東英 ORIENTAL PATRON

OP FINANCIAL INVESTMENTS LIMITED

STOCK CODE: 1140

WELL EQUIPPED FOR OPPORTUNITIES

ANNUAL REPORT 2008

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. ZHANG Zhi Ping
Mr. ZHANG Gaobo

Non-executive Directors
Mr. LIU Hongru
Mr. ZHANG Huaqiao

Independent Non-executive Directors
Mr. KWONG Che Keung, Gordon
Prof. HE Jia
Mr. WANG Xiaojun

QUALIFIED ACCOUNTANT
Ms. WONG Hiu Ling

COMPANY SECRETARY
Ms. TAM Yuen Wah

INVESTMENT MANAGER
Oriental Patron Fund Management

LEGAL ADVISERS

Hong Kong Law
Chiu & Partners

Cayman Islands Law
Maples and Calder Asia

AUDIT COMMITTEE
Mr. KWONG Che Keung, Gordon *(Chairman)*
Prof. HE Jia
Mr. WANG Xiaojun

AUDITORS
RSM Nelson Wheeler

PRINCIPAL REGISTRARS
Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
KY1-1107, Grand Cayman
Cayman Islands

BRANCH REGISTRARS
Tricor Abacus Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE
P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

PRINCIPAL PLACE OF BUSINESS
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8 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER
Standard Chartered Bank
Industrial and Commercial Bank of China (Asia) Limited.

CUSTODIAN
Standard Chartered Bank

STOCK CODE
The Stock Exchange of Hong Kong Limited
Code: 1140

WEBSITE
www.opfin.com.hk

CHAIRMAN'S STATEMENT

OP Financial Investments Limited and its subsidiaries ("OP Financial" or "the Group") had made significant progress in formulation of business strategy and enhancing financial strengths in financial year 2007/2008. The board of directors is pleased to inform shareholders that, the Group, like a plane with a full fuel tank, is ready to take off.

2007 is a milestone year in the development history of the financial sector in the PRC. The country had foreign exchange reserve of more than US$1.5 trillion, Domestic investors could for the first time invest in overseas securities under the Qualified Domestic Institutional Investor (QDII) framework, and a trial attempt to allow individual investment in overseas securities was made in August. The PRC has transformed from a country enjoying primarily capital inflow into a new major investor in the international capital market. This development will change the fundamental ecology of the international capital market, particularly that in Hong Kong.

Hong Kong has served as the conventional platform for PRC enterprises to raise capital. However, starting last year, the city has become a major market for the PRC to invest overseas. In the next five year, the Renminbi is expected to assume international currency status, complemented with more and more relaxed foreign exchange control of the authority in the PRC. Capital will move more freely between Hong Kong and the Mainland. Hence, Hong Kong will gain prominence as an international financial centre.

Riding on the trend, OP Financial, with Hong Kong as its home base, will assist foreign investors to invest in Greater China and at the same time provide services to Mainland investors who wish to invest in Hong Kong and other overseas markets.

During the year, we made the following strategic moves:

I. Strengthened capital base

In November 2007, 600 million new shares were issued at HK$1.20 per share to raise HK$720 million in capital. The Chairman and Chief Executive Officer of the Group together subscribed for 55% of the new shares.

II. Built a solid fund management platform

Our objective was to manage PRC investment overseas and overseas investment in Greater China:

1. In January 2008, the Group and Guotai Junan Securities Company Limited, a leading securities broker in the PRC, jointly established Guotai Junan Fund Management Limited in Hong Kong. The venture was owned as to 29.9% by OP Financial.

2. Shortly after the balance sheet date, the Group made investment in Calypso Capital Group, a fund house with a team of high calibre international asset management professionals. The board of directors believes the extensive experience of the management team will brace OP Financial in attaining its strategic goals.

3. We are also pleased to report that, in July 2008, the Group and leading Chinese fund management company China Southern Fund Management Co., Ltd, joined hand to set up CSOP Asset Management Limited in Hong Kong. The company is 30% owned by OP Financial and is the first asset management company outside the PRC with approval to serve as a platform for linking up domestic and foreign investments.

CHAIRMAN'S STATEMENT

III. Unique "PEIB Investment Approach" in action

PEIB or Private Equity and Investment Banking is an investment approach focusing on private equity (PE) specifically developed based on the integrated business strengths of OP Financial. It merges PE investment with operations of investment banking. It does not only provide capital to a company like a PE, but is capable of added values by offering a company a range of comprehensive corporate financing services. From the investor's perspective, OP Financial presents numerous investment choices and investors may pull funds out through a well-established system.

OP Financial is an investor itself using its own fund and also invites other investors to join hands with it in its endeavours. Its objective is to realise gains on its own investment as well as from its share of profit or other income from the other investors. "PEIB Investment Approach" is a highly effective PE investment approach that utilises the best capital strengths of OP Financial.

Shortly after the financial year end date, in June 2008, the Group led an investment syndicate to subscribe for convertible bonds of Hong Kong-listed Challenger Group Holdings Limited (8203), which owns coal mines in Inner Mongolia with coal reserves of approximately 99.6 million tonnes. The Directors are confident that this is an investment with good prospects and see the investment to be a critical step in promoting OP Financial's "PEIB Investment Approach".

Looking ahead, anticipating a volatile international capital market, the Group intends to deliver values to shareholders in the following three aspects:

I. We intend to step up co-operation with leading securities firms in the PRC by forming joint ventures with them in Hong Kong. We will share our experience of doing business in Hong Kong with our PRC partners, who can take full advantage of their strong customer networks. We believe PRC citizens investing overseas is a natural and irreversible trend, which we should prepare to tap. Once favourable policies permit and the international market recovers, substantial returns can be realized for shareholders very quickly.

II. We will continue to seek opportunities to invest in financial institutions in the PRC.

III. We will seize opportunities arising from market adjustments to identify investments that promise high returns to shareholders.

In the long term, we hope to build OP Financial into a top investment institution. We will create shareholder values in two ways: firstly, from realising gains on our own capital, and secondly, from service fee incomes which included asset management fee, profit-sharing fee, and transaction levy, etc. Our goal is for service fees to become a stable source of cash income for the Group while our own capital ventures will generate profits for shareholders.

As a plane needs a competent crew to make an efficient and safe flight, OP Financial has a dedicated professional team to guarantee its highly efficient and secure investment. Our very capable team has another essential constituent – our employees. On behalf of the board of directors, I would like to take this opportunity to extend my thanks to all OP Financial staff for their contribution. Under the inspirational leadership of the board and senior management and with strong staff support, the Group is well prepared to take on challenges in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the board of directors (the "Board"), I would like to present to the shareholders the consolidated results of OP Financial Investments Limited (formerly known as Concepta Investments Limited) (the "Company") and its subsidiary (the "Group") for the financial year ended 31 March 2008 (the "Year").

CHANGE OF THE COMPANY'S NAME

At an extraordinary general meeting of the shareholders of the Company held on 15 November 2007, a special resolution was passed to change the English name of the Company from Concepta Investments Limited to OP Financial Investments Limited and to adopt 東英金融投資有限公司 as the Company's new Chinese name for identification purposes only.

