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Epicurean and Company, Limited

Incorporated in the Cayman Islands with limited liability
(Formerly known as Armitage Technologies Holding Limited)
(Stock Code: 8213)

Annual Report
2010 - 2011

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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 (the "Directors") of Epicurean and Company, Limited (the "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 (the "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

EXECUTIVE DIRECTORS

Mr. Tang Sing Ming Sherman *(Chairman)*
Mr. Lee Shun Hon, Felix

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Bhanusak Asvaintra
Mr. Chan Kam Fai Robert
Mr. Chung Kwok Keung Peter

COMPANY SECRETARY

Mr. Ho King Yee

COMPLIANCE OFFICER

Mr. Tang Sing Ming Sherman

AUDIT COMMITTEE

Mr. Bhanusak Asvaintra *(Chairman)*
Mr. Chan Kam Fai Robert
Mr. Chung Kwok Keung Peter

REMUNERATION COMMITTEE

Mr. Chan Kam Fai Robert* *(Chairman)*
Mr. Tang Sing Ming Sherman*
Mr. Bhanusak Asvaintra*
Mr. Chung Kwok Keung Peter*

NOMINATION COMMITTEE

Mr. Chung Kwok Keung Peter* *(Chairman)*
Mr. Tang Sing Ming Sherman*
Mr. Bhanusak Asvaintra*
Mr. Chan Kam Fai Robert*

AUTHORISED REPRESENTATIVES

Mr. Tang Sing Ming Sherman
Mr. Ho King Yee

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AUDITOR

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COMPANY'S WEBSITE ADDRESS

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GEM STOCK CODE

8213

* Mr. Tang Sing Ming Sherman, Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter were appointed as members of remuneration committee and nomination committee on 23 April 2010.

CHAIRMAN'S STATEMENT

I am pleased to present the financial results for Epicurean and Company, Limited (formerly known as Armitage Technologies Holding Limited) and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 March 2011.

The financial year 2010/11 was a breakthrough year as the Group has made its first attempt to tap into the food and beverage business by acquiring a Japanese restaurant franchise in Hong Kong and operated a temporary outlet by applying a new food and beverage concept, Japanese ramen and izakaya, under a short term lease during the third quarter of this fiscal year. In view of the encouraging results of food and beverage business, the Group believes that the long term development in this business initiative is highly promising and will become an important core of the Group's business operation. Furthermore, the Company's name has been changed to Epicurean and Company, Limited on 15 March 2011 in order to have a fresh image and better reflect the business diversity of the Group.

Even though there were earthquake and tsunami in Northeastern region of Japan and radiation leakage causing pollution to the sources of food, the impact on the Group's food and beverage business is not material during the year under review and also in the first quarter of next fiscal year. With the assistance of the encouraging results of food and beverage business, the Group recorded a total turnover of HK$88.3 million, representing a sharp increase of 68% compared with HK$52.5 million recorded in last year.

However, due to the Chinese government's tightening of its credit control over property investment and rising interest rates since the beginning of the third quarter of this fiscal year, in addition to the completion of several international events such as World Expo in Shanghai and Asian Games in Guangzhou in the PRC in the past few years, the investments in the hospitality industry has decreased which caused the demand for hospitality software solutions and online distribution service ("Hospitality Software Business") dropped significantly in the fourth fiscal quarter. It is expected that the turnover from the Hospitality Software Business will drop in the coming quarters, while an impairment loss on the development costs of hospitality software amounted to HK$10.7 million and the goodwill in relation to acquiring the operating subsidiary of Hospitality Software Business amounted to HK$1.7 million have been made during the year under review. The loss attributable to equity holders of the Group increased to HK$27.6 million (2010: HK$14.8 million) for the year under review.

Looking ahead, in order to ensure a reasonable profit margin and to maintain the competitiveness, the Group will continuously explore the opportunities in the food and beverage business in Hong Kong and PRC. The Group has acquired a food catering and servicing company this month and has commenced the process of setting up a central kitchen for supplying food and beverage and related services to both its own restaurants and external customers. On the other hand, in order to streamline the non-performing business, the Group had disposed of two unprofitable subsidiaries under the information technology business.

Finally, I would like to express my sincere gratitude to all shareholders, customers, management and staff of the Company. I hope that we will have your continuous care and support, while our management and staff will adhere to our belief and keep working hard to achieve the success of the Company in the coming years.

Tang Sing Ming Sherman
Chairman
Hong Kong, 20 June 2011

CORPORATE GOVERNANCE REPORT

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. Set out below are those principles of corporate governance as adopted by the Company during the reporting year.

The Company has complied with the code provisions set out in the Code (the "Code Provisions") contained in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") throughout the financial year ended 31 March 2011, except for the deviations from Code Provisions A.2.1 and A.4.2 of the Code. Details of the deviations are set out in the relevant sections below.

DIRECTORS' SECURITIES TRANSACTIONS

Throughout the financial year ended 31 March 2011, the Company adopted a code of conduct regarding directors' securities transactions 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. Having made specific enquiries of all directors, the Company confirms that all of the Company's directors have complied with such required standard of dealings and its code of conduct regarding directors' securities transactions throughout the financial year ended 31 March 2011.

THE BOARD

Board of Directors

The Board currently consists of five members including two executive directors (one of them being the Chairman of the Board and the Chief Executive Officer of the Company), and three independent non-executive directors.

The Company complied at all times during the financial year ended 31 March 2011 with the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive directors.

Mr. Bhanusak Asvaintra, one of the independent non-executive directors possesses the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules. All independent non-executive directors bring their wealth of experience to the Board and serve the important function of advising the management on strategy development to ensure that the Board maintains high standards in financial and other mandatory reporting as well as providing adequate checks for safeguarding the interests of the shareholders and the Company as a whole. Except as otherwise disclosed in this Annual Report, none of the independent non-executive directors has any business or financial interests with the Group and all independent non-executive directors confirmed their independence to the Group as at 31 March 2011 in accordance with Rule 5.09 of the GEM Listing Rules.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

CORPORATE GOVERNANCE REPORT

THE BOARD (cont'd)

Board of Directors (cont'd)

Pursuant to the Articles of Association of the Company, at every annual general meeting of the Company, one-third of the directors (for the time being, or, if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall retire from office by rotation, provided that the chairman of the Board and/or the managing director of the Company shall not, while holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. As such, as at the date hereof, Mr. Tang Sing Ming Sherman being the Chairman of the Board, is not subject to retirement by rotation. The management of the Company is of the view that the membership of the Board represents rich and diversified background and industry expertise and as such, the management considers that there is no imminent need to amend the relevant provisions of the Articles of Association of the Company.

Meetings

The Board met regularly throughout the financial year ended 31 March 2011 to discuss the overall strategy as well as the operation and financial performance of the Group. During the year, the Board held six meetings for the discussion and approval of important matters such as the approval of quarterly results, interim results and annual results, dividends, the Group's annual budget, businesses and investments, etc. In addition, during the financial year ended 31 March 2011, the Group's management also met with certain independent non-executive directors to seek their views on certain business and/or operational matters. The attendance record of each director during the year at Board meetings is as follow:

Members of the Board	**Attendance**
Executive directors	
Mr. Tang Sing Ming Sherman (Chairman)	6/6
Mr. Lee Shun Hon, Felix	5/6
Independent non-executive directors	
Mr. Bhanusak Asvaintra	6/6
Mr. Chan Kam Fai Robert	6/6
Mr. Chung Kwok Keung Peter	4/6

THE BOARD (cont'd)

Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

Mr. Tang Sing Ming Sherman is the Chairman of the Board and the Chief Executive Officer of the Company. As such, such dual role constitutes a deviation from Code Provisions A.2.1. However, the Board is of the view that:

- the Company's size is relatively small and thus does not justify the separation of the roles of the Chairman and Chief Executive Officer;
- the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and Chief Executive Officer;
- Mr. Tang Sing Ming Sherman as the Chairman of the Board and the Chief Executive Officer of the Company, is responsible for ensuring that all directors act in the best interests of the shareholders. He is fully accountable to the shareholders and contributing to the Board and the Group on all top-level and strategic decisions; and
- this structure will not impair the balance of power and authority between the Board and the management of the Company.

Executive directors

Executive directors are responsible for running the Group and executing the strategies adopted by the Board. They lead the Group's management team in accordance with the directions set by the Board and are responsible for ensuring that proper internal control system is in place and that the Group's business conforms with applicable laws and regulations.

Independent non-executive directors

Independent non-executive directors serve the important function of advising the management on strategy development and ensure that the Board maintains high standards in financial and other mandatory reporting as well as provide adequate checks and balances for safeguarding the interests of the shareholders and the Company as a whole.

CORPORATE GOVERNANCE REPORT

THE BOARD (cont'd)

Independent non-executive directors (cont'd)

Each of the independent non-executive directors of the Company who was appointed on 18 February 2010 has signed a letter of appointment for a term of three years with the Company unless terminated by either side on one month's prior written notice. The commencement dates of appointment for each of the independent non-executive directors are as follows:

	Commencement Date
Independent non-executive directors	
Mr. Bhanusak Asvaintra	18 February 2010
Mr. Chan Kam Fai Robert	18 February 2010
Mr. Chung Kwok Keung Peter	18 February 2010

AUDIT COMMITTEE

The Company had established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee comprises three independent non-executive directors as at 31 March 2011, namely Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter who were appointed on 18 February 2010. The Chairman of the Audit Committee is Mr. Bhanusak Asvaintra, who possesses the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules.

A total of four Audit Committee meetings were held during the financial year ended 31 March 2011 to review and discuss the annual, quarterly and interim results and financial statements of the Group respectively. The adequacy of the Company's policies and procedures regarding financial reporting and internal controls were also discussed. Additional meetings may also be held by the Audit Committee from time to time to discuss special projects or other issues that the Audit Committee considers necessary. The external auditor of the Group may request a meeting with the Audit Committee if they consider necessary.

The authorities of the Audit Committee include (1) investigation of any activity within its terms of reference; (2) seeking any information it requires from any employee; and (3) obtaining outside legal or other independent professional advice if it considers necessary.

AUDIT COMMITTEE (cont'd)

The main duties of the Audit Committee are as follows:

- To consider the selection and appointment of the external auditor, the audit fee, and any question concerning the resignation or dismissal of the external auditor
- To discuss with the external auditor the nature and scope of the audit
- To review and monitor the external auditor's independence and the objectivity and the effectiveness of the audit process in accordance with applicable standards
- To develop and implement policy on the engagement of external auditor to supply non-audit services
- To review the Group's quarterly, interim and annual financial statements and results respectively before the submission of them to the Board
- To discuss any problems and reservations arising from the final audits and any matters that the external auditor may wish to discuss
- To review the Group's statement on internal control system prior to the endorsement of it by the Board
- To consider the major findings of any internal investigation and the management's response
- To consider other topics, as determined by the Board

During the financial year ended 31 March 2011, four meetings were held and the details of attendance record of members of Audit Committee are as follows:

Members of the Audit Committee	Attendance
Mr. Bhanusak Asvaintra (Chairman)	4/4
Mr. Chan Kam Fai Robert	4/4
Mr. Chung Kwok Keung Peter	4/4

Throughout the year under review, the Audit Committee discharged its responsibilities, reviewed and discussed the financial results and the internal control system of the Group. As regards external auditor's remuneration, audit service was provided by the Group's external auditor during the year under review.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

For the year ended 31 March 2011, the auditor's remuneration was approximately HK$463,000 which was for statutory audit services. There was no significant non-audit service assignment provided by the auditor during the year.

REMUNERATION OF DIRECTORS

The Company has established the Remuneration Committee on 23 April 2010 with written terms of reference in compliance with Code Provision B.1.3 under Appendix 15 of the GEM Listing Rules. The members of the Remuneration Committee consist of Mr. Tang Sing Ming Sherman and all independent non-executive directors of the Company. The Chairman of the Remuneration Committee is Mr. Chan Kam Fai Robert.

The principal responsibilities of the Remuneration Committee are to review and make recommendations to the Board the individual packages of the executive directors and senior management. The emoluments of the executive directors and senior management are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics. No director is involved in deciding his own remuneration. Details of the Directors' emoluments are set out in note 7 to the consolidated financial statements.

The Remuneration Committee will meet at least once a year. During the financial year ended 31 March 2011, four meetings were held to review and discuss the remuneration of executive directors and senior management. Details of attendance record of members of the Remuneration Committee are as follows:

Members	Attendance
Mr. Chan Kai Fai Robert (Chairman)	4/4
Mr. Tang Sing Ming Sherman	4/4
Mr. Bhanusak Avainstra	4/4
Mr. Chung Kwok Keung Peter	4/4

NOMINATION OF DIRECTORS

The Company has established the Nomination Committee on 23 April 2010 with written terms of reference in compliance with paragraph A.4.5 of the recommended practices under Appendix 15 of the GEM Listing Rules. The members of the Nomination Committee consist of Mr. Tang Sing Ming Sherman and all independent non-executive directors of the Company. The Chairman of the Nomination Committee is Mr. Chung Kwok Keung Peter.

NOMINATION OF DIRECTORS (cont'd)

The principal responsibilities of the Nomination Committee are to review the structure, the size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes; identify individuals suitably qualified to become Board members and make recommendations to the Board in this regard; and assess the independence of independent non-executive directors. During the financial year ended 31 March 2011, four meetings were held and the details of attendance record of members of the Nomination Committee are as follows:

Members	Attendance
Mr. Chung Kwok Keung Peter (Chairman)	4/4
Mr. Tang Sing Ming Sherman	4/4
Mr. Bhanusak Avainstra	4/4
Mr. Chan Kam Fai Robert	4/4

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

Statements of directors' responsibilities for preparing the financial statements and the external auditor's reporting responsibilities are set out in the Independent Auditor's Report as contained in this Annual Report.

To the best of the knowledge of the directors, there is no material uncertainty relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL

The directors have reviewed and are satisfied with the effectiveness of the Group's internal control system, including, in particular, financial, operational and compliance controls and risk management functions.

The directors have reviewed and considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, and the Company's programmes and budget.

LOOKING FORWARD

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavors to take the necessary actions to ensure compliance with the required practices and standards including the provisions of the Code.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's total turnover for both continuing and discontinued operations for the year ended 31 March 2011 amounted to HK$88.3 million (2010: HK$52.5 million), representing an increase of 68% compared with last year. Net loss attributable to equity holders of the Company was increased to HK$27.6 million from HK$14.8 million.

Food and Beverage Business

After the completion of the acquisition of a group of companies which are operating a Japanese restaurant franchise at the end of the first fiscal quarter, our food and beverage business has been growing at a promising pace with a turnover of HK$32.2 million during the year under review. The Group has currently 5 outlets under operation (including one in Shanghai) for the Japanese restaurant franchise up to the date of this report and all of their performances are satisfactory.

The Group has also opened an outlet of Japanese ramen and izakaya in Hong Kong under the short term lease during the third fiscal quarter to test the market receptivity of this new business initiative. Since the opening of this temporary outlet, the feedback from the market is encouraging, and the Group will study in more detail the viability, potentiality and the possibility in establishing a new permanent chain of this business initiative.

As the financial result of our food and beverage operation has contributed a satisfactory result to the Group, the Board is optimistic that our food and beverage business will continue to enhance the future prospect for the Group's sustainable development.

Information Technology Business

Hospitality Software Solutions and Online Distribution Services

For the year ended 31 March 2011, turnover from hospitality software solutions and online distribution services amounted to HK$29.2 million, representing an increase of 29% compared with last year.

In the first half of this fiscal year, strong interest in fixed asset investment has led to the continuous growth in the hospitality industry in the PRC. The number of contracts concluded for our hotel management systems ("***Pegasus***") has reached a record high during the year under review. However, due to the Chinese government's tightening of its credit control over property investment and rising interest rates since the beginning of the third fiscal quarter, the investment sentiment has been slowing down. After the events of World Expo in Shanghai and Asia Games in Guangzhou, the Chinese government as well as the commercial sectors have significantly scaled down their investments in the hospitality industry in the last couples of months. As a result, the sales volume of ***Pegasus*** had dropped considerably since the fourth fiscal quarter.

