Best Miracle International Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8272

Annual Report 2009/2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED ("STOCK EXCHANGE")

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors ("**Directors**") of BEST MIRACLE INTERNATIONAL LIMITED ("**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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Corporate Information

Board of Directors

Executive Directors

Ms. Chan Lai Kwan Rainbow *(Chief Executive Officer)*
Ms. Wong Yuet May Jeremy
Mr. Chan Fu Kei
Mr. Woo Hing Keung Lawrence
Mr. Too Shu Wing

Independent Non-executive Directors

Mr. Chan Tak Yan
Mr. Orr Joseph Wai Shing
Mr. Lam Raymond Shiu Cheung

Company Secretary

Ms. Man Tsz Sai Lavender *ACIS, ACS*

Compliance Officer

Ms. Chan Lai Kwan Rainbow

Audit Committee

Mr. Orr Joseph Wai Shing *(chairman of the committee)*
Mr. Chan Tak Yan
Mr. Lam Raymond Shiu Cheung

Remuneration Committee

Mr. Chan Tak Yan *(chairman of the committee)*
Mr. Orr Joseph Wai Shing
Mr. Lam Raymond Shiu Cheung

Authorized Representatives

Ms. Chan Lai Kwan Rainbow
Ms. Man Tsz Sai Lavender

Auditors

Messrs. SHINEWING (HK) CPA Limited

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Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

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12/F, Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

Principal Share Registrar and Transfer Office

HSBC Trustee (Cayman) Limited
P.O. Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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18/F., Fook Lee Commercial Centre
Town Place
33 Lockhart Road
Wanchai
Hong Kong

Principal Bankers

Fubon Bank (Hong Kong) Limited
The Hongkong aud Shanghai Banking Corporation Limited

Website Address

www.bestmiracle.com.hk

Stock Code

8272

Financial Highlights

	Year ended 30 April 2010 HK$'000	Year ended 30 April 2009 HK$'000	Year ended 30 April 2008 HK$'000
Results			
Continuing operations			
Revenue	**11,381**	13,502	14,570
EBITDA *(Note)*	**24,712**	(10,198)	(73,169)
Profit (loss) for the year from continuing operations	**12,490**	(10,571)	(73,347)
Discontinued operation			
Profit for the year from discontinued operation	**34,269**	10,283	—
Profit (loss) for the year	**46,759**	(288)	(73,347)

	At 30 April 2010 HK$'000	At 30 April 2009 HK$'000	At 30 April 2008 HK$'000
Assets and liabilities			
Total assets	**160,893**	31,592	27,978
Total liabilities	**20,303**	17,719	11,191
Net assets	**140,590**	13,873	16,787

Note: EBITDA represents profit (loss) before interest, tax, depreciation and amortization.

Management Discussion and Analysis

Business review

Revenue

The revenue of the Company and its subsidiaries (collectively, the "**Group**") from continuing operations for the year ended 30 April 2010 ("**Reporting Period**") decreased by HK$2,121,000 or 16% to HK$11,381,000 as compared with HK$13,502,000 in the last corresponding year ("**Prior Period**"). The Group's continuing operations are composed of two operating segments, including Sales of apparel and Sales of electronic. The decrease in Group's revenue was mainly due to the drop in revenue from Sales of electronic.

Sales of apparel

Revenue from Sales of apparel during the Reporting Period was HK$11,381,000, representing an increase of HK$8,143,000 as compared with HK$3,238,000 in the Prior Period. After repositioning itself to act as the sourcing and distribution agent of reputable buying companies, the Group is pleased to observe continuous growth of business during the Reporting Period.

Licensing

The licensing business was discontinued during the Reporting Period, the Group has included in its results the royalty income up to the end of August 2009 for the amount of HK$4,312,000.

Profit (loss) for the year

Profit (loss) attributable to owners of the Company for the Reporting Period was HK$46,759,000, representing an improvement of HK$47,047,000 as compared to a loss of HK$288,000 in the Prior Period. The improvement in results was mainly due to the recognition of the gain on change in fair value of financial assets held for trading and the gain on disposal of licensing business.

Memorandum of understanding on the exploration of investment opportunities in energy business

On 19 August 2009, Elite Spring Holdings Limited ("**Proposed Investor**"), an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding with New Success Asia Limited ("**NSAL**"), an independent third party, pursuant to which the Proposed Investor intends to invest in NSAL with respect to the possible investment in energy and natural resources related business. Details of the memorandum had been set out in the announcement of the Company dated 19 August 2009. The 120-day exclusivity period has ended and no transaction has materialised, the memorandum was lapsed accordingly.

Capital Structure

Placing of shares

On 29 June 2009, the Group successfully placed 400,000,000 new shares at the price of HK$0.2 per placing share, representing approximately 16.65% of the issued share capital of the Company as enlarged by the placing, net proceeds of HK$78,007,000 was received.

Unlisted warrants

The 398,000,000 outstanding unlisted warrants at the subscription price of HK$1.2 per subscription share brought forward from last year were not exercised during the Reporting Period and were fully expired on 12 June 2009, a gain of HK$33,000 on derecognition of the unlisted warrants was recognized during the Reporting Period.

Share options

On 11 September 2009 and 14 September 2009, 6,000,000 and 1,000,000 share options at the exercise price of HK$0.70 per share and HK$0.708 per share respectively were granted to Directors and employees of the Group, none of the options were exercised.

Liquidity and Financial Resources

The Group ended the Reporting Period with net bank balances and cash of HK$16,012,000 (as at 30 April 2009: HK$3,403,000), net current asset of HK$103,319,000 (as at 30 April 2009: net current liability of HK$2,784,000). The Group has other short term borrowing of HK$6,495,000 at the end of the Reporting Period, of which HK$4,000,000 was already repaid in June 2010. Gearing ratio, computed as borrowings and finance lease obligations over total equity, stood at 4.6% at the end of the Reporting Period, as compared with nil as at 30 April 2009. The increase in bank balances and general improvement in liquidity position were mainly due to the completion of the placing of shares in June 2009, the completion of the disposal of licensing business in August 2009 and the appreciation in value of financial assets held for trading.

In order to generate better return on surplus fund, the Group had utilized approximately HK$6 million to acquire equity securities listed on the Stock Exchange during the Reporting Period. Total gain of HK$70,640,000 on change in fair value of the Group's portfolio of financial assets held for trading was recognized during the Reporting Period.

On 17 September 2009, the Group entered into a loan agreement with Dragoncom Holdings Limited ("**Dragoncom**"), an independent third party of the Company, pursuant to which the Group agreed to advance a loan of HK$24,000,000 to Dragoncom for a period of 6 months at the interest rate of 8% per annum. The loan is secured by a charge over Dragoncom's portfolio of securities listed in Hong Kong in favour of the Group. The repayment date of the loan was subsequently extended to 17 September 2010. As at 30 April 2010, the carrying amount of the loan was approximately HK$23,908,000 and no impairment was recognised.

Disposal of Subsidiaries

On 6 May 2009, the Company entered into a conditional sale and purchase agreement with Million Dragon Limited, an independent third party, to dispose of its entire interest in D Byford Holdings Limited and its subsidiaries ("**D Byford Group**") for a cash consideration of HK$45,000,000. It constituted a very substantial disposal transaction of the Company. Details of the disposal had been disclosed in the Company's announcement dated 14 May 2009. On 31 August 2009, the sale and purchase agreement was completed. Cash consideration of HK$45,000,000 was received by the Company and a gain of HK$30,550,000 was taken up by the Group upon the said disposal.

Human Resources

At 30 April 2010, the Group employed a total of 34 employees as compared with 18 employees as at 30 April 2009. The increase in headcount was due to the Group's building up of development team for exploration into new businesses.

Charge on Group Assets

There was no charge on the Group's assets during or at the end of the Reporting Period.

Capital Commitments and Contingent Liabilities

The Group has no future plan for material investment or capital asset nor any material contingent liability at the end of the Reporting Period.

Foreign Currency Exposure

Several operating entities of the Group had foreign currency transactions which exposed the Group to foreign currency risk, mainly for the possible exchange fluctuation in United States Dollars and Renminbi. The Group currently does not have a foreign currency hedging policy as the board ("**Board**") of Directors considers that the currency risk exposure is immaterial. However, the management will monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Prospects and Outlook

The Company is continuing its brand management and will also continue to explore new business opportunities in energy-related business. We will make use of the resources on hand and seek for new investment opportunities in other areas to diversify the business with a view to obtain the best return for the shareholders of the Company ("**Shareholders**").

Overall, the Directors are optimistic that the Group will be able to sustain further continuing growth. The Group would like to thank our business partners and Shareholders for their continued support and confidence in our Company. Our vision is to continue to maintain a pragmatic expansion strategy to gain the best return for our investors.

Directors' and Senior Management's Profile

Executive Directors

Ms. Chan Lai Kwan Rainbow, aged 50, joined the Group as an executive Director and the chief executive officer of the Group on 22 November 2007. She has over 18 years of management experience in timepieces and jewelry field, including manufacturing and distribution, sales and marketing, focus on brand building and establishment of multi-international brand in Hong Kong, Macau and the People's Republic of China ("**PRC**") at the retail sector. Prior to joining the Group, Ms. Chan held the capacity as the chief executive officer of a multi-trade business company in Hong Kong.

Ms. Wong Yuet May Jeremy, aged 48, joined the Group as an executive Director and the chief executive officer on 7 September 2007. She then resigned as the chief executive officer but retaining her role as executive Director with effect from 22 November 2007. Ms. Wong has more than 13 years of designs and product development experience in garment business. She has extensive experience in product development and fabric sourcing for textile in garment and home textile. Ms. Wong is currently in charge of the product development department of a home textile company.

Mr. Chan Fu Kei, aged 30, joined the Group as an executive Director on 2 May 2008. Prior to joining the Group, he served in a global event marketing company as Project Design Manager. He was responsible for planning and promoting of the main theme of events and create market image with the exhibition team. Mr. Chan graduated from the Chinese University of Hong Kong and obtained a Bachelor Degree in Mechanical Engineering. He is responsible for formulating suitable strategies for the Company to expand its business networks with his solid experience in marketing and project design and creating market image with the exhibition team.

Mr. Woo Hing Keung Lawrence, aged 47, joined the Group as an executive Director on 27 October 2008. He is also a director and an Assistant General Manager of various subsidiaries of the Group. Mr. Woo was a computer engineer for about 3 years and worked in the real estate industry for more than 5 years. He has extensive experiences in the real estate investment and securities investment strategies. Mr. Woo has his own investment business since year 2000 involving the investment in Hong Kong securities and various business ventures in the PRC with projects in the areas of medical, construction materials and mining. He focuses on participating in formulating suitable strategies for the Company to expand its business networks with his solid experiences in cooperation with joint ventures in the PRC. Mr. Woo holds a Master Degree in Engineering from Cornell University in the United States of America.

Mr. Too Shu Wing, aged 51, joined the Group as an executive Director on 4 September 2009. He graduated from The Chinese University of Hong Kong with a Bachelor Degree in Science. Mr. Too had held various positions in Conti Chia Tai Group and acted as a general manager in its subsidiaries from 1993 to 2003. He has substantial experience in market development of various products, marketing & sales management, production management and cost control in the PRC.

Independent Non-executive Directors

Mr. Chan Tak Yan, aged 56, joined the Group as an independent non-executive Director, a member of the audit committee and the chairman of the remuneration committee on 7 September 2007. He has over 21 years of experience in transportation and logistics management and 16 years of experience in the banking industry with Shanghai Commercial Bank Limited and BNP Paribas, Hong Kong Branch. Mr. Chan was a General Manager of a PRC-HK container tractor company and a Deputy General Manager of a logistic company for many years. He is currently an executive director of New Environmental Energy Holdings Limited (Stock Code: 3989), a company listed on the Main Board of the Stock Exchange. Mr. Chan holds a Master of Business Administration Degree from the University of Ballarat, Australia, a Diploma in Management Studies from The Hong Kong Management Association and The Hong Kong Polytechnic University and a Diploma in Occupational Health & Safety from the Open University of Hong Kong. He is a full member of The Hong Kong Management Association and member of The Hong Kong Institute of Directors.