BUSINESS REVIEW AND OUTLOOK

The Group reports a net loss for the year of approximately HK$16.78 million comparing to a net profit of approximately HK$8.05 million for the corresponding financial year. The reported net loss for the year was mainly attributable to realised and unrealized gain on financial assets through profit and loss account of approximately HK$5.97 million (2007: approximately HK$11.90 million), interest and dividend income of approximately HK$9.46 million (2007: HK$1.44 million) less the equity-settled share-based payments of approximately HK$7.17 million (2007: Nil) and administration expenses of approximately HK$24.82 million (2007: HK$3.88 million).

The investment strategy implemented during the first half of the year was to rebalance the portfolio away from very large concentration in a few positions and redeploy the portfolio toward sectors and situations that offer visible and attractive investment opportunities. During such period new positions were entered mostly in banking, insurance, real estate, energy, telecommunication and infrastructure, while cash balances were reduced.

The second part of the financial year was marked by significant new business and economic developments affecting the PRC and accordingly investment positions had to be adjusted based on economic and business developments affecting the PRC.

Due to the continuous rapid development of the PRC economy in recent years, the income level of PRC nationals increase significantly and accordingly resulting in increasing demand for different choice of investment by nationals. The significant level of foreign exchange reserves of the PRC also provides a background for making investment outside for its nationals.

According to the《國家外匯管理局批准開展境內個人直接對外証券投資試點》Trial Scheme promulgated by the State Administration of Foreign Exchange of the PRC on 20 August 2007 (which allows PRC nationals to make direct foreign securities investment), PRC nationals are allowed to make direct investment in Hong Kong listed securities with their self-owned foreign currencies or Renminbi at a designated city on a trial basis. The Trial Scheme would facilitate PRC nationals to invest outside PRC in an orderly fashion and gain experience in risk prevention and management. The relaxation of foreign exchange control over direct investment by PRC nationals outside PRC also facilitates PRC nationals to make use of the international financial market to diversify their investment risk, enhance its portfolio mix and its risk-adjusted return.

In view of the above, the Board envisaged the Trial Scheme will gradually be implemented on a nation wide basis and a variety of institutions and companies will directly or indirectly benefit from the Trial Scheme accordingly. Taking advantage of the highly liquid and buoyant markets, in September 2007 the Company raised HK$720 million by way of placing of 600 million of new shares at HK$1.20 per share to capture such investment opportunities.

The placing of new share at HK$1.20 per share also increased the net asset value per share of the Group from HK$0.76 as at 31 October 2007 (being the month ended immediately prior to the completion the share placement) to HK$1.10 as at 30 November 2007 (being the month immediately after the completion of the share placement) thus also significantly increased our shareholders value. As a result, the Group paid/payable to its investment manager a management fee and a performance fee (which together comprising significant part of the administrative expenses) amounting to HK$5.44 million (2007: HK$0.86 million) and HK$15.72 million (2007: HK$1.05 million) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK *(continued)*

Following the Group's investment strategies to capture the potential growth in the financial sector in the Greater China region, in January 2008, the Group invested in 29.90% in Guotai Junan Fund Management Limited, an asset management venture in Hong Kong founded by the Group and Guotai Junan Financial Holdings (Samoa) Limited. Guotai Junan Financial Holdings (Samoa) Limited is a wholly owned subsidiary of Guotai Junan Securities Company Limited, a leading securities broker in the PRC.

Subsequent to the financial year ended, the Group also agreed to make further investments in two asset management companies namely the CSOP Asset Management Limited and Calypso Capital Group.

CSOP Asset Management Limited is an asset management venture in Hong Kong founded by the Group and China Southern Fund Management Co., Ltd. China Southern Fund Management Co., Ltd is a leading fund management company in China and currently has assets under its management of over RMB200 billion which include a Qualified Domestic Institutional Investor ("**QDII**") fund, namely China Southern Global Dynamic Allocation Fund (the "**Fund**"). The Fund was approved by the China Securities Regulatory Commission ("**CSRC**") in September 2007 and is the first QDII equity fund launched in China, raising RMB30 billion.

The setting up of CSOP Asset Management Limited was approved by the CSRC on 27 June 2008 and is pending proper licensing approval from the Securities and Futures Commission. CSOP Asset Management Limited will conduct asset management in Hong Kong including managing the investment portfolio in Hong Kong listed securities for the Fund.

Apart from asset management business, the Group is also actively seeking opportunities to participate in securities broking business in Hong Kong and PRC with reputable financial services firms as partners so that the Group can capitalize our partners' goodwill and benefits from the significant potential from the promising economic outlook of the PRC whether through the Trial Scheme or other economic policies.

In order to capitalizing the extensive investment banking experience of its directors and its investment manager, the Group has adjusted its investment strategy for listed investment towards the last quarter of the financial year and under which the Group will take advantage of the opportunities for private investment in public equities captured by the investment manager. The adjustment in the investment strategies has resulted in the liquidation of significant parts of the Group's listed investment portfolio at 31 March 2008 to HK$9,000 (2007: HK$31,524,670).

In June 2008, adopting the new investment strategy for listed investments the Group has led an investment syndicate to subscribe for convertible bonds of Challenger Group Holdings Limited to financing its acquisition of interest in coal mine and establish coking coal operation in Inner Mongolia. The Board is confident that the adjusted investment strategies for listed equities will bring about improved return to its investments and value to the Company's shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the Group had bank balances of HK$753,912,110 (2007: HK$30,577,667). The Board believes that the Group has sufficient financial resources to satisfy its immediate investments and working capital requirements.

The Group had net current assets of HK$744,732,198 (2007: HK$60,462,413) and no borrowings as at 31 March 2008, which positions the Group advantageously to pursue its investment strategies and new investment opportunities.

The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2008, was 0.02 (2007: 0.03).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The changes in the Company's capital structure during the Year are set out in note 20 to the financial statements.

INVESTMENT PORTFOLIO

The Group's investment portfolio comprised of unlisted investments and listed securities investments. The Group held minority stakes of unlisted companies which are believed to have sound prospects of long-term growth in profits and capital appreciation in the future. As at 31 March 2008, the Group's unlisted investments, valued at cost less impairment, totalling HK$556,930 (2007: HK$778,000).

As at 31 March 2008, all of the Group's listed securities investments are Hong Kong listed securities. The Group held listed investments, at market value, of HK$9,000 (2007: HK$31,524,670) at 31 March 2008.

EMPLOYEES

During the Year, the Group had 8 (2007: 3) employees, including executive directors. Total staff costs, including directors' emoluments and equity-settled share-based payments for the Year amounted to HK$9,040,419 (2007: HK$937,000). The Group's remuneration policies are in line with the market practice and are determined on the basis of the performance and experience of individual employee.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Group had no significant exposure to foreign exchange fluctuations.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2008, there were no charges on the Group's assets and the Group did not have any significant contingent liabilities.

APPRECIATION

On behalf of the Board, I would like to thank all our shareholders for their continued trust and support and the investment manager for their dedicated efforts.

