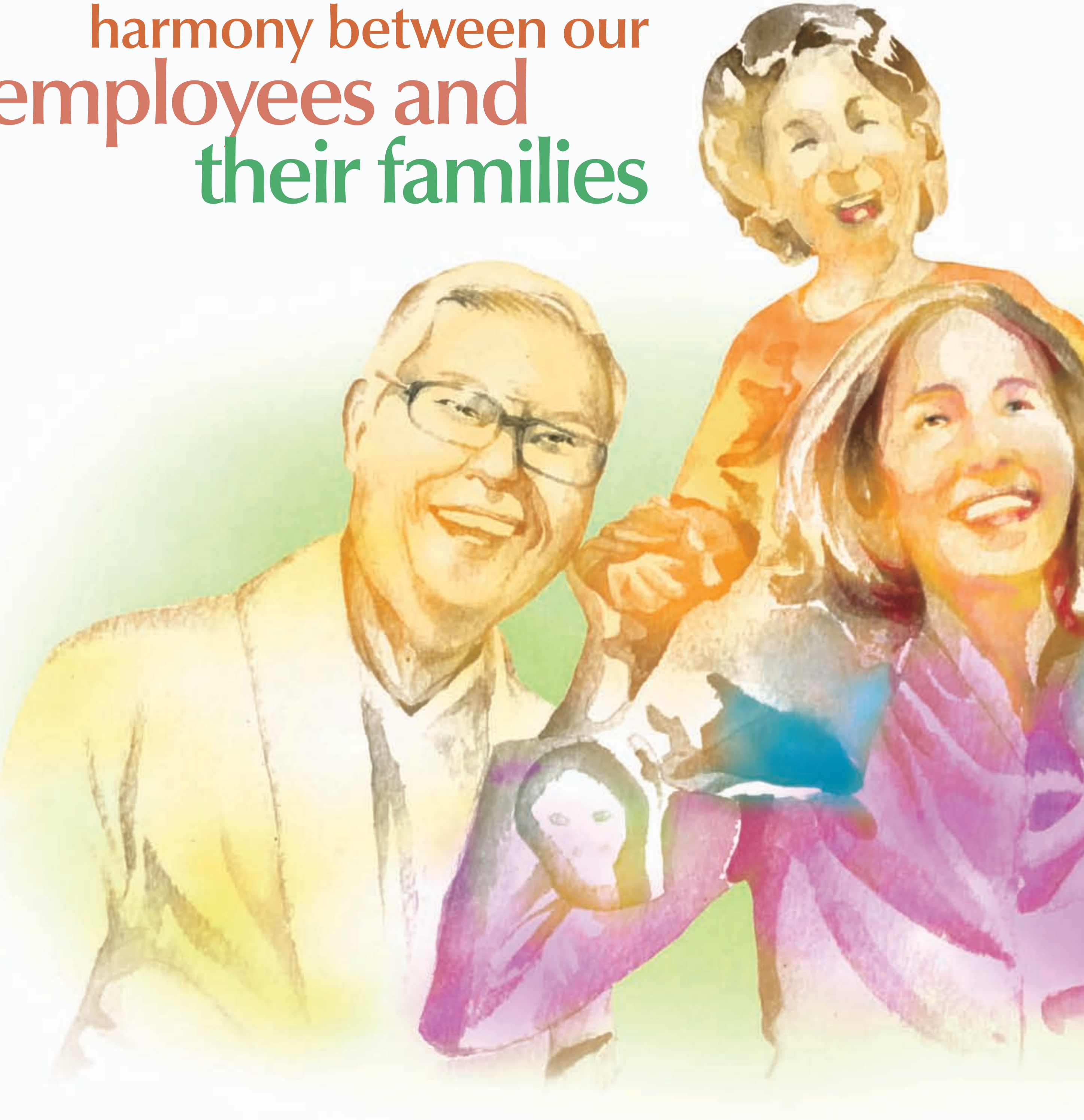
Established since 1977, Styland Group is focused on businesses that provide the Group stable and high returns. The Group's securities broking, margin financing and corporate finance core businesses are operated by Ever-Long Securities, a wholly-owned subsidiary of the Group.

Money lending is another core business of the Group. Ever-Long Finance, the Group's wholly-owned subsidiary, offers corporate and personal loans to clients in the Hong Kong market.

In the property investment arena, given the strong fundamentals of the Hong Kong property market, the Group had invested in some of Hong Kong's premier real estate. Our focus is on luxury properties that yield a good return on investment. Currently, the Group is reconsidering about redeveloping its property located in Fei Ngo Shan Road, Hong Kong.

At Styland, we believe in being caring and responsible citizens. We care about our communities and helping the needy. To this end, we will continue to support our chosen charities by taking an active role in community fundraising campaigns and donating to the needy. We will also seek meaningful ways to support our communities by giving our time, effort and donations to help worthwhile causes.

PROMOTING harmony between our employees and their families



Chairman's Statement

In growing our financial businesses, we will continue to strengthen our brokerage and money lending core businesses by implementing key initiatives. We are focused on **enhancing our operations** and seeking **new business opportunities** to take Styland to a **higher level** of growth.

DEAR SHAREHOLDERS,

It is my pleasure to present to you Styland Holdings Limited's annual report for the financial year ended 31 March 2012 ("FY2012").

RESUMPTION IN THE TRADING OF SHARES

FY2012 was a momentous year for the Styland Group as marked by a significant milestone in the Group's history – the successful resumption in the trading of the Company's shares on 15 December 2011. This remarkable occasion was made possible with the Board's unwavering efforts, as well as the management team's strong support, over the past seven and a half years.

Another piece of good news I would like to share with you is that the Company's share price had performed extremely well after the trade resumption. This is shown by the rise in share price from HK$0.01 per share, the diluted price before the trade resumption, to HK$0.112 per share, a day-high share price after the trade resumption. This surge in the Company's share price is testimony to the optimistic outlook that you, our valued shareholders have in our businesses, and the trust and confidence you have in us.

FOCUS ON THE FINANCIAL BUSINESS

We envisage a bright future for our financial business sector, which is comprised of securities broking, margin financing, corporate finance and money lending businesses.

With respect to our money lending business, with the conservative approach that we have taken in this business by requiring clients to pledge their properties as security for loans, along with the strong Hong Kong property values that we have seen in recent years, we believe that there is a great potential for growth in our money lending business. As such, we plan to further expand our presence in this important area by allocating a greater amount of resources to this segment. We expect our money lending business to be a major source of income for the Group in the future. We also believe that with the wealth of experience that our management team possesses in the money lending business, the Group is poised for strong growth in this area.

In terms of macroeconomic factors that may contribute to the growth of our financial business sector, China's Central Government has taken a positive stance on Hong Kong's financial sector. It is highlighted in the 12th Five-Year Plan that the Central Government is determined to further develop Hong Kong as an international financial center.

To grow our financial businesses, we plan to continue to strengthen our securities and financial services core businesses in the upcoming year by refining our securities trading systems to provide our clients an enhanced customer experience. Furthermore, we also plan to broaden our customer base by continuing to implement strong sales and marketing efforts. We believe that with these key initiatives in place, this will well-position the Group for high growth in its financial core businesses. We are also focused on executing strategies that will firmly place the Group at the forefront of the securities and financial services markets.

GENERATING NEW VALUE THROUGH PROPERTY REDEVELOPMENT

With the recovery of the Hong Kong property market, this has brought about property development opportunities for our Group. To generate new value for the Group, we will reconsider redeveloping the Fei Ngo Shan property in Hong Kong. It is expected that after the redevelopment of this property, its market value will increase substantially. This in turn will generate a rise in the value of the Group's total assets.

Chairman's Statement

CARING FOR THE COMMUNITY AND OUR EMPLOYEES

In addition to generating value for shareholders, our Group is also strongly focused on being a caring corporate citizen. To this end, we have participated in an array of community events and fund raising activities in FY2012 that include making donations to Sin Kai Funds Limited for the building of educational facilities in China, and donations to street sleepers through The Community Chest's event. We are also devoted to environmental protection and energy conservation and have adopted 'green', environmentally friendly initiatives.

With respect to employee development, we are dedicated to the personal and professional development of our employees, as well as their overall well-being. As such, we have continued to provide an educational allowance to our staff for enrolling in courses that enhance their work skills or enhance their personal and social well-being. We are committed to creating the ideal work environment for our employees, one that is comfortable and rewarding, in view of promoting harmony between our employees and their co-workers, and between our employees and their families.

EXTRAORDINARY INCOME

Following the judgment of the High Court of Hong Kong, the Company had entered into a term sheet with Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne, two former Directors, pursuant to which Mr. Cheung and Ms. Yeung had paid HK$10,000,000 in cash to the Company. In addition, subject to the fulfilment of a number of conditions precedent set out in the term sheet, (i) Mr. Cheung agrees to set off an interest-free loan of HK$10,000,000, which he previously advanced to the Group, against part of the judgment debts, (ii) Mr. Cheung and Ms. Yeung will, in effect, transfer to the Group a commercial property with a market value that is HK$83,000,000 or higher, (iii) Mr. Cheung shall settle the remaining balance of the judgment debt by three instalments within one year after the completion of the transfer of the commercial property.

The above-mentioned settlement was arrived at after arm's length negotiations between the parties thereto. We believe that the settlement will save the time and financial resources of the Group, and will be certain in terms of its outcome. Upon the conclusion of the settlement, the Group will be able to focus it efforts on its operation and development. As such, we are of the opinion that the settlement to be made is beneficial to the Company and its shareholders as a whole.

WORDS OF APPRECIATION

I wish to take this opportunity to thank you, our valued shareholders, for your trust in us, and your continued support to the Group. I would also like to express my deepest appreciation to our business partners and customers for their loyalty to the Group over the years. As to my fellow Directors on the Board, thank you for your contributions to the Group over the year.

We will continue to work hard to grow our core businesses to create new value for our shareholders. To this end, we will focus on enhancing our operations and seeking new business opportunities to take Styland to a higher level of growth.

Zhao Qingji
Chairman and Independent Non-Executive Director
Hong Kong, 22 June 2012

REACHING new milestones through teamwork

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECTS

Results

The Group's turnover was HK$249,899,000 in FY2012 as compared to HK$327,201,000 in FY2011. Net profit had decreased to HK$10,212,000 in FY2012 from HK$64,469,000 in FY2011. The decrease in net profit was mainly due to the decrease in revenue and an increase in impairment losses with respect to certain assets of the Group.

Business Review

Brokerage Business:

- **Securities Broking**

  During FY2012, investors' sentiment was affected by concerns over the European debt crisis and the recovery of the United States' economy. The Hang Seng Index bottomed out at 16,250 in October 2011, which represented a 31% decline from a height of 23,527 at the end of FY2011. With respect to the year-on-year comparison, the Hang Seng Index closed at 20,555 on 31 March 2012 which was a drop of 13% compared with its closing at 23,527 on 31 March 2011.

  Against such a backdrop, the Group recorded a decrease in commission incomes from the securities broking services. During FY2012, the Group managed a total transactions value of approximately HK$6.1 billion, and the total number of transactions had decreased to 36,799. Under such volatile market conditions, the Group had, on one hand, strived to retain its existing clients, and on the other hand, enhanced its marketing activities to attract new clients by providing them more value-added services. The new website that was launched in FY2012 offers clients more comprehensive market information and the latest financial news for their reference, so that they can be well informed before making investments. Also, to further enhance the transparency of commission rates and other related fees charged by the Group for its brokerage services, the Group has uploaded a list of its charges and fees for the relevant services onto its website for clients' comparison. The Group believes that through the provision of such add-on services of complete transparency, it could instill greater confidence in its clients about the Group and lead to a higher level of client retention in the long term.

長 雄 證 券 有 限 公 司
EVER-LONG SECURITIES CO. LTD.

- **Margin Financing**

  The Group offers margin financing to its clients for trading listed securities and subscribing for new shares in initial pubic offerings (the "IPOs"). To facilitate the application for margin loans, the Group continually updates the information including the timetable for upcoming and ongoing IPOs on its website. The Group also posts tailor-made IPO margin finance application forms on the website for clients to download.

The Group had recorded a significant increase in margin financing interest income for the year under review. This was mainly due to the exceptionally low interest rate environment in FY2012, which encouraged clients to leverage via margin financing. As a result, interest income from margin financing for FY2012 was more than HK$5,000,000, an increase of 60% as compared to FY2011.

- **Corporate Finance**

  Due to the extreme volatility and instability of the global financial market during FY2012, various companies had postponed their fund raising activities and IPO exercises. As a result, the Group participated in only several engagements acting as the placing agent or underwriter for the issuance of new shares for listed companies during FY2012.

  Faced with such a challenge, the Group adopted the strategy of maintaining good relationships with other major investment banks, which might refer to the Group profitable corporate finance transactions. Moreover, boasting on the established business connections and the extensive corporate finance experience of the Group, our management believes that the Group is poised to generate good income from the corporate finance division as soon as the fund raising market rebounds.

Money Lending Business:

Leveraging on the expertise of our Executive Director Mr. Ng Yiu Chuen, who possesses extensive money lending experience, having worked at several well known international companies including GE Capital (Hong Kong) Limited and American Express Bank Limited, in FY2011, the Group started to diversify its money lending services to the provision of corporate and personal loans that are secured by real properties, which are pledged by the customers as security for their loans. As a result, the Group experienced substantial growth in its money lending business, as revenue generated from it rose from HK$370,000 in FY2011 to HK$7,223,000 in FY2012.

In light of the deep and cordial relationship that our founder Mr. Cheung Chi Shing has with the Group, in addition to taking good care of the Group, Mr. Cheung has also provided an interest-free loan of HK$10,000,000 to the Group to support the development of the Group's financing business. This loan has been utilised for the expansion of the money lending business. The Board would like to take this opportunity to express their appreciation to Mr. Cheung for his generous contribution to the Group.

Property Development and Investment:

Due to the HKSAR Government's measures to cool down the property market, property prices showed a downward adjustment in the first half of FY2012. However, the property market had recovered in the early part of the 2012 calendar year as residential property prices in Hong Kong continued to surge. The Group is currently holding a premium property at the high grade lot section of Fei Ngo Shan Road, Hong Kong which has a gross site area of approximately 17,000 square feet. The book value of the property was HK$67,000,000 as at 31 March 2012.

The Group believes that the market value of this dignitary property, on a redevelopment basis, may increase significantly. To maximise the value of the Fei Ngo Shan Road property, the Group will reconsider redeveloping this property into a higher quality property, and may engage an international land development and design consultant group to advise the Group on this redevelopment. Upon the recognition of the revaluation surplus, the Group's operational results and net assets value will rise accordingly.

Management Discussion and Analysis

Trading Business:

In FY2012, customers' confidence in food products was shaken due to their concerns over radiation in food products from Japan. Consumers were apprehensive about the possible radiation in Japanese food products that was brought about by the massive Japan tsunami and the radiation leakage crisis which resulted from the tsunami and the destructive earthquake that occurred in Japan in FY2012. Although there was a significant decrease in the turnover of the trading business segment, the Group however continued to record a segment profit for the trading business. With a view to lowering its operational risk arising from the deteriorated inventories, the Group mainly sourced its goods from reputable suppliers. Despite the fact that our quality control measures had resulted in a drop in turnover, the Group believes that it would increase the level of customer satisfaction among its trading customers. Nevertheless, the Group plans to regularly review its turnover and results of the trading business and reallocate its internal resources to more profitable business segments if the trading business does not improve in the near future.

Prospects

To align with China's Central Government's national policy as outlined in its 12th Five-Year Plan for developing Hong Kong as an international finance centre, the Group will continue to position itself as a financial services group, specialising in securities broking services, corporate finance services in relation to acting as the placing agent or underwriter for the issuance of new shares for listed companies, as well as margin financing and money lending business.

To enhance Hong Kong's competitive edge, the HKSAR Government has actively developed renminbi related products and services to solidify its position as a major renminbi offshore settlement centre. As a result of the popularity of renminbi denominated products in Hong Kong, and following the proposal of the "Dual Tranche, Dual Counter", the Group has fine-tuned its trading system to accommodate the trading of such new product features and made sure that the facilities for dealings in renminbi denominated products are available to clients. In fact, after the listing of the first renminbi denominated stock in 2011, the Group has proved itself that it is fully capable of dealing in and making settlements of such kind of products.