In order to strengthen our distribution channels, we have set up the Channel Division and assigned a specialist to deal with channel management since the first fiscal quarter. We have also established business relationships with a number of new business partners, especially in the northern and remote regions in China such as Xinjiang. Nevertheless, only a few contracts have been concluded sourcing from these connections during the year under review.

For our online booking services, we have around twenty hotel customers who have joined our online booking website www.fangcoo.com (房庫).

Outsourcing and Information Solutions and Applications Software Packages Solutions

The total turnover generated from the outsourcing and information solutions and application software package solution for the year ended 31 March 2011 was HK$26.9 million, representing a decrease of 10% when compared with HK$29.8 million recorded in last year.

During the year under review, the services being provided via insourcing contracts with the Hong Kong largest airline operator and the largest private container terminal operator in Hong Kong and Shenzhen, and via offshore development team built in our Shenzhen subsidiary for the Hong Kong's largest air cargo terminal operator, have been continuing and revenue generated from those accounts was steady.

The two contracts concluded in the fourth fiscal quarter with the largest credit union in supporting the operations of a quasi-government organisation and a large supplier of heavy building materials in Hong Kong have proceeded in accordance with the agreed schedules.

Turnover generated from the Group's proprietary ERP application software package, Armitage Industrial Management System ("***AIMS***"), together with its previous version ***Konto 21***, decreased to HK$4.4 million, representing a 19% decrease when compared with HK$5.4 million of last year. The performance of application software packages for the last few quarters are below our expectation owing to the shrinking and highly competitive ERP market in the Pearl River Delta Region. In the fourth fiscal quarter, we only concluded one new contract with an existing manufacturing customer to provide service for the ***AIMS*** application enhancements.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

Food and Beverage Business

The success of the 4 newly opened outlets after the acquisition of the business in the first fiscal quarter has confirmed that the Group's direction on the Japanese restaurant franchise business initiative is the right decision. We target to double the number of outlets of this Japanese restaurant franchise by the end of the next fiscal year based on the market condition and finding the suitable location. The management is happy to report that, the first outlet in the PRC which was opened in Shanghai in April 2011, is performing over our expectation. It has ascertained our management's effort in tapping into the PRC market. The Group will cautiously increase the resources input to speed up the development in the PRC market for this Japanese restaurant franchise. In addition, the Group is reviewing the market receptivity and is in the process of planning to set up a new restaurant brand in Japanese ramen and izakaya.

With the growth in operation and the expansion of the management team, the Group believes that it will lower the overall marginal operating costs and will in long term enhance the brand image. With the continuous expansion in mind, the Group has acquired a food catering and servicing company in June this year and is in the process of setting up a central kitchen, for supplying food and beverage services to both its own restaurants and external customers.

Meanwhile, the Group is searching for other opportunities in the food and beverage business, both in Hong Kong and the PRC in order to further enhance the Group's income. Currently, the Group is actively seeking potential partners to co-operate in developing new business in Hong Kong and the PRC. And resources have been allocated to research and develop the Group's own new concept as well as new brand name for future expansion. The Group believes that the long term development of the food and beverage business is highly promising and will become the most important core of the Group's business operation.

Information Technology Business

Hospitality Software Solutions and Online Distribution Services

The stringent control measures by the Chinese government to cool down property investment sentiment since the third fiscal quarter will have a severe impact on our hospitality application business in the coming years. The hospitality industry had invested heavily on construction and renovation in the past few years, as a result of several international events held in the PRC such as Olympic Games, World Expo and Asian Games. However, looking forward, the Group strongly believes that the momentum has been shifted and the hospitality industry investment will reach an impasse. Moreover, faced with the continuous fierce price competition from our competitors, rising staff costs, pressure from Renminbi appreciation and the new tightening cycle of credit control starting in October last year, the Group anticipates that all these factors will pose a severe challenge to our information technology ("I.T.") business in servicing the hospitality industry in the next couple of years.

Our attempt to enter the hotel distribution business (B2C) by leveraging on the relationship with our existing hotel customers faced obstacles we did not expect previously. Although a lot of efforts were exerted to recruit hotel customers joining our service, we have so far only managed to conclude contracts with around twenty existing hotel customers to join our www.fangcoo.com (房庫) platform and use our online booking service. This is mainly because we need time to build up our experience and reputation in hotel distribution business. We believe that the growth on the application software sales and services will be limited and the Group's future expansion would very much rely on the success of this business initiative. In order to expedite progress in this business, it is necessary for us to recruit experts in the distribution area and put extra efforts in strengthening our sales and marketing strategies. The Board will work hard to balance the substantial investments that would be required to realise this strategic business plan and the potential return that could be gained from this business initiative.

Outsourcing and Information Solutions and Application Software Packages Solutions

Due to the ever increasing competition in pricing in the information technology servicing industry and the difficult operating environment in Hong Kong, the Group has been making continuous losses in the business of outsourcing and information solutions and application software packages solutions since the financial year ended 31 March 2004. In the third fiscal quarter, a potential buyer approached the Group and expressed an interest in acquiring part of the Group's I.T. business. After thorough consideration, the Board believes that it is to the best interest of the Group and our shareholders to proceed with the disposal transaction as it provides an opportunity to the Group to streamline the operations of the Group, so that the resources of the Group can be better allocated with a view to optimising the productivity of the Group's operation. In the first quarter of next fiscal year, the Group has disposed of two subsidiaries of the Group's I.T. business which were running outsourcing and information solutions and application software packages solutions in Hong Kong and the PRC.

FINANCIAL REVIEW

Consolidated results of operations

For the year ended 31 March 2011, the Group recorded a total turnover of HK$88.3 million (2010: HK$52.5 million), of which HK$88.3 million (2010: HK$52.4 million) is from continuing operations. For the continuing operations, turnover increased by 69% compared with the previous year.

Turnover generated from food and beverage business was HK$32.2 million (2010: Nil). Revenue generated from information technology business increased by 7% to HK$56.1 million (2010: HK$52.4 million).

Net loss attributable to equity holders of the Company was HK$27.6 million (2010: HK$14.8 million).

Gross profit

The gross profit margin from the continuing operations of the Group was 65% (2010: 55%). It was resulted from the new business, food and beverage business, which contributed a high gross profit margin to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Expenses

Total operating expenses increased by 90% to HK$72.6 million (2010: HK$38.2 million). This increase was attributable to several reasons.

Firstly, the Company started a new line of business division, namely the food and beverage business. For the year under review, the food and beverage business incurred operating expenses amounting to HK$21.0 million (2010: Nil).

Secondly, due to the increase in turnover in hospitality software solutions and online distribution business by 29% compared with last year, the Company recruited more staff to accommodate the customers' needs. During the year under review, the staff costs and commission expenses in relation to the hospitality software solutions and online distribution business was HK$15.8 million, representing an increase of HK$5.7 million or 56% compared with last year.

Finally, during the year under review, the Company has made impairment loss on development costs and goodwill on consolidation in relation to the subsidiary operating the hospitality software solutions and online distribution business amounted to HK$10.7 million (2010: HK$3.3 million) and HK$1.7 million (2010: Nil) respectively.

On 10 February 2010, the Company issued convertible bonds to First Glory Holdings Limited ("First Glory"). The interest expenses and the imputed interest expenses on convertible bonds was HK$1.2 million and HK$1.2 million respectively (2010: HK$214,000 and HK$210,000 respectively) during the year under review.

Financial resources and liquidity

The Group generally relies on internally generated funds and the net proceeds from the convertible bonds to finance its operation.

As at 31 March 2011, current assets amounted to HK$64.9 million (2010: HK$45.5 million) of which HK$25.5 million (2010: HK$32.1 million) was cash and bank deposits, HK$6.7 million (2010: HK$12.5 million) was debtors, deposits and prepayments and HK$16.1 million (2010: Nil) was assets of a disposal group classified as held for sale. The Group's current liabilities amounted to HK$17.3 million (2010: HK$15.1 million), including creditors, accruals and deposits received in the amount of HK$12.1 million (2010: HK$10.7 million) and liabilities directly associated with assets held for sale in the amount of HK$4.5 million (2010: Nil). In last year, included bank loans, overdraft and obligation under finance lease in the amount of HK$4.1 million.

Current ratio and quick assets ratio as at 31 March 2011 was 3.74 and 3.73 respectively (2010: 3.01 and 3.01 respectively). Debt-to-equity ratio, expressed as a ratio of total debts less pledged time deposits, pledged bank balance, time deposits and cash and bank balances to shareholders' funds, was 1.02 (2010: 2.15).

Foreign exchange

The Group received renminbi income from sales in the PRC. Fluctuations in exchange rates of renminbi currencies against foreign currencies can affect the Group's results of operations. During the year under review, no hedging transactions or other exchange rate arrangements were made.

Charges on the Group's assets

As at 31 March 2011, except for a motor vehicle held under finance lease with carrying amount of HK$512,000 (2010: HK$171,000), there is no Group's assets which have been pledged or charged. As at 31 March 2010, a bank balance of HK$55,000 and accounts receivable of HK$896,000 have been pledged to a bank to secure general banking facilities granted to the Group.

Capital commitments

For both years under review, the Group had no material capital commitments.

Contingent liabilities

As at 31 March 2011, the Group has contingent liabilities in respect of possible future long service payments to employees under the Employment Ordinance in Hong Kong, with a maximum possible amount of HK$1.3 million (2010: HK$1.6 million).

Subsequent Events

On 25 January 2011, Alpha Skill Holdings Limited ("Alpha Skill") and Armitage Holdings Limited ("AHL"), two wholly-owned subsidiaries of the Company, entered into two separate agreements with Glorywin Holdings Limited ("Glorywin") pursuant to which Alpha Skill conditionally agreed to sell the entire equity interest of Armitage Technologies Limited ("ATL(HK)") and AHL conditionally agreed to sell the entire equity interest in Armitage Technologies (Shenzhen) Limited ("ATL(SZ)") at a total consideration with reference to the combined net asset value or net liability value of ATL(HK) and ATL(SZ) plus the shareholder's loans at the completion date. The transactions were completed on 14 June 2011.

On 30 May 2011, Robust Asia Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Mr. Tong Hei Wah Aro, Ms. Tong Shuk Yin Eliza and Mr. Chung Hoi Shuen to acquire 70% of interest in Qualifresh Catering Limited at a total consideration of HK$3.5 million. The transaction was completed on 1 June 2011.

Other financial assets

On 10 February 2010, a wholly owned subsidiary of the Company, Marvel Success Limited ("Marvel Success") subscribed at face value, a two-year 5% convertible bond in the principal amount of US$2,000,000 (equivalent to approximately HK$15,500,000) issued by PJ Partners Pte Limited ("PJ Partners"), a company which is incorporated in Singapore with limited liability and is engaged in food and beverage management business, with transaction costs of HK$1,300,000. According to the terms of the subscription agreement, the conversion price is lower of the net asset value per share and 2.5 times P/E of PJ Partners at the conversion. Although the conversion price may vary in along with the net asset value per share or P/E, Marvel Success is allowed to use US$2,000,000 to convert to common shares of PJ Partners up to 75% or minimum 25%.

MANAGEMENT DISCUSSION AND ANALYSIS

At initial recognition, the loan receivable component of convertible bond was recognised at fair value of HK$16,217,000 which was estimated by discounted cash flows method using a market interest rate for a similar investment plus allocated transaction costs. The loan receivable is carried at amortised cost in subsequent measurement.

For derivative component of convertible bond, the fair value at initial recognition was HK$633,000, which was estimated by the difference between the consideration paid and the fair value of loan receivable component at initial recognition.

As at 31 March 2011, the management assessed the possibility of conversion to the common shares of PJ Partners by referring to PJ Partners' financial performance and future prospect and concluded that the conversion is not likely to be occurred unless there are any changes in PJ Partners' financial performance and future prospect. Accordingly, the carrying amount of derivate component of convertible bond was revalued to zero as at 31 March 2011.

Save as disclosed above, during both years under review, there has no ongoing financial exposure to borrowers or other on-doing matters of relevance as defined in Rules 17.22 to 17.24 of the GEM Listing Rules.

Employees and remuneration policies

As at 31 March 2011, the Group had 392 employees in Hong Kong and the PRC (2010: 309). Remuneration is determined by reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and in reward of their contributions. Other fringe benefits such as medical subsidy, medical insurance, education/training subsidies and pension fund plans are offered to most employees. Share options are granted at the discretion of the Board under the terms and conditions of the Employees Share Option Scheme.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Tang Sing Ming Sherman, aged 54, is the Chairman of the Board of directors and the Chief Executive Officer of the Company. He completed his tertiary education in the United States of America and is a seasoned entrepreneur in hospitality management and consultancy services. He owns a well-established hospitality group in Hong Kong which creates and operates a wide variety of food and beverage concepts. He has extensive experience in investment and operation of restaurants, cafes and bars. He is currently in charge of strategic planning, business development and policy making of the Group.

Mr. Lee Shun Hon, Felix, aged 70, is the founder of the Group. Mr. Lee completed his tertiary and post graduate education at the University of California, Berkeley, in the United States of America. With over 30 years of experience in the Information Technology ("I.T.") industry, Mr. Lee has established a strong business network and close relationship with customers. Mr. Lee is currently in charge of the I.T. business of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Bhanusak Asvaintra, aged 66, obtained degrees from University of Pennsylvania and University of Chicago. Mr. Asvaintra held senior executive positions with the Chase Manhattan Bank group in New York, Hong Kong and Singapore in the 1970s. In 1980, Mr. Asvaintra joined the Charoen Pokphand group of companies (the "Pokphand Group") and retired as the Chief Executive Officer of the Pokphand Group in 1998. Mr. Asvaintra is currently an Independent non-Executive Director of Dickson Concepts (International) Limited, a company incorporated in Bermuda and the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 113), since he was appointed to the post in September 2004.

Mr. Chan Kam Fai Robert, aged 54, has over 30 years' experience in international advertising agencies and multi-media operations, both in Hong Kong and mainland China. He is currently a Managing Director of an outdoor media specialist company.

Mr. Chung Kwok Keung Peter, aged 57, has over 20 years' experience in manufacturing business. He was a Director of Racing Champions Corporation, the shares of which are listed on the NASDAQ Stock Market in the United States of America, from April 1996 to May 2008. Mr. Chung is currently an operating partner of a private equity business.

SENIOR MANAGEMENT

Mr. Chan Wai Wong, aged 46, joined the Group in 2010. He is the Head of Corporate Affairs Department. He obtained a Bachelor of Commerce degree from the University of New South Wales, Australia and a Master of Business Administration degree from The Chinese University of Hong Kong. Mr. Chan has over 20 years of experience in auditing, consulting, financial and accounting management and is responsible for overseeing the corporate development of the Group. Professionally, Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and the CPA Australia.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Cheung Nga Kuen, aged 48, joined the Group in 2010. Ms. Cheung is the Manager, Corporate Development, of the Group. She is responsible for the business development in Hong Kong and the PRC. She also oversees the human resources and administration affairs of the Group. Prior to joining the Group, she has been engaged in corporate development and management for over 10 years in different businesses. Ms. Cheung holds a Master of Business Administration degree and is a graduate member of The Hong Kong Institute of Chartered Secretaries.

Ms. Jim Sui Fun, aged 52, joined the Group in 1994. Ms. Jim is currently the Chief Executive Officer of Guangzhou Armitage Technologies Limited ("Guangzhou Armitage"). Assuming the position in April 2006, Ms. Jim is responsible for strategic planning and managing the whole operation of Guangzhou Armitage, which has 14 offices throughout China. Guangzhou Armitage develops and sells the Group's sole proprietary product ***Pegasus*** Hotel Management Software.

Mr. Lam Yiu Chung Billy, aged 42, joined the Group in 2010 and he is currently the General Manager of the Japanese restaurant franchise of the Group's food and beverage business . He is responsible for the operation and development of the franchise in Hong Kong and the PRC. Prior to joining the group, he has acquired substantial experience in the operation and management of hospitality industry especially in franchise operations and development. Mr. Lam holds a Higher Diploma in Hotel and Catering Management from The Hong Kong Polytechnic.