Mr. Orr Joseph Wai Shing, aged 50, joined the Group as an independent non-executive Director, the chairman of the audit committee and a member of the remuneration committee on 7 September 2007. He worked for multinational companies including Time Warner and Hyatt International as well as professional firms Baker & McKenzie, EDAW Asia and KPMG in the past years. Mr. Orr is a Certified Public Accountant in Washington, the United States of America ("**USA**") and a member of the Hong Kong Institute of Certified Public Accountants, American Institute of Certified Public Accountants and CPA Australia. He received a MBA from Kellogg School of Management, Northwestern University and the Hong Kong University of Science and Technology, a Master of Arts Degree in International Business and International Financial Management from the University of Reading and a Bachelor of Arts (Hons) Degree in Accounting and Finance from Middlesex University and a Diploma in Business and Finance in the PRC from Tsinghua University as well as a Professional Diploma in Accounting and Auditing in China from Zhongshan University. Mr. Orr is the Principal of Corporate Finance and Investment of Crowe Horwath Shenzhen and also the independent non-executive director of Grand T G Gold Holdings Limited (Stock Code: 8299), a company listed on GEM of the Stock Exchange. He was the indepdent non-executive director of Artfield Group Limited (Stock Code: 1229), a company listed on the Main Board of the Stock Exchange and China Bio-Med Regeneration Technology Limited (Stock Code: 8158), a company listed on GEM of the Stock Exchange.

Mr. Lam Raymond Shiu Cheung, aged 44, joined the Group as an independent non-executive Director and members of each of the audit committee and the remuneration committee on 3 May 2010. He has 18 years' extensive experience in business development and corporate finance. Mr. Lam started his career in corporate banking, after which he joined one of the biggest oil companies in the USA specializing in the area of business development. Mr. Lam is currently the Deputy Chief Executive Officer of China Eco-Farming Limited (Stock Code: 8166), a company listed on GEM of the Stock Exchange. He is also an independent non-executive director of ZZNode Technologies Company Limited (Stock Code: 2371), a company listed on the Main Board of the Stock Exchange. Mr. Lam graduated from the Victoria University of Melbourne, Australia, with a Bachelor of Business Degree majoring in banking and finance. He further earned a Master Degree in Applied Finance from Macquarie University of Australia.

Senior Management

Mr. Chow Shiu Ki, aged 42, joined the Group as the qualified accountant of the Company since 25 February 2008. He has accumulated over 21 years of experience in auditing, accounting and corporate finance areas, and he has worked for various private and listed companies at senior management level. Mr. Chow was an independent non-executive director of Pan Asia Mining Limited (Stock Code: 8173), a company listed on GEM of the Stock Exchange for the period from 3 November 2006 to 20 August 2008. He is currently an independent non-executive director of ZZNode Technologies Company Limited (Stock Code: 2371), a company listed on the Main Board of the Stock Exchange. Mr. Chow is a fellow member of The Association of Chartered Certified Accountants and member of The Hong Kong Institute of Certified Public Accountants.

Corporate Governance Report

The Company has applied the principles and, save as disclosed herein, has complied with the code provisions set out in the Code on Corporate Governance Practices ("**CG Code**") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 30 April 2010 ("**Financial Year**").

Compliance of the Code Provisions

Throughout the Financial Year, the Company has complied with the CG Code except for the deviation from code provisions A.2.1, A.3 and A.4.1 of the CG Code which is explained below:

Code provision A.2.1

This code stipulates that the role of chairman and chief executive officer should be separated and should not be performed by the same individual.

During the Financial Year, the appointment of the chairman/chairperson of the Board remains outstanding. Currently, Ms. Chan Lai Kwan Rainbow is the Chief Executive Officer of the Company. She is mainly responsible for the day-to-day management of the Company and its subsidiaries (collectively, the "**Group**") business. The board ("**Board**") of directors of the Company ("**Directors**") is of the view that the role of the Chief Executive Officer is being exercised will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group.

The Board will continue to look for an appropriate person to fill the vacancy as soon as practicable in order to comply with the CG Code.

Code provision A.3

This code stipulates that the Board must include three independent non-executive directors.

Following the resignation of Mr. Chiu Kwok Wing Benedict on 4 February 2010 and up to 3 May 2010, the date on which Mr. Lam Raymond Shiu Cheung was appointed as an independent non-executive Director and a member of the Audit Committee, the number of independent non-executive directors and audit committee members fell below the minimum number required under rules 5.05(1) and 5.28 of the GEM Listing Rules respectively during the Financial Year.

Subsequent to the Financial Year, the Company has complied with rules 5.05(1) and 5.28 of the GEM Listing Rules and the code provision A.3 of the CG Code following the new appointment of Mr. Lam Raymond Shiu Cheung on 3 May 2010.

Code provision A.4.1

This code stipulates that the non-executive directors should be appointed for a specific term, subject to re-election.

The existing independent non-executive Directors were not appointed for a specific term as required under code provision A.4.1 of the CG Code but they are entitled to terminate their appointment at any time by giving the Company notice in writing. They are also subject to retirement by rotation and re-election provisions in accordance with the Company's articles of association ("**Articles**"). As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry to all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Financial Year.

Board of Directors

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company. The Board has the full support by the Chief Executive Officer and the senior management to discharge its responsibilities.

The Board currently comprises five executive Directors and three independent non-executive Directors. The composition of the Board and the committees are given below and their respective responsibilities are discussed in the Corporate Governance Report ("**CG Report**").

Board of Directors	**Audit Committee**	**Executive Committee**	**Remuneration Committee**
Executive Directors			
Ms. Chan Lai Kwan Rainbow *(Chief Executive Officer)*		✓	
Ms. Wong Yuet May Jeremy		✓	
Mr. Chan Fu Kei		✓	
Mr. Woo Hing Keung Lawrence		✓	
Mr. Too Shu Wing (appointed on 4 September 2009)		✓	
Independent Non-Executive Directors			
Mr. Chan Tak Yan	✓		✓
Mr. Chiu Kwok Wing Benedict (resigned on 4 February 2010)	✓		✓
Mr. Orr Joseph Wai Shing	✓		✓
Mr. Lam Raymond Shiu Cheung (appointed on 3 May 2010)	✓		✓

Biographical details of the Directors as at the date of this CG Report are set out on pages 8 to 9 of this annual report.

The Board members have no financial, business, family or other material/relevant relationships with each other.

The Board meets regularly to discuss the Company's affairs and operations. During the Financial Year, the Board held 4 regular Board meetings (within the meaning of the CG Code) at approximately quarterly interval and 5 Board meetings which were convened when board-level decisions on particular matters were required. The Directors attended those meetings in person, by phone or through other electronic means of communication. The attendance record of each member of the Board during the Financial Year is set out below:

Name of Directors	Attended/Eligible to attend
Executive Directors	
Ms. Chan Lai Kwan Rainbow *(Chief Executive Officer)*	9/9
Ms. Wong Yuet May Jeremy	6/9
Mr. Chan Fu Kei	8/9
Mr. Woo Hing Keung Lawrence	8/9
Mr. Too Shu Wing (appointed on 4 September 2009)	7/7
Independent Non-Executive Directors	
Mr. Chan Tak Yan	7/9
Mr. Chiu Kwok Wing Benedict (resigned on 4 February 2010)	3/8
Mr. Orr Joseph Wai Shing	7/9
Mr. Lam Raymond Shiu Cheung (appointed on 3 May 2010)	0/0

During the regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Group, review and monitor the business and financial performances and discuss the quarterly, half-yearly and annual results, as well as discuss and decide on other significant matters.

The Company had at least three independent non-executive Directors at all times during the Financial Year except for the following period:

— Following the resignation of Mr. Chiu Kwok Wing Benedict on 4 February 2010 and up to 3 May 2010, the date on which Mr. Lam Raymond Shiu Cheung was appointed as an independent non-executive Director and a member of the Audit Committee, the number of independent non-executive directors and audit committee members fell below the minimum number required under rules 5.05(1) and 5.28 of the GEM Listing Rules respectively.

Each of the independent non-executive Director has confirmed in writing his annual confirmation on independence as required by the rule 5.09 of the GEM Listing Rules. The Company considers all such Directors to be independent.

In accordance with the Articles, (i) all Directors will be subject to retirement by rotation once every three years and the new Directors appointed by the Board to fill a causal vacancy shall be subject to re-election by the shareholders of the Company at the next following general meeting after appointment; and (ii) one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to one-third but not less than one-third), shall retire from office by rotation and being eligible, offer themselves for re-election at each annual general meeting and that any new Director appointed by the Board during the year shall hold office until the next following general meeting after appointment, and he/she shall be eligible for re-election at that meeting.

The Board recommended the re-appointment of the Directors standing for re-election at the forthcoming annual general meeting of the Company. The Company's circular dated on or about 29 July 2010 will contain detailed information of the Directors standing for re-election.

Chairman/Chairperson

Subsequent to the resignation of Ms. Fong Man Julisa as the Chairperson of the Company on 23 April 2008, the role of the chairman/chairperson remains outstanding. This constitutes a deviation from the code provision A.2.1 of the CG Code. The Company is still in the process of identifying a suitable candidate to fill the vacancy for the chairman/chairperson and will issue an announcement when a new appointment is made.

Currently, Ms. Chan Lai Kwan Rainbow is the Chief Executive Officer of the Company.

Audit Committee

The Company established an audit committee on 10 June 2003 with revised written terms of reference adopted on 27 June 2005 in compliance with the GEM Listing Rules. The audit committee has three members comprising the three independent non-executive Directors, namely Mr. Orr Joseph Wai Shing (chairman of the audit committee), Mr. Chan Tak Yan and Mr. Lam Raymond Shiu Cheung who was appointed on 3 May 2010 to fill the vacancy created by the resignation of Mr. Chiu Kwok Wing Benedict on 4 February 2010. The primary duties of the audit committee are to review the Company's annual reports and accounts, interim results announcements/reports and quarterly results announcements/reports and to provide advice and comments thereon to the Board. The members of the audit committee meet regularly with the external auditors and the Company's management to review and supervise of the Company's reporting. The audit committee is also responsible for monitoring integrity of the financial statements of the Company and the Company's annual reports and accounts, interim reports and quarterly reports, and to review significant financial reporting judgments contained therein.

For the Financial Year, the audit committee held four meetings. The individual attendance record of each member of the audit committee is as follows:

Name of Directors	**Attended/Eligible to attend**
Mr. Orr Joseph Wai Shing	4/4
Mr. Chan Tak Yan	4/4
Mr. Chiu Kwok Wing Benedict (resigned on 4 February 2010)	3/3
Mr. Lam Raymond Shiu Cheung (appointed on 3 May 2010)	0/0

The audit committee has reviewed the Group's audited results for the Financial Year.

There was no disagreement between the Board and the audit committee on the selection, appointment, resignation or dismissal of the external auditors during the Financial Year.

Remuneration Committee

The Company established a remuneration committee on 10 September 2004 with written terms of reference adopted on 27 June 2005 which deal clearly with its authority and duties, in accordance with the requirement of the CG Code. The remuneration committee has three members, the majority of which are independent non-executive Directors, namely Mr. Chan Tak Yan (chairman of the remuneration committee), Mr. Orr Joseph Wai Shing and Mr. Lam Raymond Shiu Cheung who was appointed on 3 May 2010 to fill the vacancy created by the resignation of Mr. Chiu Kwok Wing Benedict on 4 February 2010. The principal responsibilities of the remuneration committee include making recommendations on and approving the remuneration policy and structure for all remuneration of the Directors and senior management.

The remuneration committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The remuneration committee has also been delegated with the powers and authorities to implement the share option scheme of the Company. The remuneration committee shall meet at least once a year.

Executive Committee

The Company established an executive committee on 10 September 2004 with written terms of reference adopted which deal clearly with its authority and duties. The executive committee consists of all executive Directors, namely Ms. Chan Lai Kwan Rainbow (chairman of the executive committee). Ms. Wong Yuet May Jeremy, Mr. Chan Fu Kei, Mr. Woo Hing Keung Lawrence and Mr. Too Shu Wing. The Board has delegated the day-to-day management and operation functions of the Group to the executive committee save to the extent that certain powers and authorities are reserved to the remuneration committee or the full Board.

Nomination of Directors

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors. In this respect, the Company has not established a nomination committee. The Company currently does not have any plans to set up the nomination committee.