To offer better quality services to clients, the Group plans to upgrade its trading system which will provide a stable and user-friendly platform for facilitating online trading. To accommodate for the future growth of the Group, we have expanded our trading floor area. With the expanded trading floor area in place, we believe that we currently have the capacity to accommodate for higher securities trading volumes. As such, we are ready for higher business volumes and growth in our financial businesses.

To take advantage of the robust economic growth and attractive interest rates in the territory, property prices have reached a historical high in Hong Kong even though the government implemented nine market-cooling measures to curb speculation. The Group expects that the supply of luxury properties will remain tight in Hong Kong. With respect to the Group's Fei Ngo Shan Road property, the Group believes that there is huge potential for value appreciation of properties in the high-grade lot section. As such, the Group will reconsider about redeveloping its property at Fei Ngo Shan Road, Hong Kong.

The Group has witnessed rising demand for short term financing services from the market, which may be attributable to the increasingly stringent lending requirements by banks. In light of the overwhelming demand for loans for which clients are required to pledge their real properties as security (the "Property Loans"), the Group has allotted an increased amount of internal resources to such segment and has further raised the cap amount on the portfolio of Property Loans to be granted. The Group believes that the provision of Property Loans to customers will become a key growth driver for the Group as these loans provide the Group an opportunity to obtain a higher return for its surplus funds under the current low interest rate environment. The Group expects income derived from the Property Loans to become a major source of income for the Group in the future.

Looking forward, the Group expects the upcoming financial year to be a challenging year for the financial sector. Nevertheless, the Group is optimistic about its future development based on the sound economic conditions in Hong Kong and the mainland China, and their strong economic ties to each other. With the Group's wealth of experience and strong track record in the financial sector, the management believes that the Group is well positioned for generating growth in its business.

CAPITAL STRUCTURE

During FY2012, the Company completed three fund raising activities, the agreements of which were entered in 2007 and their details are set out below:

On 7 June 2007, the Company entered into an option agreement (the "Option Agreement") to issue 370,000,000 options (the "Options") to an independent third party at the exercise price of HK$0.024 per share. The total subscription value for the Option was HK$8,880,000. The Option Agreement was completed on 15 December 2011, pursuant to which 370,000,000 new shares of the Company were issued.

On 9 July 2007, the Company entered into eight subscription agreements in respect of the issue of convertible bonds in the aggregate principal amount of HK$9,880,000 (the "Convertible Bonds"). The Convertible Bonds did not carry any interest. Each of the subscribers had a right to convert the Convertible Bonds into shares of the Company at the price of HK$0.026 per share. The Convertible Bonds were issued on 28 September 2011 and converted into shares of the Company on 10 October 2011, pursuant to which 380,000,000 shares of the Company were issued.

On 15 November 2007, the Company entered into a subscription agreement to issue 50,000,000 shares of the Company at the price of HK$0.08 per share which involved the total subscription amount of HK$4,000,000 (the "New Shares Subscription Agreement"). The New Shares Subscription Agreement was completed on 15 December 2011.

FINANCIAL REVIEW

As at 31 March 2012, the Group's cash at bank and in hand totaled approximately HK$70,195,000 as compared to HK$100,043,000 at 31 March 2011. Net assets value as at 31 March 2012 had risen to HK$311,304,000 from HK$270,350,000 as at 31 March 2011.

Bank borrowings and financial leases as at 31 March 2012 amounted to HK$5,799,000 as compared to HK$7,086,000 as at 31 March 2011. Out of the sum of HK5,799,000 at 31 March 2012, the amount of HK$1,292,000 is repayable within one year. At 31 March 2011, the amount that was repayable within one year was HK$1,287,000. However, according to the loan agreement of the Group, as the bank reserves its right, exercisable at any time, and at its absolute discretion, to call for repayment of the loan on demand, the Group has reclassified the long term portion of the bank loan amounting to HK$4,500,000 as current liability as at 31 March 2012 in order to comply with the accounting standard. The gearing ratio, being the ratio of total bank borrowing and financial lease of approximately HK$5,799,000 to shareholders' fund of approximately HK$311,304,000, was about 0.02 (2011: 0.03).

As at 31 March 2012, time deposits of HK$6,211,000 and an investment property at a valuation of HK$67,000,000 were pledged to the bank to secure the banking facilities that were granted to the Group.

INVESTMENTS IN FINANCIAL ASSETS

Other than the holding of a portfolio of listed securities with market value of approximately HK$38,460,000 as at 31 March 2012 for the trading purpose, the Group did not make other major investments during the year. The Group will continue to adopt a prudent approach for its investments.

CREDIT RISK

For the brokerage businesses, the Group is strictly in compliance with the Securities and Futures Ordinance ("SFO"). Margin loans will be granted based on individual assessment of financial status, repayment records and the liquidity of collaterals placed by a customer, and the applicable interest rate will be determined thereon. Margin loans will be demanded for repayment once a customer fails to repay a deposit, margin or another sum that is payable to the Group.

For the money lending business, Property Loans will be granted to clients based on the aggregate market value of the pledged properties, as confirmed by independent valuers. To lower the Group's exposure to risk in its money lending business, the Property Loan amounts to be granted in general shall not exceed 80% of the aggregate market value of the pledged properties.

Trading terms with general trading customers are mainly on credit, except for new customers, where advance payment is normally required or a letter of credit is received. Invoices are normally payable within 30 to 60 days of issuance, except for certain well-established customers, where the terms may be extended to 90 days.

OPERATIONAL RISK

The Group has put in place an effective internal controls system for its operations. Under the brokerage business, a monitoring team comprised of licensed responsible officers registered under the SFO and senior management, who have acted in compliance with the SFO, has been set up to monitor the settlement matters of traded securities and cash. In order to safeguard clients' interests and comply with the requirements of the SFO, our monitoring team has continually carried out ongoing checks and verification so that our service standard was maintained at a satisfactory level. In FY2012, the brokerage operation of the Group has complied with the SFO. All of our clients were satisfied with our services and did not lodge any complaints.

INTEREST RATE RISK

The Group monitors its interest rate exposure regularly to ensure that the underling risk is monitored within an acceptable range. The Group's interest rate risk arises from the bank loan as interest is charged according to a floating interest rate with a loan repayment period of more than 4 years.

LIQUIDITY RISK

The Group's policy is to regularly assess current and expected liquidity requirements and to ensure that it maintains reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements.

FOREIGN EXCHANGE EXPOSURE

During the year under review, the Group's business activities as well as its assets and liabilities were mainly denominated in Hong Kong dollars and US dollars. In light of the exchange rate peg between the Hong Kong dollar and the US dollar, the Group considers its foreign exchange risk immaterial for FY2012. It is the Group's treasury policy to manage its foreign currency exposure to minimise any material financial impact to the Group.

CONTINGENT LIABILITIES

As at 31 March 2012, the Group did not have any material contingent liabilities (2011: immaterial).

PETITION

Reference is made to the announcements dated 7 December 2011 and 7 March 2012 and 7 June 2012 of the Company, which stated, among others, that Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne, two former Directors, should, in an aggregation basis, pay to the Company (i) judgment sums of HK$85,950,000 (the "Judgment Sums") and the compounded interest thereon up to 7 March 2012 (the "Date of Order"), for a total of HK$190,628,975.21; and (ii) further judgment interest to be accrued for the periods after the Date of Order until the full settlement of Mr. Cheung and Ms. Yeung's respective Judgment Sums payables. All payables by Mr. Cheung and Ms. Yeung shall be collectively called "Judgment Debts". The Company had recognised HK$85,950,000 as the revenue of the Group for FY2012.

On 7 June 2012, the Company entered into a term sheet with Mr. Cheung and Ms. Yeung in respect of the settlement of Judgment Debts (the "Term Sheet").

According to the Term Sheet, Mr. Cheung and Ms. Yeung had paid HK$10,000,000 in cash to the Company upon signing of the Term Sheet. In addition, subject to the fulfilment of a number of conditions precedent set out in the Term Sheet, (i) an interest-free loan of HK$10,000,000 which had been advanced by Mr. Cheung to the Group shall be applied to set off against part of the Judgment Debts, (ii) Mr. Cheung and Ms. Yeung will assign to the Company all the beneficial interest of a commercial property located at Des Voeux Road Central, Hong Kong at a consideration of approximately HK$83,000,000 or such higher value as provided in a valuation report to be produced (the "Transfer"), (iii) Mr. Cheung will settle the remaining balance by three instalments within one year after the completion of the Transfer.

The settlement to be made was arrived at after arm's length negotiations between the parties thereto (the "Settlement"). The Directors consider the Settlement will save time and financial resources of the Group and will be certain in terms of its outcome. Upon the conclusion of the Settlement, the focus and effort of the Group can be concentrated on its operation and development. Therefore, the Directors are of the opinion that the Settlement is beneficial to the Company and its shareholders as a whole.

CORPORATE SOCIAL RESPONSIBILITY

Under the leadership of our Chief Executive Officer Mr. Cheung Hoo Win, who strongly believes that balancing economic development with corporate social responsibility is important for the sustained growth of the Group's businesses. As such, the Group has continued to expand its role as a good corporate citizen and has participated in a number of socially responsible activities in the areas of employee development, occupational health, as well as environmental protection and giving to the community.

Caring for Employees' Development

The Group believes that if employees are familiarised about their career paths and their development in the Group, they will be highly motivated to carry out their work and thus make more positive contributions towards the Group's organisational performance. To support our employees' personal development, the Group will continue to retain the Continued Learning Sponsorship Scheme, pursuant to which each employee is entitled to an annual sponsorship of HK$10,000 for their continued education. The Group hopes that through this scheme, it can bring its employees' talent into full play. Employees are also encouraged to raise concerns to the management about any issues relating to financial reporting, internal controls or other matters.

As we care about our employees' welfare and work satisfaction, the Group had updated its Staff Handbook to extend its scope to allow for paid leave to employees. Also, after the introduction of the statutory minimum wage ordinance in May 2011, the Group has made sure that it has met the requirements of the ordinance. In addition, newly recruited employees have been and will continue to be paid at a rate that is higher than the statutory minimum wage rate.

As at 31 March 2012, the Group had 54 employees. Remuneration packages are generally structured with reference to prevailing market practice and individual merits. Salaries are reviewed periodically based on the employee performance appraisal or other relevant factors. The Group also maintains certain staff benefit plans including medical insurance, hospitalisation scheme, mandatory provident fund and share option scheme.

Occupational Health

The management recognises the importance of employees' health. The Group greatly cares about its employees' health and safety including their mental health. To this end, in addition to creating a safe and comfortable workplace for its employees, the Group also maintains a high-quality air-conditioning system in the workplace and ensures that the ventilation system is cleaned regularly by a professional air-conditioning cleaning company.

During FY2012, the Group recruited a full time cleaning lady, who is responsible for the cleaning work of the office, to replace the part time one. The Group believes that through such an arrangement, a cleaner and neater working environment will be created for its staff. The Group further believes that this initiative will substantially reduce the probability of the occurrence of infectious diseases in the workplace.

With a view to enhance our employees' sense of belonging to the Group, the Group regularly organises staff gatherings for its employees. The gatherings not only help ease staff's work pressure, but also improve their relationships, which in turn, strengthen teamwork. Moreover, to promote employees' family harmony and to gain their family members' recognition towards their work, the Group expects that it will continue to organise fun-filled trips for its staff and their family members in a similar way as it had done previously.

Environmental Protection

The Group fully supports the government's call for environmental protection by reducing carbon emission. During FY2012, the Group continued to participate in WWF Hong Kong's Earth Hour activity by encouraging its employees to switch off the lights in their homes for one hour during the evening of 31 March 2012. To evaluate the effectiveness of this event, the Group will consider carrying out a follow-up questionnaire to understand whether its staff members wish to participate in switching off lights in order to determine whether the Group will participate in the event again in the future. The Group believes that through such a follow-up enquiry, it will further promote the awareness of environmental protection among its employees.

To fulfill its responsibilities to society and benefit the public, the Group strongly encourages its employees to conserve, and promotes environmental conservation in the workplace by reducing waste and saving energy. Other than posting the tips provided by CLP about the "green office" concept, in FY2012, our employees were invited to make suggestions to the Group about steps that the Group could take to reduce wastage of its resources or save on electricity costs. Based on the employees' suggestions, the Group has listed out 17 measures for saving resources including water conservation, recycling and reuse of paper, as well as the avoidance of wasting electric power. To ensure that such measures are well executed, certain employees have been assigned to monitor the employees' progress in implementing these new measures.

Giving to the Community

The Group continued its spirit of giving to the community by providing aid whenever there is a real need for it. In the past Mid-Autumn Festival, the Group made donations to Sin Kai Funds Limited and encouraged each of its employees to buy a box of mooncake, the proceeds of which were allocated to the building of educational institutions in Guizhou Province, China.

On 30 September 2011, the Group participated in the Dress Casual Day 2011 organised by The Community Chest. More than 60% of the Group's employees had participated in this activity to follow the Group's advocacy. Also, the Group, for the first time, took part in The Community Chest's Skip Lunch Day 2012 which was sponsored by Hung Fook Tong. The donations were used for the benefit of the "Services for Street Sleepers and Cage Residents".

Report of the Directors

The Directors present their report and audited financial statements of the Company and the Group for the financial year ended 31 March 2012 ("FY2012").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries consist of investment holdings, brokerage, financing, trading of securities, property development and investment, and general trading. There were no significant changes in the nature of the Group's activities during the year.

RESULTS AND DIVIDENDS

The Group's results for FY2012 and the state of affairs of the Group at 31 March 2012 are set out in the consolidated financial statements on pages 36 to 106. The Directors do not propose payment of final dividend for the FY2012.

PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Details of movements in plant and equipment and investment property of the Group are set out in notes 16 and 17 to the consolidated financial statements, respectively. Further details of the Group's investment property are set out on page 108.

SHARE CAPITAL

Details of movements in the share capital are set out in note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Company during the year are set out in note 49(b) to the consolidated financial statements. Details of movements in the reserves of the Group during the year are set out on page 40.

DISTRIBUTABLE RESERVES

As at 31 March 2012, the Company's reserves available for distribution were HK$231,134,000. Under the laws of Bermuda, the Company's share premium account, in the amount of HK$55,251,000, may be distributed in the form of fully paid bonus shares.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 107. This summary does not form part of the audited consolidated financial statements.

Report of the Directors

DIRECTORS

The Directors in FY2012 and up to the date of this report are:

Executive Directors
Mr. Cheung Hoo Win (Chief Executive Officer)
Mr. Ng Yiu Chuen
Ms. Mak Kit Ping (appointed on 15 February 2012)
Ms. Zhang Yuyan
Ms. Chen Lili
Ms. Ho Mei Sheung (resigned on 15 February 2012)

Independent Non-Executive Directors
Mr. Zhao Qingji (Chairman)
Mr. Li Hancheng
Mr. Yeung Shun Kee
Mr. Lo Tsz Fung Philip

In accordance with the Company's Bye-Laws 102(B), Ms. Mak Kit Ping shall retire and be eligible for re-election at the forthcoming Annual General Meeting.

In accordance with the Company's Bye-Laws 182(vi), Mr. Cheung Hoo Win, Ms. Zhang Yuyan and Ms. Chen Lili shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2012, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associate corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors had a material interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party in FY2012.

SUBSTANTIAL SHAREHOLDERS

The Register of Substantial Shareholders maintained under section 336 of the SFO shows that, at 31 March 2012, the Company had been notified by the following parties of their interests or short position in the shares or underlying shares of the Company:

	Number of shares	Percentage
Mr. Cheung (Note 1)	842,790,772	22.72%
Ms. Yeung (Note 2)	842,790,772	22.72%
Gloryrise Group Limited (Note 3)	370,000,000	9.97%
Mr. Tai Kwok Leung, Alexander (Note 3)	370,000,000	9.97%

Notes:

1. Mr. Cheung Chi Shing ("Mr. Cheung") personally held 626,322,263 shares of the Company. As Mr. Cheung is the sole shareholder of K.Y. Limited ("KY"), he was deemed to have interests in 95,265,727 shares of the Company held by KY and Mr. Cheung is further deemed to be interested in 15,877,615 shares of the Company held by K.C. (Investment) Limited, a wholly owned subsidiary of KY.

   Mr. Cheung is the spouse of Ms. Yeung Han Yi Yvonne ("Ms. Yeung") and accordingly deemed to be interested in the 105,325,167 shares of the Company beneficially interested by Ms. Yeung.

2. Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 737,465,605 shares of the Company beneficially interested by Mr. Cheung.

3. Mr. Tai Kwok Leung, Alexander beneficially owns the entire issued share capital of Gloryrise Group Limited, and is therefore deemed to be interested in the 370,000,000 shares of the Company beneficially interested by Gloryrise Group Limited.

4. On 20 August 2002, Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生) notified the Company that they respectively held 165,050,000 and 150,800,000 shares of the Company. To ensure the accuracy of its register of members, the Company wrote to Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生) to inquire into their then shareholdings in the Company on 14 June 2004. On 13 December 2004, the Company received a letter from Mr. Lin Wen (林文先生), claiming that he held approximately 5 million shares of the Company, which was substantially different from the record of Mr. Lin Wen's (林文先生) interests available from the website of the Stock Exchange and the Company. The Company could not reach Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生), though it had tried to seek valid notification under the SFO from them. Up to the date of this report, the Company has not received any further response from Mr. Lin Wen (林文先生) or Mr. Sun Jin Lin (孫進林先生). According to the High Court order (case no. HCA3544/03), Mr. Lin Wen (林文先生) and Mr. Sun Jin Lin (孫進林先生) were ordered to pay the legal costs of HK$861,818 to the Company. The Group is considering the way to recover the costs.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities in FY2012.

Report of the Directors

MAJOR CUSTOMERS AND SUPPLIERS

In FY2012, sales to the Group's single largest and five largest customers combined accounted for 36% and 50%, respectively, of the Group's total sales, whereas purchases from the Group's single largest and five largest suppliers combined accounted for 39% and 67%, respectively, of the Group's total purchases.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 25 to 28.

SHARE OPTION SCHEME

A summary of the share option scheme is set out in note 35 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, the public float of the share of the Company is sufficient.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 46 to the consolidated financial statements.

AUDITORS

UHY Vocation HK CPA Limited was appointed as the auditor of the Company for the financial year ended 31 March 2012 upon the retirement of SHINEWING (HK) CPA Limited, who acted as the auditor of the Company for the financial years ended 31 March 2010 and 2011.

UHY Vocation HK CPA Limited will retire at the forthcoming Annual General Meeting. A resolution will be proposed to appoint auditors and to authorise the Board to fix their remuneration.

On behalf of the Board
Ng Yiu Chuen
Executive Director

Hong Kong, 22 June 2012

Corporate Governance Report

The Board of the Company is committed to maintain high standards of corporate governance and it considers effective corporate governance an essential factor to the Group's success.

BOARD OF DIRECTORS

The Board believes that the Board comprising five Executive Directors and four Independent Non-Executive Directors has a balance of skills and experience that is appropriate for the requirements of the business of the Group.

According to the Listing Rules, the Company is required to have at least three independent non-executive directors ("INEDs"), and at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. In order to strengthen its corporate governance and elevate the function of its non-executive Directors, the Company has appointed four INEDs on its Board, one more than as required by the Listing Rules. Two of the INEDs are certified public accountants, which is one more than the requirement as stipulated by the Listing Rules.

As four of the nine Directors are INEDs, there is a strong independent element within the Board, which can effectively exercise independent judgment and monitor the corporate governance of the Group. Each of the INEDs has made a confirmation on independency.

To ensure that there is a clear division of power and authority within the Board, the roles of Chairman and Chief Executive Officer are separate.

Being a listed issuer, the Company puts strong emphasis on the compliance of regulations and ordinances. In case of doubt, the Company will seek a second opinion. In FY2012, the Company's legal advisers were as follows:

As to Hong Kong law	As to Bermuda law	As to the PRC law
— P.C. Woo & Co.	Appleby	Hills & Co.
— D.S. Cheung & Co.		
— Michael Li & Co.		
— Chiu & Partners		
— Huen & Partners		

Board Meetings

In FY2012, other than the two Board meetings to approve the Company's annual results and interim results, four regular board meetings were also held to which 14 days' notice was given to all Directors. The attendance of each of the Directors is set out as follows:

	Number of Board meetings attended
Executive Directors	
Mr. Cheung Hoo Win (Chief Executive Officer)	6/6
Mr. Ng Yiu Chuen	6/6
Ms. Mak Kit Ping (appointed on 15 February 2012)	1/1
Ms. Zhang Yuyan	6/6
Ms. Chen Lili	6/6
Ms. Ho Mei Sheung (resigned on 15 February 2012)	4/5
Independent Non-Executive Directors	
Mr. Zhao Qingji (Chairman)	4/6
Mr. Yeung Shun Kee	6/6
Mr. Li Hancheng	6/6
Mr. Lo Tsz Fung Philip	6/6

Audit Committee

The Company has an Audit Committee comprising all INEDs. The principal duties of the Audit Committee are to review the Group's interim and annual reports, internal controls and make recommendations to the Board.

Three Audit Committee meetings were held in FY2012. The attendance of each member of the Audit Committee is set out as follows:

Members of Audit Committee	Number of Audit Committee meetings attended
Mr. Lo Tsz Fung Philip (Chairman)	3/3
Mr. Zhao Qingji	2/3
Mr. Yeung Shun Kee	3/3
Mr. Li Hancheng	3/3

During the meetings, the Audit Committee had performed the following work:

(i) reviewed the draft interim and annual consolidated financial statements and the related draft results announcements;

(ii) reviewed the change in accounting standards and assessment of potential impacts on the Group's consolidated financial statements;

(iii) discussed with the external auditors any major audit issues of the Group; and

(iv) discussed with the external auditors about the scope of the annual audit.

Remuneration Committee

The Group has a Remuneration Committee with specific written terms of reference which clearly spells out its authority and duties. All INEDs are members of the Remuneration Committee.

The Remuneration Committee's principal duties are to make recommendations to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance. It is also the Remuneration Committee's duty to determine the specific remuneration packages of all Executive Directors and senior management.

In FY2012, two Remuneration Committee meetings were held with full attendance to review the adjusted remuneration of Directors and senior management, the remuneration package of the newly appointed Director and the payment to a Director who resigned during the year.

Nomination Committee

The Company has set up a Nomination Committee comprising all INEDs. The Nomination Committee shall make recommendations to the Board on all new appointments or re-appointments of Directors. The selection criteria are mainly based on the professional qualifications and work experience of the candidates. There are no fixed terms of services for Executive Directors while INEDs are engaged for a term of two years, subject to retirement by rotation and re-election in accordance with the provisions of the Bye-Laws of the Company. The Nomination Committee shall meet at least once every year.

The Nomination Committee had one meeting in FY2012 with the full attendance of all its members.

Directors' Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code for securities transactions by Directors. All members of the Board has confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code in FY2012.

AUDITOR'S REMUNERATION

In FY2012, the remuneration paid or payable in respect of statutory audit services provided by the auditor of the Company, UHY Vocation HK CPA Limited, was approximately HK$730,000.

SHAREHOLDERS' RIGHTS AND INTERESTS

The Company believes that shareholders' meetings provide a useful forum for shareholders to exchange views with the Board. A separate resolution is proposed in respect of each issue to be considered at the Annual General Meeting. The Chairman did not attend the Annual General Meeting of 2011 due to his personal reason. The Company always gives weight to the voices of its shareholders.

Shareholders' interests are protected. Notwithstanding the fact that the trading in the shares of the Company was suspended from 2004 to 2011 ("Suspension"), the Company had frequently proposed dividends over that period. In addition to the various dividend proposals, the Company had also arranged to distribute gifts to its shareholders. The gift distributions made in the years 2007, 2008 and 2009 were well accepted by shareholders. To ease the financial burden of the shareholders, as a broker firm, the Group also waived the handling charges that shareholders of the Company were required to pay in relation to the dividend proposals during the Suspension.

The Board adopts an open and transparent communication policy and ensures that there is full disclosure to the public as a way to enhance corporate governance. The Board aims to provide the Company's shareholders and the public with the necessary information for them to form their own judgment on the Company. Corporate communication materials such as annual reports, interim reports and circulars are issued in printed form and are also available in electronic format on the websites of the Company, The Stock Exchange of Hong Kong Limited and irasia.com.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Management reports on the Group's financial situations to the Board on a regular basis, and this reporting regime extends to the annual and interim results announcements of the Company, thereby enabling the Board from time to time to conduct a continued, balanced, clear and understandable assessment of the Group's situations for determining strategy and fulfilling relevant compliance requirements.

The Board acknowledges that it is responsible for preparing the accounts of the Group. As at 31 March 2012, the Directors were not aware of any material uncertainties relating to the events or conditions that may cast significant doubt regarding the Group's ability to continue as a going concern.

For the responsibilities of the Company's auditor in respect of presenting the Group's consolidated financial statements, please refer to the section titled "Independent Auditor's Report" of this annual report.

Internal Controls Review

It is the Board's responsibility to ensure that the Company maintains sound and effective internal controls, whereby safeguarding its shareholders' investment and the Group's assets.

In FY2012, the Board has conducted a review of the effectiveness of the Company's internal controls system and that of its subsidiaries. There was no significant control failings found during the review.

Subject to the disclosures in this report, the Group has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the year ended 31 March 2012.

On behalf of the Board
Cheung Hoo Win
Chief Executive Officer and Executive Director

Hong Kong, 22 June 2012

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Cheung Hoo Win (Chief Executive Officer)
Mr. Ng Yiu Chuen
Ms. Mak Kit Ping
Ms. Zhang Yuyan
Ms. Chen Lili

Independent Non-Executive Directors
Mr. Zhao Qingji (Chairman)
Mr. Yeung Shun Kee
Mr. Li Hancheng
Mr. Lo Tsz Fung Philip

AUDIT COMMITTEE

Mr. Lo Tsz Fung Philip (Chairman)
Mr. Zhao Qingji
Mr. Yeung Shun Kee
Mr. Li Hancheng

REMUNERATION COMMITTEE

Mr. Yeung Shun Kee (Chairman)
Mr. Zhao Qingji
Mr. Li Hancheng
Mr. Lo Tsz Fung Philip

NOMINATION COMMITTEE

Mr. Li Hancheng (Chairman)
Mr. Zhao Qingji
Mr. Yeung Shun Kee
Mr. Lo Tsz Fung Philip

COMPANY SECRETARY

Mr. Wang Chin Mong

AUDITOR

UHY Vocation HK CPA Limited

LEGAL ADVISERS

As to Hong Kong Law
P.C. Woo & Co.
D.S. Cheung & Co.
Michael Li & Co.
Chiu & Partners
Huen & Partners

As to Bermuda Law
Appleby

As to the PRC Law
Hills & Co.

Corporate Information

PRINCIPAL BANKERS	The Hongkong and Shanghai Banking Corporation Limited Bank of China (Hong Kong) Limited Wing Hang Bank Limited Standard Chartered Bank DBS Bank (Hong Kong) Limited Chong Hing Bank Limited
PRINCIPAL REGISTRAR	HSBC Securities Services (Bermuda) Limited 6 Front Street Hamilton HM11 Bermuda
HONG KONG BRANCH REGISTRAR	Tricor Tengis Limited 26th Floor Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong
REGISTERED OFFICE	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
PRINCIPAL PLACE OF BUSINESS	28th Floor Aitken Vanson Centre 61 Hoi Yuen Road Kwun Tong, Kowloon Hong Kong Telephone: (852) 2959-3123 Facsimile: (852) 2310-4824 E-mail address: sty@styland.com
SHAREHOLDERS' SERVICE HOTLINE	Telephone: (852) 2959-7200 Facsimile: (852) 2310-4824 E-mail address: shareholder@styland.com
WEBSITE	http://www.styland.com
INVESTORS' WEBSITE	http://www.irasia.com/listco/hk/styland

Board of Directors

MR. CHEUNG HOO WIN
Chief Executive Officer and Executive Director

Mr. Cheung, aged 32, joined the Group in 2004. He was appointed Executive Director in 2006 and Chief Executive Officer in 2009. Mr. Cheung graduated from Peking University (Department of International Economics and Trade). During his studies at Peking University, Mr. Cheung developed good business connections in the PRC. Previously, he worked for China Development Research Foundation, the subordinate unit of the Development Research Centre of the State Council, and was the vice-president of the Macau Energy Saving Association. Mr. Cheung is a member of the Hong Kong United Youth Association.

Mr. Cheung assists the Chairman of the Group in leading the Board and is responsible for the entire Group's business and development. He is also responsible for the Group's China related businesses as well as dealing with the Group's mainland customers who have their business in Hong Kong.

MR. NG YIU CHUEN
Executive Director

Mr. Ng, aged 53, joined the Group in November 2010 as Associate Director of a subsidiary. He was appointed Executive Director in December 2010. Mr. Ng obtained a bachelor's degree in Business Administration from City University of Hong Kong and was elected as Associate of the Hong Kong Institute of Bankers in 2002.

Mr. Ng has over 32 years of experience in financing and asset management business. Prior to joining the Group, he had, for more than 18 years, held senior executive management roles and was responsible for overseeing the finance division and managing the portfolios of liquid assets for various well known international companies including GE Capital (Hong Kong) Limited and American Express Bank Limited. Mr. Ng is responsible for the money lending business of the Group.

MS. MAT KIT PING
Executive Director

Ms. Mak, aged 46, joined the Group in April 2008. She was appointed Executive Director in February 2012. Ms. Mak is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Ms. Mak is licensed under the Securities and Futures Ordinance for Type 1 activity (dealing in securities) and Type 6 activity (advising on corporate finance), and is one of responsible officers of Ever-Long Securities Company Limited, a wholly-owned subsidiary of the Company. Ms. Mak has more than 19 years of experience in the securities business and is responsible for the Group's brokerage business.

MS. ZHANG YUYAN
Executive Director

Ms. Zhang, aged 50, was appointed Executive Director in 2006. Ms. Zhang graduated from Zhongnan University of Economics and Law (中南財經大學), formerly known as Hubei Economics College (湖北財經學院). Ms. Zhang has extensive experience in management and is familiar with Mainland China's economic, finance and taxation matters.

MS. CHEN LILI
Executive Director

Ms. Chen, aged 30, joined the Group as Executive Director in 2009. She graduated with a Bachelor of Electronics Science and Techniques degree from the School of Electronics Engineering and Computer Science at Peking University in 2004. Ms. Chen also obtained her Master of Computer Applied Technology degree from the Institute of Software at the Chinese Academy of Sciences in 2007. Ms. Chen is a senior associate in the Risk & Controls Solutions Department, PricewaterhouseCoopers Consultancy (Shenzhen) Limited, Beijing branch, where she led multiple teams to conduct audit and advisory work and provided internal controls management and optimisation services to several large energy, insurance and logistics companies. Ms. Chen has extensive experience in corporate governance matters.

Board of Directors

MR. ZHAO QINGJI

Chairman and Independent Non-Executive Director

Mr. Zhao, aged 39, was appointed Independent Non-Executive Director in April 2009. Subsequently, he was appointed Chairman in July 2009. Prior to joining the Group, Mr. Zhao was the chairman, chief executive officer and an executive director of China Properties Investment Holdings Limited (formerly known as Northern International Holdings Limited) (stock code: 736), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Zhao graduated from Peking University in 1998 with a bachelor's degree in Economics.

Mr. Zhao has extensive experience in mergers and acquisitions, corporate restructurings, investment management, finance and initial public offerings in the PRC. Previously, he held the position of vice president of Peking University Resource Group and was in charge of that company's property investment business and real estate development projects.

MR. YEUNG SHUN KEE

Independent Non-Executive Director

Mr. Yeung, aged 53, was appointed Independent Non-Executive Director in 2003. He manages his own certified public accounting firm. Mr. Yeung has extensive experience in accounting, auditing and taxation works.

Mr. Yeung is a member of the Certified Public Accountants of Australia and a certified public accountant (practising) of the Hong Kong Institute of Certified Public Accountants.

MR. LI HANCHENG

Independent Non-Executive Director

Mr. Li, aged 49, was appointed Independent Non-Executive Director in 2008. He graduated from Southwest University of Political Science and Law in 1984. Mr. Li had previously worked at the Supreme People's Court of the People's Republic of China as senior judge. He possesses extensive experience and practice in law.

Mr. Li is a lawyer and the managing partner of the Beijing S&P Law Firm. He is also a member of China Maritime Law Association, Chinese Lawyers Association and Beijing Lawyers Association. He had served on the board of Tianhong Asset Management Company Limited as an independent director from December 2003 to December 2011.