Mr. Ho King Yee, aged 35, joined the Group in 2006. He is the Financial Controller and Company Secretary of the Group. Mr. Ho is responsible for financial management, compliance reporting and company secretarial affairs of the Group. He is an associate member of the Hong Kong Institute of Certified Public Accountants. He has more than 10 years of auditing and accounting experiences. Prior to joining the Group, he has worked in international certified public accountants firms. Mr. Ho holds a Bachelor of Arts degree in Accountancy from The Hong Kong Polytechnic University.

Mr. Chan Hoi Wing, Tewick, aged 46, joined the Group in 2010 as Manager, Internal Control. He is responsible for internal control and MIS system setting as well as its continuous improvement both in Hong Kong and the PRC. Mr. Chan was trained in an international certified public accountants firm and has over 15 years of experience in hospitality industry where he was in charge of accounting and operational control. Mr. Chan holds a Bachelor degree in Accounting from University of Liverpool, United Kingdom and a Master degree in Hotel and Tourism Management from The Hong Kong Polytechnic University. He is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Fred Ruan, aged 36, joined the Group in 2005. Mr. Ruan is the General Manager (Northern Region) of Guangzhou Armitage, stationed in Beijing. He was previously the Sales Manager for Northern China and was promoted to the current position in April 2006. Mr. Ruan has been working in the hospitality industry since 1998, mainly involved in selling and marketing hotel related products. Mr. Ruan holds a Bachelor degree in Tourism Management from Harbin University of Commerce, Hei Long Jiang, China.

DIRECTORS' REPORT

The directors are pleased to present to the shareholders their annual report together with the audited consolidated financial statements for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was investment holding and those of the subsidiaries are set out in note 14 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2011 are set out in the consolidated statement of comprehensive income on pages 32 and 33.

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

FINANCIAL SUMMARY

The summary of the results of the Group for each of the five years ended 31 March 2011 and the assets and liabilities of the Group as at 31 March 2007, 2008, 2009, 2010 and 2011 are set out on pages 103 and 104.

PLANT AND EQUIPMENT

The Group purchased and disposed of plant and equipment in the amount of approximately HK$8,284,000 and HK$7,890,000, respectively, during the year ended 31 March 2011. Detailed movements in plant and equipment of the Group are set out in note 13 to the consolidated financial statements.

CONVERTIBLE BONDS

Details of the convertible bonds are set out in note 30 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 27 to the consolidated financial statements. Shares were issued during the year on conversion of convertible bonds, placing of shares and acquisition of subsidiaries.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 36 and note 28 to the consolidated financial statements respectively.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN CONTRACTS

Except for the transactions disclosed in note 38 to the consolidated financial statements, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

The details of connected transactions during the year under the Rules Governing the Listing of Securities ("Listing Rules") on the Growth Enterprise Market ("GEM") Listing Rules are set out in note 38 to the consolidated financial statements. These connected transactions fall under the definition of "connected transaction" in Chapter 20 of the GEM Listing Rules and the Company confirmed that it had complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors:

Mr. Tang Sing Ming Sherman (Chairman)
Mr. Lee Shun Hon, Felix

Independent non-executive directors:

Mr. Bhanusak Asvaintra
Mr. Chan Kam Fai Robert
Mr. Chung Kwok Keung Peter

In accordance with Articles 87(1) of the Company's Articles of Association, Mr. Lee Shun Hon, Felix shall retire from office and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

The term of independent non-executive directorships of Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter under each of their respective letter of appointment is 3 years from 18 February 2010 to 17 February 2013 unless terminated by either party giving to the other not less than 1 month notice.

The executive director, Mr. Tang Sing Ming Sherman, had entered into a service contract for 3 years commencing from 18 February 2010. The said service contract may be terminated by either party at any time by giving to the other not less than 1 month written notice or payment of salary in lieu of notice.

The executive director, Mr. Lee Shun Hon, Felix, currently has not entered into any service contract with the Company.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (cont'd)

Apart from the foregoing, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

Each of the independent non-executive directors has confirmed his independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules as at 31 March 2011 and the Company still considers the independent non-executive directors to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 18 to 19 of the Annual Report.

SHARE OPTIONS

Pursuant to the written resolutions passed by all the shareholders of the Company on 26 February 2003, the Company adopted the following share option scheme:

Share Option Scheme

The purpose of the Share Option Scheme (the "Scheme") is to provide the participants with an opportunity to acquire equity interests in the Company, thus providing them with an incentive to continue contributing to the success of the Company.

Subject to the terms of the Scheme, the committee (the "Committee") which was authorised and charged by the board of directors (the "Board") with the administration of the Scheme may, at any time, offer to grant to any employee, agent, consultant or representative of the Company or any of its subsidiaries, including any executive or non-executive director of the Company or any subsidiary of the Company who, the Committee may determine in its absolute discretion, has made valuable contribution to the business of the Group based on his or her performance and/or years of service, or is regarded as valuable human resources of the Group based on his or her work experience, knowledge in the industry and other relevant factors, options ("Share Options") to subscribe for such number of shares as the Committee may determine at the exercise price.

The maximum number of shares to be issued in respect of which options may be granted (together with shares in respect of which options are then outstanding under the Scheme or any other schemes of the Company) under the Scheme shall not exceed such number of shares as shall represent 30% of the issued share capital of the Company from time to time.

The maximum entitlement for any one participant (including both exercised and outstanding options) in any twelve-month period shall not exceed 1% of the total number of shares in issue.

DIRECTORS' REPORT

SHARE OPTIONS (cont'd)

Share Option Scheme (cont'd)

An option may be exercised in whole or in part in the manner provided in the Scheme by a grantee (or, as the case may be, by his or her legal personal representative) giving notice in writing to the Company after it has vested at any time during the period (the "Option Period") commencing one year after the date of the grant of the option, which shall be not less than three years nor more than ten years from the date an option is offered (the "Offer Date"). No performance target is required to be reached by the participant before any option can be exercised.

A sum of HK$1 is payable by the participant on acceptance of the option offer.

The exercise price for the shares (the "Exercise Price") in relation to options to be granted under the Scheme shall be determined by the Committee and notified to a participant and shall be at least the higher of:

(i) the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the Offer Date; and

(ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date (where the Company has been listed on the GEM of the Stock Exchange for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing).

provided that the Exercise Price shall not be lower than the nominal value of the shares.

As at 31 March 2011, Share Options to subscribe for an aggregate of 17,000,000 shares (representing approximately 1.5% of the enlarged issued share capital of the Company) have been granted to employees of the Group.

Detailed movements of share options granted under the Share Option Scheme are set out in note 32 to the consolidated financial statements.

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2011, the interests or short positions of the directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), Chapter 571 under the Laws of Hong Kong), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name	**Type of interests**	**Number of shares**		**Approximate percentage of the issued share capital** (Note 2)
Mr. Tang Sing Ming Sherman	Corporate	632,845,290	(Note 1)	57.78%
Mr. Lee Shun Hon, Felix	Personal	100,000		0.01%

Notes:

1. These shares are held by First Glory Holdings Limited ("First Glory") which is wholly and beneficially owned by Mr. Tang Sing Ming Sherman ("Mr. Tang"). First Glory also holds convertible bonds ("Convertible Bonds") issued by the Company in the aggregate principal amount of HK$39 million pursuant to which a total of 600,000,000 shares of the Company will be issued upon full conversion assuming that there is no adjustment to the initial conversion price of HK$0.065 per share. Mr. Tang is the sole legal and beneficial owner of First Glory. Mr. Tang is deemed to be interested, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), in the said 632,845,290 shares and the Convertible Bonds which First Glory is interested in.

2. Based on 1,095,300,000 shares of the Company in issue as at 31 March 2011.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (cont'd)

(b) Interests and short positions in underlying shares of equity derivatives of the Company

Name	Type of interests	Number of shares		Approximate percentage of the issued share capital (Note 2)
Mr. Tang Sing Ming Sherman	Corporate	600,000,000	(Note 1)	54.78%

Note:

1. The said 600,000,000 shares represent the total number of shares which will be issued upon full conversion of the Convertible Bonds held by First Glory in the aggregate principal amount of HK$39 million, assuming that there is no adjustment to the initial conversion price of HK$0.065 per share. According to the terms of the Convertible Bonds, conversion of the Convertible Bonds is subject to compliance with the GEM Listing Rules and the Code on Takeovers and Mergers, and any such conversion shall not result in the shareholding of the Company held by the public being less than the then minimum public float requirements as stipulated in the GEM Listing Rules at the time of such conversion. Mr. Tang is deemed to be interested, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), in the Convertible Bonds held by First Glory.

2. Based on 1,095,300,000 shares of the Company in issue as at 31 March 2011.

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (cont'd)

(c) Long positions in underlying shares of equity derivatives of the Company

Outstanding options granted to the Directors under the share option scheme adopted on 26 February 2003:

Name	Date of grant	Exercise price per share HK$	Exercise period	Approximate percentage of the issued share capital (Note 1)	Number of share options outstanding
Mr. Bhanusak Asvaintra	13 August 2010	0.142	From 13 August 2011 to 12 August 2020	0.09%	1,000,000
Mr. Chan Kam Fai Robert	13 August 2010	0.142	From 13 August 2011 to 12 August 2020	0.09%	1,000,000
Mr. Chung Kwok Keung Peter	13 August 2010	0.142	From 13 August 2011 to 12 August 2020	0.09%	1,000,000

Note:

1. Based on 1,095,300,000 shares of the Company in issue as at 31 March 2011.

(d) Interests in the shares of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares	Approximate percentage of attributable interest in corporation
Mr. Tang Sing Ming Sherman	First Glory Holdings Limited	Beneficial owner	1	100%

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (cont'd)

(e) Interests in debentures of the Company

Name	Type of interests	Amount of Debentures	
Mr. Tang Sing Ming Sherman	Corporate	HK$39 million	(Note 1)

Note:

1. The said HK$39 million represents the aggregate outstanding principal amount of the Convertible Bonds held by First Glory, which is wholly-owned by Mr. Tang. Assuming that there is no adjustment to the initial conversion price of HK$0.065 per share, a total of 600,000,000 shares will be issued upon full conversion of the Convertible Bonds.

Save as disclosed herein, as at 31 March 2011, none of the directors of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as is known to the directors and chief executives of the Company, as at 31 March 2011, no other persons or companies had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO or were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float under the GEM Listing Rules.

COMPETING INTERESTS

None of the directors, the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) had any interests in any business which competed with or might compete with the business of the Group during the year ended 31 March 2011.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 20% of the total sales for the year and sales to the largest customer included therein amounted to approximately 15%. Purchase from the Group's five largest customers accounted for approximately 20% of the total purchase for the year and purchase from the largest supplier included therein amounted to approximately 6%.

To the best knowledge of the directors, neither the directors, their associates, nor any shareholders, who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers and suppliers during the year.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, save and except the followings:—

On 20 May 2010, a placing was completed under a placing agreement dated 18 May 2010 entered into among First Glory as the vendor, the Company and a placing agent. Pursuant to the placing, an aggregate of 110,000,000 shares in the Company have been successfully placed to not less than six placees at the placing price of HK$0.20 per placing share. On 27 May 2010, a subscription was completed under a subscription agreement dated 18 May 2010 entered into between First Glory as the subscriber and the Company as the issuer. Pursuant to the subscription, an aggregate of 110,000,000 shares in the Company (which is equivalent to the number of shares actually placed under the placing) have been issued and allotted by the Company to First Glory at a subscription price of HK$0.20 per share. The net proceeds received by the Company from the subscription amounted to approximately HK$21.5 million.

On 17 May 2010, Marvel Success, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Caddell Investments Limited ("Caddell"), pursuant to which Marvel Success agreed to acquire from Caddell 250 shares in Netaria Limited ("Netaria"), representing 25% of the issued share capital of Netaria at the consideration of HK$3,000,000. Pursuant to the terms of the sale and purchase agreement, the total consideration in the sum of HK$3,000,000 shall be satisfied by Marvel Success procuring the Company to allot and issue 15,000,000 shares in the Company as the consideration shares. The transaction was completed on 29 June 2010 ("Completion Date") and an aggregate of 15,000,000 shares in the Company have been issued and allotted by the Company to Caddell on the Completion Date. As at the Completion Date, the closing share price of the Company was HK$0.16 per share, and the total value of the shares paid to Caddell based on such closing share price was HK$2.4 million. Netaria together with its subsidiaries are currently running a Japanese restaurant franchise.

DIRECTORS' REPORT

PRE-EMPTIVE RIGHTS

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

AUDITOR

A resolution to re-appoint the retiring auditor, Messrs. PKF, is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Tang Sing Ming Sherman
Chairman

Hong Kong, 20 June 2011

PKF
Accountants &
business advisers

大信梁學濂(香港)會計師事務所

26th Floor, Citicorp Centre
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銅鑼灣
威非路道18號
萬國寶通中心26樓

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EPICUREAN AND COMPANY, LIMITED
(FORMERLY KNOWN AS ARMITAGE TECHNOLOGIES HOLDING LIMITED)
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Epicurean and Company, Limited (formerly known as Armitage Technologies Holding Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 102, which comprise the consolidated and Company statements of financial position as at 31 March 2011, and 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 information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITY (cont'd)

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

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

OPINION

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

PKF
Certified Public Accountants
Hong Kong, 20 June 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Note	2011 HK$'000	2010 HK$'000
Continuing operations			
Turnover	4	**88,334**	52,429
Cost of sales and services rendered		**(31,224)**	(23,586)
Gross profit		**57,110**	28,843
Other income	5	**1,266**	549
Operating expenses		**(72,626)**	(38,177)
Impairment loss on development costs		**(10,737)**	(3,319)
Operating loss		**(24,987)**	(12,104)
Finance costs	6(a)	**(2,588)**	(1,432)
Loss before income tax	6	**(27,575)**	(13,536)
Income tax (expense)/credit	8(a)	**(66)**	70
Loss for the year from continuing operations		**(27,641)**	(13,466)
Discontinued operations			
Loss for the year from discontinued operations	9	**–**	(1,359)
Loss for the year and attributable to equity holders of the Company	10	**(27,641)**	(14,825)
Other comprehensive loss, net of tax			
Exchange loss arising on translation of financial statements of foreign operations		**(345)**	(20)
Total comprehensive loss for the year and attributable to equity holders of the Company		**(27,986)**	(14,845)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Note	2011 HK$'000	2010 HK$'000
Loss per share (HK cents)	12		
From continuing and discontinued operations			
— Basic		**(2.60)**	(1.97)
— Diluted		**N/A**	N/A
From continuing operations			
— Basic		**(2.60)**	(1.79)
— Diluted		**N/A**	N/A
From discontinued operations			
— Basic		**N/A**	(0.18)
— Diluted		**N/A**	N/A

The notes on pages 39 to 102 form part of these consolidated financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2011

		Group		Company	
	Note	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
NON-CURRENT ASSETS					
Plant and equipment	13	**9,565**	3,180	**—**	—
Interests in subsidiaries	14	**—**	—	**50,491**	52,043
Goodwill on consolidation	15	**1,728**	1,721	**—**	—
Development costs	16	**—**	11,354	**—**	—
Other intangible assets	17	**1,168**	70	**—**	—
Club debenture, at cost		**—**	200	**—**	—
Deferred tax	18	**324**	1,617	**—**	—
Other financial assets	19	**—**	16,850	**—**	—
		12,785	34,992	**50,491**	52,043
CURRENT ASSETS					
Other financial assets	19	**15,809**	—	**—**	—
Financial assets at fair value through profit or loss	20	**—**	870	**—**	—
Inventories	21	**160**	—	**—**	—
Debtors, deposits and prepayments	22	**6,735**	12,478	**124**	143
Amount due from a related company	23	**515**	—	**—**	—
Pledged bank balance	36	**—**	55	**—**	—
Time deposits	24	**2,367**	10,000	**—**	—
Cash and bank balances	24	**23,173**	22,076	**9,974**	17,756
		48,759	45,479	**10,098**	17,899
Assets of a disposal group classified as held for sale	25	**16,093**	—	**—**	—
		64,852	45,479	**10,098**	17,899
DEDUCT:					
CURRENT LIABILITIES					
Bank overdrafts, secured	24 & 36	**—**	119	**—**	—
Bank loans, secured	29 & 36	**—**	3,186	**—**	—
Bank loan — discounting arrangement, secured	36	**—**	806	**—**	—
Obligation under finance lease	31	**—**	21	**—**	—
Creditors, accruals and deposits received	26	**12,083**	10,650	**217**	2,927
Income tax payable		**771**	332	**—**	—
		12,854	15,114	**217**	2,927
Liabilities directly associated with assets held for sale	25	**4,472**	—	**—**	—
		17,326	15,114	**217**	2,927
NET CURRENT ASSETS		**47,526**	30,365	**9,881**	14,972

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2011

		Group		Company	
	Note	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**60,311**	65,357	**60,372**	67,015
NON-CURRENT LIABILITIES					
Convertible bonds	30	**36,714**	47,410	**36,714**	47,410
Bank loans, secured	29 & 36	**—**	2,585	**—**	—
		36,714	49,995	**36,714**	47,410
NET ASSETS		**23,597**	15,362	**23,658**	19,605
REPRESENTING:					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	27	**10,953**	7,703	**10,953**	7,703
Reserves	28	**12,644**	7,659	**12,705**	11,902
TOTAL EQUITY		**23,597**	15,362	**23,658**	19,605

The notes on pages 39 to 102 form part of these consolidated financial statements.