ZHANG ZHI PING
Executive Director
Hong Kong SAR, 24 July 2008

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are stated below:

DIRECTOR

Executive Directors

Mr. ZHANG Zhi Ping, aged 52, was appointed as an executive director and chairman of the Company in February 2003. Mr. Zhang is responsible for formulating the investment strategies, monitoring the investment performance and approving investment decisions. Mr. Zhang obtained a bachelor's degree in Arts from Heilongjiang University in 1982 and later graduated from 中國人民銀行研究生部 (Graduate School of the People's Bank of China ("PBOC")) and obtained a master's degree in Economics. Mr. Zhang has over 20 years of experience in the PRC and international financial markets and held senior positions in a number of institutions. From December 1984 to February 1989, Mr. Zhang was a deputy division chief in 金融管理司 (Financial Administration Department) of the PBOC and was responsible for the supervision of financial markets in the PRC. From February 1989 to March 1993, Mr. Zhang was the chairman and general manager of Hainan Provincial Securities Company and the inaugural director of the Securities Society of China. Since the inception of China Securities Regulatory Commission ("CSRC") in April 1993, Mr. Zhang was the inaugural director of 證券機構監管部 (Department of Intermediary Supervision) and a member of the listing committee of the Shanghai Stock Exchange until May 1996. During the periods from May 1992 to March 1993 and from June 1996 to February 2001, Mr. Zhang was the chairman of the investment committee of Hainan Fudao Investment Management Company which manages Hainan Fudao Investment Fund. Since 1996, Mr. Zhang is also the executive chairman of Oriental Patron Financial Services Group Limited ("OPFSGL").

Mr. ZHANG Gaobo, aged 43, was appointed as an executive director and chief executive officer of the Company in February 2003. Mr. Zhang is responsible for formulating the investment strategies, monitoring the investment performance and approving investment decisions. Mr. Zhang obtained a bachelor's degree in Science from Henan University in 1985 and later graduated from the Peking University with a master's degree in Economics in 1988. From February 1988 to February 1991, Mr. Zhang was a deputy chief of the 海南省政府政策處 (Policy Division of Hainan Provincial Government). During his tenure with Hainan Provincial Government, he was responsible for drafting of economic policies for Hainan Provincial Government. From March 1991 to 1993, Mr. Zhang was deputy chief of 金融市場管理委員會 (Financial Markets Administration Committee) of PBOC Hainan Branch and was responsible for the regulation of financial markets in Hainan Province. From January 1992 to 1994, Mr. Zhang was chairman of 海南證券交易中心 (Hainan Stock Exchange Centre) and had the overall responsibility for the operation of Hainan Stock Exchange Centre. Mr. Zhang is also the managing director of OPFSGL, an independent non-executive director of Beijing Enterprises Water Group Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a non-executive director of Vimetco N.V., a company listed on the London Stock Exchange.

Non-executive Director

Mr. LIU Hongru, aged 77, was appointed as a non-executive director in February 2003. Mr. Liu graduated from the Economics Department of the University of Moscow in 1959 with an associate doctor's degree. Mr. Liu worked as the president of China Institute of Finance and Banking, a vice governor of the Agricultural Bank of China and PBOC, a deputy director of the State Economic Restructuring Committee, and the chairman of the CSRC. Mr. Liu is currently the chairman of Capital Market Research Institute and a professor at the Peking University, the Tsinghua University, the Postgraduate School of the PBOC and the City University of Hong Kong. Mr. Liu is currently serves as an independent non-executive director of Petrochina Company Limited and CITIC 21CN Company Limited. He is also the honourable chairman of OPFSGL.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTOR *(continued)*

Non-executive Director *(continued)*

Mr. Zhang Huaqiao Joe, aged 45, has been a non-executive director of the Company since November 2007. Mr. Zhang is currently an executive director of Shenzhen Investment Limited. He is also a non-executive director of Shenzhen International Holdings Limited, Hong Long Holdings Limited, Coastal Greenland Limited, Tak Sing Alliance Holdings Limited, and Guangzhou Investment Company Limited and an independent non-executive director of Kasen International Holdings Limited. He was a managing director and co-head of China research at UBS Securities where he worked for seven years. In the 1980s, he worked at the PBOC in Beijing. Between 1991 and 1994, he was a tenured lecturer of banking and finance at the University of Canberra, Australia. He holds a Master of Economics from the Australian National University and a Master of Economics from the Graduate School of the PBOC.

Independent Non-executive Directors

Mr. KWONG Che Keung, Gordon, aged 58, has been an independent non-executive Director and the chairman of the audit committee of the Company since February 2003. Mr. Kwong has also been serving as a member of the remuneration committee of the Company since April 2005. He is also an independent non-executive director of a number of companies listed on the Stock Exchange, namely COSCO International Holdings Limited, Tianjin Development Holdings Limited, Beijing Capital International Airport Company Limited, Frasers Property (China) Limited, NWS Holdings Limited, China Oilfield Services Limited, China Chengtong Development Group Limited, Global Digital Creations Holdings Limited, Ping An Insurance (Group) Company of China, Limited, Quam Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited, Agile Property Holdings Limited and CITIC 1616 Holdings Limited. From 1984 to 1998, Mr. Kwong was a partner of Pricewaterhouse and was a council member of the Stock Exchange from 1992 to 1997. He has a Bachelor of Social Science degree from the University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales.

Prof. HE Jia, aged 53, has been an independent non-executive director and a member of the audit committee of the Company since February 2003. Prof. He has also been serving as a member of the remuneration committee of the Company since April 2005. Prof. He is a professor of Department of Finance at the Chinese University of Hong Kong and a professor at the Tsinghua University. He was a commissioner of the Strategy and Development Committee of CSRC and director of research of Shenzhen Stock Exchange from June 2001 to October 2002. He is an editor of China Financial Economics Review, and is serving as a member of editorial boards of a number of journals, including *China Accounting and Finance Review and Research in Banking and Finance*. He holds a Doctor of Philosophy degree in Finance from the Wharton School of University of Pennsylvania, the United States.

Mr. WANG Xiaojun, aged 53, has been an independent non-executive Director and a member of the audit committee of the Company since August 2004. Mr. Wang has also been serving as the chairman of the remuneration committee of the Company since April 2005. Mr. Wang is a partner of the X.J. Wang & Co. in Hong Kong and was admitted as a solicitor in England and Wales and Hong Kong. He has practiced PRC law in Beijing, and was admitted in the PRC, Hong Kong and England and Wales in 1988, 1995 and 1996, respectively. Mr. Wang has worked as a legal adviser in the Stock Exchange and Richards Bulter and has worked in investment banking activities in BNP Paribas Peregrine and ING Barings. He graduated from the People's University of China and the Graduate School of the Chinese Academy of Social Science and holds a bachelor degree in Laws and a master degree in Laws. Mr. Wang is currently an independent non-executive director of Yanzhou Coal Mining Company Limited and Guangzhou Shipyard International Company Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Deputy Chief Executive Officer

Mr. ZHANG Wei Dong, James, aged 43, has about 10 years of investment banking experience, most recently as managing director and Head of Corporate Finance & China Sales at ICEA Group and Alpha Alliance Finance Holdings Limited, respectively. He has worked for 10 years at Industrial and Commercial Bank of China in Beijing and was division chief in head office in final years. He holds a Master of Arts from Renmin University and a Diploma of Programme for Management Development from Harvard Business School.

Chief Financial Officer

Ms. WONG Hiu Ling, aged 39, is the qualified accountant of the Company. She has over 10 years of experience in accounting. Prior to joining the Company in March 2004, Ms. Wong had worked for the financial services group in Hong Kong. Ms. Wong holds a bachelor's degree in Business Administration from the Chinese University of Hong Kong, and is an associate member of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Company Secretaries.