Communication with Shareholders

The Company has disclosed all necessary information to the shareholders of the Company in accordance with the GEM Listing Rules and reported the Company's performance through various communication tools. These include annual and extraordinary general meeting, quarterly and annual reports, various notices, announcements and circulars.

Responsibilities in respect of the Financial Statements and Auditors' Remuneration

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements. The auditors' responsibilities are set out in the Independent Auditor's Report.

Internal Control

The Board has overall responsibility for the establishment, maintenance and review of the Group's system of internal control. The Board has conducted a review of, and is satisfied with the effectiveness of the system of internal control of the Group.

Auditors' Remuneration

Messrs. SHINEWING (HK) CPA Limited was re-appointed as the auditors of the Group at the annual general meeting held on 24 August 2009. The remuneration in respect of the Group's audit services and non-audit services provided by Messrs. SHINEWING (HK) CPA Limited for the Company for the Financial Year is as follow:

	2010	2009
	HK$'000	HK$'000
Auditors' remuneration	**470**	300
Other accountancy service fee	**120**	—

Conclusion

The Board believes that good corporate governance can safeguard the effective allocation of resources and protect Shareholders' interest. The management will try to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

Report of Directors

The directors of the Company ("**Directors**") present this report together with the audited financial statements of BEST MIRACLE INTERNATIONAL LIMITED ("**Company**") and its subsidiaries (together the "**Group**") for the year ended 30 April 2010.

Change of Company Name

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 3 May 2010 and approved by the Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong, the Company has changed its name to "BEST MIRACLE INTERNATIONAL LIMITED 進能國際有限公司" with effect from 3 May 2010.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 35 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 30 April 2010 are set out in the consolidated income statement on page 24.

The Directors do not recommend the payment of a final dividend for the year ended 30 April 2010 (2009: Nil).

Segment Information

An analysis of the Group's performance by the principal activities and geographical locations of operations for the year ended 30 April 2010 is set out in Note 8 to the consolidated financial statements.

Plant And Equipment

Details of movements in plant and equipment during the year ended 30 April 2010 are set out in Note 17 to the consolidated financial statements.

Share Capital, Share Options and Warrants

Details of movements in the Company's share capital, share options and warrants during the year, together with the reasons thereof, are set out in Note 27, Note 29 and Note 26 respectively to the consolidated financial statements.

Share Option Scheme

Share options have been granted to eligible participants under the share option scheme of the Company adopted on 10 June 2003 ("**Share Option Scheme**"), detailed of which are set out in Note 29 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group during the year ended 30 April 2010 are set out in the consolidated statement of changes in equity on page 28.

Distributable Reserves

As at 30 April 2010, the Company had no reserve available for distribution to the shareholders of the Company (2009: Nil).

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 30 April 2010 is set out on page 83.

Directors

The Directors who held office during the year and up to the date of this annual report were:

Executive Directors

Ms. Chan Lai Kwan Rainbow *(Chief Executive Officer)*
Ms. Wong Yuet May Jeremy
Mr. Chan Fu Kei
Mr. Woo Hing Keung Lawrence
Mr. Too Shu Wing (appointed on 4 September 2009)

Independent non-executive Directors

Mr. Chan Tak Yan
Mr. Chiu Kwok Wing Benedict (resigned on 4 February 2010)
Mr. Orr Joseph Wai Shing
Mr. Lam Raymond Shiu Cheung (appointed on 3 May 2010)

In accordance with article 86(3) of the Articles, Mr. Lam Raymond Shiu Cheung will retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting ("**AGM**").

In accordance with article 87(1) of the Company's Articles, Ms. Chan Lai Kwan Rainbow, Mr. Chan Fu Kei and Mr. Chan Tak Yan will retire by rotation and, being eligible, offer themseives for re-election at the AGM.

Independence Confirmation

The Company has received an annual written confirmation from each of its independent non-executive Directors pursuant to rule 5.09 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). The Company considers all of the independent non-executive Directors are independent.

Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and the senior management of the Group are set out on pages 8 to 9 of the annual report.

Directors' Service Contracts

Each of Ms. Chan Lai Kwan Rainbow, Mr. Woo Hing Keung Lawrence and Mr. Too Shu Wing has entered into a service contract with the Company with no fixed terms of service with the Company but she/he is entitled to terminate her/his appointment at any time by giving the Company notice in writing.

Save as disclosed above, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 30 April 2010, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the ordinary shares and underlying shares of HK$0.001 each in the capital of the Company ("Shares")

Name of Directors	Nature of interest	Shares	Number of underlying Shares (share options)*	Total	Approximate percentage of the Company's issued share capital
Ms. Chan Lai Kwan Rainbow	Personal	—	1,000,000 *(Note 1)*	1,000,000	0.04%
Ms. Wong Yuet May Jeremy	Personal	—	21,000,000 *(Notes 1 & 2)*	21,000,000	0.87%
Mr. Chan Fu Kei	Personal	—	1,000,000 *(Note 1)*	1,000,000	0.04%
Mr. Woo Hing Keung Lawrence	Personal	1,325,000	1,000,000 *(Note 1)*	2,325,000	0.10%
Mr. Too Shu Wing	Personal	—	1,000,000 *(Note 1)*	1,000,000	0.04%

* The interests in the underlying Shares (being regarded as unlisted physically settled equity derivatives) of the Company are detailed in the Share Option Scheme section.

Notes:

1. On 11 September 2009, each of Ms. Chan Lai Kwan Rainbow, Ms. Wong Yuet May Jeremy, Mr. Chan Fu Kei, Mr. Woo Hing Keung Lawrence and Mr. Too Shu Wing was granted share options pursuant to the Share Option Scheme to subscribe for a total of 1,000,000 Shares at an exercise price of HK$0.70 per Share. The share options would be exercisable during the period from 11 September 2009 to 10 September 2012.

2. On 27 October 2007, Ms. Wong Yuet May Jeremy was granted share options pursuant to the Share Option Scheme to subscribe for a total of 2,000,000 shares of HK$0.01 each in the capital of the Company at an exercise price of HK$23.20 per share. The share options would be exercisable during the period from 27 October 2007 to 27 October 2010. As a result of each of the issued and unissued shares of HK$0.01 subdivided into 10 subdivided shares of HK$0.001 each which became effective on 30 October 2007, the relevant subscription price was adjusted from HK$23.20 to HK$2.32 per Share and the number of Shares falling to be issued under the outstanding share options was adjusted from 2,000,000 shares to 20,000,000 Shares.

Save as disclosed above, as at 30 April 2010, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO), as recorded in the register required to be kept under section 352 of the SFO; or as notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules.

Directors' Rights to Acquire Shares

Save as disclosed under the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures", at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

Substantial Shareholders and Other Persons with Interests in the Company which are Discloseable under Section 336 of the SFO

As at 30 April 2010, the following persons or companies other than Directors and chief executive of the Company, had interests or short positions (directly or indirectly) in the Company's Shares or underlying Shares were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of shareholders	Capacity	Note	Number of issued Shares held	Approximate percentage of the Company's issued share capital
Upper Run Investments Limited ("**Upper Run**")	Beneficial owner	1	1,016,099,900	42.30%
Ms. Chan Yuen Fan Winky ("**Ms. Winky Chan**")	Interest through controlled corporation	1	1,016,099,900	42.30%
Kingston Finance Limited ("**Kingston**")	Having a security interest	2 & 3	1,010,000,000	42.04%
Ample Cheer Limited ("**Ample Cheer**")	Interest through controlled corporation	2 & 3	1,010,000,000	42.04%
Best Forth Limited ("**Best Forth**")	Interest through controlled corporation	2 & 3	1,010,000,000	42.04%
Mrs. Chu Yuet Wah ("**Mrs. Chu**")	Interest through controlled corporation	2 & 3	1,010,000,000	42.04%

Notes:

1. These Shares are beneficially owned by Upper Run, a company incorporated in the British Virgin Islands, whose entire issued share capital is wholly and beneficially owned by Ms. Winky Chan. By virtue of the SFO, Ms. Winky Chan is deemed to be interested in the Shares hold by Upper Run.

2. Out of the 1,016,099,900 Shares held by Upper Run, 1,010,000,000 Shares are charged with Kingston which has a security interest in the 1,010,000,000 Shares owned by Upper Run.

3. Kingston is wholly owned by Ample Cheer which is 80% owned by Best Forth. The entire issued share capital of Best Forth is wholly owned by Mrs. Chu. By virtue of the SFO, Mrs. Chu is deemed to be interested in the Shares held by Kingston as mentioned in Note 2 above.

Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on the public records filed at the website of the Stock Exchange and record kept by the Company as at 30 April 2010, no persons other than the Directors or the chief executive of the Company had registered an interest or short positions in the Shares and the underlying Shares which required to be recorded pursuant to Section 336 of the SFO.

Related Party Transactions

Details of the related party transactions undertaken during the year are provided under Note 34 to the consolidated financial statements. These related party transactions did not fall under the definition of connected transaction or continuing connected transaction as defined in the GEM Listing Rules.

Directors' Interests in Contracts

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted for the year or at any time during the year except as disclosed under Note 34 "Related Party Transaction" to the consolidated financial statements.

Major Customers and Suppliers

For the year ended 30 April 2010, the five largest customers of the Group accounted for approximately 100.0% (2009: 78.3%) of the Group's total sales and the five largest suppliers accounted for approximately 99.4% (2009: 99.2%) of the Group's total purchases. In addition, the largest customer accounted for approximately 100.0% (2009: 27.8%) of the Group's total sales and the largest supplier accounted for approximately 56.0% (2009: 76.9%) of the Group's total purchases.

Competing Interests

For the year ended 30 April 2010, the Directors are not aware of any business or interest of the Directors, the management shareholders and their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

Disclosure of Information on Director Pursuant to Rule 17.50A(1) of the GEM Listing Rules

The updated information on Director discloseable under rule 17.50A(1) of the GEM Listing Rules is as follow:

— Mr. Orr Joseph Wai Shing, an independent non-executive Director, resigned as an independent non-executive director of China Bio-Med Regeneration Technology Limited (Stock Code: 8158), a company listed on GEM of the Stock Exchange, on 4 December 2009.

Subsequent Events

Appointment of independent non-executive Director and members of the audit committee and the remuneration committee

Mr. Lam Raymond Shiu Cheung was appointed as an independent non-executive Director and members of the audit committee and the remuneration committee on 3 May 2010.

Change of Company Name

A Certificate of Incorporation on Change of Name of the Company was issued by the Registrar of Companies in the Cayman Islands on 3 May 2010 certifying that the change of name of the Company from "Byford International Limited" to "BEST MIRACLE INTERNATIONAL LIMITED 進能國際有限公司" took effect on 3 May 2010. A Certificate of Registration of Change of Corporate Name of Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 20 May 2010 confirming the registration of the new name of the Company in Hong Kong under Part XI of the Companies Ordinance (Cap. 32 Laws of Hong Kong).

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed Securities during the year under review.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders of the Company.

Material Litigation

Neither the Company nor its subsidiaries was involved in any material litigation or arbitration during the year ended 30 April 2010.

Public Float

As at the date of this report, the Company has maintained the prescribed public float required under the GEM Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 10 to 15 of the annual report.

Auditors

The consolidated financial statements for the year ended 30 April 2010 have been audited by Messrs. SHINEWING (HK) CPA LIMITED who will retire and, being eligible, offer themselves for re-appointment upon conclusion of the AGM. A resolution for the re-appointment of Messrs. SHINEWING (HK) CPA Limited as auditors of the Company to hold office until conclusion of the next annual general meeting at a fee to be agreed with the Directors will be proposed at the AGM.