Approved and authorised for issue by
the Board of directors on 20 June 2011 and signed on its behalf by:

Tang Sing Ming Sherman
Director

Lee Shun Hon, Felix
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2011

	Attributable to equity holders of the Company							
	Share capital HK$'000	**Accumulated losses** HK$'000	**Share premium** HK$'000	**Special reserve** HK$'000	**Exchange reserve** HK$'000	**Employee share-based compensation reserve** HK$'000	**Convertible bonds equity reserve** HK$'000	**Total** HK$'000
At 1.4.2009	7,500	(30,476)	42,836	3,801	2,236	181	–	26,078
Exercise of share options	203	–	1,303	–	–	(389)	–	1,117
Recognition of equity-settled share-based payment expenses – Note 32	–	–	–	–	–	212	–	212
Recognition of equity component of convertible bonds – Note 30	–	–	–	–	–	–	2,800	2,800
Total comprehensive loss for the year	–	(14,825)	–	–	(20)	–	–	(14,845)
At 31.3.2010 and 1.4.2010	7,703	(45,301)	44,139	3,801	2,216	4	2,800	15,362
Conversion of convertible bonds – Notes 27 & 30	2,000	–	10,556	–	–	–	(700)	11,856
Placing of shares – Note 27	1,100	–	20,392	–	–	–	–	21,492
Acquisition of subsidiaries – Note 27	150	–	2,225	–	–	–	–	2,375
Recognition of equity-settled share-based payment expenses – Note 32	–	–	–	–	–	498	–	498
Total comprehensive loss for the year	–	(27,641)	–	–	(345)	–	–	(27,986)
At 31.3.2011	**10,953**	**(72,942)**	**77,312**	**3,801**	**1,871**	**502**	**2,100**	**23,597**

The notes on pages 39 to 102 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2011

	2011 HK$'000	2010 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax		
— continuing operations	(27,575)	(13,536)
— discontinued operations	—	(1,359)
Adjustments for:		
Foreign exchange gain	(401)	—
Dividend income	—	(8)
Interest income	(55)	(38)
Interest income from other financial assets	(884)	—
Imputed interest income from other financial assets	(304)	—
Interests on bank loans, factoring loans and overdrafts wholly repayable within five years	138	936
Interest expense on convertible bonds	1,186	214
Imputed interest expense on convertible bonds	1,163	210
Finance charges on obligation under finance lease	18	6
Depreciation of plant and equipment	2,936	772
Loss on disposal of plant and equipment	895	181
Amortisation of development costs	2,021	2,288
Amortisation of other intangible assets	1,641	6
Amortisation of transaction costs on other financial assets	712	—
Impairment loss on goodwill on consolidation	1,721	—
Impairment loss on development costs	10,737	3,319
Equity-settled share-based payment expenses	498	212
Impairment loss on trade debtors	2,520	484
Change in fair value on derivative component of other financial assets	633	—
Unrealised gain on financial assets at fair value through profit or loss	(94)	(455)
Operating loss before working capital changes	(2,494)	(6,768)
Increase in inventories	(96)	—
(Increase)/decrease in debtors, deposits and prepayments	(2,430)	4,148
Increase in amount due from a related company	(515)	—
Increase in creditors, accruals and deposits received	1,225	1,932
Cash used in operations	(4,310)	(688)
PRC income tax paid	(416)	(119)
Dividend received	—	8
Interest received	55	38
Interest income from other financial assets	777	—
Interests on bank loans, factoring loans and overdrafts wholly repayable within five years paid	(138)	(936)
Interest expense on convertible bonds paid	(1,186)	(214)
Finance charges on obligation under finance lease paid	(18)	(6)
NET CASH USED IN OPERATING ACTIVITIES	(5,236)	(1,917)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2011

	2011 HK$'000	2010 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of plant and equipment	**(6,018)**	(240)
Payment for acquisition of subsidiaries — Note 33	**(4,559)**	—
Sales proceeds from disposal of plant and equipment	**121**	7
Payment for acquisition of trademark	**(36)**	—
Payment for purchase of other financial assets	**—**	(16,850)
Payment for purchase of financial assets at fair value through profit or loss	**(10)**	(3)
Increase in development costs	**(1,212)**	(3,212)
Decrease in pledged time deposits and bank balance	**55**	9,025
NET CASH USED IN INVESTING ACTIVITIES	**(11,659)**	(11,273)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of convertible bonds	**—**	50,000
Net proceeds from exercise of share options	**—**	1,117
Net proceeds from placing of shares	**21,492**	—
Payment of transaction cost on issue of share for acquisition of subsidiaries	**(25)**	—
Payment of transaction cost on conversion of convertible bonds	**(3)**	—
Capital element of finance lease rentals paid	**(159)**	(78)
New secured bank loans raised	**—**	6,000
Repayment of secured bank loans	**(6,577)**	(3,834)
NET CASH FROM FINANCING ACTIVITIES	**14,728**	53,205
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,167)**	40,015
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**31,957**	(8,038)
EFFECT OF EXCHANGE RATES CHANGES	**208**	(20)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR — Note 24	**29,998**	31,957

The notes on pages 39 to 102 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

1. GENERAL INFORMATION

Epicurean and Company, Limited (formerly known as Armitage Technologies Holding Limited) (the "Company") was incorporated in the Cayman Islands on 13 November 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The principal place of its business is 8/F., Pedder Building, 12 Pedder Street, Central, Hong Kong. The Company and its subsidiaries (collectively the "Group") is engaged in the provision of food and beverage services, provision of information solutions and design, development and sales of application software packages. In prior years, the Group was also engaged in magazine publication and provision of advertising services which were discontinued during the year ended 31 March 2010 (see note 9).

The Company is listed on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

(b) Initial application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group initially applied the following new or revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2010:—

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK-Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 39	Eligible Hedged Items
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HKFRS 2	Share-based payment — Group Cash-settled Share-based Payment Transactions
HKFRSs	Improvements to HKFRSs (2009)

2. BASIS OF PREPARATION (cont'd)

(b) Initial application of new and revised Hong Kong Financial Reporting Standards (cont'd)

Except for the following new HKFRSs, the application of other new HKFRSs had no material impact on the Group's consolidated financial statements for the current or prior accounting periods.

As a result of the adoption of HKFRS 3 (Revised), any business combination acquired on or after 1 April 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (Revised). These include the following changes in accounting policies:—

— Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.

— If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

— Contingent consideration will be measured at fair value at the acquisition date. Subsequent changes in the measurement of that contingent consideration unrelated to facts and circumstances that existed at the acquisition date will be recognised in profit or loss, whereas previously these changes were recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.

— If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

— In addition to the Group's existing policy of measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

2. BASIS OF PREPARATION (cont'd)

(b) Initial application of new and revised Hong Kong Financial Reporting Standards (cont'd)

— Any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27 (Revised), this new accounting policy is being applied prospectively and therefore previous periods have not been restated.

In accordance with the transitional provisions in HKFRS 3 (Revised), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

As a result of the adoption of HKAS 27 (Revised), the following changes in policies will be applied as from 1 April 2010:—

— If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such transactions as step-up transactions, of which the goodwill was calculated as the difference between the consideration paid for the additional interests and the carrying amount of the net assets of the non-wholly owned subsidiary, and partial disposals, respectively.

— If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the end of reporting period the Group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

2. BASIS OF PREPARATION (cont'd)

(b) Initial application of new and revised Hong Kong Financial Reporting Standards (cont'd)

In accordance with the transitional provisions in HKAS 27 (Revised), these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

HK-Int 5 — The HKICPA issued on 29 November 2010 HK Interpretation 5 "Presentation of Financial Statements - Clarification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause". This Interpretation, as a clarification of an existing standard, is effective immediately. According to the Interpretation, the classification of a term loan in accordance with paragraph 69(d) of HKAS 1 shall depend on whether or not the borrower has an unconditional right to defer payment for at least twelve months after the reporting period. Consequently, amounts repayable under a loan agreement which includes a clause that gives the lender the unconditional right to call the loan at any time shall be classified by the borrower as current in its statement of financial position. This Interpretation did not have a material impact on the Group's consolidated financial statements.

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following HKFRSs in issue at 31 March 2011 have not been applied in the preparation of the consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 April 2010:—

HKAS 24 (Revised)	Related Party Disclosures [2]
HKFRS 9	Financial Instruments [5]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments [1]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets [4]
Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets [3]
Amendments to HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement [2]
HKFRSs	Improvements to HKFRSs 2010 [6]

1 *Effective for annual periods beginning on or after 1 July 2010*
2 *Effective for annual periods beginning on or after 1 January 2011*
3 *Effective for annual periods beginning on or after 1 July 2011*
4 *Effective for annual periods beginning on or after 1 January 2012*
5 *Effective for annual periods beginning on or after 1 January 2013*
6 *Amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34, HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 and amendments to HKFRS 3, HKAS 21, HKAS 28, HKAS 31, HKAS 32, HKAS 39 are effective for annual periods beginning on or after 1 July 2010*

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Measurement basis

The consolidated financial statements are prepared under the historical cost basis as modified by revaluation of financial assets at fair value through profit or loss.

(b) Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year included in the profit or loss from the date that control commenced or up to the date that control ceased. When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at that date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of an investment in an associate or jointly controlled entity or other investments.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interest within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recongised.

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

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

Non-controlling interests represent the equity or deficiency in a subsidiary not attributable directly or indirectly to the Company, and in respect of those interest that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interest either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interest are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Company. Non-controlling interest in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income or loss for the year between non-controlling interest and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classi ed as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable able assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Business combination and goodwill (cont'd)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(d) Revenue recognition

Revenue from provision of food and beverage services including services charges is recognised when catering services are provided.

Revenue from provision of system development services is recognised when the services are provided.

Revenue from provision of system integration services is recognised in the profit or loss by reference to the percentage of services performed to date bear to the total services to be performed.

Revenue from maintenance service contracts, which is received or receivable from customers once the maintenance service contracts are signed, is amortised and credited to the profit or loss on a straight line basis over the terms of the maintenance service contracts.

Revenue from system enhancement is recognised upon acceptance by the customers.

Revenue from sale of application software packages is recognised when the goods are delivered at the customers' premises, which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Dividend income is recognised when the Group's right to receive payment is established.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Plant and equipment

Plant and equipment are stated at cost less aggregate depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance, is charged to the profit or loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the plant and equipment, the expenditure is capitalised as an additional cost of the asset.

Depreciation is calculated to write down the cost of plant and equipment to their estimated residual values on a straight-line basis over their estimated useful lives at following annual rates and bases:—

Furniture, fixtures and equipment	10% to 50% or over the lease term whichever is shorter
Leasehold improvement	33.33% or over the lease term whichever is shorter
Motor vehicles	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in the profit or loss on the date of retirement or disposal.

(f) Intangible assets (Other than goodwill)

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

Development costs are capitalised only when it can be demonstrated that completing the development is technically and financially feasible, the product under development will generate probable future economic benefits through sale or use, and the development expenditure can be measured reliably. Development costs which do not meet these criteria are expensed when incurred.

Amortisation is calculated to write off the costs of intangible assets over their estimated useful lives on a straight line basis as follows:—

Development costs	5 years
Software acquired	5 years
Trade mark acquired	20 years
Franchise right acquired	14 years

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Interests in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Interests in subsidiaries are stated in the Company's statement of financial position at cost less any identified impairment loss. Income from subsidiaries is recognised in the Company's financial statements on the basis of dividends declared by the subsidiaries.

(h) Investments

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purposed for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purposes of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months at the end of reporting period.

(ii) Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor without intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the year, the Group did not hold any investments in this category.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Investments (cont'd)

Purchases and sales of investments are recognised on trade-date the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the profit or loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit or loss as gains or losses from investment securities.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit or loss — is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss.

(i) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each report period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged. For derivative financial assets that are linked to unquoted equity instruments, which do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and must be settled by delivery of such unquoted equity instruments, it is carried at cost less impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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

(k) Borrowings and payables

Borrowings and payables are stated at amortised cost using the effective interest method.

(l) Convertible bonds that contain an equity component

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

If the note is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the capital reserve is released directly to accumulated profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Employee benefits

Salaries, annual bonuses and annual leave entitlements are accrued in the year in which the associated services are rendered by employees of the Group.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

The fair value of share options granted to employees measured at the grant date and adjusted for the estimated number of shares that will eventually be vested is recognised as an employee cost on a straight-line basis over the vesting period, with a corresponding increase in an employee share-based compensation reserve.

For the purposes of diluted earnings per share, the exercise price of the options is adjusted for the cost of employee services to render in the remaining vesting period.

(n) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(o) Borrowing costs

Borrowing costs are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred. Borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

(q) Income tax

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 net profit as reported in the profit or loss because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes profit or loss items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable when the Group recovers or settles the carrying amounts of assets or liabilities recognised in the consolidated financial statements.

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

Deferred tax is charged or credited to the profit or loss, except when it relates to items 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.

(r) Cash and cash equivalents

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

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligation under finance lease. Depreciation is provided at rates which writes off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 3(e). Impairment losses are accounted for in accordance with the accounting policy as set out in note 3(n). Finance charges implicit in the lease payments are charged to the profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Related parties

An individual is related to the Group if the individual (i) has, directly or indirectly, control or joint control or significant influence over the Group, or (ii) is a member of the key management personnel of the Group, or (iii) if the individual is a close member of the family of the individuals in (i) or (ii).

An entity is related to the Group if the entity (i) has, directly or indirectly, control or joint control or significant influence over the Group, or (ii) is controlled by or under common control with the Group, or (iii) is an associate or a jointly controlled entity of the Group, or (iv) is controlled, jointly-controlled or significantly influenced by an individual related to the Group.

(u) Foreign currency translation

The consolidated financial statements are presented in Hong Kong dollar, which is also the Company's functional currency. The functional currency of the Company or its subsidiaries is the currency of the primary economic environment in which the Company or its subsidiaries operates.