MR. LO TSZ FUNG PHILIP

Independent Non-Executive Director

Mr. Lo, aged 45, was appointed Independent Non-Executive Director in April 2009. He graduated from the University of Wollongong, NSW Australia in 1992 with a Bachelor of Commerce degree. Mr. Lo is currently an independent non-executive director of QKL Stores, Inc., a company listed on NASDAQ (QKLS). He has extensive experience in the areas of corporate management, financial accounting and auditing. Mr. Lo is a member of the Certified Public Accountants of Australia and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

Mr. Lo had several public service positions. He was a member of the standing committee of the Guangzhou District Committee of CPPCC and the vice president of the Council of Guangzhou Association of Enterprises with Foreign Investment.

Senior Management

MR. NG SHUN FU
Managing Director of Subsidiaries

Mr. Ng, aged 64, joined the Group in 1996 as a director of Ever-Long Securities Company Limited, a wholly-owned subsidiary of the Company that engages in its core business of securities brokerage. He is also a director of certain subsidiaries of the Company. Prior to joining the Group, Mr. Ng worked in the banking sector for 25 years during which he held senior management positions. Mr. Ng has extensive experience in the securities business and is a responsible officer registered under the Securities and Futures Ordinance.

MR. CHOY SHUEN YAN ANDY
Director of Subsidiaries

Mr. Choy, aged 50, was appointed a director of Ever-Long Securities Company Limited in 1998. He is currently a director of certain subsidiaries of the Company. Mr. Choy holds a Bachelor of Commerce degree from McMaster University of Ontario, Canada. Mr. Choy is a responsible officer registered under the Securities and Futures Ordinance and has more than 22 years of experience in the securities business.

MR. MAK CHI HO
Associate Director

Mr. Mak, aged 40, is an Associate Director of the Group. He joined the Group in 2002. Mr. Mak holds a bachelor's degree in Accounting from the University of Southern California and a master's degree in Finance from the Curtin University of Technology. Mr. Mak is a responsible officer registered under the Securities and Futures Ordinance and has over 10 years of experience in securities analysis.

MS. HUNG LAI KAM DIANA
Associate Director

Ms. Hung, aged 31, joined the Group as an Associate Director of a subsidiary in June 2010. Ms. Hung holds a bachelor's degree in International Economic and Trade from Peking University and a master's degree in Business Administration from The University of Iowa. Ms. Hung has extensive experience in management.

MR. WANG CHIN MONG
Financial Controller and Company Secretary

Mr. Wang, aged 40, is the Group's Financial Controller and the Company's Company Secretary. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He joined the Group in October 2003.

Independent Auditor's Report

天道香港會計師事務所有限公司
UHY VOCATION HK CPA LIMITED
Certified Public Accountants

TO THE SHAREHOLDERS OF
STYLAND HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Styland Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 106, which comprise the consolidated statement of financial position as at 31 March 2012, and the consolidated income statement, consolidated statement of comprehensive income, 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 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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 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.

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Group as at 31 March 2012 and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

UHY Vocation HK CPA Limited
Certified Public Accountants
David Tze Kin Ng, Auditor
Practising Certificate Number P553

Hong Kong, 22 June 2012

Consolidated Income Statement

for the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Turnover	8	**249,899**	327,201
Revenue	8	**42,600**	86,655
Cost of sales	8	**(18,031)**	(45,059)
Gross profit	8	**24,569**	41,596
Other income	8	**89,861**	6,966
Administrative expenses		**(29,424)**	(28,284)
Selling and distribution expenses		**(1,174)**	(227)
Change in fair value of investment property	17	**1,500**	8,500
Change in fair value of financial assets at fair value through profit or loss		**(16,622)**	3,077
Gain on disposal of financial assets at fair value through profit or loss		**4,159**	36,387
Net fair value of derivative financial instrument	39	**(1,935)**	—
Impairment loss recognised in respect of available-for-sale investments		**—**	(3,857)
Impairment loss recognised in respect of promissory note	20	**(42,960)**	—
Impairment loss recognised in respect of loan receivables	21	**(11,041)**	(1,274)
Reversal of impairment loss recognised in respect of loan receivables	21	**253**	2,612
Gratuity payments	37	**(6,047)**	—
Finance costs	9	**(927)**	(182)
Profit before tax		**10,212**	65,314
Income tax expense	10	**—**	(845)
Profit for the year attributable to owners of the Company	11	**10,212**	64,469
Earnings per share — basic and diluted	15	**HK$0.37 cents**	HK$3.45 cents

The notes on pages 43 to 106 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2012

	2012 HK$'000	2011 HK$'000
Profit for the year	**10,212**	64,469
Other comprehensive income:		
Reclassification adjustments for the cumulative profit included in profit or loss upon disposal of available-for-sale investments	—	12
Total comprehensive income for the year	**10,212**	64,481
Total comprehensive income attributable to owners of the Company	**10,212**	64,481

The notes on pages 43 to 106 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Plant and equipment	16	**2,045**	2,751
Investment property	17	**67,000**	65,500
Loan receivables	21	**11,316**	3,885
Available-for-sale investment	18	**—**	—
		80,361	72,136
Current assets			
Inventories	19	**—**	1,611
Promissory note receivable	20	**—**	45,292
Loan receivables	21	**39,864**	29,193
Trade and bills receivables	22	**12,586**	9,292
Other receivables, deposits and prepayments	23	**3,146**	5,590
Financial assets at fair value through profit or loss	24	**38,460**	34,751
Tax recoverable		**859**	1,152
Amounts due from former directors	25	**85,950**	—
Client trust funds	26	**82,875**	134,816
Pledged bank deposits	27	**6,211**	5,000
Bank balances and cash	28	**70,195**	100,043
		340,146	366,740
Current liabilities			
Trade and bills payables	29	**89,027**	148,732
Other payables and accruals	30	**4,377**	11,427
Dividend payables	14	**—**	325
Loan from a shareholder	31	**10,000**	—
Tax liabilities		**—**	956
Bank borrowing	32	**5,700**	6,900
Obligations under finance leases			
— due within one year	33	**92**	87
		109,196	168,427
Net current assets		**230,950**	198,313
Total assets less current liabilities		**311,311**	270,449
Non-current liability			
Obligations under finance leases — due after one year	33	**7**	99
Net assets		**311,304**	270,350

The notes on pages 43 to 106 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Capital and reserves			
Share capital	34	**37,098**	18,712
Reserves		**274,206**	251,638
Equity attributable to owners of the Company and total equity		**311,304**	270,350

Approved and authorised for issue by Board of Directors on 22 June 2012:

Ng Yiu Chuen
Executive Director

Mak Kit Ping
Executive Director

The notes on pages 43 to 106 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2012

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Special capital reserve HK$'000	Contributed surplus HK$'000	Other reserves HK$'000	Investment revaluation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2010	18,712	35,831	6,040	571,147	598,139	—	(12)	(1,022,803)	207,054
Total comprehensive income for the year	—	—	—	—	—	—	12	64,469	64,481
Dividend recognised as distribution (note 14)	—	—	—	—	(1,185)	—	—	—	(1,185)
At 31 March 2011 and 1 April 2011	18,712	35,831	6,040	571,147	596,954	—	—	(958,334)	270,350
Total comprehensive income for the year	—	—	—	—	—	—	—	10,212	10,212
Issue of scrip shares (a)	4,554	2,510	—	—	(7,064)	—	—	—	—
Issue of bonus shares (a)	4,678	(4,678)	—	—	—	—	—	—	—
Convertible bonds — equity component	—	—	—	—	—	2,267	—	—	2,267
Exercise of subscription rights for gratuity	1,154	4,893	—	—	—	—	—	—	6,047
Conversion of convertible bonds	3,800	6,080	—	—	—	(2,267)	—	—	7,613
Exercise of share options	3,700	7,115	—	—	—	—	—	—	10,815
Issue of subscription shares	500	3,500	—	—	—	—	—	—	4,000
At 31 March 2012	37,098	55,251	6,040	571,147	589,890	—	—	(948,122)	311,304

(a) Details of the issue of scrip shares and bonus shares are set out in note 34.

The notes on pages 43 to 106 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2012

	2012 HK$'000	2011 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**10,212**	65,314
Adjustments for:		
Depreciation	**719**	621
Finance costs	**927**	182
Interest income	**(2,903)**	(5,462)
Loss (gain) on disposal of plant and equipment	**293**	(105)
Net fair value of derivative financial instrument	**1,935**	—
Change in fair value of financial assets at fair value through profit or loss	**16,622**	(3,077)
Change in fair value of investment property	**(1,500)**	(8,500)
Gain on disposal of available-for-sale investments	**—**	(345)
Impairment loss recognised in respect of available-for-sale investments	**—**	3,857
Impairment loss recognised in respect of trade receivables	**—**	7
Impairment loss recognised in respect of other receivables	**33**	—
Impairment loss recognised in respect of loan receivables	**11,041**	1,274
Reversal of impairment loss recognised in respect of trade receivables	**(92)**	(21)
Reversal of impairment loss recognised in respect of loan receivables	**(253)**	(2,612)
Impairment loss recognised in respect of promissory note	**42,960**	—
Gratuity fee	**6,047**	—
Operating cash flows before movements in working capital	**86,041**	51,133
Decrease (increase) in inventories	**1,611**	(1,267)
(Increase) decrease in trade and bills receivables	**(3,202)**	2,136
Increase in loan receivables	**(28,890)**	(255)
Decrease (increase) in other receivables, deposits, and prepayments	**2,446**	(3,367)
Increase in amounts due from former Directors	**(85,950)**	—
Increase in financial assets at fair value through profit or loss	**(20,331)**	(25,297)
Decrease in client trust funds	**51,941**	95,180
Decrease in trade and bills payables	**(59,705)**	(90,402)
Decrease in other payables and accruals	**(4,262)**	(9,562)
Cash (used in) generated from operations	**(60,301)**	18,299
Hong Kong Profits Tax paid	**(663)**	(2,406)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	**(60,964)**	15,893

The notes on pages 43 to 106 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2012

	2012 HK$'000	2011 HK$'000
INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale investments	**—**	20,652
Proceeds from disposal of plant and equipment	**—**	609
Proceeds from promissory note	**5,000**	—
Interest received	**235**	561
Acquisition of plant and equipment	**(341)**	(1,711)
Acquisition of available-for-sale investments	**—**	(10,118)
NET CASH GENERATED FROM INVESTING ACTIVITIES	**4,894**	9,993
FINANCING ACTIVITIES		
Proceeds from issue of shares	**3,200**	—
Repayments of bank borrowings	**(1,200)**	(1,200)
Interest paid	**(927)**	(182)
Repayments of obligations under finance leases	**(87)**	(83)
Increase in pledged bank deposit	**(1,211)**	—
Proceeds from the issue of convertible bonds	**8,892**	—
Proceeds from issue of share option	**7,880**	—
Advance from a shareholder	**10,000**	—
Dividend paid	**(325)**	(2,154)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	**26,222**	(3,619)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(29,848)**	22,267
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**100,043**	77,776
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Bank balances and cash	**70,195**	100,043

The notes on pages 43 to 106 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2012

1. GENERAL INFORMATION

Styland Holdings Limited (the "Company") was incorporated in Bermuda on 31 July 1991 as an exempted company with limited liability under the Companies Act of Bermuda. The shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading on the Stock Exchange since 21 April 2004. The Company resumed trading on 15 December 2011. The address of the registered office and principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the "Group") are set out in note 47.

These consolidated financial statements have been approved for issue by the Board of Directors on 22 June 2012.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised standards, amendments and interpretations applied in the current year

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on 1 April 2011.

Amendments to HKFRSs (2010)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised)	Related Party Disclosures

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

HKAS 24 (Revised) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous periods. HKAS 24 (Revised) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.

Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, Financial instruments: Disclosures. The disclosures about the Group's financial instruments have been conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the consolidated financial statements in the current and previous periods.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2012

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised standards, amendments and interpretations issued but not yet effective

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

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets[2]
HKAS 19 (Revised)	Employee Benefits[4]
HKAS 27 (Revised)	Separate Financial Statements[4]
HKAS 28 (Revised)	Investments in Associates and Joint Ventures[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[5]

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

HKFRS 9 "Financial instruments"

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 9 "Financial instruments" *(Continued)*

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The Directors of the Company anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2015 and that the application of the new standard may have a significant 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.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards that are relevant to the Group are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK (SIC)-Int 12 "Consolidation — Special Purpose Entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and the application of these five standards may have no significant impact on the results and financial position of the Group. However, the application of HKFRS 12 may result in more extensive disclosures in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 13 "Fair value measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad, it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of items of other comprehensive income"

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKAS 12 "Deferred Tax — Recovery of Underlying Assets"

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances. The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The Directors of the Company are in the process of assessing the impact on the application of these amendments to HKAS 12.

The Directors of the Company anticipate that the application of other new and revise standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment property, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below:

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising from the settlement of monetary items, and from the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Basis of consolidation

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Changes in the Group's ownership interests in existing subsidiaries

Increase in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

Investments in subsidiaries

Investment in a subsidiary is stated at cost less any identified impairment loss on the statement of financial position of the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts. Revenue is recognised in the consolidated income statement on the following basis:

(a) revenue from sales of goods is recognised when the goods are delivered and titled has passed;

(b) revenue from trading of securities and securities dealing is recognised on the trade date basis;

(c) commission and brokerage income from securities dealing is recognised on the trade date basis when relevant services are provided;

(d) interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition;

(e) dividend income from investments is recognised when the shareholders' rights to receive payment have been established; and

(f) consultancy, financing advisory and placing service income are recognised when services are provided.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits

(a) Retirement benefits scheme

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") are charged as expense when employees have rendered service entitling them to the contributions.

(b) Long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance ("Employment Ordinance") in the event of the termination of their employment under the circumstances specified in the Employment Ordinance. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the end of the reporting period.

Plant and equipment

Plant and equipment held for use in the production or supply of services, or for administrative purposes, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of plant and equipment less their residual values over their estimated useful lives, using the reducing balance method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The plant and equipment are depreciated on a reducing balance method at the following rates per annum:

Leasehold improvements	25%
Furniture, fixtures and equipment	15%
Motor vehicles	20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated income statement.

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in other revenue.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are mainly financial assets that are held for trading on initial recognition.

A financial asset is classified as held for trading if:

— it has been acquired principally for the purpose of selling in the near future; or

— it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

— it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan receivables, trade and bills receivables, other receivables and deposits, client trust funds, pledged bank deposit, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determined payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group designated that the promissory note receivable as a held-to-maturity investment. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables and held-to-maturity investments.

Available-for-sale investments are measured at fair value at the end of each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss of financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment loss of financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

— significant financial difficulty of the issuer or counterparty; or

— breach of contract, such as default or delinquency in interest and principal payments; or

— it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

— the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as loan receivables, trade and bills receivable and other receivables and deposits, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, 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 the financial asset is reduced by the impairment loss directly for all financial assets with the exception of promissory note receivable, loan receivables, trade and bills receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a promissory note receivable, trade and bills receivable, loan receivable and other receivable are considered uncollectible, they are written-off against the respective allowance accounts. Subsequent recoveries of amounts previously written-off are credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss of financial assets *(Continued)*

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed 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.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including trade and bills payables, other payables and accruals, dividend payables, bank borrowings and obligations under finance leases are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

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

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3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Convertible bonds

The Group's convertible bonds issued with embedded derivative features are split into liability and derivative components. The initial carrying amount of the liability component is the residual amount after separating the embedded derivative. The liability component is subsequently measured at amortised cost, using the effective interest method. The derivative component is recognised as shareholders' equity and will not be revaluated in subsequent years. The remainder of the convertible bonds is recorded as the liability component and is carried at amortised cost until extinguished on conversion or redemption.