By Order of the Board
Chan Lai Kwan Rainbow
Chief Executive Officer and Executive Director

Hong Kong, 16 July 2010

Independent Auditor's Report

信永中和 ShineWing

SHINEWING (HK) CPA Limited
43/F, The Lee Gardens,
33 Hysan Avenue, Causeway Bay,
Hong Kong

TO THE SHAREHOLDERS OF
BEST MIRACLE INTERNATIONAL LIMITED
進能國際有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Best Miracle International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 82, which comprise the consolidated statement of financial position as at 30 April 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements 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 directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 April 2010 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Ip Yu Chak
Practising Certificate Number: P04798

Hong Kong
16 July 2010

Consolidated Income Statement

For the year ended 30 April 2010

	Notes	2010 HK$'000	2009 HK$'000
Continuing operations			
Revenue	7	**11,381**	13,502
Cost of sales		**(10,820)**	(12,867)
Gross profit		**561**	635
Other income	9	**5,025**	56
Change in fair value of financial assets held for trading		**70,640**	324
Selling and distribution costs		**(1,665)**	(1,059)
General and administrative expenses		**(47,794)**	(16,373)
Equity-settled share-based payments		**(2,816)**	—
Change in fair value of derivative financial instruments through profit and loss		**—**	5,967
Finance costs	10	**(135)**	(121)
Share of loss of an associate		**(1,665)**	—
Profit (loss) before tax		**22,151**	(10,571)
Income tax expense	11	**(9,661)**	—
Profit (loss) for the year from continuing operations	12	**12,490**	(10,571)
Discontinued operation	13		
Profit for the year from discontinued operation		**34,269**	10,283
Profit (loss) for the year, attributable to owners of the Company		**46,759**	(288)
Earnings (loss) per share	15		
From continuing and discontinued operations			
— basic and diluted (HK cents)		**2.00 cents**	(0.01) cents
From continuing operations			
— basic and diluted (HK cents)		**0.53 cents**	(0.53) cents

Consolidated Statement of Comprehensive Income

For the year ended 30 April 2010

	2010 HK$'000	2009 HK$'000
Profit (loss) for the year	**46,759**	(288)
Other comprehensive income (expenses)		
Exchange differences arising on translation	**433**	(2,626)
Share of other comprehensive income of an associate	**63**	—
Other comprehensive income (expenses) for the year	**496**	(2,626)
Total comprehensive income (expenses) for the year	**47,255**	(2,914)

Consolidated Statement of Financial Position

As at 30 April 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Plant and equipment	17	**12,426**	1,241
Interest in an associate	18	**24,845**	—
Trademarks	19	**—**	15,416
		37,271	16,657
Current assets			
Trade receivables	20	**477**	8,376
Prepayments, deposits and other receivables		**3,905**	836
Loan receivable	21	**23,908**	—
Held for trading investment	22	**79,320**	2,320
Bank balances and cash	23	**16,012**	3,403
		123,622	14,935
Current liabilities			
Accruals and other payables		**4,147**	17,566
Other borrowing	24	**6,495**	—
Amount due to a director	25	**—**	79
Derivative financial instruments — warrants	26	**—**	33
Tax liabilities		**9,661**	41
		20,303	17,719
Net current assets (liabilities)		**103,319**	(2,784)
Total assets less current liabilities		**140,590**	13,873

As at 30 April 2010

	Note	2010 HK$'000	2009 HK$'000
Capital and reserves			
Share capital	27	**2,402**	2,002
Reserves		**138,188**	11,871
Total equity		**140,590**	13,873

The consolidated financial statements on pages 24 to 82 were approved and authorised for issue by the Board of Directors on 16 July 2010 and are signed on its behalf by :

Chan Lai Kwan Rainbow
Director

Too Shu Wing
Director

Consolidated Statement of Changes in Equity

For the year ended 30 April 2010

	Share capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Special reserve HK$'000 *(Note)*	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 May 2008	2,002	20,676	68,088	8,023	3,554	(85,556)	16,787
Total comprehensive expenses for the year	—	—	—	—	(2,626)	(288)	(2,914)
At 30 April 2009 and 1 May 2009	2,002	20,676	68,088	8,023	928	(85,844)	13,873
Total comprehensive income for the year	—	—	—	—	496	46,759	47,255
Recognition of equity-settled share-based payments	—	—	2,816	—	—	—	2,816
Placing of new shares *(note 27)*	400	79,600	—	—	—	—	80,000
Transaction costs attributable to placing of new shares	—	(1,993)	—	—	—	—	(1,993)
Transfer upon disposal of subsidiaries	—	—	—	(8,023)	(1,361)	8,023	(1,361)
At 30 April 2010	2,402	98,283	70,904	—	63	(31,062)	140,590

Note: Special reserve represents the difference between the nominal value of the shares of D Byford Holdings Limited, which was the holding company of the other members of the Group prior to a group reorganisation, and the nominal value of the Company's shares issued for share exchange at the time of the group reorganisation.

Consolidated Statement of Cash Flows

For the year ended 30 April 2010

	Notes	2010 HK$'000	2009 HK$'000
OPERATING ACTIVITIES			
Profit (loss) before tax			
Continuing operations		**22,151**	(10,571)
Discontinued operation		**34,482**	10,432
		56,633	(139)
Adjustments for:			
Change in fair value of financial asset held for trading		**(70,640)**	(324)
Gain on disposal of subsidiaries	31	**(30,550)**	(10)
Interest income from bank and loan receivable		**(1,221)**	(30)
Gain on derecognition of derivative financial instruments — warrants	9	**(33)**	—
Change in fair value of derivative financial instruments — warrants		**—**	(5,967)
Equity-settled share-based payments		**2,816**	—
Share of loss of an assoicate		**1,665**	—
Depreciation of plant and equipment		**2,426**	266
Finance costs		**135**	121
Loss on disposal of plant and equipment		**—**	46
Operating cash flows before movements in working capital		**(38,769)**	(6,037)
Decrease (increase) in trade receivables		**7,899**	(6,639)
(Increase) decrease in prepayments, deposits and other receivables		**(3,069)**	1,103
Decrease in trade payables		**—**	(810)
(Decrease) increase in accruals and other payables		**(13,419)**	14,433
Cash (used in) from operations		**(47,358)**	2,050
Income tax paid		**(254)**	(123)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		**(47,612)**	1,927
INVESTING ACTIVITIES			
Increase in loan receivable		**(23,908)**	—
Capital injection to an associate		**(22,147)**	—
Purchase of plant and equipment		**(13,611)**	(390)
Purchase of held for trading investment		**(6,360)**	(1,996)
Cash outflow from acquisition of asset through acquisition of subsidiaries	30	**(4,000)**	—
Advance to an associate		**(300)**	—
Proceeds from disposal of subsidiaries	31	**45,000**	10
Interest received		**1,221**	30
Proceeds form disposal of plant and equipment		**—**	169
NET CASH USED IN INVESTING ACTIVITIES		**(24,105)**	(2,177)

Consolidated statement of cash flows *(Continued)*

For the year ended 30 April 2010

	2010 HK$'000	2009 HK$'000
FINANCING ACTIVITIES		
Proceeds from placing of share, net of expenses	**78,007**	—
New borrowing raised	**6,495**	—
Interest paid	**(135)**	(121)
(Repayment to) advance from a director	**(79)**	79
Repayment of borrowing	**—**	(1,000)
Repayment of obligation under a finance lease	**—**	(233)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**84,288**	(1,275)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**12,571**	(1,525)
CASH AND CASH EQUIVALENTS AT 1 MAY, represented by bank balances and cash	**3,403**	5,442
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES	**38**	(514)
CASH AND CASH EQUIVALENTS AT 30 APRIL, represented by bank balances and cash	**16,012**	3,403

Notes to the Consolidated Financial Statements

For the year ended 30 April 2010

1. General Information

Best Miracle International Limited (the "Company"), formerly known as Byford International Limited and renamed as Best Miracle International Limited on 3 May 2010, was incorporated in the Cayman Islands on 22 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information to the annual report. The shares of the Company have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 27 June 2003.

With effect from 20 July 2007, Upper Run Investments Limited, a private investment holding company incorporated in the British Virgin Islands ("BVI") has become the ultimate holding company of the Company.

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

The Company is an investment holding company. The principal activities of the Company's subsidiaries (together with the Company referred to as the "Group") are set out in note 35.

2. Application of New and Revised International Financial Reporting Standards ("IFRSs")

In the current year, the Group has applied, the following new and revised standards, amendments and interpretations ("new and revised IFRSs") issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB which are or have become effective.

International Accounting Standard ("IAS") 1 (Revised 2007)	Presentation of Financial Statements
IAS 23 (Revised 2007)	Borrowing Costs (Revised)
IAS 32 and IAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
IFRS 1 and IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRSs (Amendments)	Improvements to IFRSs issued in 2008 except for the amendments to IFRS 5 which is effective for annual periods beginning on or after 1 July 2009
IFRSs (Amendments)	Improvements to IFRSs 2009
IFRS 2 (Amendment)	Vesting conditions and cancellations
IFRS 7 (Amendment)	Financial instruments: Disclosures-Improving Disclosures about Financial Instrument
IFRS 8	Operating segments
IFRIC 9 and IAS 39 (Amendments)	Embedded Derivatives
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estates
IFRIC 16	Hedges of a net investment in a foreign operation
IFRIC 18	Transfers of Assets from Customers

In addition, in the current year, the Group has elected to early adopt the amendment to IFRS 5 as part of Improvements to IFRSs 2009 (adopted in advance of effective date of 1 January 2010).

2. Application of New and Revised International Financial Reporting Standards ("IFRSs") *(Continued)*

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

New and revised IFRSs affecting presentation and disclosure only.

IAS 1 (Revised 2007) "Presentation of Financial Statements"

IAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

IFRS 8 Operating Segments

IFRS 8 is a disclosure standard that has changed the basis of measurement of the Group's segments profit or loss (see note 8). However, the adoption of IFRS 8 has not resulted in a re-designation of the Group's reputation segments.

Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)

The amendments to IFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

Early adoption of amendment to IFRS 5 as part of Improvements to HKFRSs 2009

The amendment has clarified that IFRS 5 has specified the disclosure required in respect of disposal groups classified as discontinued operations. Disclosures requirements in other IFRSs do not generally apply to such disposal groups.

2. Application of New and Revised International Financial Reporting Standards ("IFRSs") *(Continued)*

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

IFRSs (Amendments)	Amendment to IFRSs 5 as part of Improvements to IFRSs 2008[1]
IFRSs (Amendments)	Improvements to IFRSs 2009[2]
IAS 1 (Amendment)	Presentation of Financial Statements[3]
IAS 17 (Amendment)	Leases[3]
IAS 24 (Revised)	Related Party Disclosures[6]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
IAS 32 (Amendment)	Classification of Right Issues[4]
IAS 36 (Amendment)	Impairment of assets[3]
IAS 38 (Amendment)	Intangible assets[1]
IAS 39 (Amendment)	Eligible hedged items[1]
IFRS 1 (Amendments)	Additional Exemptions for First-time Adopters[3]
IFRS 1 (Amendment)	Limited Exemptions from Comparative IFRS 7 Disclosures for First-time Adopters[5]
IFRS 2 (Amendment)	Share-based Payment: Group Cash-settled Share-based Payment Transactions[3]
IFRS 3 (Revised)	Business Combinations[1]
IFRS 9	Financial Instruments[7]
IFRIC 14 (Amendment)	Prepayment of a Minimum Funding Requirements[6]
IFRIC 17	Distribution of Non-cash Assets to Owners[1]
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Effective for annual periods beginning on or after 1 July, 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 July 2010
6 Effective for annual periods beginning on or after 1 January 2011
7 Effective for annual periods beginning on or after 1 January 2013

The application of IFRS 3 (Revised) may affect the accounting for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

IFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of IFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. Summary of Significant Accounting Policies

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

(a) 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 included 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 the subsidiaries to bring the accounting policies into line with those used by other members of the Group.

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

(b) Investments in associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any indentified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3. Summary of Significant Accounting Policies *(Continued)*

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

(i) Sales of goods

Sales of goods are recognised when the goods are delivered and title has passed.

(ii) Licensing income

Licensing income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(iii) Interest income

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.

(iv) Consultancy and management fee income

Consultancy and management fee income is recognised when services are provided.

(d) Plant and equipment

Plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period in which the item is derecognised.

(e) Leasing

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

The Group as lessor

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

The Group as leasee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

3. Summary of Significant Accounting Policies *(Continued)*

(f) Foreign currencies

In preparing the financial statements of each individual group entities, transactions in currencies other than 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 exchange prevailing on the dates of the transactions. At each of the end of reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(g) Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

(h) Trademarks

Trademarks that have an indefinite life are carried at historical cost less accumulated impairment, if any, and are tested annually for impairment and when there is indication of impairment.

Trademarks arising prior to 1 May 2005 were amortised on a straight line basis over a period of 20 years and assessed for an indication of impairment at each of the end of reporting period. The Group ceased amortisation of these trademarks from 1 May 2005 due to the change in accounting policy.