Foreign currency transactions of the Company or its subsidiaries are initially recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of reporting period and the exchange differences arising are recognised in the profit or loss. Non-monetary items carried at fair value denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined and the exchange differences arising are recognised in the profit or loss, except for the exchange component of a gain or loss that is recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into the presentation currency of the Company at the rate of exchange prevailing at the end of reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising are recognised as a separate component of equity. Such translation differences are recognised in the profit or loss for the year in which the foreign operation is disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Segment reporting

Operating segments, and amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Inter-segment pricing is based on similar terms as those available to other external parties.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

Segment assets consist primarily of fixed assets, receivables and operating cash, income tax recoverable and deferred tax assets. Segment liabilities comprise operating liabilities, income tax payable and deferred tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items may comprise financial and corporate assets, interest-bearing loans, corporate and financing expenses and non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets and financial assets (other than investments in subsidiaries). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 3.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current assets is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Non-current assets held for sale and discontinued operations (cont'd)

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the consolidated statement of comprehensive income, which comprises:

— the post-tax profit or loss of the discontinued operation; and

— the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(x) Significant judgement

In the process of applying the Group's accounting policies, judgements that can significantly affect the amounts recognised in the consolidated financial statements are made in determining:

(i) whether there is an indication of impairment of assets;

(ii) the expected manner of recovery of the carrying amount of assets;

(iii) the discount rates used to calculate the recoverable amount of goodwill and other assets for the purposes of impairment review;

(iv) whether the discount rates used to calculate the recoverable amount of goodwill and other assets are appropriate for the purposes of impairment reviews; and

(v) the valuation method used to calculate the fair value of share options at the measurement date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

4. TURNOVER

Turnover, for both continuing and discontinued operations, represents revenue recognised in respect of provision of food and beverage services, the provision of information solutions, application software packages sold and publishing and advertising income, net of discounts and business tax, during the year. An analysis of the turnover recorded for the year is set out below:—

	Continuing operations		Discontinued operations		Total	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
Provision of food and beverage services	**32,226**	–	**–**	–	**32,226**	–
Provision of information solutions						
– System development and integration	**19,359**	20,978	**–**	–	**19,359**	20,978
– Maintenance and enhancement income	**2,340**	1,541	**–**	–	**2,340**	1,541
Sales of application software packages and related maintenance income	**34,409**	29,910	**–**	–	**34,409**	29,910
Publishing and advertising income	**–**	–	**–**	107	**–**	107
	88,334	52,429	**–**	107	**88,334**	52,536

5. OTHER INCOME

	Continuing operations		Discontinued operations		Total	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
Dividend income	**–**	8	**–**	–	**–**	8
Interest income from other financial assets	**884**	–	**–**	–	**884**	–
Imputed interest income from other financial assets	**304**	–	**–**	–	**304**	–
Amortisation of transaction costs on other financial assets	**(712)**	–	**–**	–	**(712)**	–
	476	–	**–**	–	**476**	–
Interest income	**55**	37	**–**	1	**55**	38
Management fee income	**–**	24	**–**	–	**–**	24
Unrealised gains on financial assets at fair value through profit or loss	**94**	455	**–**	–	**94**	455
Exchange gain	**618**	19	**–**	–	**618**	19
Miscellaneous items	**23**	6	**–**	1	**23**	7
	1,266	549	**–**	2	**1,266**	551

6. LOSS BEFORE INCOME TAX

	Continuing operations		Discontinued operations		Total	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
Loss before income tax is arrived at after charging/(crediting):						
(a) Finance costs:—						
Interests on bank loans, factoring loans and overdrafts wholly repayable within five years	**138**	936	**–**	–	**138**	936
Interest expense on convertible bonds	**1,186**	214	**–**	–	**1,186**	214
Finance charges on obligation under finance lease	**18**	6	**–**	–	**18**	6
Imputed interest expense on convertible bonds	**1,163**	210	**–**	–	**1,163**	210
Other bank charges	**83**	66	**–**	1	**83**	67
	2,588	1,432	**–**	1	**2,588**	1,433
(b) Other items:—						
Amortisation of development costs	**2,021**	2,288	**–**	–	**2,021**	2,288
Amortisation of other intangible assets	**1,641**	6	**–**	–	**1,641**	6
Depreciation	**2,990**	840	**–**	12	**2,990**	852
Less: Amounts capitalised as development costs	**(54)**	(80)	**–**	–	**(54)**	(80)
	2,936	760	**–**	12	**2,936**	772
Auditor's remuneration	**463**	310	**–**	5	**463**	315
Operating lease rentals for properties	**8,193**	2,133	**–**	55	**8,193**	2,188
Less: Amounts capitalised as development costs	**(47)**	(151)	**–**	–	**(47)**	(151)
	8,146	1,982	**–**	55	**8,146**	2,037
Directors' remuneration — Note 7(a)	**1,792**	2,968	**–**	–	**1,792**	2,968
Other staff salaries and benefits	**40,372**	30,512	**–**	834	**40,372**	31,346
Retirement scheme contributions	**2,394**	2,104	**–**	34	**2,394**	2,138
Equity-settled share-based payment expenses	**420**	80	**–**	–	**420**	80
	43,186	32,696	**–**	868	**43,186**	33,564
Less: Amounts capitalised as development costs	**(757)**	(2,630)	**–**	–	**(757)**	(2,630)
Other staff costs	**42,429**	30,066	**–**	868	**42,429**	30,934
Impairment loss on trade debtors	**2,520**	484	**–**	–	**2,520**	484
Impairment loss on goodwill	**1,721**	–	**–**	–	**1,721**	–
Change in fair value on derivative component of other financial assets	**633**	–	**–**	–	**633**	–
Loss on disposal of plant and equipment	**895**	48	**–**	133	**895**	181

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

7. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

(a) Details of emoluments paid by the Group to the directors during the year are as follows:—

	Fees HK$'000	Basic salaries, allowances and other benefits HK$'000	Retirement scheme contributions HK$'000	Equity-settled share-based payment expenses HK$'000	Total HK$'000
2010					
Executive directors:					
Mr. Lee Shun Hon, Felix	–	1,387	–	–	1,387
Ms. Jim Sui Fun	–	678	12	76	766
Mr. Lee Wai Yip, Alvin	–	347	11	56	414
Mr. Tang Sing Ming Sherman	–	14	1	–	15
	–	2,426	24	132	2,582
Non-executive director:					
Dr. Liao, York	83	–	–	–	83
	83	–	–	–	83
Independent non-executive directors:					
Mr. Anthony Francis Martin Conway	95	–	–	–	95
Mr. Chan Hang	83	–	–	–	83
Mr. Li Pak Ki, Patrick	83	–	–	–	83
Mr. Bhanusak Asvaintra	14	–	–	–	14
Mr. Chan Kam Fai Robert	14	–	–	–	14
Mr. Chung Kwok Keung Peter	14	–	–	–	14
	303	–	–	–	303
	386	2,426	24	132	2,968

7. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (cont'd)

(a) Details of emoluments paid by the Group to the directors during the year are as follows:— (cont'd)

	Fees HK$'000	Basic salaries, allowances and other benefits HK$'000	Retirement scheme contributions HK$'000	Equity-settled share-based payment expenses HK$'000	Total HK$'000
2011					
Executive directors:					
Mr. Tang Sing Ming Sherman	–	120	6	–	126
Mr. Lee Shun Hon, Felix	–	1,228	–	–	1,228
	–	**1,348**	**6**	**–**	**1,354**
Independent non-executive directors:					
Mr. Bhanusak Asvaintra	120	–	–	26	146
Mr. Chan Kam Fai Robert	120	–	–	26	146
Mr. Chung Kwok Keung Peter	120	–	–	26	146
	360	**–**	**–**	**78**	**438**
	360	**1,348**	**6**	**78**	**1,792**

No directors waived any emoluments during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

7. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS (cont'd)

(b) Five highest paid individuals

The remuneration of employees who were not directors during the year and who were amongst the five highest paid individuals of the Group are as follows: —

	2011 **HK$'000**	2010 HK$'000
Basic salaries, allowances and benefits in kind	**2,754**	1,256
Equity-settled share-based payment expenses	**259**	24
Retirement scheme contributions	**48**	24
	3,061	1,304

The number of employees whose remuneration fell within the following band is as follow: —

	2011	2010
Nil - HK$1,000,000	**4**	2

8. INCOME TAX

(a) Taxation in the profit or loss represents: —

	2011 **HK$'000**	2010 HK$'000
Current tax	**602**	451
Deferred tax — Note 18		
— current year	**(536)**	(521)
Income tax expense/(credit)	**66**	(70)

8. INCOME TAX (cont'd)

(a) Taxation in the profit or loss represents:— (cont'd)

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) The Company's subsidiaries incorporated/established in Hong Kong and the People's Republic of China ("PRC") are subject to Hong Kong Profits Tax and PRC Enterprise Income Tax ("EIT") at the rates of 16.5% and 25% respectively (2010: 16.5% and 25% respectively).

(iii) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which was effective on 1 January 2008. As a result of the New Tax Law, the statutory income tax rate adopted by the PRC entities, other than the aforesaid subsidiaries below, changed from 33% to 25% with effect from 1 January 2008.

(a) As approved by the relevant PRC tax authority, Guangzhou Armitage Technologies Limited ("GZATL") was entitled to a two-year exemption from EIT followed by 50% tax exemption for the next three years, commencing from the first cumulative profit-making year in 2007. Therefore, GZATL was exempted from EIT for the fiscal years 2007 and 2008. For the following three fiscal years from 2009 to 2011, GZATL is subject to EIT at the rate of 15%. Starting from the fiscal year 2012, GZATL will be subject to EIT at the unified rate of 25% under the New Tax Law.

(b) Armitage Technologies (Shenzhen) Limited ("ATL(SZ)") enjoyed preferential policy in the form of reduced tax rate for five years from the time when the New Tax Law takes effect to transit progressively to the new statutory tax rate. Therefore, ATL(SZ) enjoyed the EIT rate of 18% tax rate for the year 2008, 20% for the year 2009, 22% for the year 2010, 24% for the year 2011, and 25% for the year 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

8. INCOME TAX (cont'd)

(b) The income tax for the year can be reconciled to the loss before income tax for the year as follows:—

	2011 HK$'000	2010 HK$'000
Loss before income tax		
— Continuing operations	**(27,575)**	(13,536)
— Discontinued operations	**—**	(1,359)
	(27,575)	(14,895)
Tax effect at the Hong Kong profits tax rate of 16.5% (2010: 16.5%)	**(4,550)**	(2,458)
Hong Kong and PRC tax rates differential	**41**	186
Tax effect of income that is not taxable	**(553)**	(96)
Tax effect of expenses that are not deductible	**5,171**	2,402
Effect on tax loss not recognised	**16**	271
Underprovision of deferred tax in prior year	**(21)**	(74)
Tax holiday	**(38)**	(301)
Income tax expense/(credit)	**66**	(70)

(c) The components of unrecognised deductible temporary differences in certain subsidiaries of the Company are as follows:—

	2011 HK$'000	2010 HK$'000
Deductible temporary differences (Note 8(c)(i))		
Unutilised tax losses (Note 8(c)(ii))	**11,766**	11,703

(i) Deductible temporary differences have not been recognised owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences.

(ii) The unutilised tax losses accumulated in the People's Republic of China ("PRC") subsidiaries amounted to approximately HK$1,043,000 (2010: approximately HK$980,000) would expire in five years from the respective year of loss. The unutilised tax losses accumulated in the Hong Kong subsidiaries amounted to approximately HK$10,723,000 (2010: approximately HK$10,723,000) can be carried forward indefinitely.

9. DISCOUNTINED OPERATIONS

The Company passed an ordinary resolution on 1 August 2009 to discontinue all the business of magazine publication and provision of advertising services.

(a) Loss for the year for the publishing and advertising income was as follows:—

	2011 **HK$'000**	2010 HK$'000
Turnover	–	107
Cost of sales and services rendered	–	(149)
Gross loss	–	(42)
Other income	–	2
Operating expenses	–	(1,318)
Operating loss	–	(1,358)
Finance costs	–	(1)
Loss before income tax	–	(1,359)
Income tax expenses	–	–
Loss for the year	–	(1,359)

(b) The net cash flows provided by publishing and advertising income was as follows:—

	2011 **HK$'000**	2010 HK$'000
Operating activities	–	61
Investing activities	–	–
Financing activities	–	–
	–	61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

10. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Loss attributable to equity holders of the Company includes a loss of approximately HK$32,168,000 (2010: approximately HK$35,433,000) which has been dealt with in the financial statements of the Company.

11. DIVIDEND

No dividend has been paid or declared by the Company since the date of its incorporation.

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of HK$27,641,000 (2010: HK$14,825,000) and the weighted average number of ordinary share of 1,063,807,000 (2010: 752,670,000 shares) in issue during the year ended 31 March 2011, calculated as follows:—

	2011		2010	
	Loss attributable to equity holders HK$'000	**Weighted average number of ordinary shares**	Loss attributable to equity holders HK$'000	Weighted average number of ordinary shares
Continuing operations	**(27,641)**	**1,063,807,000**	(13,466)	752,670,000
Discontinued operations	**—**	**—**	(1,359)	752,670,000
	(27,641)	**1,063,807,000**	(14,825)	752,670,000

Weighted average number of ordinary share

	2011 HK$'000	2010 HK$'000
Issued ordinary shares at the beginning of the year	**770,300**	750,000
Effect of share options exercised — Note 32	**—**	2,670
Effect of conversion of convertible bond	**189,041**	—
Effect of placing of shares	**93,123**	—
Effect of consideration shares upon acquisition of subsidiaries	**11,343**	—
Weighted average number of ordinary shares at the end of the year	**1,063,807**	752,670

Diluted loss per share has not been disclosed as no dilutive potential equity shares in existence as at 31 March 2010 and 2011.

13. PLANT AND EQUIPMENT

	Leasehold improvement HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$000	Total HK$'000
Cost:				
At 1.4.2009	—	11,308	676	11,984
Additions	—	240	—	240
Disposals	—	(338)	—	(338)
At 31.3.2010	—	11,210	676	11,886
Accumulated depreciation:				
At 1.4.2009	—	7,925	79	8,004
Charge for the year	—	782	70	852
Written back on disposals	—	(150)	—	(150)
At 31.3.2010	—	8,557	149	8,706
Net book value:				
At 31.3.2010	—	2,653	527	3,180
Cost:				
At 1.4.2010	—	11,210	676	11,886
Exchange adjustment	9	149	19	177
Acquisition of subsidiaries — Note 33	964	2,104	—	3,068
Additions	4,975	2,740	569	8,284
Classified as held for sale — Note 25	—	(1,977)	(569)	(2,546)
Disposals	(73)	(7,589)	(228)	(7,890)
At 31.3.2011	**5,875**	**6,637**	**467**	**12,979**
Accumulated depreciation:				
At 1.4.2010	—	8,557	149	8,706
Exchange adjustment	5	86	5	96
Charge for the year	1,146	1,733	111	2,990
Classified as held for sale — Note 25	—	(1,447)	(57)	(1,504)
Written back on disposals	(73)	(6,731)	(70)	(6,874)
At 31.3.2011	**1,078**	**2,198**	**138**	**3,414**
Net book value:				
At 31.3.2011	**4,797**	**4,439**	**329**	**9,565**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

14. INTERESTS IN SUBSIDIARIES

	2011 **HK$'000**	2010 HK$'000
Unlisted shares — Note 14(a)	**11,187**	11,187
Amounts due from subsidiaries — Note 14(c)	**97,901**	71,448
	109,088	82,635
Less: Impairment loss on investment cost	**(11,187)**	(11,187)
Less: Impairment loss on amounts due from subsidiaries	**(47,410)**	(19,405)
	50,491	52,043

(a) The carrying value of the Company's interests in the subsidiaries is determined by the directors on the basis of the underlying assets of the subsidiaries at the time they were acquired by the Company pursuant to the reorganisation which took place on 6 December 2001.