Company Secretary

Ms. TAM Yuen Wah, aged 35, is a solicitor admitted in Hong Kong and an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Tam holds a bachelor degree in business administration from the Chinese University of Hong Kong and a bachelor degree in laws from the Manchester Metropolitan University. Ms. Tam has experience in internal audit, legal and compliance and company secretarial services for over 5 years. Prior to the joining of the Company, Ms. Tam has worked in banking industry for over 5 years and in law firms from 2003 to 2007.

DIRECTORS' REPORT

The directors ("Directors") of OP Financial Investments Limited (the "Company") submit their report together with the audited financial statements of the Company with its subsidiary (the "Group) for the year ended 31 March 2008 (the "Year").

PRINCIPAL ACTIVITIES

The Company is an investment company incorporated with limited liability as an exempted company in the Cayman Islands on 26 July 2002. The investment objective of the Company and its subsidiary is to achieve earnings in the form of medium to long-term capital appreciation mainly through investments in listed and unlisted companies in the Greater China.

SEGMENT INFORMATION

No segment information is provided as all of the turnover and contribution to the operating results of the Group are attributable to investment activities which are carried out or originated principally in Hong Kong.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 24.

The Directors do not recommend the payment of a final dividend for the Year (2007: HK$0.05 per ordinary share).

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 27 and note 23 to the financial statements, respectively.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 20 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and there is no restriction against such rights under the laws of Cayman Islands.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 58 of this report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company or its subsidiary has not purchased, sold or redeemed any of its shares during the Year.

DIRECTORS' REPORT

SHARE OPTIONS

Information about the share options of the Company during the Year is set out in note 21 to the financial statements.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors

Mr. ZHANG Zhi Ping
Mr. ZHANG Gaobo

Non-executive Directors

Mr. LIU Hongru
Mr. ZHANG Huaqiao (appointed on 20 November 2007)

Independent Non-executive Directors

Mr. KWONG Che Keung, Gordon
Prof. HE Jia
Mr. WANG Xiaojun

In accordance with Articles 113 of the Company's Articles of Association, Mr. LIU Hongru, Mr. ZHANG Huaqiao and Mr. WANG Xiaojun will retire by rotation from office and, being eligible, offer themselves for re-election.

Each of the non-executive Directors and each of the independent non-executive Directors are appointed for a term of not more than three years expiring on 31 May 2010 and they are also subject to retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing on 1 February 2003 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the initial fixed term. Each of these executive Directors is entitled to the respective basic salary (subject to an annual increment at the discretion of the Directors of not more than 10% of the annual salary at the time of the relevant review). In addition, in respect of the financial year ended 31 March 2004 and each of the financial years thereafter of the Company, each of the executive Directors is also entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the executive Directors in respect of any financial year of the Company may not exceed 5% of the audited net profit of the Company (or as the case may be, combined or consolidated audited net profit of the Company and its subsidiaries (if any)) (after taxation and minority interests but before extraordinary or exceptional items) in respect of that financial year of the Company. An executive Director shall not vote on any resolution of the Board regarding the amount of the discretionary bonus payable to him. No discretionary bonus has been paid to the executive Directors for the Year.

Saved as disclosed above, no other Directors have entered into service agreements with the Company which are not determined by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Connected transactions" in this report and in note 26 to the financial statements, no other contracts of significance in relation to the Company's business to which the Company, its subsidiary or its fellow subsidiaries was a party and in which any Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2008, the interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (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 recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Company (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company:

		Number of ordinary shares/underlying shares held in the Company			
Name of director	**Capacity in which interests are held**	**Corporate interests in shares**	**Interests under equity derivatives**	**Total Interests**	**Total interests as to % to the issued share capital of the Company as at 31 March 2008** (note 1)
Mr. ZHANG Zhi Ping (notes 2&4)	Interest of controlled corporation and beneficial owner	359,800,000	67,000,000	426,800,000	60.93%
Mr. ZHANG Gaobo (notes 3&4)	Interest of controlled corporation and beneficial owner	359,800,000	67,000,000	426,800,000	60.93%
Mr. ZHANG Huaqiao (note 5)	Beneficial owner	8,000,000	2,600,000	10,600,000	1.51%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 700,500,000 shares as at 31 March 2008.

(2) This represented the aggregate of 330,000,000 shares and 66,000,000 unlisted warrants held by Ottness Investments Limited ("OIL"), 29,800,000 shares held by Oriental Patron Financial Services Group Limited ("OPFSGL") and 1,000,000 share options granted to Mr. Zhang Zhi Ping. The warrants entitled the holders to subscribe at any time during the period from 15 November 2007 to 14 November 2008 (both days inclusive) for fully paid shares at a subscription price of HK$1.20 per share. The share options entitled the holders to subscribe for shares of the Company at an exercise price and exercise period as disclosed in the section headed "Share Option Scheme" in note 21 to the financial statements.

(3) This represented the aggregate of 330,000,000 shares and 66,000,000 unlisted warrants held by OIL, 29,800,000 shares held by OPFSGL and 1,000,000 share options granted to Mr. Zhang Gaobo. The warrants entitled the holders to subscribe at any time during the period from 15 November 2007 to 14 November 2008 (both days inclusive) for fully paid shares at a subscription price of HK$1.20 per share. The share options entitled the holders to subscribe for shares of the Company at an exercise price and exercise period as disclosed in the section headed "Share Option Scheme" in note 21 to the financial statements.

(4) OIL is a wholly owned subsidiary of Oriental Patron Financial Group Limited ("OPFGL"), while 95% of the issued share capital of OPFSGL is owned by OPFGL. The entire issued share capital of OPFGL is beneficially owned as to 51% by Mr. Zhang Zhi Ping and 49% by Mr. Zhang Gaobo.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(continued)*

Notes: *(continued)*

(5) This represented the aggregate of 8,000,000 shares and 1,600,000 unlisted warrants held by and 1,000,000 share options granted to Mr. Zhang Huaqiao. The warrants entitled the holders to subscribe at any time during the period from 15 November 2007 to 14 November 2008 (both days inclusive) for fully paid shares at a subscription price of HK$1.20 per share. The share options entitled the holders to subscribe for shares of the Company at an exercise price and exercise period as disclosed in the section headed "Share Option Scheme" in note 21 to the financial statements.

Save as disclosed above, as at 31 March 2008, none of the Directors or chief executive had any interest or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2008, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the Company's shares and underlying shares. These interests are in addition to those disclosed above in respect of the directors and chief executive.

Long positions in shares and underlying shares of the Company:

		Number of ordinary shares/underlying shares held in the Company			
Name of shareholder	**Capacity in which interests are held**	**Corporate interests in shares**	**Interests under equity derivatives**	**Total Interests**	**Total interests as to % to the issued share capital of the Company as at 31 March 2008** (note 1)
OIL (note 2&4)	Beneficial owner	330,000,000	66,000,000	396,000,000	56.53%
OPFGL (note 3&4)	Interest of controlled corporation	359,800,000	66,000,000	425,800,000	60.79%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 700,500,000 shares as at 31 March 2008.

(2) This represented the aggregate of 330,000,000 shares and 66,000,000 unlisted warrants held by OIL, The warrants entitled the holders to subscribe at any time during the period from 15 November 2007 to 14 November 2008 (both days inclusive) for fully paid shares at a subscription price of HK$1.20 per share.