3. Summary of Significant Accounting Policies *(Continued)*

(i) Impairment loss on tangible and intangible assets

At each of the end of reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered 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. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where 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.

(j) 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.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. 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 liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each of the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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.

3. Summary of Significant Accounting Policies *(Continued)*

(k) Employee benefits

(i) Pension obligations

Group companies operate defined contribution plans and the Mandatory Provident Fund Scheme ("MPF" Scheme) which are generally funded through payments to trustee-administrated funds.

A defined contribution plan is a pension plan under which the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Payments to defined contribution plans and the MPF Scheme are charged as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits failing due more than 12 months after the end of the reporting period are discounted to present value.

(l) Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position 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 (other than financial assets or financial liabilities at fair value through profit or loss) 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 profit or loss.

Financial assets

The Group's financial assets comprise financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. 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.

3. Summary of Significant Accounting Policies *(Continued)*

(l) Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL 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 trade receivables, deposits and other receivables, loan receivable, amount due from an associate and bank balances and cash, are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each of the end of 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.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, 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 average credit period of 30 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. Summary of Significant Accounting Policies *(Continued)*

(l) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

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 estimated future cash flows, discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade 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 trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, in a subsequent period, the amount of the 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.

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, a shorter period.

Interest expenses is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including accruals and other payables, other borrowing and amount due to a director are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

3. Summary of Significant Accounting Policies *(Continued)*

(l) Financial instruments *(Continued)*

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each of the end of reporting period. The resulting gain or loss is recognised in profit or loss immediately.

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. On derecognition of a financial asset, 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 expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(m) Equity-settled share-based payments

Share options granted to employees

The fair value of services received are determined by reference to the fair value of the share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At each of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Share options granted to consultant

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

4. 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 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.

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 impairment loss on interest in an associate

Determining whether the interest in an associate is impaired requires an estimation of the future cash flows expected to arise and the expected dividend yield from the associates in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 30 April 2010, the carrying amount of interest in an associate is approximately HK$24,845,000 and no impairment loss has been recognised.

Estimated impairment for trade receivables, loan and other receivables

The Group makes impairment for doubtful debts based on an assessment of the recoverability of trade receivables, loan and other receivables. Impairment is applied to trade receivables, loan and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and doubtful debt expenses in the period in which such estimate has been changed.

Valuation of share-based payment

The valuation of the fair value of the share options granted requires judgment in determining the expected volatility of the share price, the dividends expected on the shares, the risk-free interest rate during the life of the options.

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes other borrowing, bank balances and cash and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt.

6. Financial Instruments

(a) Categories of financial instruments

	2010 HK$'000	2009 HK$'000
Financial assets		
FVTPL		
Held for trading investment	**79,320**	2,320
Loans and receivables		
Trade receivables	**477**	8,376
Deposits and other receivables	**3,697**	617
Loan receivable	**23,908**	—
Amount due from an associate	**300**	—
Bank balances and cash	**16,012**	3,403
	44,394	12,396
	123,714	14,716
Financial liabilities		
Derivative financial instruments		
Derivative financial instruments — warrants	**—**	33
Other financial liabilities at amortised cost		
Accruals and other payables	**4,147**	9,550
Other borrowing	**6,495**	—
Amount due to a director	**—**	79
	10,642	9,629
	10,642	9,662

6. Financial Instruments *(Continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, loan receivable, held for trading investment, bank balances and cash, accruals and other payables, other borrowing, amount due to a director and derivative financial instruments — warrants. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency 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.

Market risk

Interest rate risk

Loan receivable and other borrowing at fixed rates expose the Group to fair value interest rate risk. Details of the Group's loan receivable and other borrowing are disclosed in note 21 and 24, respectively.

The Group is exposed to cash flow interest rate risk in relation to bank balances. The Group considered that the effect of the cash flow interest rate was minimal for the year.

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 100% (2009: 46%) of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale, whilst almost 100% (2009: 87%) of costs is denominated in the group entity's functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at each of the end of reporting period are as follows:

	Assets		Liabilities	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States Dollars ("USD")	**490**	701	**—**	32
United Arab Emirates Dirhams ("AED")	**—**	102	**—**	—
Chinese Renminbi ("RMB")	**30**	—	**—**	—
Great British Pounds ("GBP")	**1**	1	**—**	—
Malaysian Ringgit ("MYR")	**1**	89	**—**	436
Singapore Dollars ("SGD")	**3**	296	**—**	31
	525	1,189	**—**	499

The Group currently does not have a foreign currency hedging policy. However, the management will closely monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

6. Financial Instruments *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

Currency risk *(Continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2009: 5%) increase and decrease in HK$ against the relevant foreign currencies. 5% (2009: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2009: 5%) change in foreign currency rates.

	(Increase) decrease on post-tax profit	
	2010	2009
	HK$'000	HK$'000
If HK$ weakens against the following currencies by 5%:		
USD impact	**(25)**	(33)
RMB impact	**(2)**	—
AED impact	**—**	(5)
MYR impact	**—**	17
SGD impact	**—**	(13)

	(Increase) decrease on post-tax profit	
	2010	2009
	HK$'000	HK$'000
If HK$ strengthens against the following currencies by 5%:		
USD impact	**25**	33
RMB impact	**2**	—
AED impact	**—**	5
MYR impact	**—**	(17)
SGD impact	**—**	13

6. Financial Instruments *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

Other price risk

The Group is exposed to equity price risk through its investment in listed equity securities. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at each of the end of reporting period. For sensitivity analysis purpose, the sensitivity rate is 10% (2009: 3%) in the current year as a result of the volatile financial market.

If the price of the respective equity instrument had been 10% (2009: 3%) higher/lower, the post-tax profit for the year ended 30 April 2010 would increase/decrease by approximately of HK$7,932,000 (2009: HK$70,000) as a result of the changes in fair value of held-for-trading investment.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables, loan and other receivables and bank balances. At the respective of the end of reporting period, 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 each of the end of 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.

The Group has 100% concentration of credit risk as all trade receivables were due from the Group's sole customer as at 30 April 2010 while the Group has concentration of credit risk as 44% and 66% of the total receivables were due from the Group's largest customer and the five largest customers as at 30 April 2009, respectively.

The Group's concentration of credit risk by geographical location is mainly in the United States of America, which accounted for 100% (2009: 1%) of the total trade receivable as at 30 April 2010.

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

6. Financial Instruments *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Within 1 year or on demand HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at year ended date HK$'000
As at 30 April 2010			
Non-derivative financial liabilities			
Accruals and other payables	**4,147**	**4,147**	**4,147**
Other borrowing	**7,063**	**7,063**	**6,495**
	11,210	**11,210**	**10,642**
As at 30 April 2009			
Non-derivative financial liabilities			
Accruals and other payables	9,550	9,550	9,550
Amount due to a director	79	79	79
	9,629	9,629	9,629

(c) Fair value

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

- the fair value of financial assets and financial liabilities (excluding derivative instruments) with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input; and

- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option placing models for the optional derivatives.

6. Financial Instruments *(Continued)*

(c) Fair value *(Continued)*

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 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 market 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).

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Assets				
Held for trading investment	79,320	—	—	79,320

There was no transfers between Level 1 and 2 in the current year and there was no financial assets and financial liabilities classified under Level 2 and 3 as at 30 April 2010.

7. Revenue

An analysis of the Group's revenue for the year from continuing operations is as follows:

	2010	2009
	HK$'000	HK$'000
Sales of goods	**11,381**	13,502

8. Segmental Information

The Group has adopted IFRS 8 Operating Segments with effect from the financial year beginning 1 May 2009. IFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (IAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of IFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with IAS 14. Nor has the adoption of IFRS 8 changed the basis of measurement of segment profit or loss.

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker, being the chief executive officer, for making strategic decisions. The segments are managed separately as each business offers different products which vary in materials used, design and technology and services which require different production/service information to formulate different marketing strategies. The following summary describes the operations in each of the Group's reportable segments under IFRS 8:

(i) the Sales of apparel segment comprises sales of men's innerwear, socks and apparel products; and

(ii) the Sales of electronic segment sells electronic products

The accounting policies of the reporting segment are identical to the Group's accounting policies as described in note 3.

On 31 August 2009, the Group completed the disposal of D Byford Holdings Limited and its subsidiaries, which were engaged in licensing the trademark relating to Byford branded men's innerwear, socks and apparel in return for royalty income as set out in note 31. Hence, the division is presented as discontinued operation. The segment information reported in operating segments does not include any amounts for the discontinued operation, which is described in more detail in note 13.

8. Segmental Information *(Continued)*

Segments revenue and results, assets and liabilities

The following is an analysis of the Group's revenue, profit and certain asset, liability and expenditure information by reportable segment from continuing operations:

For the year ended 30 April

	Sales of apparel		Sales of electronic		Total	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Revenue						
Sales to external customers	**11,381**	3,238	**—**	10,264	**11,381**	13,502
Segment results	**(1,009)**	(2,753)	**(11)**	(1,916)	**(1,020)**	(4,669)
Unallocated corporate income					**3,263**	10
Unallocated corporate expenses					**(47,337)**	(12,110)
Interest income					**1,221**	28
Change in fair value of financial assets held for trading					**70,640**	324
Change in fair value of derivative financial instruments through profit and loss					**—**	5,967
Equity-settled share-based payments					**(2,816)**	—
Finance costs					**(135)**	(121)
Share of loss of an associate					**(1,665)**	—
Profit (loss) before tax					**22,151**	(10,571)
As at 30 April						
Assets and liabilities						
Segment assets	**483**	137	**—**	5,185	**483**	5,322
Assets relating to discontinued operation					**—**	18,547
Unallocated corporate assets					**160,410**	7,723
Total assets					**160,893**	31,592
Segment liabilities	**38**	43	**3,500**	6,999	**3,538**	7,042
Liabilities relating to discontinued operation					**—**	1,194
Unallocated corporate liabilities					**16,765**	9,483
Total liabilities					**20,303**	17,719

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2009: nil)

8. Segmental Information *(Continued)*

Segments revenue and results, assets and liabilities

Segment results represent the loss attributable to each segment without allocation of central administration costs, director's emolument, interest income, finance costs, share of loss of an associate, and income tax expense, fair value changes of derivative financial instrument and financial assets held for trading. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

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

— all assets are allocated to reportable segments other than interest in an associate, loan receivable, held for trading investment, bank balances and cash of the Company; and

— all liabilities are allocated to reportable segments other than amount due to a director, derivative financial instruments and tax liabilities of the Company.

Other segment information

For the year ended 30 April

	Sales of apparel		Sales of electronic		Unallocated		Discontinued operation		Total	
	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000
Amount included in the measure of segment profit or loss or segment assets:										
Additions to plant and equipment	—	—	—	—	13,611	390	—	—	13,611	390
Depreciation	2	2	—	—	2,424	250	—	14	2,426	266
Loss on disposal of plant and equipment	—	—	—	—	—	46	—	—	—	46
Amount regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets										
Interest income	—	(3)	—	—	(1,221)	(25)	—	(2)	(1,221)	(30)
Finance costs	—	—	—	—	135	121	—	—	135	121
Income tax expense	—	—	—	—	9,661	—	213	149	9,874	149
Change in fair value of financial assets held for trading	—	—	—	—	(70,640)	(324)	—	—	(70,640)	(324)
Change in fair value of derivative financial instrument	—	—	—	—	—	5,967	—	—	—	5,967

Revenue from major products and services

All of the Group's revenue from continuing operations is derived from sales of apparel products and electronic products.

8. Segmental Information *(Continued)*

Geographical information

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical locations of the assets are detailed below.