14. INTERESTS IN SUBSIDIARIES (cont'd)

(b) Details of the principal subsidiaries are as follows:—

Name of company	Place of incorporation/ establishment	Attributable equity interest % Direct	Indirect	Issued/ registered capital	Principal activities
Marvel Success Limited ("Marvel Success")	BVI	100	—	US$1	Investment holding
Epicurean Management (Asia) Limited	Hong Kong	—	100	HK$1	Management services
Netaria Limited ("Netaria")	BVI	—	100	US$1,000	Investment holding
Ginza Bairin (Greater China) Holdings Limited	Hong Kong	—	100	HK$2,000,000	Franchise and Investment holding
Seton Limited	Hong Kong	—	100	HK$500,000	Provision of food and beverage services
Albright Limited	Hong Kong	—	100	HK$500,000	Provision of food and beverage services
Truth Company Limited	Hong Kong	—	100	HK$1	Provision of food and beverage services
Function Limited	Hong Kong	—	100	HK$1	Investment holding
銀林(上海)餐飲有限公司	PRC	—	100	US$500,000	Provision of food and beverage services
Townsman Limited	BVI	—	100	US$1	Investment holding
Team Goal Development Limited	Hong Kong	—	100	HK$1	Investment holding
Armitage Technologies Holding (BVI) Limited	BVI	100	—	HK$1,020,130	Investment holding
Armitage Holdings Limited ("AHL")	Hong Kong	—	100	HK$1,020,130	Investment holding
Alpha Skill Holdings Limited ("Alpha Skill")	BVI	—	100	US$1	Investment holding
Alpha Bright Holdings Limited	BVI	—	100	US$1	Investment holding
GZATL	PRC	—	100	RMB6,800,000	Design, development and sales of application software packages and provision of information solutions
Armitage Technologies Limited ("ATL(HK)")	Hong Kong	—	100	HK$996,000	Provision of information solutions and sales of application software packages
ATL(SZ)	PRC	—	100	RMB5,000,000	Research and development of IT solutions and provision of customer services

(c) The amounts are interest-free, unsecured and have no fixed repayment term. The directors consider that the carrying amounts of amounts due from subsidiaries approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

15. GOODWILL ON CONSOLIDATION

	2011 HK$'000	2010 HK$'000
Cost:		
At the beginning of the year	1,721	1,721
Acquisition of subsidiaries — Note 33	1,728	—
At the end of the year	3,449	1,721
Impairment		
At the beginning of the year	—	—
Impairment loss for the year	1,721	—
At the end of the year	1,721	—
Carrying amount		
At the end of the year	1,728	1,721

Impairment test for goodwill

The recoverable amount has been determined based on a value in use calculation using cash flow projection which is based on financial budget approved by management covering a period of three years. The discounted rate applied to cash flow projection is 4%.

15. GOODWILL ON CONSOLIDATION (cont'd)

Key assumptions used in value in use calculations

The followings describe each key assumption on which management has based its cash flow projection to undertake impairment testing of goodwill:

— *Budgeted turnover*

The basis used to determine the budgeted turnover is with reference to the expected growth rate of the market in which the assessed entity operates.

— *Budgeted gross margins*

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the first budgeted year, increased for expected efficiency improvements.

— *Business environment*

There will be no major changes in the existing political, legal and economic conditions in Hong Kong in which the assessed entity carries on its business.

For the year ended 31 March 2011, management determines that except for impairment loss on goodwill of HK$1,721,000 which under the operation of information technology business, no any other impairment on goodwill based on a value in use is considered necessary. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of units to exceed its aggregate recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

16. DEVELOPMENT COSTS

	2011 **HK$'000**	2010 HK$'000
Cost:		
At the beginning of the year	**50,014**	46,722
Exchange adjustment	**997**	—
Additions	**1,266**	3,292
At the end of the year	**52,277**	50,014
Accumulated amortisation:		
At the beginning of the year	**22,803**	20,515
Exchange adjustment	**515**	—
Charge for the year	**2,021**	2,288
At the end of the year	**25,339**	22,803
Accumulated impairment loss:		
At the beginning of the year	**15,857**	12,538
Exchange adjustment	**344**	—
Charge for the year	**10,737**	3,319
At the end of the year	**26,938**	15,857
Net book value:		
At the end of the year	**—**	11,354

Given expected continuing losses and decreasing demand of the Group's products in information technology segment, the directors considered that the development costs will not be recoverable based on the estimation of the recoverable amount as at 31 March 2011. Accordingly, full impairment was made during the year ended 31 March 2011.

17. OTHER INTANGIBLE ASSETS

	Trademark HK$'000	Franchise right HK$'000	Servicing contracts HK$000	Total HK$'000
Cost:				
At 1.4.2009	110	—	—	110
Additions	—	—	—	—
At 31.3.2010	110	—	—	110
Accumulated depreciation:				
At 1.4.2009	34	—	—	34
Charge for the year	6	—	—	6
At 31.3.2010	40	—	—	40
Net book value:				
At 31.3.2010	70	—	—	70
Cost:				
At 1.4.2010	110	—	—	110
Acquisition of subsidiaries — Note 33	—	1,207	1,572	2,779
Additions	36	—	—	36
Classified as held for sale — Note 25	(122)	—	—	(122)
At 31.3.2011	**24**	**1,207**	**1,572**	**2,803**
Accumulated depreciation:				
At 1.4.2010	40	—	—	40
Charge for the year	6	63	1,572	1,641
Classified as held for sale — Note 25	(46)	—	—	(46)
At 31.3.2011	**—**	**63**	**1,572**	**1,635**
Net book value:				
At 31.3.2011	**24**	**1,144**	**—**	**1,168**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

18. DEFERRED TAX

The following is deferred tax (assets)/liabilities recognised by the Group and movements thereon during the year are as follows:—

	Tax losses HK$'000	Accelerated depreciation allowances HK$'000	Impairment loss on trade debtors HK$'000	Total HK$'000
At 1.4.2009	(1,008)	144	(232)	(1,096)
Credit for the year — Note 8(a)	(404)	(44)	(73)	(521)
At 31.3.2010 and 1.4.2010	(1,412)	100	(305)	(1,617)
Exchange difference	—	—	(17)	(17)
Acquisition on subsidiaries — Note 33	(195)	224	—	29
Classified as held for sale — Note 25	1,805	12	—	1,817
Credit for the year — Note 8 (a)	(244)	(148)	(144)	(536)
At 31.3.2011	**(46)**	**188**	**(466)**	**(324)**

19. OTHER FINANCIAL ASSETS

	2011 HK$'000	2010 HK$'000
Convertible bond — Unlisted		
— Loan receivable component	**15,809**	16,217
— Derivative component	**—**	633
	15,809	16,850
Less: Loan receivable with maturity date within twelve months (shown under current liabilities)	**(15,809)**	—
Non-current portion of other financial assets	**—**	16,850

19. OTHER FINANCIAL ASSETS (cont'd)

On 10 February 2010, a wholly owned subsidiary of the Company, Marvel Success subscribed at face value, a two-year 5% convertible bond in the principal amount of US$2,000,000 (equivalent to approximately HK$15,500,000) issued by PJ Partners Pte Limited ("PJ Partners"), a company which is incorporated in Singapore with limited liability and is engaged in food and beverage management business, with transaction costs of HK$1,300,000. According to the terms of the subscription agreement, the conversion price is lower of the net asset value per share and 2.5 times P/E of PJ Partners at the conversion. Although the conversion price may vary in along with the net asset value per share or P/E, Marvel Success is allowed to use US$2,000,000 to convert to common shares of PJ Partners up to 75% or minimum 25%.

At initial recognition, the loan receivable component of convertible bond was recognised at fair value of HK$16,217,000 which was estimated by discounted cash flows method using a market interest rate for a similar investment plus allocated transaction costs. The loan receivable is carried at amortised cost in subsequent measurement.

For derivative component of convertible bond, the fair value at initial recognition was HK$633,000, which was estimated by the difference between the consideration paid and the fair value of loan receivable component at initial recognition.

As at 31 March 2011, the management assessed the possibility of conversion to the common shares of PJ Partners by referring to PJ Partners' financial performance and future prospect and concluded that the conversion is not likely to be occurred unless there are any changes in PJ Partners' financial performance and future prospect. Accordingly, the carrying amount of derivative component of convertible bond was revalued to zero as at 31 March 2011.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011 **HK$'000**	2010 HK$'000
Listed shares in Hong Kong, at market value	**974**	870
Classified as held for sale — Note 25	**(974)**	—
	—	870

21. INVENTORIES

	2011 **HK$'000**	2010 HK$'000
Raw materials	**160**	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

22. DEBTORS, DEPOSITS AND PREPAYMENTS

Debtors, deposits and prepayments comprise:—

	Group		Company	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
Trade debtors	**2,939**	11,580	**—**	—
Less: Accumulated impairment loss (note 22(c))	**(2,809)**	(1,932)	**—**	—
	130	9,648	**—**	—
Rental and utility deposits	**3,243**	427	**—**	—
Prepayments	**1,734**	1,037	**124**	143
Interest receivable	**107**	—	**—**	—
Other debtors	**1,521**	1,366	**—**	—
	6,735	12,478	**124**	143

(a) Aging analysis

The Group allows its customers credit period of 30 days to 60 days depending on their creditworthiness. The following is an aging analysis of trade debtors (net of allowance for doubtful debts) at the end of reporting period:—

	2011 HK$'000	2010 HK$'000
0 - 30 days	**96**	7,335
31 - 60 days	**—**	213
61 - 90 days	**—**	631
91 - 180 days	**32**	368
181 - 365 days	**2**	352
Over 1 year	**—**	749
	130	9,648

(b) As at 31 March 2011 and 2010, the carrying amounts of trade debtors assigned to a bank with recourse as collateral under discounting arrangement (note 36) were as follows:—

	2011 HK$'000	2010 HK$'000
Trade debtors	**—**	896

22. DEBTORS, DEPOSITS AND PREPAYMENTS (cont'd)

(c) Movements of the allowance during the year were as follows:—

	2011 HK$'000	2010 HK$'000
At the beginning of the year	**1,932**	1,448
Impairment loss for the year	**2,520**	484
Uncollectible amounts written off	**(1,739)**	—
Exchange adjustment	**96**	—
At the end of the year	**2,809**	1,932

(d) Trade debtors that are not impaired

The aging analysis of trade debtors that are not considered to be impaired are as follows:—

	2011 HK$'000	2010 HK$'000
Neither past due nor impaired	**96**	6,448
Past due but not impaired:		
0 - 30 days	**—**	887
31 - 60 days	**—**	213
61 - 90 days	**—**	631
91 - 180 days	**32**	368
181 - 365 days	**2**	352
Over 1 year	**—**	749
	34	3,200
	130	9,648

Trade debtors that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Trade debtors that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, 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. The Group does not hold any collateral over these balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

23. AMOUNT DUE FROM A RELATED COMPANY

The amount is interest-free, unsecured and has no fixed repayment term.

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Time deposits	**2,367**	10,000	**—**	—
Cash and bank balances	**23,173**	22,076	**9,974**	17,756
Bank overdrafts, secured	**—**	(119)	**—**	—
	25,540	31,957	**9,974**	17,756
Cash and cash equivalents included in disposal group classified as held for sale — Note 25	**4,458**	—	**—**	—
	29,998	31,957	**9,974**	17,756

25. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Pursuant to an agreement dated 25 January 2011 entered between two wholly-owned subsidiaries of the Company, Alpha Skill and AHL (collectively as the "Vendor") and an independent third party (the "Purchaser"), the Vendor disposed of 100% interest in two subsidiaries engaged in the provision of information solutions and sales of application software packages, ATL(HK) and ATL(SZ), at a total consideration with reference to the combined net assets value or net liability value plus the shareholder's loans at the completion date. ATL(HK) and ATL(SZ) are included in the Group's information technologies segment reporting purposes.

The major classes of assets and liabilities comprising the disposal group classified as held for sale at 31 March 2011 are as follows: —

	Note	HK$'000
Assets		
Plant and equipment	13	1,042
Other intangible assets	17	76
Club debenture, at cost		200
Deferred tax	18	1,817
Financial assets at fair value through profit or loss	20	974
Debtors, deposits and prepayments		7,526
Time deposits		1,500
Cash and bank balances		2,958
Assets classified as held for sale		16,093
Liabilities		
Obligation under finance lease	31	421
Creditors, accruals and deposits received		4,051
Liabilities classified as held for sale		4,472
Net assets classified as held for sale		11,621

Cumulative income recognised directly in equity relating to disposal group classified as held for sale: —

	HK$'000
Exchange reserve	150

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For the year ended 31 March 2011

26. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Creditors, accruals and deposits received comprise: —

	Group		Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade creditors	**3,574**	1,115	**—**	—
Deferred enhancement and maintenance income — Note	**—**	1,747	**—**	—
Deposit received	**300**	—	**—**	—
Accruals and provisions	**8,033**	7,421	**217**	2,927
Other creditors	**176**	367	**—**	—
	12,083	10,650	**217**	2,927

Note: —

Deferred maintenance income represents after-sales maintenance service income from customers in respect of system development and integration projects and sales of application software packages. After the completion of the system development project or sales of application software packages, the Group charged its customers the maintenance service fee in advance.

The following is an aging analysis of trade creditors: —

	2011	2010
	HK$'000	HK$'000
0 - 30 days	**1,252**	145
31 - 60 days	**1,375**	34
61 - 90 days	**36**	32
91 - 180 days	**135**	106
Over 180 days	**776**	798
	3,574	1,115

27. CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

(a) Share capital

Ordinary shares of HK$0.01 each

	2011		2010	
	Number of shares	HK$'000	Number of shares	HK$'000
Authorised:				
At the beginning of the year	2,000,000,000	20,000	2,000,000,000	20,000
Increase	3,000,000,000	30,000	—	—
At the end of the year	5,000,000,000	50,000	2,000,000,000	20,000
Issued and fully paid:				
At the beginning of the year	770,300,000	7,703	750,000,000	7,500
Exercise of share options (i)	—	—	20,300,000	203
Conversion of convertible bonds (ii)	200,000,000	2,000	—	—
Placing of shares (iii)	110,000,000	1,100	—	—
Acquisition of subsidiaries (iv)	15,000,000	150	—	—
At the end of the year	1,095,300,000	10,953	770,300,000	7,703

By an ordinary resolution passed at the annual general meeting held on 29 July 2010, the Company's authorised ordinary share capital was increased to HK$50,000,000 by the creation of an additional 3,000,000,000 ordinary shares of HK$0.01 each, ranking pari passu with the existing ordinary shares of the Company in all respects.

Notes:

(i) During the year ended 31 March 2010, 20,300,000 were exercised by the eligible option holders, resulting in the issue of 20,300,000 ordinary shares of HK$0.01 each in the Company at a total consideration of HK$1,116,500.

(ii) HK$13,000,000 convertible bonds were exercised by the convertible bonds holders, as a result the Company issued 200,000,000 ordinary shares of HK$0.01 each of the Company at a conversion price of HK$0.065 per share with issuing costs of approximately HK$3,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

27. CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (cont'd)

(a) Share capital (cont'd)

(iii) On 27 May 2010, the Company issued 110,000,000 ordinary shares of HK$0.01 each at a subscription price of HK$0.20 each pursuant to the placing and subscription agreement dated 18 May 2010 with net proceed of approximately HK$21,492,000 after deduction of issuance expense of approximately HK$508,000. More details are set out in the Company's announcement dated 18 May 2010.

(iv) On 7 June 2010, the Company issued 15,000,000 ordinary shares of HK$0.01 each as a consideration for the acquisition of subsidiaries as mentioned in note 33 at HK$0.16 per share, representing the market price of the Company's share at the date of completion of the acquisition. The issurance expenses are approximately HK$25,000.

(b) Capital management

The Group's equity capital management objectives are to safeguard the Group's ability to continue as a going concern and to provide an adequate return to shareholders commensurately with the level of risk. To meet these objectives, the Group manages the equity capital structure and makes adjustments to it in the light of changes in economic conditions by paying dividends to shareholders, issuing new equity shares, and raising or repaying debts as appropriate.