(3) This represented the aggregate of 330,000,000 shares and 66,000,000 unlisted warrants held by OIL, and 29,800,000 shares held by OPFSGL. The warrants entitled the holders to subscribe at any time during the period from 15 November 2007 to 14 November 2008 (both days inclusive) for fully paid shares at a subscription price of HK$1.20 per share.

(4) OIL is a wholly owned subsidiary of OPFGL, while 95% of the issued share capital of OPFSGL is owned by OPFGL. By virtue of the SFO, OPFGL is deemed to be interested in the shares and underlying shares of the Company held by OIL and the shares held by OPFSGL.

Save as disclosed above, as at 31 March 2008, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

DIRECTORS' REPORT

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is sufficient public float of more than 25% of the issued capital of the Company as required under the Listing Rules.

MANAGEMENT CONTRACTS

Save as disclosed in the paragraph headed "Connected transactions" and note 26 to the financial statements, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

CONNECTED TRANSACTIONS

During the Year, the Company had the following connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

(a) Investment management agreement

Pursuant to the Investment Management Agreement (the "Investment Agreement") dated 4 March 2003, the Company has appointed Oriental Patron Fund Management (the trade name adopted by Oriental Patron Asia Limited ("OPAL") in fund management activities) as its investment manager to provide investment management services for an initial fixed term of three years commencing on 20 March 2003. Pursuant to the Investment Agreement, the Company will pay Oriental Patron Fund Management a monthly management fee at 1.5% per annum of the Net Asset Value ("NAV") as at the immediately preceding Valuation Date as defined in the Investment Agreement on the basis of the actual number of days in arrears in the relevant calendar month over a year of 360 days and a performance fee at 10% of the increase in the NAV per share as at the Performance Fee Valuation Day as defined in the Investment Agreement.

On 16 March 2006, the Company entered into a supplemental investment management agreement (the "Supplemental Investment Agreement") with OPAL to renew the Investment Agreement for a further term of three years to 31 March 2008 on the same terms and conditions upon its expiry on 19 March 2006.

During the Year, the Company paid/payable a management fee and a performance fee amounting to HK$5,441,589 (2007: HK$864,821) and HK$15,723,254 (2007: HK$1,050,465) respectively to OPAL.

OPAL is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. In addition, OPAL is a wholly-owned subsidiary of OPFSGL, which is a fellow subsidiary and a shareholder of the Company. Accordingly, the Investment Agreement constitutes a connected transaction of the Company.

(b) Placing agreement

Pursuant to the placing agreement made between the Company as issuer and OPAL as placing agent on 7 September 2007 and approved by the independent shareholders of the Company at an extraordinary general meeting held on 7 November 2007 in respect of the placing of an aggregate of 600 million new shares and the issue of unlisted warrants on the basis of one warrant for every five placing shares. The Company paid placing commission of HK$18,000,000 (2007: Nil) to OPAL upon completion of the placing. The placing commission was considered as a share issue expense and debited to the share premium account.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS *(continued)*

(c) Advisory services

During the Year, the Company also paid HK$70,000 (2007: HK$NIL) to OPAL for its advisory services rendered in relation to the refreshment of general mandate to issue new shares and repurchase shares of the Company; and the refreshment of the 10% limit on the grant of options under the Share Option Scheme of the Company.

(d) Custodian agreement

Pursuant to the Custodian Agreement (the "Custodian Agreement") dated 26 February 2003, the Company appointed Standard Chartered Bank as its custodian with effect from 20 March 2003. The custodian has agreed to provide securities services to the Company including the safe custody and physical settlement of the securities in the investment portfolio of the Company, and the collection of dividends and other entitlements in respect of such securities. The Custodian Agreement will continue in force until terminated by either the Company or the custodian giving to the other not less than 60 days' notice in writing expiring at any time. Pursuant to the Custodian Agreement, custody fee of 0.05% to 0.08% per annum in respect of listed securities, a flat fee per counter per month in respect of unlisted securities, subject to certain minimum charge per month, and transaction fee of about USD40 to USD80 per receipt or delivery of securities will be paid to the custodian. The custodian fee paid during the Year amounted to HK$71,060 (2007: HK$45,778).

The custodian is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly the Custodian Agreement constitutes a connected transaction of the Company.

(e) Licence agreement

On 1 February 2007, the Company entered into a licence agreement (the "Licence Agreement") with Oriental Patron Finance Limited ("OPFL"). Pursuant to the Licence Agreement, the Company was granted a licence to use a portion of the property (the "Property") currently leased by OPFL as tenant from an independent third party at a monthly fee of HK$9,000 for a term of the period from 16 February 2007 to 30 April 2008. The Property is used by the Company as its principal place of business in Hong Kong. The licence fee paid to OPFL during the Year amounted to HK$108,000 (2007: HK$108,000).

Mr. ZHANG Gaobo, an executive director of the Company, is also a director of OPFL. OPFL is regarded as an affiliated company and a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Licence Agreement constitutes a connected transaction of the Company.

(f) Brokerage services

The Company holds a securities dealing account with Oriental Patron Securities Limited ("OPSL") for dealing in securities of listed companies in accordance with the investment objective and policies of the Company. During the Year, the Company has paid OPSL brokerage commission of approximately HK$231,566 (2007: HK$39,824).

OPSL is a wholly-owned subsidiary of OPFSGL and is regarded as a connected person according to the Listing Rules. Therefore, the brokerage service provided by OPSL constitutes connected transactions of the Company.

The independent non-executive Directors confirmed that the above connected transactions were entered into (i) on normal commercial terms and on the arm's length basis; (ii) in the ordinary and usual course of business of the Company; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The independent non-executive Directors also confirmed that the aggregate value of the annual management fee and performance paid and payable by the Company to the investment manager did not exceed its prescribed caps and the value of the advisory fee to OPAL, the aggregate value of the annual custodian fee to the custodian, the aggregate value of the annual licence fee to OPFL and the aggregate value of the annual brokerage commission paid to OPSL fell below the de-minimis threshold of the Listing Rules, and would be exempted from the reporting, announcement and/or shareholders' approval requirements under the Listing Rules.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS *(continued)*

Based on the work performed, the auditors of the Company have confirmed that the aforesaid continuing connected transactions under the Investment Agreement and the Supplemental Investment Agreement (i) have been approved by the board of Directors of the Company; (ii) have been entered into in accordance with the terms of the Investment Agreement and the Supplemental Investment Agreement governing the transactions; and (iii) have not exceed the prescribed caps.

The executive Directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo are interested to the above transactions (a), (b), (c), (e) and (f) as they both have beneficial interests in OPFSGL or OPFL.

Significant related party transactions entered by the Group during the Year, which also constitute connected transactions under the Listing Rules, are disclosed in compliance with the disclosure requirements in accordance with Chapter 14A of the Listing Rules and in note 26 to the financial statements.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the Year, the Company was in compliance with the Code of Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules.

A detailed "Corporate Governance Report" setting out the Company's framework of governance and explanations about how the provisions of the CG Code have been applied are set out on pages 18 to 21 of this annual report.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefit scheme of the Company are set out in note 27 to the financial statements.

AUDIT COMMITTEE

The Company established an audit committee in accordance with rule 3.21 of the Listing Rules. The Company's audit committee comprised three independent non-executive Directors, namely, Mr. KWONG Che Keung, Gordon, Prof. HE Jia and Mr. WANG Xiaojun. Three meetings were held during the Year.