Derivative financial instrument

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Taxation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Operating leases payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

Related parties

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the entity's accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the Directors of the Company have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Result of Petition of the Group

Notes 25 and 45 describes the result of the Petition in which the Group has recognised other income amounting to HK$85,950,000 for the judgment debts receivable from the two former Directors of the Company. The interest component has not been recognised by the Group. In making this judgment, the Group has considered and evaluated, among other factors, the uncertainty of the recoverability of the interest receivable and the reliability of the measurement of the estimated interest accrued.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated useful lives of plant and equipment

The Group's carrying values of plant and equipment as at 31 March 2012 was approximately HK$2,045,000 (2011: HK$2,751,000). The Group depreciates the plant and equipment over the estimated useful lives, using the reducing balance method, at the rate of 15-25% per annum, commencing from the date the plant and equipment is placed into productive use. The estimated useful life reflects the Directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's plant and equipment. The Group assesses annually the useful lives of plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be charged in the future period.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Estimated impairment loss recognised in respect of trade and bills receivables, loan receivables, other receivables and prepayments and promissory note receivable

Management regularly reviews and judges the recoverability and/or age of receivables. Appropriate impairment for estimated irrecoverable amounts are recognised in the consolidated income statement when there is objective evidence that the asset is impaired.

In determining whether an impairment on receivables is required, the Group takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounts using the original effective interest rate and its carrying value. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional impairment may be required.

As at 31 March 2012, the carrying amount of trade and bills receivables is approximately HK$12,586,000 (net of accumulated impairment loss of approximately HK$356,000) (2011: HK$9,292,000 (net of accumulated impairment loss of approximately HK$671,000); the carrying amount of loan receivables is approximately HK$51,180,000 (net of accumulated impairment loss of approximately HK$23,402,000) (2011: HK$33,078,000 (net of accumulated impairment loss of approximately HK$14,213,000); the carrying amount of promissory note receivable is nil (net of accumulated impairment loss of approximately HK$42,960,000) (2011: HK$45,292,000 (net of accumulated impairment loss of nil).

Fair value of investment property

Investment property is carried in the consolidated statement of financial position as at 31 March 2012 at the fair value of approximately HK$67,000,000 (2011: HK$65,500,000). The fair value was based on valuation on the property conducted by an independent firm of professional valuer using open market value by reference to comparable market transactions which involve certain assumptions of market conditions. Favorable or unfavorable changes to these assumptions would result in changes in the fair value of the Group's investment property and corresponding adjustments to the amount of gain or loss reported in the consolidated income statement.

Fair value of share option and gratuity

Share option and gratuity are carried at the fair value of approximately HK$1,935,000, and HK$6,047,000 respectively on the issue date. The fair value was based on valuation conducted by an independent firm of professional valuer. Favorable or unfavorable changes to these assumptions would result in changes in the fair value of the share option and gratuity on the issue date and corresponding adjustments to the amount of gain or loss reported in the consolidated income statement.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Estimated impairment loss recognised in respect of available-for-sale investments

The Group had available-for-sale investments which were stated at their fair values on the basis of their quoted market prices at the end of the reporting date, on an individual basis. Any gains or losses are recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated income statement. Management has to assess whether objective evidence of significant impairment exists and consider whether it is appropriate to charge the cumulative loss to consolidated income statement.

In making its judgments, the Group considers if there has been a significant or prolonged decline in the fair value below its cost or whether other objective evidence of impairment exist. No impairment loss was recognised for the years ended 31 March 2012 and 2011 by the Group.

For the available-for-sale investment not quoted in an active market, the management takes into consideration the estimation of future cash flows. The amount of impairment loss is measured on the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Where the actual future cash flows are more or less than expected, a material difference on the impairment loss recognised may arise. During the year ended 31 March 2012, the impairment loss in respect of available-for-sale investments is nil (2011: HK$3,857,000).

5. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries which engage in securities dealing and broking service, corporate finance and advisory service are the regulated entities under the Hong Kong Securities and Futures Ordinance and are subject to the respective minimum capital requirements. During the two years, the subsidiaries compiled with respective minimum capital requirements. No changes were made in the objective, policies or processes for managing capital during the years ended 31 March 2012 and 2011.

The capital structure of the Group consists of debts, which included the bank borrowings as disclosed in note 32, obligations under finance leases as disclosed in note 33, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors of the Company review the capital structure on an annual basis. As part of this review, the Directors of the Company consider the cost of capital and risks associated with each class of capital and will balance its overall capital structure through the raise of bank borrowings, payment of dividends and issue of convertible bonds, share options and new shares.

There is no change in the capital risk management policy adopted by the Company during the two years ended 31 March 2012 and 2011.

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6. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	2012 HK$'000	2011 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
— held for trading investments	**38,460**	34,751
Loans and receivables		
— loan receivables	**51,180**	33,078
— trade and bills receivables	**12,586**	9,292
— other receivables and deposits	**2,443**	4,949
— client trust funds	**82,875**	134,816
— pledged bank deposits	**6,211**	5,000
— bank balances and cash	**70,195**	100,043
	225,490	287,178
Held-to-maturity investment		
— promissory note receivable	**—**	45,292
	263,950	367,221
Financial liabilities		
Other financial liabilities at amortised cost		
— trade and bills payables	**89,027**	148,732
— other payables and accruals	**4,377**	9,439
— dividend payables	**—**	325
— bank borrowings	**5,700**	6,900
— obligations under finance leases	**99**	186
	99,203	165,582

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk management objectives and policies

The Group's financial instruments include financial assets at fair value through profit or loss, loan receivables, trade and bills receivables, other receivables and deposits, client trust funds, pledged bank deposits, bank balances and cash, promissory note receivable, available-for-sale investments, trade and bills payables, other payables and accruals, dividend payables, bank borrowings and obligations under finance leases. Details of the financial instruments are disclosed in the relevant notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

(i) Currency risk

The Group's business activities and its assets and liabilities were mainly denominated in HK$, Renminbi ("RMB") and United States dollars ("US$"). The management considers the Group does not expose to significant foreign currency risk as majority of its operations and transaction are denominated in the functional currency of the Group. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

US$ is not the functional currency of the Group. However, given that HK$ is pegged to US$, the Group does not expect any significant movements in the US$/HK$ exchange rates. In the opinion of Directors of the Company, the foreign currency sensitivity does not give additional value in view of insignificant movement in the US$/HK$ exchange rates and insignificant exposure of other foreign currencies in relation to bank balances (see note 28) at the end of the reporting period, except for RMB. Accordingly, the foreign currency sensitivity disclosed includes the analysis for RMB only.

The sensitivity analysis has been determined based on 5% (2011: 5%) increase and decrease in RMB against HK$. For a 5% (2011: 5%) weakening of RMB against HK$, there would be a decrease in post-tax profit by HK$62,000 (2011: nil). For a 5% (2011: 5%) strengthening of RMB against HK$, there would be an equal and opposite impact on the profit.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the promissory note receivable, the fixed-rate pledged bank deposits and obligations under finance leases (see notes 20, 27 and 33 respectively for details).

The Group is also exposed to cash flow interest rate risk in relation to loan receivables, client trust funds, bank balances, trade payables and bank borrowings (see notes 21, 26, 28, 29 and 32 respectively for details). The interest rate risk is managed by the Directors of the Company on an ongoing basis with the primary objective of limiting extent to which interest expense could be affected by adverse movement in interest rates.

Notes to the Consolidated Financial Statements

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6. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk management objectives and policies *(Continued)*

(a) Market risk *(Continued)*

(ii) Interest rate risk *(Continued)*

The sensitivity analysis below has been determined based on the exposure to interest rates for loan receivables, client trust funds, bank balances, trade payables and bank borrowings at the end of reporting period. The analysis is prepared assuming financial instruments outstanding at the end of reporting period were outstanding for the whole year. A 100 (2011: 100) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 (2011:100) basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2012 would increase/decrease by HK$1,098,000 (2011: HK$1,150,000).

(iii) Other price risk

Other price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as FVTPL (note 24) as at 31 March 2012. The Group's listed investments are listed on the Stock Exchange and Ho Chi Minh Stock Exchange and are valued at quoted market prices at the reporting date. In addition, the Group monitors the price risk exposure and will consider hedging the risk exposure should the need arise.

The sensitivity analyses below have been determined based on the Group's exposure to equity price risks at the reporting date.

If the price of the respective equity instruments classified as FVTPL had been 5% (2011: 5%) higher/lower, the post-tax profit for the year ended 31 March 2012 would increase/decrease by approximately HK$1,606,000 (2011: HK1,451,000) for the Group, as a result of the changes in fair value of financial assets classified as FVTPL.

(b) Credit risk

As at 31 March 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts in this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk management objectives and policies *(Continued)*

(b) Credit risk *(Continued)*

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

For the securities dealing, broking and financial business, loan will be granted based on assessment on financial status, repayment records and the liquidity of collaterals placed by a customer and the interest rate will be determined thereon. The Group's loans to customers arising from the business of securities dealings are secured by the underlying pledged securities. Loan will be repayable on demand once a customer fails to repay any deposit, margin or other sum payable to the Group.

The account executives of the Group are responsible for making margins calls to customers whose trade exceed their respective limits. The deficiency report will be monitored daily by the Group's Director and responsible officers.

The Group has concentration of credit risk as 41% (2011: 74%) and 73% (2011: 71%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% (2011: 100%) of the total trade receivable as at 31 March 2012.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and trade receivables, the Group has no significant concentration of credit risk on loan receivables and other receivables, with exposure spread over a number of counterparties.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate banking facilities from major financial institutions to meet its liquidity requirements in the short and long term.

The bank borrowings, amounted to approximately HK$4,500,000 (2011: HK$5,700,000) with a contractual repayment terms maturing in five years were classified as current liabilities as at 31 March 2012. Due to the inclusion of a repayment on demand clause in the respective facilities agreement such loans are classified as current liabilities regardless of the original repayment term nor in the absence of any events of default.

In respect of the Group's securities dealing and broking services business, it is subject to various statutory liquidity requirements as prescribed by the Securities and Futures Ordinance. The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant Financial Resources Rules.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2012

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk management objectives and policies *(Continued)*

(c) ***Liquidity risk*** *(Continued)*

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities as at 31 March 2012 and 2011. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

As at 31 March 2012

	Interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and bills payables	—	89,027	—	—	89,027	89,027
Other payables and accruals	—	4,377	—	—	4,377	4,377
Bank borrowings	2.25%	5,700	—	—	5,700	5,700
Obligations under finance leases	5.28%	94	7	—	101	99
		99,198	7	—	99,205	99,203

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Financial risk management objectives and policies *(Continued)*

(c) Liquidity risk *(Continued)*

Liquidity tables *(Continued)*

As at 31 March 2011

	Interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and bills payables	0.01%	148,747	—	—	148,747	148,732
Other payables and accruals	—	9,439	—	—	9,439	9,439
Dividend payables	—	325	—	—	325	325
Bank borrowings	2.25%	6,900	—	—	6,900	6,900
Obligations under finance leases	5.28%	95	94	7	196	186
		165,506	94	7	165,607	165,582

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

— The fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and

— The fair values of 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 as input.

The Directors of the Company consider that the other carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to short-term or immediate maturities.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides and analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Fair value *(Continued)*
As at 31 March 2012

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Non-derivative financial assets held for trading	**38,460**	**—**	**—**	**38,460**

As at 31 March 2011

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Non-derivative financial assets held for trading	34,751	—	—	34,751

There were no transfers between Level 1 and 2 in both years.

7. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. To facilitate the performance assessment, the revenue and result of the margin financing services were classified to the securities dealing and broking services segment during the year under review, and the interest income from the promissory note receivable was grouped into the strategic investment segment. The segment information for the corresponding period in 2011 was restated to conform to such reclassifications. The Group's reportable segments under HKFRS 8 are as follows:

— the securities dealing and broking services segment provides securities broking, margin financing and corporate finance;

— the financing segment mainly engages in corporate and personal loans that are secured by real properties;

— the general import and export trading segment mainly engages in the trading of frozen foods and electronic accessories;

— the trading of securities segment engages in dealing with listed securities;

— the property development and investment segment engages in property redevelopment and letting of property; and

— the strategic investments segment engages in investments for an identified long-term purpose.

7. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 March 2012

	Securities dealing and broking services HK$'000	Financing HK$'000	General import and export trading HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Eliminations HK$'000	Consolidated HK$'000
Segment revenue								
External sales	19,306	7,425	15,383	486	—	—	—	42,600
Inter-segment sales	1,683	—	—	—	—	—	(1,683)	—
	20,989	7,425	15,383	486	—	—	(1,683)	42,600
Segment (loss) profit	(5,464)	6,019	597	(11,987)	887	(40,330)	—	(50,278)
Unallocated income and expenses								60,490
Profit before tax								10,212

For the year ended 31 March 2011

	Securities dealing and broking services HK$'000	Financing HK$'000	General import and export trading HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Eliminations HK$'000	Consolidated HK$'000
Segment revenue								
External sales	36,337	4,810	45,410	98	—	—	—	86,655
Inter-segment sales	964	65	—	—	—	—	(1,029)	—
	37,301	4,875	45,410	98	—	—	(1,029)	86,655
Segment profit	23,356	3,743	4,896	39,604	8,072	905	—	80,576
Unallocated income and expenses								(15,262)
Profit before tax								65,314

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administrative costs, Directors' salaries, bank interest income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Inter-segment sales are charged at prevailing market rates.

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7. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The segment assets and liabilities at 31 March 2012 by reportable segments are as follows:

	Securities dealing and broking services HK$'000	Financing HK$'000	General import and export trading HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	**102,595**	**39,416**	**5,258**	**40,015**	**67,085**	**—**	**166,138**	**420,507**
Segment liabilities	**91,096**	**10,344**	**350**	**5**	**1**	**12**	**7,395**	**109,203**

The segment assets and liabilities at 31 March 2011 by reportable segments are as follows:

	Securities dealing and broking services HK$'000	Financing HK$'000	General import and export trading HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Segment assets	160,213	11,447	7,913	38,627	65,983	45,292	109,401	438,876
Segment liabilities	148,744	305	2,795	5	193	12	16,472	168,526

For the purposes of monitoring segment performances and allocating resources between segments:

— all assets are allocated to reportable segments other than tax recoverable, pledged bank deposit, bank balances and cash, unallocated plant and equipment, and unallocated other receivables, deposits and prepayments; and

— all liabilities are allocated to reportable segments other than dividend payables, tax liabilities, bank borrowings, obligations under finance leases, and unallocated other payables and accruals.

7. SEGMENT INFORMATION *(Continued)*

Other segment information
For the year ended 31 March 2012

	Securities dealing and broking services HK$'000	Financing HK$'000	General import and export trading HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets								
Change in fair value of investment property	—	—	—	—	1,500	—	—	1,500
Change in fair value of financial assets at fair value through profit or loss	—	—	—	(16,622)	—	—	—	(16,622)
Gain on disposal of financial assets at fair value through profit or loss	—	—	—	4,159	—	—	—	4,159
Net fair value of derivative financial instrument	—	—	—	—	—	—	(1,935)	(1,935)
Impairment loss recognised in respect of other receivables	—	(33)	—	—	—	—	—	(33)
Reversal of impairment loss recognised in respect of trade receivables	—	—	92	—	—	—	—	92
Impairment loss recognised in respect of loan receivables	(10,539)	(502)	—	—	—	—	—	(11,041)
Reversal of impairment loss recognised in respect of loan receivables	12	241	—	—	—	—	—	253
Bad debt recovery for loan receivables	96	—	—	—	—	—	—	96
Depreciation	(301)	(4)	—	—	(1)	—	(413)	(719)
Loss on disposal of plant and equipment	—	—	—	—	(289)	—	(4)	(293)
Addition to non-current assets (note)	309	6	—	—	—	—	26	341
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets								
Interest income	2	—	221	—	—	2,668	12	2,903
Finance costs	—	—	(2)	—	(144)	—	(781)	(927)
Income tax expense	—	—	—	—	—	—	—	—

Note: It excludes the additions to loan receivables and available-for-sale investments.

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7. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

For the year ended 31 March 2011

	Securities dealing and broking services HK$'000	Financing HK$'000	General import and export trading HK$'000	Trading of securities HK$'000	Property development and investment HK$'000	Strategic investments HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets								
Change in fair value of investment property	—	—	—	—	8,500	—	—	8,500
Change in fair value of financial assets at fair value through profit or loss	—	—	—	3,077	—	—	—	3,077
Gain on disposal of financial assets at fair value through profit or loss	—	—	—	36,387	—	—	—	36,387
Impairment loss recognised in respect of trade receivables	—	—	(7)	—	—	—	—	(7)
Reversal of impairment loss recognised in respect of trade receivables	—	—	21	—	—	—	—	21
Impairment loss recognised in respect of available-for-sales investments	—	—	—	—	—	(3,857)	—	(3,857)
Impairment loss recognised in respect of loan receivables	(11)	(1,263)	—	—	—	—	—	(1,274)
Reversal of impairment loss recognised in respect of loan receivables	2,351	261	—	—	—	—	—	2,612
Bad debt recovery for loan receivables	96	—	—	—	—	—	—	96
Depreciation	(211)	(1)	—	—	(38)	—	(371)	(621)
Gain on disposal of plant and equipment	—	—	—	—	—	—	105	105
Addition to non-current assets (note)	279	24	—	—	361	—	1,047	1,711
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets								
Interest income	8	1	544	—	—	4,901	8	5,462
Finance costs	—	—	—	—	(169)	—	(13)	(182)
Income tax expense	(853)	—	—	—	(31)	39	—	(845)

Note: It excludes the additions to promissory note receivable, loan receivables and available-for-sale investments.