The Group's equity capital management strategy, which was unchanged from the previous periods, was to maintain a reasonable proportion in total debts and equity capital. The Group monitors equity capital on the basis of the debt-to-equity capital ratio, which is calculated as net debt over equity capital. Net debt is calculated as total debt less pledged time deposits and cash and bank balances. Equity capital comprises all components of equity (i.e. share capital, share premium, accumulated losses and reserves). The debt-to-equity capital ratios at 31 March 2010 and at 31 March 2011 are as follows:—

	2011 **HK$'000**	2010 HK$'000
Total debt	**54,040**	65,109
Pledged bank balance	**—**	(55)
Time deposits	**(3,867)**	(10,000)
Cash and bank balances	**(26,131)**	(22,076)
Net debt	**24,042**	32,978
Total equity	**23,597**	15,362
Debt-to-equity capital ratio	**1.02**	2.15

28. RESERVES

	Share premium HK$'000	Accumulated losses HK$'000	Employee share-based compensation reserve HK$'000	Convertible bonds equity reserve HK$'000	Total HK$'000
The Company					
At 1.4.2009	52,822	(9,594)	181	–	43,409
Exercise of share options	1,303	–	(389)	–	914
Recognition of equity-settled share-based payment expenses — Note 32	–	–	212	–	212
Recognition of equity component of convertible bonds — Note 30	–	–	–	2,800	2,800
Total comprehensive loss for the year	–	(35,433)	–	–	(35,433)
At 31.3.2010 and 1.4.2010	54,125	(45,027)	4	2,800	11,902
Recognition of equity-settled share-based payment expenses — Note 32	–	–	498	–	498
Conversion of equity component of convertible bonds — Note 30	10,556	–	–	(700)	9,856
Placing of shares	20,392	–	–	–	20,392
Acquisition of subsidiaries	2,225	–	–	–	2,225
Total comprehensive loss for the year	–	(32,168)	–	–	(32,168)
At 31.3.2011	**87,298**	**(77,195)**	**502**	**2,100**	**12,705**

(a) The share premium of the Company includes (i) shares issued at premium and (ii) the difference between the nominal value of the shares of the Company issued in exchange for the entire issued share capital of Armitage Technologies Holding (BVI) Limited and the value of the underlying net assets of Armitage Technologies Holding (BVI) Limited and its subsidiaries at the date they were acquired by the Company. Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) As at 31 March 2011, in the opinion of the directors, the reserves of the Company available for distribution to the shareholders amounted to approximately HK$12,705,000 (2010: approximately HK$11,902,000), subject to the restrictions stated in note 28(a) above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

29. BANK LOANS — SECURED

	2011 HK$'000	2010 HK$'000
Amounts repayable		
— within one year	–	3,186
— one year to two years	–	1,761
— two years to five years	–	824
	–	5,771
Less: Amounts repayable within twelve months (shown under current liabilities)	–	3,186
Non-current portion of bank loans	–	2,585

30. CONVERTIBLE BONDS

On 10 February 2010, the Company issued convertible bonds in the principal amount of HK$52,000,000 to First Glory Holdings Limited ("First Glory") with transaction costs of HK$2,000,000. The convertible bonds bear interest at 3% per annum with a maturity date of 9 February 2013, and are convertible into shares of the Company at the conversion price of HK$0.065 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Details of the convertible bonds are set out in the Company's circular dated on 22 January 2010.

The liability component included in convertible bonds was initially recognised at approximately HK$47,200,000, represents the fair value of liability component of approximately HK$49,088,000 at the date of issue less allocated transaction costs of approximately HK$1,888,000. The fair value of the liability component was estimated by discounted cash flows method using a market interest rate for an equivalent non-convertible debt.

The residual amount of approximately HK$2,800,000, representing the value of the equity conversion component of approximately HK$2,912,000 less allocated transaction costs of approximately HK$112,000, was included in the convertible bonds equity reserve of the owners' equity.

The allocation of transactions costs was based on proportion between the allocated values of liability and equity conversion components at initial recognition. The transaction costs allocated to liability component is amortised over the expect life of convertible bonds by using effective interest method and included in imputed interest expenses.

On 21 April 2010, First Glory converted 25% of its convertible bonds, equivalent to the principal amount of HK$13,000,000, to 200,000,000 ordinary shares of the Company at the conversion price of HK$0.065 per share with issuing costs of approximately HK$3,000.

30. CONVERTIBLE BONDS (cont'd)

Movement of liability component for the years ended 31 March 2011 and 2010 is as follows:—

	HK$'000
At 1.4.2009	—
Value of liability component at initial recognition	47,200
Imputed interest expenses — Note 6(a)	210
At 31.3.2010 and 1.4.2010	47,410
Imputed interest expenses — Note 6(a)	1,163
Conversion during the year	(11,859)
At 31.3.2011	**36,714**

31. OBLIGATION UNDER FINANCE LEASE

As at 31 March 2011, the Group had obligation under finance lease repayable as follows:—

	Minimum lease payments		**Present value of minimum lease payments**	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
Amounts payable:				
Within one year	**208**	21	**177**	21
In the second to fifth years	**259**	—	**244**	—
	467	21	**421**	21
Less: Future finance charges	**46**	—	**—**	—
Present value of lease obligation	**421**	21	**421**	21
Classified as liabilities directly associated with assets held for sale — Note 25	**(421)**	—	**(421)**	—
	—	21	**—**	21

The average lease term is about three years. No arrangements have been entered into for contingent rental payments.

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32. SHARE OPTIONS

The Company operates a share option scheme, adopted on 26 February 2003 (the “Share Option Scheme”).

The committee (the “Committee”) which was authorised and charged by the board of directors (the “Board”) with the administration of the Share Option Scheme, are authorised, at their discretion, to invite employees of the Group, including any executive director or non-executive director of the Company or other eligible employees to take up options to subscribe for the shares of the Company.

A sum of HK$1 is payable by the participant on acceptance of the option offer. As a vesting condition for the Share Option Scheme, the grantees have to be remained as directors or employees of the Group during the vesting period.

The exercise price of the shares (the “Exercise Price”) in relation to options to be granted under the Share Option Scheme shall be determined by the Committee and notified to a participant and shall be at least the higher of:

(i) the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange on the date an option is offered (the “Offer Date”); and

(ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date (where the Company has been listed on the GEM of the Stock Exchange for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing).

Provide that the Exercise Price shall not be lower than the nominal value of the shares.

During the year ended 31 March 2011, 15,000,000 (2010: 2,000,000) options were granted on 13 August 2010. The estimated fair values of the options granted at the grant date are at an average of approximately HK$0.0428 each (2010: HK$0.0915 each).

The closing price of the Company’s share immediately before 13 August 2010, being the grant date of the share options was HK$0.135.

The share option period commencing one to two years after the grant date which is 13 August 2011 and 13 August 2012 respectively, to be notified by the Committee to the grantee, which shall be not less than 3 years nor more than 10 years from the commencement date.

No options were exercised, lapsed or cancelled during the year ended 31 March 2011.

32. SHARE OPTIONS (cont'd)

(a) Detailed movements of share options granted under the Share Option Scheme during the year are as follows:—

	Date of grant	Exercisable period	Exercise price per share HK$	Outstanding at 1.4.2009	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at 31.3.2010
Category 1: Director								
Ms. Jim Sui Fun (resigned on 8 March 2010)	10.10.2008	10.10.2009 - 25.2.2013	0.055	7,400,000	–	–	(7,400,000)	–
Mr. Lee Wai Yip, Alvin (resigned on 8 March 2010)	10.10.2008	10.10.2009 - 25.2.2013	0.055	5,500,000	–	–	(5,500,000)	–
Category 2: Employee								
	10.10.2008	10.10.2009 - 25.2.2013	0.055	7,800,000	–	(400,000)	(7,400,000)	–
	23.3.2010	23.3.2011 - 22.3.2020	0.216	–	2,000,000	–	–	2,000,000
Total of all categories				20,700,000	2,000,000	(400,000)	(20,300,000)	2,000,000

	Date of grant	Exercisable period	Exercise price per share HK$	Outstanding at 1.4.2010	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at 31.3.2011
Category 1: Director								
Mr. Bhanusak Asvaintra	13.8.2010	13.8.2011 - 12.8.2020	0.142	–	1,000,000	–	–	**1,000,000**
Mr. Chan Kam Fai Robert	13.8.2010	13.8.2011 - 12.8.2020	0.142	–	1,000,000	–	–	**1,000,000**
Mr. Chung Kwok Keung Peter	13.8.2010	13.8.2011 - 12.8.2020	0.142	–	1,000,000	–	–	**1,000,000**
Category 2: Employee								
	23.3.2010	23.3.2011 - 22.3.2020	0.216	2,000,000	–	–	–	**2,000,000**
	13.8.2010	13.8.2011 - 12.8.2020	0.142	–	6,000,000	–	–	**6,000,000**
	13.8.2010	13.8.2012 - 12.8.2020	0.142	–	6,000,000	–	–	**6,000,000**
Total of all categories				2,000,000	15,000,000	–	–	**17,000,000**

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32. SHARE OPTIONS (cont'd)

(b) Fair value of share options granted during the year:—

The fair value of services received in return for share options granted are measured with reference to the fair value of share options granted. The estimate of the fair value of the share option granted is measured based on Black-Scholes option pricing model.

	2011	2010
Fair value at measurement date	**643,000**	183,000
Share price	**0.135**	0.194
Exercise price	**0.142**	0.216
Expected volatility	**38.259% - 38.373%**	118.064%
Expected dividend	**Nil**	Nil
Expected option period	**4.3-5.3 years**	1.3 years
Risk-free interest rate	**0.894%**	0.371%

The expected volatility is based on the historic volatility (calculated based on the expected life of the share options), adjusted for any expected changes to future volatility due to public available information. Expected dividends are based on historical dividends. Changes in subjective input assumptions could materially affect the fair value estimate. Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants. However, the management has taken into consideration of historical staff turnover pattern for the estimation of expected option life.

For the years ended 31 March 2010 and 2011, total equity settled share-based payment expenses recognised was as follows:—

	HK$000
At 1.4.2009	209
Total equity-settled share-based payment expenses	183
Recognised in profit or loss for the year	(212)
Options lapsed during the year	(1)
At 31.3.2010 and 1.4.2010	179
Total equity-settled share-based payment expenses	643
Recognised in profit or loss for the year	(498)
At 31.3.2011	**324**

33. ACQUISITION OF SUBSIDIARIES

On 29 June 2010, the Group completed the acquisition of 75% and 25% interest in Netaria and its subsidiaries (the "Netaria Group") from Strong Venture Limited ("Strong Venture") and Caddell Investments Limited ("Caddell") at considerations of HK$5,279,000 and HK$3,000,000 respectively. Together with the acquisition, the Strong Venture also assigned a shareholder's loan of Netaria Group of HK$1,721,000 to the Group at its face value. The considerations payable to Strong Venture and Caddell were satisfied by cash and issuing 15,000,000 shares of the Company at HK$0.20 per share respectively. At the date of completion, the market price of the Company's share was HK$0.16 per share and issuing costs was approximately HK$25,000. Strong Venture, a company incorporated in BVI, is wholly owned by Mr. Tang Sing Ming Sherman, the director of the Company. Caddell, a company incorporated in BVI, is an independent third party to the Group. Details of the acquisition were set out in the circular of the Company dated 7 June 2010. The acquisition was approved by the shareholders of the Company at the extraordinary general meeting held on 24 June 2010.

The directors believe that through the acquisition of these subsidiaries, it offers business opportunities to the Group to tap into the food and beverage business, which may diversify the source of income and enhance the future development of the Group.

The goodwill recognised is expected to be non-deductible for income tax purposes. The net assets acquired in above acquisition are as follows:—

	HK$'000
Net assets acquired:—	
Other intangible assets	2,779
Deposit paid	173
Plant and equipment	3,068
Inventories	64
Debtors, deposits and prepayments	1,405
Cash and bank balances	2,441
Creditors, accruals and deposits received	(3,905)
Income tax payable	(45)
Deferred tax liabilities	(29)
	5,951
Goodwill arising on acquisition	1,728
Total consideration	7,679
Total consideration satisfied by:—	
15,000,000 consideration shares issued upon completion	2,400
Cash consideration	7,000
Assignment of debt	(1,721)
Total consideration	7,679
Net cash outflow arising on acquisition:—	
Cash consideration paid	7,000
Cash and bank balances acquired	(2,441)
	4,559

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33. ACQUISITION OF SUBSIDIARIES (cont'd)

Acquisition related costs incurred during the year to this acquisition amounting to approximately HK$555,000 was included in operating expenses in the profit or loss.

The newly acquired subsidiaries contributed HK$3,812,000 and HK$26,721,000 to the Group's profit and revenue for the year ended 31 March 2011, respectively, for the period between the date of acquisition and the end of the reporting period.

Had the acquisition been completed on 1 April 2010, total Group's loss and revenue for the year ended 31 March 2011 would be HK$26,268,000 and HK$93,476,000 respectively. This proforma information was for illustrative purposes only and was not necessarily an indication of the turnover and result of the Group that would actually have been impacted had the acquisition been completed on 1 April 2010, nor was it intended to be a projection of future result.

34. MAJOR NON-CASH TRANSACTIONS

(i) On 29 June 2010, the Group completed the acquisition of the 25% interest in Netaria Group from Caddell at a total consideration of HK$2,400,000 by issuing 15,000,000 ordinary shares of the Company. More details are set out in note 33.

(ii) On 21 April 2010, First Glory converted 25% of its convertible bonds, equivalent to the principal amount of HK$13,000,000, to 200,000,000 ordinary shares of the Company at the conversion price of HK$0.065 per share. More details are set in note 30.

(iii) During the year, certain plant and equipment of approximately HK$559,000 were acquired through finance lease (2010: Nil).

35. CONTINGENT LIABILITIES

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

The Group has contingent liabilities in respect of possible future long service payments to employees under the Employment Ordinance, with a maximum possible amount of approximately HK$1,337,000 at 31 March 2011 (2010: approximately HK$1,603,000). The contingent liability has arisen because, at the end of reporting period, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. The Group recognised approximately HK$172,000 (2010: Nil) provision for long service payment for employees in respect of such possible payments, as it is not considered probable that the situation will result in material future outflow of resources from the Group.

36. BANKING FACILITIES

As at 31 March 2011, the Group did not have any banking facilities.

As at 31 March 2010, the Group had banking facilities to the extent of HK$18,000,000 which were secured by the Group's bank current account of approximately HK$55,000 designated for the settlement of discounted accounts receivable as mentioned below, properties of Supercom Investments Limited ("Supercom") in which a director, Mr. Lee Shun Hon, Felix has controlling interest and corporate guarantees executed by the Company.

Within it, banking facilities of HK$6,000,000 were granted under the SME Loan Guarantee Scheme of which part of the guarantees were executed by the Government of the Hong Kong Special Administrative Region.

Included in the above, the Group obtained an export invoice discounting facility of HK$6,000,000.

37. OPERATING LEASE ARRANGEMENTS

As at 31 March 2011, the Group had outstanding commitments for future minimum leases payments under non-cancellable operating leases, which fall due as follows:—

	2011 **HK$'000**	2010 HK$'000
Within one year	**7,518**	1,979
After one year but within five years	**8,576**	933
	16,094	2,912

Operating lease payments represent rentals payable by the Group for the use of restaurant, office premises, staff quarters and a carpark. Leases are negotiated (i) for terms of three to four years with a pre-determined percentage of turnover or fixed monthly rentals whichever is higher, or (ii) for terms of half year to two years with fixed monthly rentals.

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38. RELATED PARTY AND CONNECTED TRANSACTIONS

Except for the acquisition of 75% interest in the Netaria Group as disclosed in note 33, the Group had the following material transactions with its related parties in which certain directors of the Company have controlling interest under the GEM Listing Rules during the year:—

		Note	2011 HK$'000	2010 HK$'000
(i)	Rentals paid to Supercom investments Limited ("Supercom")*	(a)	**504**	504
(ii)	Management fee income from Supercom*	(b)	**—**	12
(iii)	Management fee income from Kingspecial Investments Limited*	(b)	**—**	12
(iv)	Management fee income from Positive Corporation Limited ("Positive")#	(b)	**2,889**	—
(v)	Rental expenses paid to Positive#	(c)	**797**	—
(vi)	Interest expense on convertible bonds paid to First Glory#	(d)	**1,186**	—

* Mr. Lee Shun Hon, Felix has controlling interest.

Mr. Tang Sing Ming Sherman has controlling interest.

Notes:

(a) The transaction was entered into with reference to market rate as appraised by independent professional valuers.

(b) The amounts were predetermined by both parties.

(c) The transaction was entered based on the normal commercial terms.

(d) The interest rate was determined at 3% per annum as set out in the subscription agreement.

The directors have reviewed the above related party and connected transactions and are of the opinion that these transactions were effected on normal commercial terms (or better to the Group) and in the ordinary course of the business of the Group.