The summary of duties and works of the audit committee is set out in "Corporate Governance Report" in this annual report.

The audited financial statements for the Year have been reviewed by the audit committee.

AUDITOR

A resolution to re-appoint the retiring auditor, RSM Nelson Wheeler, will be put at the forthcoming annual general meeting of the Company.

On behalf of the Board

ZHANG ZHI PING
Executive Director

Hong Kong SAR, 24 July 2008

CORPORATE GOVERNANCE REPORT

The board of directors (the “Board”) recognises the importance of corporate governance to the Group’s healthy growth and is dedicated to maintaining good standards of corporate governance so as to enhance corporate transparency and protect the interests of shareholders.

The Group has complied with the Code on Corporate Governance Practices (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the year ended 31 March 2008 (the “Year”).

The key corporate governance principles and practices of the Group are summarized as follows:

THE BOARD

Responsibilities

The overall management of the Group’s business is vested in the Board, which assumes the responsibility for leadership and control of the Group and is collectively responsible for promotion the success of the Group by directing and supervising its affairs. All directors should take decisions objectively in the interests of the Group.

The Board takes the responsibility for all major matters of the Group including: the approval and monitoring of all policy matters, overall strategies, internal control and risk management systems, appointment and retirement of directors and other significant financial and operational matters.

The executive directors are responsible for overseeing the day-to-day management of the Group’s operations and implementation of the strategies set by the Board.

As the Company is an investment company, investment management services have been delegated to the investment manager and the custodian, fund services and transaction handling services have been delegated to the custodian. The delegated functions and work tasks are reviewed periodically by the Board.

Composition

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Group and to the exercising of independent judgement.

The Board of the Company comprised the following directors:

Executive Directors
Mr. ZHANG Zhi Ping *(Chairman)*
Mr. ZHANG Gaobo *(Chief Executive Officer)*

Non-executive Directors
Mr. LIU Hongru
Mr. ZHANG Huaqiao (appointed on 20 November 2007)

Independent Non-executive Directors
Mr. KWONG Che Keung, Gordon *(Chairman of Audit Committee and member of Remuneration Committee)*
Prof. HE Jia *(member of Audit Committee and Remuneration Committee)*
Mr. WANG Xiaojun *(member of Audit Committee and Chairman of Remuneration Committee)*

The names and biographical details of each director are disclosed on pages 8 to 9 of this annual report.

CORPORATE GOVERNANCE REPORT

THE BOARD *(continued)*

Composition *(continued)*

During the Year, the Board at all times met the requirements of the Listing Rules in relation to the appointment of at least 3 independent non-executive directors with at least 1 independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company confirms that it has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the independent non-executive directors are independent.

Each of the non-executive directors and each of the independent non-executive directors are appointed for a term of not more than three years expiring on 31 May 2010 and they are also subject to retirement by rotation in accordance with the Company's Articles of Association.

Board Meetings

Regular Board meetings are held for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the Year, 19 executive Board meetings and 6 full Board meetings were held and the attendance of individual directors was as follows:

	Attendance	
Name of directors	**Executive Board**	**Full Board**
Mr. ZHANG Zhi Ping	19/19	5/6
Mr. ZHANG Gaobo	19/19	5/6
Mr. LIU Hong Ru	–	5/6
Mr. ZHANG Huaqiao*	–	1/2
Mr. KWONG Che Keung, Gordon	–	6/6
Prof. HE Jia	–	6/6
Mr. WANG Xiaojun	–	6/6

* Appointed on 20 November 2007

Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer of the Company are Mr. Zhang Zhi Ping and Mr. Zhang Gaobo respectively.

The Chairman is responsible for providing leadership for the Board and ensuring that the Board works effectively and that all key and appropriate issues are discussed by the Board on a timely manner.

The Chief Executive Officer is responsible for formulating the investment strategies, monitoring the investment performance and approving investment decisions.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

In order to strengthen the functions of the Board and to oversee particular aspects of the Group's affairs, two committees has been established, namely, the Remuneration Committee and the Audit Committee. Both committees are established with defined written terms of reference.

Remuneration Committee

The Board has established a Remuneration Committee comprising three independent non-executive directors, namely, Mr. Kwong Che Keung, Gordon, Prof. He Jia and Mr. Wang Xiaojun. Mr. Wang Xiaojun is the chairman of the Remuneration Committee.

The primary objective for setting up the Remuneration Committee is to comply with the Code Provision as set out in the CG Code. Its responsibilities are to review and consider the Group's policy for remuneration of directors and senior management, to recommend to the Board the remuneration packages of executive directors, non-executive directors and the senior management.

The Remuneration Committee held 4 meetings during the Year. Details of individual attendance of its members are set out below:

Name of directors	Attendance
Mr. KWONG Che Keung, Gordon	3/4
Prof. HE Jia	4/4
Mr. WANG Xiaojun	4/4

Audit Committee

The Audit committee comprised three independent non-executive directors, namely, Mr. Kwong Che Keung, Gordon, Prof. He Jia and Mr. Wang Xiaojun. Mr. Kwong Che Keung, Gordon is the chairman of the Audit Committee.

The main duties of the Audit Committee include the following:

(1) To review the financial statements and reports and consider any significant or unusual items by the qualified accountant, compliance officer or external auditors before submission to the Board.

(2) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

(3) To review the adequacy and effectiveness of the Group's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held 3 meetings during the Year. Details of individual attendance of its members are set out below:

Name of directors	Attendance
Mr. KWONG Che Keung, Gordon	3/3
Prof. HE Jia	3/3
Mr. WANG Xiaojun	3/3

The Group's annual report for the Year has been reviewed by the Audit Committee.

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the Year.

AUDITOR'S REMUNERATION

The Audit Committee reviews each year with the external auditor of the Company with regards their independence, approves their appointment, discusses the scope of their audit, approves their fees, and the scope and appropriate fees for any non-audit services requested to be provided by them.

During the Year, the fees paid to the Company's auditor in respect of audit services amounted to HK$220,000. No non-audit services were provided by the Company's auditor for the Year.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 22 to 23.

INTERNAL CONTROL

The Board has overall responsibility for the maintenance of an internal control system to protect shareholders' interest and safeguard the Group's assets.

During the Year, the Board has conducted an annual review of the effectiveness of the internal control system in compliance with the relevant Code Provisions as set out in the CG Code. Both of the Audit Committee and the Board are satisfied that the existing internal control system of the Group is adequate and effective.

COMMUNICATION WITH SHAREHOLDERS

The Company uses a range of communication tools to ensure its shareholders are kept well informed of the Group's information. These include timely publication of the Company's monthly net asset values, annual and interim results, various notices, announcements and circulars. The annual general meeting also serves as a communication channel between directors and shareholders. During the general meeting, chairman of the Board will present to answer any queries that shareholders may have. Procedures for voting by poll and other relevant information have been included in all circulars accompanying notice convening general meeting.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirement.

The directors acknowledge their responsibility for preparing the financial statements of the Group for each financial year which gives a true and fair view of the state of the Group.