7. SEGMENT INFORMATION *(Continued)*

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2012 HK$'000	2011 HK$'000
Sales of frozen foods	**15,383**	44,427
Sales of electronic accessories	**—**	983
Commission and brokerage income from securities dealing	**14,240**	36,337
Interest income from mortgage financing	**7,223**	370
Interest income from margin and other financing	**5,268**	4,440
Dividend income	**486**	98
	42,600	86,655

Geographical information

The Group's operations are located in Hong Kong (country of domicile) and Europe.

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2012 HK$'000	2011 HK$'000	2012 HK$'000	2011 HK$'000
Hong Kong	**42,600**	85,672	**69,045**	68,251
Europe	**—**	983	**—**	—
	42,600	86,655	**69,045**	68,251

Note: Non-current assets excluded loan receivables and available-for-sale investments.

Information about major customers

During the year ended 31 March 2012, revenue from one customer of the Group's general import and export trading segment amounting to approximately HK$15,383,000 (2011: HK$44,427,000) had individually accounted for over 10% of the Group's total revenue.

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8. TURNOVER, REVENUE, COST OF SALES AND OTHER INCOME

Turnover represents the amounts received and receivable for goods sold and services provided, trading of securities, commission and brokerage income from securities dealing, interest income from mortgage, margin and other financing, and dividend income are analysed as follows:

	2012 HK$'000	2011 HK$'000
Turnover comprises:		
Proceeds from held for trading investments	**207,299**	240,546
Sales of goods	**15,383**	45,410
Commission and brokerage income from securities dealing	**14,240**	36,337
Interest income from mortgage financing	**7,223**	370
Interest income from margin and other financing	**5,268**	4,440
Dividend income	**486**	98
	249,899	327,201
Revenue comprises:		
Sales of goods	**15,383**	45,410
Commission and brokerage income from securities dealing	**14,240**	36,337
Interest income from mortgage financing	**7,223**	370
Interest income from margin and other financing	**5,268**	4,440
Dividend income	**486**	98
	42,600	86,655
Cost of sales comprises:		
Cost of goods sold	**15,001**	40,636
Direct cost in respect of securities broking business	**3,030**	4,423
	18,031	45,059
Gross profit comprises:		
Sales of goods	**382**	4,774
Commission and brokerage income from securities dealing	**11,210**	31,914
Interest income from mortgage financing	**7,223**	370
Interest income from margin and other financing	**5,268**	4,440
Dividend income	**486**	98
	24,569	41,596
Other income comprises:		
Interest income	**235**	561
Interest income on promissory note receivable	**2,668**	4,901
Reversal of impairment loss recognised in respect of trade receivables	**92**	21
Bad debt recovery from loan receivables	**96**	96
Gain on disposal of plant and equipment	**—**	105
Gain on disposal of available-for-sale investments	**—**	345
Payment of judgment debts	**85,950**	—
Sundry income	**820**	937
	89,861	6,966

9. FINANCE COSTS

	2012 HK$'000	2011 HK$'000
Interest on:		
— bank overdrafts and bank borrowings wholly repayable within five years	**146**	169
— obligations under finance leases	**7**	13
— cancellation of shares subscriptions	**774**	—
	927	182

10. INCOME TAX EXPENSE

	2012 HK$'000	2011 HK$'000
Hong Kong Profits Tax		
Current year	**—**	884
Overprovision in prior years	**—**	(39)
	—	845

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and its subsidiaries either has available losses brought forward from prior years to offset the assessable profits generated during the year or did not generate any assessable profits arising in Hong Kong during the year.

Hong Kong profits tax has been provided at the rate of 16.5% in 2011 on the estimated assessable profit for the year 2011.

10. INCOME TAX EXPENSE *(Continued)*

The income tax expenses for the year can be reconciled to the profit before tax per the consolidated income statements as follows:

	2012 HK$'000	2011 HK$'000
Profit before tax	**10,212**	65,314
Tax at domestic income tax rate of 16.5% (2011: 16.5%)	**1,685**	10,777
Tax effect of expenses not deductible for tax purpose	**7,672**	1,068
Tax effect of income not taxable for tax purpose	**(14,739)**	(2,320)
Tax effect of temporary differences not recognised	**(234)**	—
Tax effect of tax losses not recognised	**6,092**	836
Overprovision in prior years	**—**	(39)
Utilisation of tax loss previously not recognised	**(476)**	(9,477)
Income tax expense for the year	**—**	845

As at 31 March 2012, the Group has unused tax losses of approximately HK$212,919,000 (2011: HK$178,882,000) available for offset against future profits. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams for certain of subsidiaries. The tax losses may be carried forward indefinitely.

11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	2012 HK$'000	2011 HK$'000
Staff costs (including Directors' remuneration):		
— Salaries, allowances and other benefits	**15,000**	14,196
— Retirement benefit scheme contributions	**534**	513
	15,534	14,709
Auditor's remuneration	**735**	680
Depreciation	**719**	621
Loss (gain) on disposal of plant and equipment	**293**	(105)
Lease payments under operating leases for rented premises	**1,818**	1,734
Impairment loss recognised in respect of trade receivables	**—**	7
Impairment loss recognised in respect of other receivables	**33**	—
Cost of inventories recognised as an expense	**14,884**	40,521

12. DIRECTORS' REMUNERATION

The remuneration paid or payable to each of ten (2011: eleven) Directors were as follows:

Name of Director	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 2012				
Executive Directors				
Cheung Hoo Win	—	513	12	525
Ho Mei Sheung (note a)	—	323	7	330
Ng Yiu Chuen	—	718	12	730
Zhang Yuyan	—	150	—	150
Chen Lili	—	120	—	120
Mak Kit Ping (note b)	—	68	3	71
Independent Non-Executive Directors				
Yeung Shun Kee	80	—	—	80
Li Hancheng	100	—	—	100
Lo Tsz Fung Philip	80	—	—	80
Zhao Qingji	200	—	—	200
	460	1,892	34	2,386

Notes:

(a) Retired on 15 February 2012

(b) Appointed on 15 February 2012

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12. DIRECTORS' REMUNERATION *(Continued)*

Name of Director	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31 March 2011				
Executive Directors				
Cheung Hoo Win	—	481	12	493
Yeung Han Yi Yvonne ("Ms. Yeung") (note c)	—	515	26	541
Chan Chi Mei Miranda ("Ms. Chan") (note c)	—	442	22	464
Ho Mei Sheung (note d)	—	347	7	354
Ng Yiu Chuen (note d)	—	242	5	247
Zhang Yuyan	—	150	—	150
Chen Lili	—	120	—	120
Independent Non-Executive Directors				
Yeung Shun Kee	80	—	—	80
Li Hancheng	100	—	—	100
Lo Tsz Fung Philip	80	—	—	80
Zhao Qingji	200	—	—	200
	460	2,297	72	2,829

Notes:

(c) Retired on 5 December 2010

(d) Appointed on 5 December 2010

The Group's investment property which is held for the purpose of redevelopment was provided to Mr. Cheung Hoo Win as rent-free accommodation for the two years ended 31 March 2012 and 2011.

The estimated money value of the annual rental of the accommodation was HK$1,200,000 (2011: HK$1,200,000).

None of the Directors of the Company waived or agreed to waive any emoluments for the two years ended 31 March 2012 and 2011.

Other than the gratuity payments disclosed in note 37, no emoluments have been paid to the Directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the two years ended 31 March 2012 and 2011.

13. EMPLOYEES' EMOLUMENTS

During the year, the five highest paid individuals included two Directors (2011: three Directors) of the Company, whose emoluments have been included in note 12 above. The emolument's of the remaining three individuals (2011: two individuals) for the years ended 31 March 2012 and 2011 were as follows:

	2012 HK$'000	2011 HK$'000
Salaries, allowances and other benefits	**1,796**	1,706
Retirement benefit scheme contributions	**36**	24
	1,832	1,730

No emoluments have been paid to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the two years ended 31 March 2012 and 2011.

The above emoluments fall within the following band:

	Number of employees	
	2012	2011
Nil to HK$1,000,000	**3**	2

14. DIVIDENDS

	2012 HK$'000	2011 HK$'000
Interim dividend	**—**	936
Final dividend	**—**	—
	—	936

The Board did not recommend any payment of interim and final dividend for the year.

14. DIVIDENDS *(Continued)*

Interim Dividend for 2011

On 22 November 2010, the Board resolved to propose an interim cash dividend of HK0.05 cent per share with a scrip alternative to offer the right to shareholders to elect to receive such interim dividend wholly or partly by allotment and issue of scrip shares credited as fully paid in lieu of cash dividend (the "2011 Interim Dividend").

On 22 November 2010, the Board also proposed a bonus issue of shares to its shareholders on the basis of 1 bonus share for every 20 shares held by the shareholders (the "2011 Bonus Issue Proposal").

On 14 September 2011, the Company allotted and issued 55,467,991 and 93,559,433 new shares of the Company to the shareholders for the 2011 Interim Dividend and the 2011 Bonus Issue Proposal. Approximate HK$325,000 had been paid to shareholders who elected to receive cash.

15. EARNINGS PER SHARE

The calculation of basic earnings per share for the year is based on the profit for the year attributable to owners of the Company of approximately HK$10,212,000 (2011: HK$64,469,000) and the weighted average number of 2,735,114,586 (2011: 1,871,188,679) ordinary shares in issue during the year.

The basic and diluted earnings per share are the same for the years ended 31 March 2012 and 2011 as there were no potential ordinary shares outstanding for both years.

16. PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2011	2,047	4,578	2,026	8,651
Additions	180	161	—	341
Disposals	(308)	(59)	—	(367)
At 31 March 2012	1,919	4,680	2,026	8,625
ACCUMULATED DEPRECIATION				
At 1 April 2011	1,493	3,838	569	5,900
Charge for the year	221	207	291	719
Eliminated on disposals	(34)	(5)	—	(39)
At 31 March 2012	1,680	4,040	860	6,580
CARRYING VALUES				
At 31 March 2012	239	640	1,166	2,045
COST				
At 1 April 2010	1,447	4,271	2,128	7,846
Additions	600	334	777	1,711
Disposals	—	(27)	(879)	(906)
At 31 March 2011	2,047	4,578	2,026	8,651
ACCUMULATED DEPRECIATION				
At 1 April 2010	1,344	3,657	680	5,681
Charge for the year	149	199	273	621
Eliminated on disposals	—	(18)	(384)	(402)
At 31 March 2011	1,493	3,838	569	5,900
CARRYING VALUES				
At 31 March 2011	554	740	1,457	2,751

At 31 March 2012, the carrying values of the motor vehicles held by the Group under finance leases amounted to approximately HK$204,000 (2011: HK$255,000).

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17. INVESTMENT PROPERTY

	2012 **HK$'000**	2011 HK$'000
Fair value		
At 1 April	**65,500**	57,000
Changes in fair value recognised in profit or loss	**1,500**	8,500
At 31 March	**67,000**	65,500
Leasehold properties situated in Hong Kong held under medium-term lease	**67,000**	65,500

The fair value of the Group's investment property at 31 March 2012 and 2011 had been arrived at on the basis of valuation carried out on the respective year by LCH (Asia-Pacific) Surveyors Limited ("LCH"), an independent qualified professional valuer not connected with the Group. LCH is the member of the Hong Kong Institute of Surveyor, and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The Group's property held to earn rental or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment property.

At the end of the reporting period, the Group's investment property of approximately HK$67,000,000 (2011: HK$65,500,000) has been pledged to secure the banking facilities granted to the Group as details stated in note 40.

18. AVAILABLE-FOR-SALE INVESTMENTS

	2012 HK$'000	2011 HK$'000
Unlisted investment		
— equity securities, at cost	**3,857**	3,857
Less: Impairment loss recognised	**(3,857)**	(3,857)
Total	**—**	—

The above unlisted equity investment represents the Group's 10% equity interest in Onland Investment Limited ("Onland"), the Company's former subsidiary, and its subsidiaries (the "Onland Group"). During the year ended 31 March 2010, the Group had partially disposed of its interests in the Onland Group, being the disposal of an aggregate of 9 shares in Onland representing 90% equity interests in the Onland Group previously held by the Group, for a consideration of approximately HK$48,000,000. The Directors of the Company are of the opinion that the Group no longer had control, joint control or significant influence over the financing and operating policy decision of the Onland Group. Immediately after the disposal, the Group's remaining 10% equity interests in the Onland Group with a carrying amount of approximately HK$3,857,000 was reclassified to available-for-sale investment. The investment is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors of the Company are of the opinion that its fair value cannot be measured reliably.

During the year ended 31 March 2011, the Group recognised an impairment loss of approximately HK$3,857,000 in respect of available-for-sale investments as a result of its decrease in the recoverable amounts.

19. INVENTORIES

	2012 HK$'000	2011 HK$'000
Finished goods	**—**	1,611

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20. PROMISSORY NOTE RECEIVABLE

The Group disposed of 90% of its shareholding interest in a toll road project in Wuhan China at the consideration of HK$48,000,000, which was partially satisfied by cash of HK$4,000,000 and the balance by issuing a promissory note to the Group.

The promissory note receivable, which bears a 6% coupon rate per annum, became due on 30 September 2011 (the "Maturity Date"). According to the terms of the promissory note, Lucky Global Investments Limited (the "Note Issuer") was required to pay the Group the principal amount of HK$44,000,000 together with the accrued interest of HK$3,960,000, for a total of HK$47,960,000 (the "Total Sum") on the Maturity Date. The Company has only received HK$5,000,000 for the partial settlement of the Total Sum during the year ended 31 March 2012.

Given the negative response of the Note Issuer towards the Group's repeated requests for payment and the lengthy period that this receivable has been outstanding since the Maturity Date, the Group had resolved to make impairment for the remaining balance of HK$42,960,000 in the year ended 31 March 2012. The Group is currently seeking legal advice and considering various alternatives in dealing with the matter, which include but not limited to taking legal actions to enforce the Group's rights under the charge and negotiation with the Note Issuer for settlement arrangement.

21. LOAN RECEIVABLES

	2012 HK$'000	2011 HK$'000
Securities dealing and broking services		
— secured margin loans (note 1)	**27,674**	28,224
Less: impairment loss recognised	**(15,283)**	(6,355)
	12,391	21,869
Financing business		
— unsecured loans	**7,585**	8,187
— secured mortgage loans (note 2)	**39,323**	10,880
Less: Impairment loss recognised	**(8,119)**	(7,858)
	38,789	11,209
The Group's loan receivables (net of impairment loss) are analysed into:		
— Non-current assets	**11,316**	3,885
— Current assets	**39,864**	29,193
	51,180	33,078

Notes:

1. Secured loans to margin clients are secured by the underlying pledged securities and are interest-bearing. No aging analysis is disclosed as, in the opinion of the Directors, an aged analysis does not give additional value in view of the nature of the business of securities dealing and broking services.

2. Secured mortgage loans to mortgage loan clients are secured by the properties located in Hong Kong of the clients and are interest-bearing.

21. LOAN RECEIVABLES *(Continued)*

The amount of credit facilities granted to clients is determined by the market value of the collateral securities accepted by the Group. As at 31 March 2012, the total market value of securities pledged as collateral in respect of the loans to clients was approximately HK$130,224,000 (2011: HK$111,000,000), of which HK$34,906,000 (2011: HK$31,725,000) were provided by certain group companies.

Loan receivables on secured margin loans of approximately HK$27,674,000 (2011: HK$28,224,000) are repayable on demand and bear interests at interest rates with reference to prime rate plus a spread for both years.