Key management compensation	2011 HK$'000	2010 HK$'000
Fees for key management personnel	**—**	—
Salaries, allowances and other benefits in kind	**5,821**	5,061
Retirement scheme contributions	**125**	103
Equity-settled share-based payment expenses	**498**	174
	6,444	5,338

39. RETIREMENT BENEFIT COSTS

The Company's subsidiaries in HK had participated in the Mandatory Provident Fund Scheme ("MPF Scheme"). The assets of the MPF Scheme are held separately in an independently managed and administered fund. Contributions to the MPF Scheme are made by both the employer and employees at 5% on the employees' salaries or HK$1,000 whichever is the lower.

The Company's subsidiaries in the PRC had participated in the state-sponsored retirement plan, contributions are made by the subsidiaries to the plan based on 11% to 21% of the applicable payroll costs. The Group has no other obligation other than the above-mentioned contributions.

40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS

(a) Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group has a credit policy in place and exposure to the credit risk is monitored on an ongoing basis.

The carrying amounts of financial assets as at 31 March 2011, which represented the Group's and the Company's significant exposure to credit risk, are as follows:—

	Group		Company	
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts due from subsidiaries	**—**	—	**50,491**	52,043
Other financial assets				
— loan receivable component	**15,809**	16,217	**—**	—
Debtors and deposits	**12,115**	10,116	**—**	—
Amount due from a related company	**515**	—	**—**	—
Pledged bank balance	**—**	55	**—**	—
Time deposits	**3,867**	10,000	**—**	—
Cash and bank balances	**26,131**	22,076	**9,974**	17,756
	58,437	58,464	**60,465**	69,799

In respect of trade debtors individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors are due within 30 - 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The directors consider that the credit risk from other financial assets — loan receivable acquired is minimal as the counter party is financially healthy.

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For the year ended 31 March 2011

40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (cont'd)

(a) Credit risk (cont'd)

The directors consider that the credit risk from pledged bank deposits, pledged bank balance, time deposits and cash and bank balances is minimal as the balances are placed with financial institutions with high credit ratings.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has a certain concentration of credit risk as 35% (2010: 41%) and 46% (2010: 48%) of the total trade debtors was due from the largest customers and five largest customers respectively.

The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Group and the Company manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group and the Company to meet its financial obligations, measured by the debt-to-equity capital ratio.

Maturities of the financial liabilities of the Group and the Company as at 31 March 2011 were as follows:—

	Group		Company	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
Total amounts of contractual undiscounted obligations:—				
Bank overdrafts, secured	**—**	126	**—**	—
Bank loans, secured	**—**	6,763	**—**	—
Bank loans — discounting arrangement	**—**	806	**—**	—
Convertible bonds — liability component	**41,183**	56,466	**41,183**	56,466
Obligation under finance lease	**421**	21	**—**	—
Creditors and accruals	**14,604**	8,903	**217**	2,927
	56,208	73,085	**41,400**	59,393
Due for payment:—				
Within one year	**15,954**	14,766	**1,390**	4,487
In the second to fifth years	**40,254**	58,319	**40,010**	54,906
	56,208	73,085	**41,400**	59,393

40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (cont'd)

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The following table details the Group's exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The exposure arising from the current accounts among the Company and its subsidiaries which are form part of net investment in foreign operations is excluded.

	2011		2010	
	United States Dollars '000	**Renminbi '000**	United States Dollars '000	Renminbi '000
Other financial assets				
— loan receivables component	**2,000**	**—**	2,000	—
Debtors and deposits	**14**	**4,884**	—	1,554
Cash and bank balances	**—**	**183**	—	45
Gross exposure arising from recognised assets	**2,014**	**5,067**	2,000	1,599

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Since Hong Kong dollars is pledged to United States dollars, material fluctuations in the exchange rates of Hong Kong dollars against United States dollars are remote.

The Company did not have any material exposure to currency risk as all the financial assets and liabilities were denominated in their functional currencies as at 31 March 2011 and 2010.

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40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (cont'd)

(c) Currency risk (cont'd)

The following table indicates the approximate change in the Group's loss after tax and accumulated losses in response to reasonably possible changes in foreign exchange rates, except for the exchange rate of Hong Kong dollars against United States dollars, to which the Group has significant exposure at the end of reporting period.

	2011		2010	
	Appreciation/ (depreciation) in foreign exchange currency	**Increase/ (decrease) in loss after tax and accumulated losses HK$'000**	Appreciation/ (depreciation) in foreign exchange currency	Increase/ (decrease) in loss after tax and accumulated losses HK$'000
Renminbi	**5%**	**(299)**	5%	(87)
	(5%)	**299**	(5%)	87

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, with all other variables remain constant.

The Group does not use financial derivatives to hedge against the currency risk. However, the currency risk of the Group is closely monitored by the management to ensure that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

(d) Interest rate risk

The Group's interest rate risk arises primarily from bank loans, bank overdraft, liability component of convertible bonds, obligation under finance lease, time deposits, loan receivable component of other financial assets and bank balances. Except for the liability component of convertible bonds, obligation under finance lease, loan receivables component of other financial assets and time deposits which are held at fixed interest rates, all bank loans, bank overdraft and bank balances are held at variable rates. The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group is closely monitored by the management and may enter into appropriate swap contracts, when it is considered significant and cost-effective, to manage the interest rate risk.

40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (cont'd)

(d) Interest rate risk (cont'd)

(i) Effective interest profile

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the end of reporting period.

	Group				Company			
	2011 Effective interest rate %	**2011 HK$'000**	2010 Effective interest rate %	2010 HK$'000	**2011 Effective interest rate %**	**2011 HK$'000**	2010 Effective interest rate %	2010 HK$'000
Fixed rate financial assets								
– Time deposits	**0.58-1.28**	**3,867**	0.40	10,000	**–**	**–**	–	–
– Other financial assets								
– loan receivable component	**5.00**	**15,809**	5.00	16,217	**–**	**–**	–	–
Fixed rate financial liabilities								
– Convertible bonds								
– liability component	**3.00**	**(36,714)**	3.00	(47,410)	**3.00**	**(36,714)**	3.00	(47,410)
– Obligation under finance lease	**8.99**	**(421)**	8.99	(21)	**–**	**–**	–	–
Variable rate financial assets								
– Bank balances	**0.01-0.05**	**25,207**	0.01-0.05	22,131	**0.05**	**9,759**	0.05	17,756
Variable rate financial liabilities								
– Bank loans, secured	**–**	**–**	3.00-5.50	(5,772)	**–**	**–**	–	–
– Bank overdrafts, secured	**–**	**–**	5.75	(119)	**–**	**–**	–	–
– Bank loan								
– discounting arrangement	**–**	**–**	5.00	(806)	**–**	**–**	–	–
Net financial assets/(liabilities)		**7,748**		(5,780)		**(26,955)**		(29,654)

(ii) It is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, the Group's loss for the year ended 31 March 2011 and accumulated losses would be by decreased by approximately HK$252,000 (2010: increased by HK$154,000).

The sensitivity analysis above has been determined based on the exposure to interest rate for both derivatives and non-derivative instruments at the end of reporting period. The analysis is prepared assuming the amount of asset and liability outstanding at the end of reporting period was outstanding for the whole year. 100 basis points increase are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonable possible change in interest rates.

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40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (cont'd)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument traded in the market will fluctuate because of changes in market prices. As at 31 March 2011, the Group is exposed to market price risk arising from listed equity investments classified as financial assets at fair value through profit or loss.

The Group's listed equity investments are listed on the Stock Exchange of Hong Kong. The decisions to buy or sell listed equity investments are based on monitoring of the performance of individual securities compared with that of the Hang Seng Index, other listed equity investments within the same industry and other industry indicators, as well as the Group's liquidity needs.

The Company did not have any financial instrument which is subject to market price risk as at 31 March 2011 and 2010.

Should the market prices of the financial assets at fair value through profit or loss as at 31 March 2011 decreased by 10%, the carrying amount of financial assets at fair value through profit or loss would be decreased, the equity as at 31 March 2011 would be decreased and the loss for the year would be increased by HK$97,000 (2010: HK$87,000).

The sensitivity analysis has been determined assuming that the change in market price had occurred at the end of reporting period and had been applied to the exposure to market price risk for the financial assets at fair value in existence at that date with all other variables remain constant.

40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (cont'd)

(f) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at 31 March 2011across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market date
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market date

As at 31 March 2011, the Group had following financial instruments carried at fair value of which are based on the Level 1 of the fair value hierarchy.

	HK$'000
Asset	
Financial assets at fair value through profit or loss — Listed	974

As at 31 March 2011 and 2010, the Company did not have any financial instruments carried at fair value.

During the years ended 31 March 2011 and 2010, there were no significant transfers between financial instruments in Level 1 and Level 2.

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instrument carried at cost or amortised cost were not materially different from their fair values as at 31 March 2011 and 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

40. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (cont'd)

(f) Fair values (cont'd)

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

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted active bid prices and ask prices respectively; and

- the fair values of other financial assets and financial are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transaction as input.

41. SEGMENT AND ENTITY-WIDE INFORMATION

Reportable segments

In the past, the Group managed its business by two geographical divisions, Hong Kong and the PRC. These divisions were the basis on which the Group reported its segment information. After the completion of acquiring a new business, provision of food and beverage services, the most senior executive management of the Group believes that it is the best interests to the shareholders of the Company to assess the operating results of the Group in terms of resource allocation and performance assessment by business segments which are information technology business and food and beverage business. The comparative figures have been restated as a result of the change of segment information presented.

Principal activities are as follows:—

Food and beverage	—	provision of food and beverage service
Information technology	—	provision of information solutions and design, development and sales of application software packages

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:—

Segment assets included all tangible, intangible and current assets with the exception of corporate assets. Segment liabilities included current and non-current liabilities attributable to the individual segments.

Revenue and expenses are allocated to the reportable segment with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

41. SEGMENT AND ENTITY-WIDE INFORMATION (cont'd)

Reportable segments (cont'd)

The measure used for reporting segment result is "adjusted EBIT" i.e. adjusted earnings before interest and taxes. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administrative costs.

In addition to receiving segment information concerning adjusted EBIT, management is provided with segment information concerning revenue (including inter-segement sales), interest income and expense from cash balance and borrowing managed directly by the segment, depreciation and amortisation and additions to non-current segment assets used by the segments in their operations.

Information about these segments is presented below:—

	Food and beverage		Information technology		Total	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
REVENUE						
Total revenue*	**32,226**	–	**56,108**	52,429	**88,334**	52,429
SEGMENT RESULTS	**1,243**	–	**(22,059)**	(6,992)	**(20,816)**	(6,992)
Interest income	**–**	–	**52**	35	**52**	35
Unallocated corporate income					**480**	2
Unallocated corporate expenses					**(4,703)**	(5,149)
Operating profit/(loss)	**1,243**	–	**(22,007)**	(6,957)	**(24,987)**	(12,104)
Finance costs					**(2,588)**	(1,432)
Loss before income tax					**(27,575)**	(13,536)
Income tax expense/(credit)	**(657)**	–	**591**	70	**(66)**	70
Loss for the year					**(27,641)**	(13,466)

* no inter-segment revenue occurred during the years ended 31 March 2011 and 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

41. SEGMENT AND ENTITY-WIDE INFORMATION (cont'd)

Reportable segments (cont'd)

	Food and beverage		Information technology		Total	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
ASSETS						
Segment assets	**21,211**	–	**42,338**	46,557	**63,549**	46,557
Unallocated corporate assets					**109,419**	68,111
Inter-segment assets					**(95,331)**	(34,656)
Discounted operations					**–**	459
Total assets					**77,637**	80,471
LIABILITIES						
Segment liabilities	**(20,284)**	–	**(69,077)**	(14,765)	**(89,361)**	(14,765)
Unallocated corporate liabilities					**(63,350)**	(50,337)
Inter-segment assets					**98,671**	–
Discounted operations					**–**	(7)
Total liabilities					**(54,040)**	(65,109)
Other information:						
Depreciation and amortisation	**3,673**	–	**2,979**	3,146	**6,652**	3,146
Capital expenditure	**6,747**	–	**2,839**	3,532	**9,586**	3,532

An analysis of the Group's revenue by geographical location of its customers is presented below:—

	Hong Kong		PRC		Total	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
REVENUE	**59,102**	29,813	**29,232**	22,616	**88,334**	52,429

41. SEGMENT AND ENTITY-WIDE INFORMATION (cont'd)

Reportable segments (cont'd)

The following is an analysis of the carrying amount of segment assets analysed by the geographical area in which the assets are located.

	Hong Kong		PRC		Inter-segment		Total	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
ASSETS								
Carrying amount of segment assets	**64,588**	79,475	**22,395**	18,514	**(9,346)**	(17,518)	**77,637**	80,471
Capital expenditure	**7,437**	1,264	**2,149**	2,268	**–**	–	**9,586**	3,532

The analysis of the Group's turnover by products and services of its external customers has been shown in Note 4.

The total amount of turnover from a group of companies from information technology segment amounted to 10 per cent or more of the Group's turnover was HK$13.8 million (2010: HK$13.9 million).

42. SUBSEQUENT EVENTS

On 25 January 2011, Alpha Skill and AHL, two wholly-owned subsidiaries of the Company, entered into two separate agreements with Glorywin Holdings Limited ("Glorywin") pursuant to which Alpha Skill conditionally agreed to sell the entire share capital of ATL(HK) and AHL conditionally agreed to sell the entire equity interest in ATL(SZ) at a total consideration with reference to the combined net asset value or net liability value of ATL(HK) and ATL(SZ) plus the shareholder's loans at the completion date. The transactions were completed on 14 June 2011.

On 30 May 2011, Robust Asia Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Mr. Tong Hei Wah Aro, Ms. Tong Shuk Yin Eliza and Mr. Chung Hoi Shuen to acquire 70% interest in Qualifresh Catering Limited ("Qualifresh") at a consideration of HK$3.5 million. The transaction was completed on 1 June 2011. The principal activity of Qualifresh is engaged in catering business. Details of disclosure for the acquisition of Qualifresh in accordance with HKFRS 3 (Revised) could not be made as the initial accounting for business combination was incomplete at the time the consolidated financial statements are authorised for issue.

FINANCIAL SUMMARY

RESULTS

	For the year ended 31 March				
	2007 HK$000	2008 HK$'000	2009 HK$000	2010 HK$000	**2011** **HK$000**
CONTINUING OPERATIONS					
Turnover	52,887	58,250	61,831	52,429	**88,334**
Loss before income tax	(3,096)	(271)	(482)	(13,536)	**(27,575)**
Income tax credit/(expense)	209	(12)	(271)	70	**(66)**
Loss for the year from continuing operations	(2,887)	(283)	(753)	(13,466)	**(27,641)**
DISCONTINUED OPERATIONS					
Loss for the year from discontinued operations	(1,962)	(2,427)	(2,475)	(1,359)	**–**
Loss for the year	(4,849)	(2,710)	(3,228)	(14,825)	**(27,641)**
Attributable to:					
Equity holders of the Company	(4,813)	(2,710)	(3,228)	(14,825)	**(27,641)**
Non-controlling interests	(36)	–	–	–	**–**
Loss for the year	(4,849)	(2,710)	(3,228)	(14,825)	**(27,641)**

FINANCIAL SUMMARY

ASSETS AND LIABILITIES

	At 31 March				
	2007 HK$000	2008 HK$'000	2009 HK$000	2010 HK$000	**2011** **HK$000**
NON-CURRENT ASSETS	20,027	20,192	20,742	34,992	**12,785**
CURRENT ASSETS	33,999	33,443	30,379	45,479	**64,852**
DEDUCT:					
CURRENT LIABILITIES	22,353	22,323	22,883	15,114	**17,326**
NET CURRENT ASSETS	11,646	11,120	7,496	30,365	**47,526**
TOTAL ASSETS LESS CURRENT LIABILITIES	31,673	31,312	28,238	65,357	**60,311**
NON-CURRENT LIABILITIES	(1,368)	(2,802)	(2,160)	(49,995)	**(36,714)**
NET ASSETS	30,305	28,510	26,078	15,362	**23,597**