INDEPENDENT AUDITOR'S REPORT

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

TO THE SHAREHOLDERS OF
OP FINANCIAL INVESTMENTS LIMITED
(FORMERLY KNOWN AS CONCEPTA INVESTMENTS LIMITED)
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of OP Financial Investments Limited (the "Company") and its subsidiary (collectively referred to as the "Group") set out on pages 24 to 57, which comprise the consolidated and Company balance sheets as at 31 March 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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 HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the Group's results 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.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

24 July 2008

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Note	2008 HK$	2007 HK$ (Restated)
Turnover	7	**9,464,047**	1,438,316
Other income		**1,500**	–
Net gain on financial assets at fair value through profit or loss		**5,968,526**	11,898,354
Impairment loss on available-for-sale financial assets		**(221,070)**	–
Equity-settled share-based payments	21	**(7,174,919)**	–
Administrative expenses		**(24,821,551)**	(3,882,485)
(Loss)/Profit before tax		**(16,783,467)**	9,454,185
Income tax	9	**–**	(1,403,099)
(Loss)/Profit for the year	10	**(16,783,467)**	8,051,086
Final dividend proposed	11	**–**	5,000,000
(Loss)/Earnings per share			
Basic	12(a)	**(5.1 cents)**	8.1 cents
Diluted	12(b)	**N/A**	N/A

CONSOLIDATED BALANCE SHEET

At 31 March 2008

	Note	2008 HK$	2007 HK$
Non-current assets			
Investment in an associate	15	**2,990,000**	–
Available-for-sale financial assets	16	**556,930**	778,000
		3,546,930	778,000
Current assets			
Financial assets at fair value through profit or loss	17	**9,000**	31,524,670
Amount due from a broker	18	**4,237,211**	–
Dividend and interest receivables		**1,966,660**	–
Prepayments and other receivables		**139,928**	138,498
Tax recoverable		**1,403,935**	–
Bank balances		**753,912,110**	30,577,667
		761,668,844	62,240,835
Current liabilities			
Accrued charges		**16,936,646**	1,345,353
Tax payable		**–**	433,069
		16,936,646	1,778,422
Net current assets		**744,732,198**	60,462,413
NET ASSETS		**748,279,128**	61,240,413
Capital and reserves			
Share capital	20	**70,050,000**	10,000,000
Reserves	23(a)		
Final dividend proposed		**–**	5,000,000
Others		**678,229,128**	46,240,413
TOTAL EQUITY		**748,279,128**	61,240,413
Net asset value per share	24	**1.07**	0.61

Approved by the Board of Directors on 24 July 2008

ZHANG Zhi Ping
Director

ZHANG Gaobo
Director

BALANCE SHEET

At 31 March 2008

	Note	2008 HK$	2007 HK$
Non-current assets			
Investment in a subsidiary	14	**16**	–
Available-for-sale financial assets	16	**556,930**	778,000
		556,946	778,000
Current assets			
Financial assets at fair value through profit or loss	17	**9,000**	31,524,670
Amount due from a broker	18	**4,237,211**	–
Dividend and interest receivables		**1,966,660**	–
Prepayments and other receivables		**139,928**	138,498
Tax recoverable		**1,403,935**	–
Amount due from a subsidiary	14	**2,996,068**	–
Bank balances		**753,912,110**	30,577,667
		764,664,912	62,240,835
Current liabilities			
Accrued charges		**16,936,646**	1,345,353
Tax payable		**–**	433,069
		16,936,646	1,778,422
Net current assets		**747,728,266**	60,462,413
NET ASSETS		**748,285,212**	61,240,413
Capital and reserves			
Share capital	20	**70,050,000**	10,000,000
Reserves	23(b)		
Final dividend proposed		**–**	5,000,000
Others		**678,235,212**	46,240,413
TOTAL EQUITY		**748,285,212**	61,240,413

Approved by the Board of Directors on 24 July 2008

ZHANG Zhi Ping
Director

ZHANG Gaobo
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2008

	Note	Share capital HK$	Reserves: Share premium HK$	Reserves: Share-based payment reserve HK$	Reserves: (Accumulated losses)/ Retained profits HK$	Reserves: Final dividend proposed HK$	Total HK$
At 1 April 2006		10,000,000	36,593,108	–	6,596,219	–	53,189,327
Profit for the year		–	–	–	8,051,086	–	8,051,086
2007 final dividend proposed		–	–	–	(5,000,000)	5,000,000	–
At 31 March 2007		10,000,000	36,593,108	–	9,647,305	5,000,000	61,240,413
Share issue expenses		–	(18,952,745)	–	–	–	(18,952,745)
Net expense recognised directly in equity		–	(18,952,745)	–	–	–	(18,952,745)
Loss for the year		–	–	–	(16,783,467)	–	(16,783,467)
Total recognised income and expense for the year		–	(18,952,745)	–	(16,783,467)	–	(35,736,212)
Issue of shares by placing	20(b)	60,000,000	660,000,000	–	–	–	720,000,000
Exercise of warrants	20(c)	50,000	550,000	–	–	–	600,000
Recognition of equity-settled share-based payments	21	–	–	7,174,927	–	–	7,174,927
2007 final dividend paid		–	–	–	–	(5,000,000)	(5,000,000)
At 31 March 2008		**70,050,000**	**678,190,363**	**7,174,927**	**(7,136,162)**	**–**	**748,279,128**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2008

	Note	2008 HK$	2007 HK$ (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax		(16,783,467)	9,454,185
Adjustments for:			
Impairment loss on available-for-sale financial assets		221,070	–
Dividend income from listed investments		(639,191)	(418,760)
Interest income		(8,824,856)	(1,019,556)
Depreciation		–	7,077
Net unrealised gain on financial assets at fair value through profit or loss		(9,000)	(6,764,348)
Equity-settled share-based payments		7,174,919	–
Operating (loss)/profit before working capital changes		(18,860,525)	1,258,598
Decrease/(Increase) in financial assets at fair value through profit or loss		31,524,670	(6,181,297)
Increase in amount due from a broker		(4,237,211)	–
Increase in prepayments and other receivables		(1,430)	(3,140)
Increase in accrued charges		15,591,293	596,920
Cash generated from/(used in) operations		24,016,797	(4,328,919)
Dividend received		620,381	418,760
Interest received		6,877,006	998,580
Income tax paid		(1,837,004)	(1,279,205)
Net cash generated from/(used in) operating activities		29,677,180	(4,190,784)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in an associate		(2,990,000)	–
Net cash used in investing activities		(2,990,000)	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(5,000,000)	–
Net proceeds from issue of shares on placement	20(b)	701,047,255	–
Proceeds from exercise of warrants	20(c)	600,000	–
Proceeds from issue of share options		8	–
Net cash generated from financing activities		696,647,263	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		723,334,443	(4,190,784)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		30,577,667	34,768,451
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		753,912,110	30,577,667
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances		753,912,110	30,577,667

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is 27/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiary and associate are set out in Notes 14 and 15 respectively.

To act as a facilitator of outbound Chinese investments as well as inbound foreign investments into China, in January 2008 the Company established a wholly-owned subsidiary, Golden Investor Investments Limited (Note 14), a special purpose investment vehicle through which the Company indirectly invested into Guotai Junan Fund Management Limited (Note 15), a joint venture fund management company established with Guotai Junan Financial Holdings (Samoa) Limited, a wholly owned subsidiary of Guotai Junan Securities Company Limited.

In the opinion of the directors of the Company, at 31 March 2008, Ottness Investments Limited, a company incorporated in the British Virgin Islands, is the immediate parent; Oriental Patron Financial Group Limited, a company incorporated in the British Virgin Islands, is the ultimate parent and Mr. Zhang Zhi Ping's is the ultimate controlling party of the Company.