	Revenue from external customers		Non-current assets	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong, Macau & the People's Republic of China (the "PRC")	**—**	13,369	**37,271**	1,241
Malaysia	**—**	—	**—**	15,416
The United States of America	**11,381**	133	**—**	—
	11,381	13,502	**37,271**	16,657

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2010	2009
	HK$'000	HK$'000
Customer A	**11,381**	133
Customer B	**—**	1,489
Customer C	**—**	5,264
Customer D	**—**	5,000
	11,381	11,886

9. Other Income

Continuing operations	2010 HK$'000	2009 HK$'000
Bank interest income	55	28
Interest income from loan receivable	1,166	—
Gain on derecognition of derivative financial instruments — warrants	33	—
Management fee income	240	—
Consultancy fee income	2,975	—
Gain on disposal of a subsidiary	—	10
Others	556	18
	5,025	56

10. Finance Costs

Continuing operations	2010 HK$'000	2009 HK$'000
Interest on:		
Other borrowing — wholly repayable within 5 years	135	101
Finance lease	—	20
	135	121

11. Income Tax Expense

Continuing operations	2010 HK$'000	2009 HK$'000
The income tax expense comprises:		
Current tax		
— Hong Kong	9,661	—
— Other jurisdictions	—	—
	9,661	—
Deferred tax	—	—
	9,661	—

The Company is an exempted company incorporated in the Cayman Islands, as such, it is not liable for taxation in the Cayman Islands on its non-Cayman Islands income.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the both years ended 30 April 2010 and 30 April 2009.

The income tax expense for the years can be reconciled to the profit (loss) before tax as per the consolidated income statement as follows:

	2010 HK$'000	2009 HK$'000
Profit (loss) before tax from continuing operations	22,151	(10,571)
Tax at the domestic income tax rate of 16.5% (2009: 16.5%)	3,655	(1,744)
Tax effect of income not taxable for tax purpose	(63)	(30)
Tax effect of expense not deductible for tax purpose	2,837	1,042
Utilisation of tax losses previously not recognised	(6)	(91)
Tax effect of tax losses not recognised	2,963	823
Tax effect on share of result of an associate	275	—
Tax charge for the year (relating to continuing operations)	9,661	—

12. Profit (Loss) for the Year

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

Continuing operations	2010 HK$'000	2009 HK$'000
Depreciation of plant and equipment		
— owned assets	2,426	204
— asset held under a finance lease	—	48
	2,426	252
Employee benefit expenses *(Note 16)*	15,434	6,760
Cost of inventories recognised as expenses	10,820	12,867
Minimum lease payments under operating leases	8,436	1,711
Loss of disposal of plant and equipment	—	46
Net foreign exchange losses	40	—
Auditor's remuneration	470	242

13. Discontinued Operation

On 6 May 2009, the Company entered into a conditional sale and purchase agreement with Million Dragon Limited, an independent third party, to dispose of its entire interest in D Byford Holdings Limited and its subsidiaries ("D Byford Group"), which are involved in licensing business, for a consideration of HK$45,000,000. On 31 August 2009, the sale and purchase agreement was completed and cash consideration of HK$45,000,000 was received by the Company.

The profit for the year from the discontinued operation is analysed as follow:

	2010 HK$'000	2009 HK$'000
Profit of licensing business	3,719	10,283
Gain on disposal of licensing business *(Note 31)*	30,550	—
	34,269	10,283

13. Discontinued Operation *(Continued)*

The result of the discontinued operation for the period from May 2009 to August 2009, which has been included in the consolidated income statement, was as follow:

	4-month period ended 31 August 2009 HK$'000	Year ended 2009 HK$'000
Revenue	4,312	12,958
Cost of sales	—	—
Gross profit	4,312	12,958
Other income	157	161
Selling and distribution costs	(170)	(842)
General and administrative expenses	(367)	(1,845)
Profit before taxation	3,932	10,432
Taxation	(213)	(149)
Profit for the period/year from discontinued operation, attributable to the owners of the Company	3,719	10,283

Profit for the period/year from discontinued operation includes the following:

	2010 HK$'000	2009 HK$'000
Interest income	**—**	(2)
Salaries, bonuses and allowances	**112**	563
Pension costs — defined contribution plans	**4**	17
Auditors' remuneration	**27**	58
Depreciation	**—**	14

13. Discontinued Operation *(Continued)*

The cash flows attributable to the discontinued operation are as follow:

	2010 HK$'000	2009 HK$'000
Net cash flow from operating activities	5,656	9,136
Net cash flow from investing activities	—	2
Total cash inflow	5,656	9,138

No income tax charge or credit arose from the gain on the disposal of the licensing business.

The carrying amounts of assets and liabilities of the D Byford Group at the date of disposal are disclosed in Note 31.

14. Dividend

No dividend was paid or proposed during 2010, nor any dividend has been proposed since the end of the reporting period (2009: nil).

15. Earnings (Loss) Per Share

From continuing and discontinued operations

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

	2010 HK$'000	2009 HK$'000
Profit (loss) for the year attributable to the owners of the Company	46,759	(288)
Weighted average number of ordinary shares in issue ('000)	2,337,343	2,002,000
Basic earnings (loss) per share (HK cents)	2.00	(0.01)

15. Earnings (Loss) Per Share *(Continued)*

From continuing and discontinued operations *(Continued)*

The computation of diluted earnings (loss) per share for the two years ended 30 April 2010 and 2009 does not assume the exercise of the Company's share options nor warrants as the exercise price of the outstanding share options and the conversion price of the warrants of the Company during the years was higher than the average market price of the Company's shares for the two years ended 30 April 2010 and 2009.

From continuing operations

The calculation of the basic earnings (loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

	2010 **HK$'000**	2009 HK$'000
Profit (loss) for the year attributable to the owners of the Company	**46,759**	(288)
Less: profit for the year from discontinued operation	**(34,269)**	(10,283)
	12,490	(10,571)

The denominators used are the same as those detailed above for basic earnings (loss) per share.

Diluted earnings (loss) per share for continuing operations for the two years ended 30 April 2010 and 2009 are the same as basic earnings (loss) per share as the conversion price of the Company's outstanding share options and warrants during the years was higher than the average market price of the Company's shares for the two years ended 30 April 2010 and 2009.

From discontinued operation

Basic earnings per share for the discontinued operation is HK1.47 cents per share (2009: HK0.52 cents), based on the profit for the year from the discontinued operation of approximately HK$34,269,000 (2009: HK$10,283,000) and the denominators detailed above for basic loss per share.

Diluted earnings per share for discontinued operation for the two years ended 30 April 2010 and 2009 are the same as basic earnings per share as the conversion of the Company's outstanding share options and warrants during the years was higher than the average market price of the Company's shares for the two years ended 30 April 2010 and 2009.

16. Employee Benefit Expenses (Including Directors' Emoluments)

Continuing operations	2010 HK$'000	2009 HK$'000
Salaries, bonuses and allowances	12,070	6,556
Pension costs		
— defined contribution plans	440	160
Staff welfare and benefits	108	44
Equity-settled share-based payments	2,816	—
	15,434	6,760

(a) The number of persons employed at the end of the year:

	2010	2009
Full time	34	18

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, each of 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 employees' contributions are subjected to a cap of HK$1,000 per month.

(b) As stipulated by rules and regulations in certain overseas countries, the Group contributes to retirement plans for its employees in the respective locations, which are defined contribution plans. The Group and its employees contribute approximately 6%–13% and 11%–20% respectively, of the employees' salary as specified by the local jurisdiction, and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

During the year ended 30 April 2010, the aggregate amounts of the Group's contributions to the aforementioned pension schemes were approximately HK$444,000 (2009: HK$177,000), including in continuing and discontinued operations. As at 30 April 2010, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions (2009: nil).

16. Employee Benefit Expenses (Including Directors' Emoluments) *(Continued)*

(c) Directors' emoluments

The emoluments of each director for the year ended 30 April 2010 is set out below:

Name of directors	Fees HK$'000	Salary HK$'000	Pension costs HK$'000	Equity-settled share-based payments HK$'000	Total HK$'000
Executive directors					
Wong Yuet May, Jeremy	260	—	12	407	679
Chan Lai Kwan, Rainbow	650	—	12	407	1,069
Chan Fu Kei	260	—	12	407	679
Woo Hing Keung, Lawrence	1,040	—	12	407	1,459
Too Shu Wing *(Note (i))*	313	66	10	407	796
Independent non-executive directors					
Chan Tak Yan	106	—	—	—	106
Chiu Kwok Wing, Benedict *(Note (ii))*	80	—	—	—	80
Orr Joseph Wai Shing	106	—	—	—	106
	2,815	66	58	2,035	4,974

Notes:

(i) Appointed on 4 September 2009.

(ii) Resigned on 4 February 2010.

16. Employee Benefit Expenses (Including Directors' Emoluments) *(Continued)*

(c) Directors' emoluments *(Continued)*

The emoluments of each director for the year ended 30 April 2009 is set out below:

Name of directors	**Fees**	**Salary**	**Pension costs**	**Equity-settled share-based payments**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors					
Wong Yuet May, Jeremy	260	—	12	—	272
Chan Lai Kwan, Rainbow	650	—	12	—	662
Chan Fu Kei *(Note (i))*	252	—	12	—	264
Woo Hing Keung, Lawrence *(Note (ii))*	520	—	7	—	527
Independent non-executive directors					
Chan Tak Yan	106	—	—	—	106
Chiu Kwok Wing, Benedict	106	—	—	—	106
Orr Joseph Wai Shing	106	—	—	—	106
	2,000	—	43	—	2,043

Notes:

(i) Appointed on 2 May 2008.

(ii) Appointed on 27 October 2008.

16. Employee Benefit Expenses (Including Directors' Emoluments) *(Continued)*

(c) Directors' emoluments *(Continued)*

For the two years ended 30 April 2010 and 30 April 2009, no emoluments have been paid by the Group to any directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

No directors waived their emoluments for the two years ended 30 April 2010 and 30 April 2009.

(d) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2009: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2009: two) individuals during the year are as follows:

	2010	2009
	HK$'000	HK$'000
Salaries and allowances	**2,492**	1,330
Pension costs — defined contribution plans	**32**	24
	2,524	1,354

The emoluments fell within the following bands:

	Number of individuals	
	2010	2009
Nil — HK$1,000,000	**3**	2

For the two years ended 30 April 2010 and 30 April 2009, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as a compensation for loss of office.

17. Plant and Equipment

	Leasehold improvement HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 May 2008	—	752	739	1,491
Exchange adjustment	—	(9)	—	(9)
Additions	—	14	376	390
Disposals	—	—	(264)	(264)
At 30 April 2009 and 1 May 2009	—	757	851	1,608
Additions	9,732	2,101	1,778	13,611
At 30 April 2010	9,732	2,858	2,629	15,219
ACCUMULATED DEPRECIATION				
At 1 May 2008	—	124	32	156
Exchange adjustment	—	(6)	—	(6)
Charge for the year	—	116	150	266
Eliminated on disposal	—	—	(49)	(49)
At 30 April 2009 and 1 May 2009	—	234	133	367
Charge for the year	1,759	275	392	2,426
At 30 April 2010	1,759	509	525	2,793
CARRYING VALUES				
At 30 April 2010	7,973	2,349	2,104	12,426
At 30 April 2009	—	523	718	1,241

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvement	over the lease term
Furniture, fixtures and office equipment	10%–25%
Motor vehicles	20%

18. Interest in an Associate

	2010 **HK$'000**	2009 HK$'000
Cost of investment in an associate, unlisted	**26,147**	—
Share of post-acquisition loss and other comprehensive income	**(1,602)**	—
Share of net assets	**24,545**	—
Amount due from an associate *(note)*	**300**	—
	24,845	—

Note: Amount due from an associate is unsecured, non-interest bearing and no fixed terms of repayment.

At 30 April 2010, the Group had interest in the following associate:

Name	**Place of incorporation and operations**	**Nominal value of issued ordinary and registered share capital**	**Percentage of equity attributable to the Group**		**Principal activities**
			2010	2009	
Guangdong Zhen Rong Petrochemical Company Limited* (廣東振戎石油化工有限公司)	The PRC	RMB50,000,000	**46%**	—	Trading of oil products

* *English translation is for identification purpose*

18. Interest in an Associate *(Continued)*

During the year, the Group acquired 46% equity interest in Guangdong Zhen Rong Petrochemical Company Limited ("Guangdong Zhen Rong") for a consideration of approximately HK$4,000,000 through the acquisition of 100% equity interest in Welford International Industrial Limited (see note 30).

Subsequent to the acquisition of the associate, the Group injected approximately HK$22,147,000 into the associate during the year and the Group continued to own 46% equity interest in the associate. All the registered capital of the associate was fully paid as at 30 April 2010.