Loan receivables on unsecured loans of approximately HK$3,159,000 (2011: HK$3,519,000) bear interests at interest rates with reference to commercial rates, the remaining balances of approximately HK$4,426,000 (2011: HK$4,668,000) are non-interest bearing.

Loan receivables on secured mortgage loans of approximately HK$39,323,000 (2011: HK$10,880,000) are repayable on demand or agreed by individual borrowers and bear interests rates with reference to commercial rates. The loan receivables which would be received over one year were recorded as non-current receivables. As at 31 March 2012, the total market value of properties pledged as collateral in respect of the mortgage loans was approximately HK$219,560,000 (2011: HK$69,100,000).

The aging analysis of the Group's loan receivables for the financing business, net of accumulated impairment losses, based on the loans release date at the end of the reporting period for the financing business is as follows:

	2012 HK$'000	2011 HK$'000
Within 6 months	**29,569**	10,999
7 to 12 months	**8,172**	—
Over 1 year	**1,048**	210
	38,789	11,209

The carrying amount of fixed-rate loans receivables have contractual maturity date as follows:

	2012 HK$'000	2011 HK$'000
On demand of within one year	**27,473**	7,324
In more than one year but not more than five years	**5,717**	1,589
Over five years	**5,599**	2,296
	38,789	11,209

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21. LOAN RECEIVABLES *(Continued)*

In respect of the loan receivables for the financing business, individual credit evaluation are performed on all customers. These evaluations focus on the customer's financial background and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

Apart from assessing the financial position of the clients, the management further reviews value of the pledged properties by reference to recent market transactions in comparable properties for the loan receivables on every secured loan for the financing business. If the market value of secured real estate is deteriorated and is below the carrying amount of the corresponding financing advances, provision of impairment may be required.

The following is an aging analysis of the Group's loan receivables for the financing business which are past due but not impaired at the end of the reporting period:

			Past due but not impaired			
	Total	Neither past due nor impaired	<90 days	91 to 180 days	181 to 365 days	Over 1 year
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2012	**38,789**	**38,584**	**—**	**—**	**39**	**166**
31 March 2011	11,209	10,983	8	8	—	210

The properties owned by clients were pledged to the Group over the amount of loan receivables on every secured loan for financing business. The Group does not hold any collateral over the total amount of unsecured loans for financing business.

At the end of each reporting date, the Group's loan receivables were individually determined to be impaired. The individually impaired loan receivables are recognised based on the credit history of its client, such as financial difficulties or default in payments, sufficiency of collateral and current market conditions. Consequently, specific impairment provision was recognised.

Receivables that were past due but not impaired relate to a number of independent clients that have a good track record with the Group. Based on past experience, the Directors of the Company are of the opinion that no impairment is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable.

21. LOAN RECEIVABLES *(Continued)*

The movement in the impairment of loan receivables is as follows:

	Financing business		Margin clients		Total	
	2012 HK$'000	2011 HK$'000	**2012 HK$'000**	2011 HK$'000	**2012 HK$'000**	2011 HK$'000
At 1 April	**7,858**	7,207	**6,355**	8,695	**14,213**	15,902
Impairment loss recognised for the year	**502**	1,263	**10,539**	11	**11,041**	1,274
Transferred to trade and bills receivables (note 22)	**—**	—	**(1,599)**	—	**(1,599)**	—
Amounts written off as uncollectible for the year	**—**	(351)	**—**	—	**—**	(351)
Reversal of impairment loss recognised for the year	**(241)**	(261)	**(12)**	(2,351)	**(253)**	(2,612)
At 31 March	**8,119**	7,858	**15,283**	6,355	**23,402**	14,213

Included in the impairment of loan receivables are individually impaired loan receivables with an aggregate balance of HK$23,402,000 (2011: HK$14,213,000) which have been in disputes with the Group or in severe financial difficulties.

22. TRADE AND BILLS RECEIVABLES

Trading terms with general trading customers are largely on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 30 to 60 days of issuance, expect for certain well-established customers, where the terms are extended to 90 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. The general settlement terms of trade receivables attributable to the securities dealing and the broking services are two days after the trade date.

	2012 HK$'000	2011 HK$'000
Trade receivables	**12,942**	9,667
Bills receivables	**—**	296
	12,942	9,963
Less: Impairment losses recognised	**(356)**	(671)
	12,586	9,292

22. TRADE AND BILLS RECEIVABLES *(Continued)*

	2012 **HK$'000**	2011 HK$'000
Balance in relation to:		
— securities dealing and broking services	**7,412**	3,083
— general trading and others	**5,174**	6,209
	12,586	9,292

An aging analysis of the Group's trade and bills receivables net of impairment presented based on the invoice date at the end of the reporting period is as follows:

	2012 **HK$'000**	2011 HK$'000
Within 6 months	**12,527**	9,255
7 to 12 months	**49**	31
Over 1 year	**10**	6
	12,586	9,292

Included in the Group's trade receivable balances are trade debtors with aggregate carrying amount of HK$12,229,000 (2011: HK$3,083,000) which are past due at the reporting date for which the Group has not provided for impairment loss. These past due but not impaired balances mainly represent sales and services made to recognised and creditworthy customers. These customers who trade on credit terms are subject to credit verification procedures. For these past due but not impaired balances, no impairment is considered necessary by the Directors of the Company based on the historical payment records.

22. TRADE AND BILLS RECEIVABLES *(Continued)*

The following is an aging analysis of trade receivables which are past due but not impaired at the reporting date:

	Total	Neither past due nor impaired	Past due but not impaired <90 days	91 to 180 days	181 to 365 days	Over 1 year
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2012	**12,586**	**357**	**7,369**	**4,801**	**49**	**10**
31 March 2011	9,292	6,209	2,995	51	31	6

At the end of each reporting period, the Group's trade and bills receivables were individually reviewed to determine whether they were impaired. The individually impaired trade and bills receivables are recognised based on the credit history of the counterparties, such as financial difficulties or default payments. Consequently, specific impairment loss was recognised.

The movement in the impairment of trade receivables is as follows:

	2012 HK$'000	2011 HK$'000
At 1 April	**671**	1,843
Impairment loss recognised for the year	**—**	7
Transferred from loan receivables (note 21)	**1,599**	—
Amounts written off as uncollectible for the year	**(1,822)**	(1,158)
Reversal of impairment loss recognised for the year	**(92)**	(21)
At 31 March	**356**	671

Included in the impairment of trade receivables are individually impaired trade receivables with an aggregate balance of HK$356,000 (2011: HK$671,000) which have been in disputes with the Group or in severe financial difficulties. The Group held listed securities in client accounts with market value at 31 March 2012 of approximately HK$33,516,000 (2011: HK$52,098,000) as collateral over these balances.

The Group's trade and bills receivables that are denominated in currency other than the functional currency of the relevant group companies before impairment loss recognised are as follows:

	2012 HK$'000	2011 HK$'000
USD	**327**	622

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2012 HK$'000	2011 HK$'000
Deposits	**1,121**	1,384
Prepayments	**703**	641
Interest receivable	**530**	111
Other receivables	**835**	3,687
	3,189	5,823
Less: Impairment losses recognised	**(43)**	(233)
	3,146	5,590

The movement in the impairment of other receivables, deposits and prepayments is as follow:

	2012 HK$'000	2011 HK$'000
At 1 April	**233**	233
Impairment loss recognised for the year	**33**	—
Amounts written off as uncollectible for the year	**(223)**	—
At 31 March	**43**	233

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012 HK$'000	2011 HK$'000
Fair value:		
Listed securities issued by corporate entities		
— listed in Hong Kong	**37,629**	33,953
— listed in Vietnam	**831**	798
	38,460	34,751

The fair value of the above listed securities are determined based on the quoted market prices available on the relevant exchange and quoted prices provided by the financial institutions respectively.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

The Group's financial assets at fair value through profit or loss that are denominated in a currency other than the functional currency of the relevant group entities is as follows:

	2012 HK$'000	2011 HK$'000
United State Dollars ("USD")	**1,581**	—
Vietnam Dong ("VND")	**831**	798

25. AMOUNTS DUE FROM FORMER DIRECTORS

Pursuant to the High Court judgment on 7 March 2012, as disclosed in note 45, Mr. Cheung and Ms. Yeung was ordered, amongst other things, to pay the Company a total sum of HK$79,000,000 and HK$6,950,000, respectively (collectively, the "Principals"), with interest thereon compounded annually at the rate of 1% above the prime rate quoted by The Hong Kong and Shanghai Banking Corporation Limited for periods from the respective date of the concerned transactions to the date of the Order and at judgment rate after the date of the Order until full payment of the Principals.

26. CLIENT TRUST FUNDS

The Company maintains segregated trust accounts with authorised institutions to hold clients' monies arising from its securities brokerage and margin financing business. The Group has classified the clients' monies as client trust funds under current assets on the consolidated statement of financial position and recognised the corresponding trade payable to respective clients on grounds that it is liable for any loss or misappropriation of clients' monies. The Group is restricted to use the client's monies to settle its own obligations.

Client trust funds are interest-bearing at bank deposit saving rate (2011: bank deposit saving rate).

Details of the Group's client trust funds that are denominated in currencies other than the functional currency of the Group is set out below:

	2012 HK$'000	2011 HK$'000
RMB	**8**	—
USD	**—**	12,488

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27. PLEDGED BANK DEPOSITS

The pledged bank deposits carry fixed interest rate ranging from 0.08% to 0.25% (2011: 0.05% to 0.25%) per annum and have been pledged to banks to secure overdraft banking facilities granted to the Group and hence is classified as current assets. The Group covenants to maintain deposits of not less than HK$6,211,000 (2011: HK$5,000,000) with banks as a condition precedent for the granting of overdraft banking facilities by the banks. The bank deposits will be released when the overdraft banking facilities are expired.

28. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits of approximately HK$70,180,000 (2011: HK$100,028,000) which carry interest at prevailing market rate. The maturities of bank balances were within three months.

The Group's bank balances that are denominated in currencies other than the functional currency of the Group is as follows:

	2012 HK$'000	2011 HK$'000
VND	**4**	4
EUR	**1**	1
RMB	**1,494**	—
USD	**235**	631

29. TRADE AND BILLS PAYABLES

	2012 HK$'000	2011 HK$'000
Trade payables	**89,027**	148,509
Bill payables	**—**	223
	89,027	148,732

	2012 HK$'000	2011 HK$'000
Balances in relation to:		
— securities dealing and broking services (note)	**88,726**	145,986
— general trading and others	**301**	2,746
	89,027	148,732

Note: Trade payables in relation to securities dealing and broking services are repayable on demand. No aging analysis is disclosed as in the opinion of the Directors, an aging analysis does not give additional value in view of the nature of the business of securities dealing and broking services.

29. TRADE AND BILLS PAYABLES *(Continued)*

An aging analysis of the Group's trade and bills payables in relation to the business of general trading and others is as follows:

	2012 HK$'000	2011 HK$'000
Within 6 months	**74**	2,343
7 to 12 months	**99**	1
Over 1 year	**128**	402
	301	2,746

Trade payables for securities dealing and broking services are interest-bearing at the bank deposit saving rate (2011: bank deposit saving rate) per annum, the trade payables for general trading and others are non-interest bearing.

The average credit period of purchases of goods for the general trading and others is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The Group's trade and bills payables that are denominated in a currency other than the functional currency of the Group are as follows:

	2012 HK$'000	2011 HK$'000
RMB	**8**	—
USD	**—**	14,439

30. OTHER PAYABLES AND ACCRUALS

	2012 HK$'000	2011 HK$'000
Deposits received:		
— subscription of new shares (note (a))	**—**	4,800
— subscription of convertible bonds (note (b))	**—**	988
— subscription of share options (note (c))	**—**	1,000
Other payables and accruals	**4,377**	4,639
	4,377	11,427

30. OTHER PAYABLES AND ACCRUALS *(Continued)*

Notes:

Included in the balances are the following advances to or deposits received by the Group:

(a) The refundable deposits of HK$4,800,000 in 2011 were received from the subscribers in relation to the subscription of new shares in the Company. 50,000,000 new shares were issued upon exercise of the subscription rights on 15 December 2011.

(b) The non-refundable deposits of HK$988,000 in 2011 were received from the subscribers in relation to the subscription of convertible bonds of the Company. 380,000,000 new shares were issued upon the conversion of the convertible bonds on 10 October 2011.

(c) The non-refundable deposit of HK$1,000,000 in 2011 was received by the subscriber in relation to the subscription of 370,000,000 options to purchases shares of the Company at a price of HK$0.024 per share. 370,000,000 new shares were issued upon exercise of the options on 15 December 2011.

31. LOAN FROM A SHAREHOLDER

On 6 March 2012, Mr. Cheung, a substantial shareholder of the Company, advanced an interest-free loan of HK$10,000,000 to the Group to support the development of the financing business of the Group. Pursuant to the Term Sheet (as described in note 46), Mr. Cheung agreed to set off the interest-free loan against the Judgment Debts, subject to the fulfilment of the conditions precedent set out in the Term Sheet.

32. BANK BORROWINGS

	2012 HK$'000	2011 HK$'000
Secured bank borrowings comprise:		
— Loans (note)	**5,700**	6,900
Bank borrowings are repayable:		
— Within one year	**1,200**	1,200
— Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause	**4,500**	5,700
Amount due within one year shown under current liabilities	**5,700**	6,900

Note: As at 31 March 2012 and 2011, the amounts were secured by an investment property (note 17) of the Group with a carrying value of HK$67,000,000 and HK$65,500,000 respectively. For the two years ended 31 March 2012 and 2011, the floating-rate bank loans were carrying interest at the prime rate for Hong Kong Dollars as quoted by Bank of China (Hong Kong) Limited minus 2.75%, and their respective effective interest rates were 2.25% and 2.25% per annum.

33. OBLIGATIONS UNDER FINANCE LEASES

Amounts payable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**94**	95	**92**	87
More than one year, but not exceeding two years	**7**	94	**7**	92
More than two years, but not exceeding five years	**—**	7	**—**	7
	101	196	**99**	186
Less: Future finance charges	**(2)**	(10)	**N/A**	N/A
Present value of lease obligations	**99**	186	**99**	186
Less: Amount due for settlement within one year (shown under current liabilities)			**(92)**	(87)
Amount due for settlement after one year			**7**	99

It is the Group's policy to lease certain of its motor vehicles under finance leases. The average lease term is 2 years (2011: 3 years). For the year ended 31 March 2012, the average effective borrowing rate was 5.28% per annum (2011: 5.28%). Interest rates are fixed at the contract date, all leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

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34. SHARE CAPITAL

	Number of shares		Amount	
	2012	2011	**2012 HK$'000**	2011 HK$'000
Authorised:				
Ordinary shares of HK$0.01 each	**200,000,000,000**	200,000,000,000	**2,000,000**	2,000,000
Issued and fully paid:				
At 1 April	**1,871,188,679**	1,871,188,679	**18,712**	18,712
Issue of scrip shares (note a)	**455,402,628**	—	**4,554**	—
Issue of bonus shares (note b)	**467,797,167**	—	**4,678**	—
Exercise of subscription rights for gratuity (note 37)	**115,384,614**	—	**1,154**	—
Conversion of convertible bonds (note 38)	**380,000,000**	—	**3,800**	—
Exercise of share options (note 39)	**370,000,000**	—	**3,700**	—
Issue of subscriptions shares (note c)	**50,000,000**	—	**500**	—
At 31 March	**3,709,773,088**	1,871,188,679	**37,098**	18,712

Notes:

(a) On 14 September 2011, the Company issued a total of 455,402,628 new shares of the Company. The number of shares issued under the scrip dividend schemes for 2009 Interim Results, 2010 Interim Results, 2010 Final Results and 2011 Interim Results were 187,118,867, 106,222,573, 106,593,197 and 55,467,991 respectively.

(b) On 14 September 2011, the Company issued a total of 467,797,167 bonus shares, of which 187,118,867 shares and 187,118,867 shares were issued in respect of 2010 Interim Results and 2010 Final Results on the basis of 1 bonus share for every 10 shares held by the then shareholders. The remaining 93,559,433 shares were issued on the basis of 1 bonus share for every 20 shares held by the then shareholders for 2011 Interim Results.

(c) On 15 November 2007, the Company entered into eight subscription agreements to issue 600,000,000 shares of the Company at the price of HK$0.08 per share. Subsequently, seven of the subscribers mutually agreed with the Company to release each other form the respective subscription agreements to subscribe for an aggregate of 550,000,000 subscription shares. The remaining 50,000,000 shares were allotted on 15 December 2011.

35. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Under the Scheme which was approved and adopted in a special general meeting of the Company held on 22 August 2002, the Directors, may, within a period of 10 years, grant to Directors and/or executives of the Group, non-transferrable options to subscribe for shares in the Company.

The maximum number of shares issuable under share options to each eligible participant within any 12-month period is limited to 1% of the shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company or their associates are subject to approval in advance by the Independent Non-Executive Directors.

The exercise price of the share options is determined by the Directors, but may not be less than the higher of (i) the Stock Exchange closing price of the shares on the date of grant of the share options; and (ii) the average Stock Exchange closing price of the shares for the five trading days immediately preceding the date of the grant of the share options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

As at 31 March 2012 and 2011, there was no outstanding share option under the Scheme.

36. RESERVES

(a) Special capital reserve

Special capital reserve represents the amounts transferred from the Company's share capital upon adjustments of the nominal value of the Company's share in prior years. Under the Companies Act 1981 of Bermuda (the "Act"), the special capital reserve is distributable to shareholders under certain circumstances.

(b) Contributed surplus

The contributed surplus represents the difference between the fair value of the subsidiaries acquired pursuant to the Group reorganisation in November 1991 and the nominal value of the shares issued by the Company and the transfer from share premium account of HK$605,473,000 in December 2000, less the transfer to the capital redemption reserve of HK$6,040,000 in November 2000. Under the Act, the Company's contributed surplus is distributable to shareholders under certain circumstances.

37. GRATUITY PAYMENTS

The Company granted to each of two former Directors of the Company, Ms. Yeung and Ms. Chan Chi Mei ("Ms. Chan"), a gratuity of HK$3,000,000 (the "Gratuity"). Each of Ms. Yeung and Ms. Chan was entitled to receive the Gratuity wholly or partly (i) in cash; or (ii) by way of issue of new shares of the Company in lieu of cash. The Gratuity payments were approved by shareholders of the Company on 25 August 2011. The total fair value for the Gratuity payments was HK$6,047,000. Both Ms. Yeung and Ms. Chan elected to receive the Gratuity by way of new shares of the Company in lieu of cash. As a result, the Company allotted and issued to each of them 57,692,307 new shares of the Company on 10 October 2011.

38. CONVERTIBLE BONDS

On 9 July 2007, the Company entered into eight subscription agreements in respect of the issue of convertible bonds in the aggregate principal amount of HK$9,880,000 (the "Convertible Bonds"). The Convertible Bonds did not carry any interest. Each of the subscribers had a right to convert the Convertible Bonds into shares of the Company at the price of HK$0.026 per share. The Convertible Bonds were issued on 28 September 2011 and were converted into shares of the Company on 10 October 2011. The Convertible Bonds were separated into two component elements: The first component was a derivative that consisted of a conversion option and the second component was a liability component of the straight debt element of the Convertible Bonds.

The fair value of the Convertible Bonds on issued date has been arrived at by LCH (Asia-Pacific) Surveyors Limited ("LCH"), an independent qualified professional valuer not connected with the Group using the Binomial model. The key inputs into the model are set out below:

Conversion price:	HK$0.026
Risk-free rate:	0.76%
Discount rate:	2.18%
Annualised volatility:	65.65%

On 10 October 2011, the Company allotted and issued to the holders of Convertible Bonds a total of 380,000,000 new shares of the Company upon their conversions.

39. DERIVATIVE FINANCIAL INSTRUMENT

On 7 June 2007, the Company entered into an option agreement (the "Option Agreement") to issue 370,000,000 options (the "Options") to an independent third party at the exercise price of HK$0.024 per share. The exercisable period is 18 months starting from 9 September 2011, the date of fulfilment of conditions precedent set out in the Option Agreement. Exercise in full of the Options would result in the issue of 370,000,000 additional shares. At the grant date, the net fair value of the Options on the grant date was approximately HK$1,935,000. The fair value of the Options was calculated by LCH (Asia-Pacific) Surveyors Limited ("LCH"), an independent qualified professional valuer not connected with the Group using the Binomial model. The key inputs into the model are set out below:

Stock price:	HK$0.029
Option strike price:	HK$0.024
Risk-free rate:	0.16%
Annualised volatility:	52%
Exercisable period:	1.5 years
Expected dividend:	Interim HK$0.0005 Final HK$0.001

On 15 December 2011, the Company allotted and issued a total of 370,000,000 new shares of the Company upon exercise of the Options.

40. BANKING FACILITIES

As at 31 March 2012, the Group had aggregate banking facilities of HK$69,800,000 (2011: HK$68,800,000) for bank loans, of which HK$64,100,000 (2011: HK$61,900,000) was unutilised as at the same date. These facilities are secured by corporate guarantees provided by the Company and pledged of assets as disclosed in note 42.

As at 31 March 2012, the Company provided financial guarantees of HK$143,830,000 (2001: HK$143,830,000) for the bank borrowings drawn by its subsidiaries. The Board of Directors is of the opinion that it is not probable that the above guarantees will be called upon. Accordingly, no provision has been made in the consolidated financial statements for these guarantees.

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41. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of the rented premises which fall due are as follows:

	2012 HK$'000	2011 HK$'000
Within one year	**1,346**	1,748
In the second to fifth years, inclusive	**50**	1,225
	1,396	2,973

Leases for rented premises are negotiated for an average of two years (2011: two year) and rentals are fixed for an average of two years (2011: two years).

42. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure the banking facilities granted to the Group (see note 32):

	2012 HK$'000	2011 HK$'000
Plant and equipment	**204**	255
Investment property	**67,000**	65,500
Pledged bank deposits	**6,211**	5,000
	73,415	70,755

43. RETIREMENT BENEFITS SCHEMES

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employee's contributions are subject to a cap of HK$1,000 per month.

Under the Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

During the year ended 31 March 2012, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK$534,000 (2011: HK$513,000).

44. RELATED PARTY TRANSACTIONS

(a) Compensation to Directors and key management personnel of the Group:

	2012 HK$'000	2011 HK$'000
Short-term benefits	**2,352**	2,757
Post-employment benefits	**34**	72
	2,386	2,829

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individual and market trends.

44. RELATED PARTY TRANSACTIONS *(Continued)*

(b) During the year, the Group entered into the following material transactions with its related parties.

	2012 HK$'000	2011 HK$'000
Consultancy fee paid to Mr. Cheung (note (i))	**190**	888
Commission income from Hoowin Limited (note (ii & iii))	**51**	112
Commission income from Elfie Limited (note (ii & iii))	**49**	—
Commission income from Mr. Cheung (note (ii))	**663**	651
Commission income from Mr. Cheung Hoo Win (note (i & ii))	**4**	17
Commission income from Mr. Yeung Shun Kee ("Mr. Yeung") (note (ii & iv))	**2**	3
Gratuity fee paid to Ms. Yeung (note (v))	**3,024**	—
Gratuity fee paid to Ms. Chan (note (vi))	**3,024**	—
Professional fee paid to Mr. Yeung (note (iv))	**50**	50

Notes:

(i) Mr. Cheung, the spouse of Ms. Yeung and the father of Mr. Cheung Hoo Win, is a beneficial shareholder the Company. Mr. Cheung Hoo Win is a Director and the chief executive officer of the Company for both years.

(ii) All of them were clients of the Group's brokerage business. Total value of sales and purchases of trading securities transactions of Hoowin Limited, Elfie Limited, Mr. Cheung, Mr. Cheung Hoo Win and Mr. Yeung during the year are approximately HK$20,200,000 (2011: HK$55,917,000), HK$24,479,000 (2011: nil), HK$267,693,000 (2011: HK$262,855,000), HK$1,541,000 (2011: HK$6,693,000) and HK$622,000 (2011: HK$1,177,000) respectively.

(iii) Hoowin Limited and Elfie Limited are beneficially owned by Mr. Cheung and Ms. Yeung. The Directors of Hoowin Limited and Elfie Limited are Mr. Cheung, Ms. Yeung, Mr. Cheung Hoo Win and Ms. Cheung Lok Chi, the daughter of Mr. Cheung and Ms. Yeung.

(iv) Mr. Yeung is an Independent Non-executive Director of the Company for both years.

(v) Ms. Yeung was the Director of the Company up to 5 December 2010.

(vi) Ms. Chan was the Director of the Company up to 5 December 2010.

44. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Save as disclosed above, as at the reporting date, the Group had the following balances with its related parties:

	2012 HK$'000	2011 HK$'000
Trade payables:		
Amount due to Hoowin Limited (note (i))	**18,464**	10,514
Amount due to Elfie Limited (note (i))	**7,442**	—
Amount due to Mr. Cheung (note (ii))	**11,983**	15,754
Loan advance:		
Amount due to Mr. Cheung (note (iii))	**10,000**	—

Notes:

(i) The amounts are unsecured, interest bearing at the bank deposit saving rate (2011: bank deposit saving rate) per annum and repayable on the client's demand.

(ii) The amount is unsecured, interest bearing at the bank deposit saving rate (2011: bank deposit savings rate) per annum and repayable on demand.

(iii) The amount is unsecured, non-interest bearing and repayable on 5 September, 2012.

45. PETITION

In the Company's announcement dated 11 September 2008 and a supplemental circular dated 9 April 2009, it has been disclosed that the Company, as one of the defendants, and certain of its former Directors had been served a petition by the SFC in relation to certain past transactions of the Group. Pursuant to the judgment received on 7 March 2012, details of which were disclosed in the Company's announcement of the even date, Mr. Cheung and Ms. Yeung shall pay to the Company HK$85,950,000 with interest ("Judgment Debts") until full settlement. The Company has recognised HK$85,950,000 as revenue of the Group for the year ended 31 March 2012. The proposed settlement terms of the Judgment Debts is disclosed in note 46.

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46. EVENTS AFTER THE REPORTING PERIOD

Proposed settlement of Judgment Debts

As more fully detailed in the Company's announcement dated 7 June 2012, the Company entered into a non-legally binding term sheet ("Term Sheet") with Mr. Cheung and Ms. Yeung which sets out the principal terms of the proposed settlement of the Judgment Debts as described in note 45. The estimated interest accrued up to 7 March 2012, the date of the High Court judgment, was approximately HK$104,679,000.

According to the Term Sheet, Mr. Cheung and Ms. Yeung should pay the Company HK$10,000,000 in cash upon signing the Term Sheet. In addition, subject to the fulfilment of a number of conditions precedent as set out in the Term Sheet, (i) the interest-free loan advanced by Mr. Cheung as disclosed in note 31, shall be applied to set off against the Judgment Debts, irrespective of the maturity date of the loan on 5 September 2012, (ii) Mr. Cheung and Ms. Yeung shall assign to the Company all the beneficial interest of a commercial property located in Hong Kong ("the Transfer"), at a consideration of approximately HK$83,000,000 or such higher value as provided in a valuation report to be produced, (iii) the remaining balance will be settled by three instalments within one year after the completion of the Transfer.

The Company has received HK$10,000,000 from Mr. Cheung and Ms. Yeung upon signing the Term Sheet. The remaining balance of the Judgment Debts was still outstanding at the date of this report.

47. PRINCIPAL SUBSIDIARIES

Name of subsidiaries	Place of incorporation/ operations	Class of shares held	Issued and fully paid share capital	Percentage of ownership interest and voting power held by the Company		Principal activities
				2012	2011	
Direct subsidiary						
Styland Enterprises Limited	Hong Kong	Ordinary	HK$2	**100**	100	Provision of management services
Indirect subsidiaries						
Devonia Development Limited	Hong Kong	Ordinary	HK$10,000	**100**	100	Property investment
Ever-Long Asset Management Limited	Hong Kong	Ordinary	HK$10,000,000	**100**	100	Securities trading
Ever-Long Capital Limited	British Virgin Islands ("BVI")	Ordinary	US$4,000,000	**100**	100	Provision of financing services

47. PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation/ operations	Class of shares held	Issued and fully paid share capital	Percentage of ownership interest and voting power held by the Company		Principal activities
				2012	2011	
Ever-Long Finance Limited	Hong Kong	Ordinary	HK$22,500,000	**100**	100	Provision of financing services
Ever-Long Securities Company Limited	Hong Kong	Ordinary	HK$100,000,000	**100**	100	Securities broking and provision of financing services
Kalomex (International) Limited	Hong Kong	Ordinary	HK$2,000,000	**100**	100	Trading of garment
Long River Investments Holdings Limited	BVI	Ordinary	US$200	**100**	100	Securities trading
Styland (International) Limited	Hong Kong	Ordinary	HK$100,000	**100**	100	Securities trading and general trading

The above table lists the subsidiaries of the Company which, in the opinion of the Directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities subsisting at the end of the years or at any time during both years.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2012

48. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

Profit attributable to equity shareholders of the Company dealt with in the income statement of the Company is HK$72,487,000 (2011: HK$57,144,000).

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2012 HK$'000	2011 HK$'000
Non-current asset			
Investments in subsidiaries		—	—
Current assets			
Other receivables		500	448
Amounts due from subsidiaries	(a)	244,082	233,634
Amounts due from former Directors		85,950	—
Bank balances and cash		54	41
		330,586	234,123
Current liabilities			
Other payables and accruals		1,063	7,504
Dividend payables		—	325
		1,063	7,829
Net assets		329,523	226,294
Capital and reserves			
Share capital		37,098	18,712
Reserves	(b)	292,425	207,582
Total equity		329,523	226,294

Notes:

(a) **Amounts due from subsidiaries**
The amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes: *(Continued)*

(b) Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Special capital reserve (Note 36) HK$'000	Contributed surplus HK$'000	Other reserves HK$'000	Accumulated losses HK$'000	Total HK$'000
At 31 March 2010	35,831	6,040	571,147	616,374	—	(1,077,769)	151,623
Profit for the year and total recognised income for the year	—	—	—	—	—	57,144	57,144
Dividend recognised as distribution	—	—	—	(1,185)	—	—	(1,185)
At 31 March 2011 and 1 April 2011	35,831	6,040	571,147	615,189	—	(1,020,625)	207,582
Profit for the year and total recognised income for the year	—	—	—	—	—	72,487	72,487
Issue of scrip shares	2,510	—	—	(7,064)	—	—	(4,554)
Issue of bonus shares	(4,678)	—	—	—	—	—	(4,678)
Convertible bonds — equity component	—	—	—	—	2,267	—	2,267
Exercise of subscription rights for gratuity	4,893	—	—	—	—	—	4,893
Conversion of convertible bonds	6,080	—	—	—	(2,267)	—	3,813
Exercise of share options	7,115	—	—	—	—	—	7,115
Issue of subscription shares	3,500	—	—	—	—	—	3,500
At 31 March 2012	55,251	6,040	571,147	608,125	—	(948,138)	292,425

Notes to the Consolidated Financial Statements

for the year ended 31 March 2012

50. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation of the current year for the purpose of better presentation of the Group's activities and such reclassification has no impact on the Group's profit for the year ended 31 March 2012 and 2011.

Summary of Financial Information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and reclassified and restated as appropriate, is set out below:

RESULTS

	Year ended 31 March				
	2012 HK$'000	2011 HK$'000	2010 HK$'000	2009 HK$'000	2008 HK$'000
Turnover	**249,899**	327,201	277,147	132,146	187,604
Profit/(loss) before tax	**10,212**	65,314	67,036	(18,507)	15,850
Income tax expenses	**—**	(845)	(1,376)	(87)	(1,551)
Profit/(loss) before non-controlling interests	**10,212**	64,469	65,660	(18,594)	14,299
Non-controlling interests	**—**	—	758	(224)	4,250
Profit/(loss) attributable to owners of the Company	**10,212**	64,469	66,418	(18,818)	18,549

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2012 HK$'000	2011 HK$'000	2010 HK$'000	2009 HK$'000	2008 HK$'000
Total assets	**420,507**	438,876	478,205	341,607	358,903
Total liabilities	**(109,203)**	(168,526)	(271,151)	(160,831)	(159,580)
Non-controlling interests	**—**	—	—	(38,831)	(38,607)
	311,304	270,350	207,054	141,945	160,716

Details of Investment Property

INVESTMENT PROPERTY

Property	Lot no./location	Category of lease	Use
House 4, Customs Pass No. 18 Fei Ngo Shan Road Sai Kung, New Territories Hong Kong	31 In D.D. 228	Medium term	Redevelopment

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