Included in the cost of investment in an unlisted associate is goodwill of approximately HK$1,556,000 (2009: nil) arising on acquisition of an associate during the year ended 30 April 2010.

The following table illustrates the summarised financial information of the Group's associate extracted from its management accounts for the period from 21 October 2009 to 30 April 2010:

	2010 HK$'000
Total assets	89,898
Total liabilities	(39,922)
Net assets	49,976
Group's share of net assets of an associate	22,989
Revenue	20,975
Loss for the period	(3,621)
Group's share of loss of an associate for the period	(1,665)

19. Trademarks

	HK$'000
COST	
At 1 May 2008	22,372
Exchange adjustment	(2,692)
At 30 April 2009 and 1 May 2009	19,680
Exchange adjustment	504
Disposal of subsidiaries *(Note 31)*	(20,184)
At 30 April 2010	—
AMORTISATION	
At 1 May 2008	4,847
Exchange adjustment	(583)
At 30 April 2009 and 1 May 2009	4,264
Exchange adjustment	109
Disposal of subsidiaries *(Note 31)*	(4,373)
At 30 April 2010	—
CARRYING VALUES	
At 30 April 2010	—
At 30 April 2009	15,416

(a) Trademarks are allocated to the Group's cash-generating units identified according to country of operation and business segment. The trademark was disposed upon the completion of disposal of subsidiaries during the year, details are set out in note 31.

As the trademark was the sole asset for the disposal subsidiaries, the Directors considered that the recoverable amount of the trademark exceeds their carrying value and accordingly, no impairment loss has been recognised.

20. Trade Receivables

The credit terms granted to customers range from 30 to 90 days. The ageing analysis of trade receivables is as follows:

	2010 **HK$'000**	2009 HK$'000
0–30 days	—	4,425
31–60 days	**254**	3,685
61–90 days	**223**	124
91–120 days	—	24
121–180 days	—	117
181–365 days	—	1
	477	8,376
Less: impairment loss recognised	—	—
	477	8,376

At each of the end of the reporting period, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision was recognised. The movement in the impairment loss of trade receivables is as follows:

	2010 **HK$'000**	2009 HK$'000
At 1 May	—	664
Amounts written off as uncollectible	—	(664)
At 30 April	—	—

The Group did not hold any collateral over these balances.

20. Trade Receivables *(Continued)*

The ageing analysis of trade receivables that are past due but not impaired is as follow:

	2010 HK$'000	2009 HK$'000
Less than 30 days	254	—
31–60 days	223	124
61–90 days	—	24
91–180 days	—	118
	477	266

Receivables that were neither past due nor impaired relate to independent customers for whom there was no recent history of default. Receivables that were past due but not impaired related to a number of customers that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Foreign currency trade receivables are denominated in the following currencies:

	2010 HK$'000	2009 HK$'000
SGD	—	277
MYR	—	18
USD	477	550
Others	—	106
	477	951

21. Loan Receivable

On 17 September 2009, the Group entered into a loan agreement with Dragoncom Holdings Limited ("Dragoncom"), an independent third party of the Company, pursuant to which the Group agreed to advance a loan of HK$24,000,000 to Dragoncom at the interest rate of 8% per annum. The loan is secured by a charge over Dragoncom's portfolio of security listed in Hong Kong in favour of the Group. The repayment date of loan was 18 September 2010. As at 30 April 2010, the carrying amount of the loan was approximately HK$23,908,000 and no impairment was recognised.

22. Held for Trading Investment

	2010 HK$'000	2009 HK$'000
Equity securities listed in Hong Kong	**79,320**	2,320

23. Bank Balances and Cash

	2010 HK$'000	2009 HK$'000
Cash at banks and in hand	**16,012**	3,403

Foreign currency cash and cash equivalents are denominated in the following currencies:

	2010 HK$'000	2009 HK$'000
SGD	**3**	3
MYR	**1**	37
USD	**13**	151
RMB	**30**	—
GBP	**1**	1
Others	**7**	12
	55	204

The effective interest rate on bank balances and bank deposits was 0.15% (2009: 0.5%) per annum.

24. Other Borrowing

As at 30 April 2010, the Group's other borrowing was due to an independent third party. The balance was unsecured, bore interest at 8.75% per annum and repayable on demand.

25. Amount Due to a Director

The amount due to a director is unsecured, non-interest bearing and repayable on demand. The amount due to a director was settled during the year ended 30 April 2010.

26. Derivative Financial Instruments — Warrants

On 15 October 2007, the Company entered into a placing agreement with Excalibur Securities Limited ("Placing Agent") to place 200,000,000 unlisted warrants ("Warrants") on a fully underwritten basis at a subscription price of HK$0.015 each. On 26 October 2007, the Company entered into a supplementary agreement with the Placing Agent to increase the number of Warrants to be issued to 400,000,000. The Warrants were then issued to nine individuals and placed on 23 December 2007, net placing proceeds of HK$5,850,000 was received by the Company.

The Warrants are exercisable at any time from the date of issue to 12 June 2009 at an exercise price of HK$1.2 per share, in integral multiples of 1,000,000 warrants for fully paid ordinary share of HK$0.001 of the Company. The Warrants were measured at fair value with changes in fair value recognised in the consolidated income statement. The Warrants were expired on 12 June 2009 without any exercise.

The fair value of the Warrants as at 30 April 2009 was approximately HK$33,000.

As at 30 April 2010, no Warrants was outstanding (2009: 398,000,000). All the Warrants were expired without any exercise.

27. Share Capital

	Number of shares '000	**Amount** HK$'000
Authorised:		
Ordinary shares of HK$0.001 each at 30 April 2009, 1 May 2009 and 30 April 2010	50,000,000	50,000
Issued and fully paid:		
Ordinary shares of HK$0.001 each at 30 April 2009 and 1 May 2009	2,002,000	2,002
Placing of new shares *(note)*	400,000	400
Ordinary shares of HK$0.001 each at 30 April 2010	2,402,000	2,402

Note: On 29 June 2009, the Group had successfully placed 400,000,000 new ordinary shares at the price of HK$0.2 per placing share, representing approximately 16.65% of the issued share capital of the Company, to not fewer than six independent placees. The gross proceeds and net proceeds, after deducting all related expenses, were approximately HK$80,000,000 and HK$78,007,000 respectively. The net proceeds were used to provide additional general working capital for the Company and/or for future possible investment opportunities.

All the above shares rank *pari passu* in all respect with the existing ordinary shares in issue.

28. Deferred Tax

The followings are the major deferred tax (liabilities) assets recognised by the Group and movements thereof during the current and prior years:

	Accelerated tax depreciation HK$'000	**Estimated tax losses** HK$'000	**Total** HK$'000
At 1 May 2008	(150)	150	—
(Charged) credited to consolidated income statement	(26)	26	—
Disposal of a subsidiary	8	(8)	—
At 30 April 2009 and 1 May 2009 and 30 April 2010	(168)	168	—

At the end of the reporting period, the Group has unused tax losses of approximately HK$40,081,000 (2009: HK$22,157,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$1,021,000 (2009: HK$1,018,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$39,060,000 (2009: HK$21,139,000) losses due to the unpredictability of future profit streams.

29. Share Option Scheme

Pursuant to the written resolutions of the shareholders of the Company dated 10 June 2003, among others, a share option scheme namely, Employee Share Option Scheme, was adopted by the Company.

(a) Purpose of the Employee Share Option Scheme

The purpose of the Employee Share Option Scheme is to provide the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interests with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

(b) Participants of the Employee Share Option Scheme

Pursuant to the Employee Share Option Scheme, the board of directors ("Board") may, at its discretion, invite (i) employees of the Company (whether full-time or part-time) or any of its subsidiaries or associated companies; (ii) directors of the Company (whether executive directors, non-executive directors or independent non-executive directors) or directors of any of the subsidiaries or associated companies of the Group; (iii) suppliers of goods and/or services to the Company or any of its subsidiaries or associated companies; (iv) resellers, distributors, licensees, business collaborators, business consultants, joint venture or business partners, technical, financial, legal and other professional advisors engaged by the Company or any of its subsidiaries or associated companies; (v) substantial shareholders of each member of the Group; (vi) associates of directors or substantial shareholders of any of member of the Group, the subsidiaries or their associated companies; and (vii) the trustee of any trust pre-approved by the Board the beneficiary (or in case of discretionary trust, the discretionary objects) which includes any of the above-mentioned persons, to take up options to subscribe for shares of the Company.

29. Share Option Scheme *(Continued)*

(c) Total number of shares available for issue under the Employee Share Option Scheme

The total number of shares of the Company which may by issued upon exercise of all options to be granted under the Employee Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 20,000,000 shares (increased to 200,000,000 shares by the share sub-division with effect in October 2007) of the Company, which represents 10% of the total number of the shares of the Company in issue immediately following completion of the Placing (as defined in the Company's prospectus dated 23 June 2003). The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Employee Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue from time to time.

(d) Maximum entitlement of each participant

Pursuant to the Employee Share Option Scheme, the total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted pursuant to the Employee Share Option Scheme and any other share option schemes of the Company to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue.

(e) Time of exercise of options

Pursuant to the Employee Share Option Scheme, any option may be exercised in accordance with its terms at any time during a period of not more than ten years after the date on which an offer of the option is made to a grantee to be notified by the Board to each grantee and there is no minimum period for which an option must be held before it can be exercised.

(f) Acceptance of option

Pursuant to the Employee Share Option Scheme, HK$1.00 per offer of grant is payable by the grantee to the Company on acceptance of the option offer as consideration for the grant.

Pursuant to the Employee Share Option Scheme, the option must be accepted within 21 days from the date on which an offer of option is made to a grantee.

(g) Basis of determining the subscription price

The subscription price per share under the Employee Share Option Scheme shall be determined by the Board at its absolute discretion and notified to each grantee and shall be no less than the highest of:

(i) the closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange on the date on which an offer of the option is made to a grantee, which must be a Trading Day (as defined in the Employee Share Option Scheme);

(ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange for the five consecutive trading days immediately preceding the date on which an offer of the option is made to a grantee; and

(iii) the nominal value of a share of the Company.

(h) Remaining life of the Employee Share Option Scheme

The Employee Share Option Scheme will remain valid for a period of 10 years commencing on 10 June 2003 (save that the Company, by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Employee Share Option Scheme).

29. Share Option Scheme *(Continued)*

The following table discloses movements of the Company's share options held by directors and employees for the two years ended 30 April 2010 and 2009:

	Date of grant	Exercisable period	Vesting period	Exercise price	Number of share options: As at 1 May 2008, 30 April 2009 and 1 May 2009	Exercise	Granted	Lapsed	As at 30 April 2010
Directors:									
Chan Lai Kwan, Rainbow	11.09.2009	11.09.2009 – 10.09.2012	None	HK$0.700	—	—	1,000,000	—	1,000,000
Wong Yuet May, Jeremy	27.10.2007	27.10.2007 – 27.10.2010	None	HK$2.320	20,000,000	—	—	—	20,000,000
	11.09.2009	11.09.2009 – 10.09.2012	None	HK$0.700	—	—	1,000,000	—	1,000,000
Chan Fu Kei	11.09.2009	11.09.2009 – 10.09.2012	None	HK$0.700	—	—	1,000,000	—	1,000,000
Woo Hing Keung, Lawrence	11.09.2009	11.09.2009 – 10.09.2012	None	HK$0.700	—	—	1,000,000	—	1,000,000
Too Shu Wing	11.09.2009	11.09.2009 – 10.09.2012	None	HK$0.700	—	—	1,000,000	—	1,000,000
Staff	11.09.2009	11.09.2009 – 10.09.2012	None	HK$0.700	—	—	1,000,000	—	1,000,000
	14.09.2009	14.09.2009 – 13.09.2012	None	HK$0.708	—	—	1,000,000	—	1,000,000
Consultant:									
Fong Man, Julisa *(Note)*	27.10.2007	27.10.2007 – 27.10.2010	None	HK$2.320	20,000,000	—	—	—	20,000,000
					40,000,000	—	7,000,000	—	47,000,000

Note: Fong Man, Julisa resigned as director of the Company on 23 April 2008 and became a consultant of the Group thereafter. The share options granted to her are still exercisable.

29. Share Option Scheme *(Continued)*

During the year ended 30 April 2010, options were granted on 11 September 2009 and 14 September 2009. The estimated fair values of the options granted on that date are approximately HK$2,816,000. No share option was granted during the year ended 30 April 2009.

These fair values were calculated using the Black-Scholes-Merton Option Pricing Model. The inputs into the model were as follows:

	14 September 2009	**11 September 2009**	**27 October 2007**
Closing share price on date of grant	HK$0.660	HK$0.700	HK$2.320
Exercise price	HK$0.708	HK$0.700	HK$2.320
Risk-free interest rate	0.362%	0.362%	3.163%
Expected volatility	132.14%	132.15%	184.95%

Expected volatility was determined based on the historical stock prices of the Company as at the valuation dated under the same period as the expected life.

The Group recognised the total expense of approximately HK$2,816,000 for the year ended 30 April 2010 (2009: nil).

30. Acquisition of Asset Through Acquisition of Subsidiaries

On 21 October 2009, the Group acquired 46% equity interest in Guangdong Zhen Rong through the acquisition of 100% entire equity interest in Welford International Industrial Limited and its subsidiary from Great Hill Trading Limited, an independent third party, for a consideration of HK$4,000,000 settled in cash. The acquisition has been accounted for as an acquisition of interest in an associate.

The asset and liability acquired in the transaction are as follows:

	HK$'000
Asset and liability acquired:	
Investment in an associate	4,000
Amount due to shareholder	(17,027)
	(13,027)
Assignment of debt	17,027
Total consideration	4,000
Satisfied by:	
Cash consideration paid	4,000
Net cash outflow arising on acquisition:	
Cash consideration paid	(4,000)

31. Disposal of Subsidiaries

(a) As set out in note 13, on 31 August 2009, the Group discontinued its licensing business at the time of disposal of its entire interest in D Byford Holdings Limited and its subsidiaries ("D Byford Group"). The asset of D Byford Group at the date of disposal was as follows:

	At 31 August 2009 HK$'000
Asset disposed of:	
Trademark	15,811
Release of translation reserve	(1,361)
Gain on disposal	30,550
Total consideration	45,000
Satisfied by:	
Cash	45,000
Net cash inflow arising from disposal:	
Cash consideration	45,000

The impact of D Byford Group on the Group's results and cash flows in the current and prior period is disclosed in note 13.

(b) On 17 November 2008, the Group disposed of its entire interest in Super League Investments Limited ("Super League"), a wholly-owned subsidiary of the Group with nil net assets value to Sino Dragon Group Limited, an independent third party, for a cash consideration of HK$10,000.

The subsidiary disposed of during the year ended 30 April 2009 had no significant impact on the turnover, results and cash flow of the Group.

32. Operating Lease Arrangement

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 office premises, guest accommodations and staff quarter which fall due as follows:

	2010 **HK$'000**	2009 HK$'000
Within one year	**7,660**	1,796
In the second to fifth years inclusive	**227**	225
	7,887	2,021

Leases for rented office premises, guest accommodations and staff quarter are negotiated for an average of two years and rentals are fixed for an average of two years.

The Group as lessor

Royalty income earned during the year was approximately HK$4,312,000 (2009: HK$12,958,000). The trademark was disposed, details as set out in note 31, during the year ended 30 April 2010.

	2010 **HK$'000**	2009 HK$'000
Within one year	**—**	12,015
In the second to fifth years inclusive	**—**	49,619
After five years	**—**	29,983
	—	91,617

33. Capital Commitments

The Group had the following capital commitments at the end of the reporting period:

	2010	2009
	HK$'000	HK$'000
Contracted, but not provided for:		
Plant and equipment	**663**	—

34. Related Party Transactions

(a) The terms of amount due from an associate and amount due to a director are set out in note 18 and note 25 respectively.

(b) Key management compensation

The remuneration of the directors and other key executives during the year was as follows:

	2010	2009
	HK$'000	HK$'000
Salaries, bonuses and allowances	**2,881**	2,000
Equity-settled share-based payments	**2,035**	—
Pension costs — defined contribution plans	**58**	43
	4,974	2,043

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

35. Particulars of Subsidiaries

Name of subsidiaries	Class of share held	Place of incorporation/ establishment and operations	Particular of issued share capital/paid up registered capital	Attributable equity interest of the Group 2010	2009	Principal activities
Direct subsidiary						
Good Capital Investment Ltd.	Ordinary	BVI	USD1,000	**100%**	100%	Investment holding
Joyful Glory Holdings Limited	Ordinary	BVI	USD1	**100%**	—	Investment holding
Jet Top Holdings Limited	Ordinary	BVI	USD1	**100%**	—	Investment holding
Ocean Well Enterprises Limited	Ordinary	BVI	USD1	**100%**	—	Investment holding
D Byford Holdings Limited *(note a)*	Ordinary	BVI	USD141	**—**	100%	Investment holding
Indirect subsidiary						
Goldbox Company Limited	Ordinary	Hong Kong	HK$10,000	**99.99%**	99.99%	Corporate administration
Happy Crown Holdings Limited	Ordinary	BVI	USD1	**100%**	100%	Inactive
Hola Far East Limited	Ordinary	Hong Kong	HK$100	**100%**	100%	Trading of apparel products
Happy Capital Investment Limited	Ordinary	Hong Kong	HK$1	**100%**	100%	Trading of electronic products
Magic Charming Investments Limited	Ordinary	BVI	USD1	**100%**	100%	Investment holding
Polarix Limited	Ordinary	BVI	USD1	**100%**	—	Inactive
Perfect Flare Limited	Ordinary	BVI	USD1	**100%**	—	Inactive
Crown Century Investment Limited	Ordinary	BVI	USD1	**100%**	—	Inactive
Golden Max Asia Limited	Ordinary	BVI	USD1	**100%**	—	Inactive
Megamillion Asia Limited	Ordinary	BVI	USD1	**100%**	—	Inactive

35. Particulars of Subsidiaries

Name of subsidiaries	Class of share held	Place of incorporation/ establishment and operations	Particular of issued share capital/paid up registered capital	Attributable equity interest of the Group 2010	2009	Principal activities
Best Oasis Holdings Limited	Ordinary	Hong Kong	HK$1	**100%**	—	Corporate administration
Best Miracle Limited	Ordinary	Hong Kong	HK$1	**100%**	—	Inactive
Intelligence Corporation Limited	Ordinary	Hong Kong	HK$1	**100%**	—	Inactive
Elite Spring Holdings Limited	Ordinary	BVI	USD1	**100%**	—	Inactive
Earnway International Investment Limited	Ordinary	Hong Kong	HK$1	**100%**	—	Inactive
Welford International Industrial Limited	Ordinary	Hong Kong	HK$10,000	**100%**	—	Inactive
Kings Union International Limited	Ordinary	BVI	USD1	**100%**	—	Inactive
Top Capital Shipping Company Limited	Ordinary	BVI	USD1	**100%**	—	Inactive
Byford IGS Limited *(note a)*	Ordinary	BVI	USD1	**—**	100%	Inactive
D Byford Limited *(note a)*	Ordinary	BVI	USD1	**—**	100%	Investment holding
Donald Byford & Sons Limited *(note a)*	Ordinary	England and Wales	GBP10	**—**	100%	Inactive
Donald Byford & Sons Pte. Ltd. *(note a)*	Ordinary	Singapore	SGD2	**—**	100%	Worldwide licensing
Donald Byford & Sons Sdn. Bhd. *(note a)*	Ordinary	Malaysia	MYR2,440,000	**—**	100%	Worldwide licensing
Bonus Point Holdings Limited *(note a)*	Ordinary	Hong Kong	HK$1	**—**	100%	Inactive

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

Note:

(a) These subsidiaries were disposed of during the year as details set out in note 31.

36. Statement of Financial Position of the Company

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Plant and equipment		56	77
Investments in subsidiaries		—	8
		56	85
Current assets			
Amounts due from subsidiaries, net of impairment	(a)	100,457	19,021
Other receivables		1,393	—
Bank balances and cash		10,509	38
		112,359	19,059
Current liabilities			
Accruals and other payables		439	8,491
Amounts due to subsidiaries	(a)	—	10,348
Derivative financial instruments — warrants		—	33
		439	18,872
Net current assets		111,920	187
Total assets less current liabilities		111,976	272
Capital and reserves			
Share capital		2,402	2,002
Reserves	(b)	109,574	(1,730)
Total equity		111,976	272

36. Statement of Financial Position of the Company *(Continued)*

Notes:

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

(b)

	Share premium HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 May 2008	20,676	68,088	(101,006)	(12,242)
Profit for the year, representing total comprehensive income for the year	—	—	10,512	10,512
At 30 April 2009 and 1 May 2009	20,676	68,088	(90,494)	(1,730)
Profit for the year, representing total comprehensive income for the year	—	—	30,881	30,881
	20,676	68,088	(59,613)	29,151
Recognition of equity-settled share-based payments	—	2,816	—	2,816
Placing of new shares *(Note 27)*	79,600	—	—	79,600
Transaction costs attributable to placing of new shares	(1,993)	—	—	(1,993)
At 30 April 2010	98,283	70,904	(59,613)	109,574

37. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation of the current year and such reclassification has no impact on the Group's loss for the year ended 30 April 2009. In particular, for the purpose of better presentation of the Group's activities, certain reclassifications are set out below:

(i) The change in fair value of financial assets held for trading of approximately HK$324,000, which had previously been recorded under "Other income" in the consolidated financial statements for 2009, was reclassified into a separate line on the face of consolidated income statement.

(ii) The gain on disposal of a subsidiary of HK$10,000, which had previously been recorded as a separate line on the face of consolidated financial statements for 2009, was reclassified to "Other income"

However, the changes to the comparatives have not affected the consolidated statement of financial position at 1 May 2008 and accordingly the third consolidated statement of financial position as at 1 May 2008 is not presented.

Summary of the Published Results and of the Assets and Liabilities of the Group for the Last Five Financial Years

RESULTS

	Year ended 30 April 2010 HK$'000	Year ended 30 April 2009 HK$'000	Year ended 30 April 2008 HK$'000	Year ended 30 April 2007 HK$'000	Year ended 30 April 2006 HK$'000
Continuing operations					
Revenue	**11,381**	13,502	14,570	31,833	29,346
Cost of sales	**(10,820)**	(12,867)	(3,350)	(13,837)	(13,808)
Gross profit	**561**	635	11,220	17,996	15,538
Other income	**5,025**	56	1,873	153	1,379
Change in fair value of financial assets held for trading	**70,640**	324	—	—	—
Selling and distribution costs	**(1,665)**	(1,059)	(1,989)	(5,131)	(4,893)
General and administrative expenses	**(47,794)**	(16,373)	(16,289)	(13,007)	(12,075)
Equity-settled share-based payments	**(2,816)**	—	(68,088)	—	—
Change in fair value of derivative financial instruments through profit and loss	**—**	5,967	—	—	—
Finance costs	**(135)**	(121)	(7)	(6)	(385)
Share of result of an associate	**(1,665)**	—	—	—	—
Profit (loss) before tax	**22,151**	(10,571)	(73,280)	5	(436)
Income tax expense	**(9,661)**	—	(67)	(156)	(164)
Profit (loss) for the year from continuing operations	**12,490**	(10,571)	(73,347)	(151)	(600)
Discontinued operation					
Profit for the year from discontinued operation	**34,269**	10,283	—	—	—
Profit (loss) for the year, attributable to owners of the Company	**46,759**	(288)	(73,347)	(151)	(600)
Dividend	**—**	—	10,000	—	—
Earnings (loss) per share					
From continuing and discontinued operations — basic and diluted (HK cents)	**2.00**	(0.01)	(3.67)	(0.01)	(0.03)
From continuing operations — basic and diluted (HK cents)	**0.53**	(0.53)	(3.67)	(0.01)	(0.03)

SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP FOR THE LAST FIVE FINANCIAL YEARS

(Continued)

ASSETS AND LIABILITIES

	At 30 April 2010 HK$'000	At 30 April 2009 HK$'000	At 30 April 2008 HK$'000	At 30 April 2007 HK$'000	At 30 April 2006 HK$'000
Total assets	**160,893**	31,592	27,978	35,146	32,353
Total liabilities	**(20,303)**	(17,719)	(11,191)	(5,925)	(4,606)
Net assets	**140,590**	13,873	16,787	29,221	27,747