2 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2007. HKFRSs comprise all applicable individual Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting polices and amounts reported for the current year and prior years.

The Group has applied the disclosure requirements under Hong Kong Accounting Standard 1 (Amendment) "Capital Disclosures" and Hong Kong Financial Reporting Standard 7 "Financial Instruments: Disclosures" retrospectively.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

3 CHANGE IN THE PRESENTATION OF TURNOVER

In prior years, turnover included the sale proceeds from sale of financial assets at fair value through profit or loss, while the related costs were presented as "cost of financial assets at fair value through profit or loss".

In the current year, the Group revised the presentation of turnover in order to conform with market practices. Interest income is included as a component of turnover; and the sale proceeds from sale of financial assets at fair value through profit or loss are offset against the cost of financial assets at fair value through profit or loss and are presented as net gain on financial assets at fair value through profit or loss (as a separate item) in the consolidated income statement. Accordingly, cash flow arising from interest income is reclassified from investing activities to operating activities in the current year.

The effects of the change in the presentation of turnover have been accounted for retrospectively with comparative figures restated. The effect of specific line items affected in the consolidated income statement is as follows:

	2008 **HK$**	2007 HK$
Decrease in turnover	**113,631,841**	46,717,513
Decrease in cost of financial assets at fair value through profit or loss	**116,497,171**	42,603,063
Decrease in other income	**8,824,856**	1,019,556
Increase in net gain on financial assets at fair value through profit or loss	**5,959,526**	5,134,006

These changes do not have any impact on the results of the Group in respect of the current and prior years.

4 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

The significant accounting policies applied in the preparation of the financial statements are set out below.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

4 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investment in a subsidiary is stated at cost less allowance for impairment losses. The results of subsidiary are accounted for by the Company on the basis of dividends received and receivable.

(b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

The Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

4 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

Translation differences on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included in the investment revaluation reserve in equity.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

(d) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentive received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

4 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

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

(f) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets not at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

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

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the income statement.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised directly in equity until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement. Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement.

For available-for-sale equity investments that do not have quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any impairment losses at each balance sheet date subsequent to initial recognition. Impairment losses recognised in the income statements are not subsequently reversed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

4 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

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

(h) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which 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.

(i) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(j) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Equity instruments

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

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably, on the following bases:

(i) Dividend income is recognised when the shareholder's right to receive payment is established; and

(ii) Interest income is recognised on a time-proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

4 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees.

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

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

(n) Share-based payments

The Group issues equity-settled share-based payments to certain employees and other eligible participants. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

(o) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

4 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Taxation *(continued)*

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(p) Related parties

A party is related to the Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

4 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Impairment of assets

At each balance sheet date, the Group' reviews the carrying amounts of its assets except financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(r) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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.

(s) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

5 CRITICAL JUDGEMENTS AND KEY ESTIMATES

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Estimation of fair value of financial assets at fair value through profit or loss

In the absence of quoted market price in an active market, the directors estimate the fair value of the Group's investment in China Data Broadcasting Holdings Limited ("CHINA DATA"), details of which are set out in Note 17 to the financial statements, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of CHINA DATA.

(b) Share-based payment expenses

The fair value of the share options granted determined at the date of grant of the respective share options is expensed, with a corresponding adjustment to the share-based payment reserve. In assessing the fair value of the share options, the Black-Scholes option pricing model was used. The Black-Scholes option pricing model is one of the generally accepted methodologies used to calculate the fair value of the share options. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected dividend yield and expected life of options. Any changes in these assumptions can significantly affect the estimate of the fair value of the share options.

6 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group	
	2008	2007
	HK$	HK$
Financial assets		
Available-for-sale financial assets	**556,930**	778,000
Financial assets at fair value through profit or loss classified as held for trading	**9,000**	31,524,670
Loans and receivables (including bank balances)	**760,135,665**	30,598,643
Financial liabilities		
Amortised cost	**16,936,646**	1,345,353

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

6 FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk. The board of directors (the "Board") meets periodically to analyse and formulate strategies to manage the Group's exposure to these risks. The Group's exposure to these risks is kept to a minimum. The Group has not used any derivatives or other instruments for hedging purpose.

The significant financial risks to which the Group is exposed to are described below.

(i) Foreign currency risk

The Group has no significant foreign currency risk due to limited foreign currency transactions. Accordingly, no sensitivity analysis has been presented.

(ii) Interest rate risk

The Group's interest rate risk arises from bank balances. All the Group's balances with banks are short terms in nature. Any future variations in interest rates will not have a significant impact on the results of the Group and therefore no sensitivity analysis has been presented.

(iii) Equity price risk

The Group is exposed to equity security price risk through their investments in equity securities. Given the insignificant portfolio of equity securities held by the Group management believes that the Group's equity price risk is minimal. Accordingly, no sensitivity analysis has been presented.

(iv) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the balance sheet date in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the balance sheet.

The Group's credit risk is limited because most of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on amount due from a broker is minimal since it has been fully recovered subsequent to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

6 FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management *(continued)*

(v) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its current obligations as they fall due. The Group's liquidity risk is minimal and is managed by matching the settlement of trading in securities. For the management of the Group's liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents adequate to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The directors review and monitor its working capital requirements regularly.

The following tables set out the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables are drawn up based on the undiscounted cash flows of financial liabilities and the earliest dates on which the Group can be required to pay.

	Group
	Less than 1 year HK$
At 31 March 2008	
Accrued charges	**16,936,646**
At 31 March 2007	
Accrued charges	1,345,353

(vi) Fair values

The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts.

The fair values of financial assets traded in active markets such as listed equity investments, included in financial assets at fair value through profit or loss, are based on quoted market prices at the balance sheet date. The quoted market price for financial assets held by the Group usually is the current bid price.

At 31 March 2008, unlisted equity investments included in available-for-sale financial assets, are stated at cost less any impairment losses. The directors considered that the carrying amount of such assets would not be materially different from their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

7 TURNOVER

Turnover represents the income received and receivable on investments during the year as follows:

	2008 HK$	2007 HK$ (Restated)
Dividend income from listed investments	639,191	418,760
Interest income	8,824,856	1,019,556
	9,464,047	1,438,316

8 SEGMENT INFORMATION

No segment information is presented as all of the turnover, contribution to operating results, assets and liabilities of the Group are attributable to investment activities which are carried out or originated principally in Hong Kong.

9 INCOME TAX

	2008 HK$	2007 HK$
Current – Hong Kong Profits Tax		
Provision for the year	–	1,403,935
Over-provision in previous year	–	(1)
Deferred tax (Note 19)	–	(835)
Income tax	–	1,403,099

No provision for Hong Kong Profits Tax has been made since the Group has no assessable profit for the year.

The reconciliation between the income tax and the product of (loss)/profit before tax multiplied by Hong Kong Profits Tax rate is as follows:

	2008 HK$	2007 HK$
(Loss)/Profit before tax	(16,783,467)	9,454,185
Tax at Hong Kong Profits Tax rate of 17.5% (2007:17.5%)	(2,937,106)	1,654,482
Tax effect of income that is not taxable	(1,656,209)	(251,705)
Tax effect of expenses that are not deductible	1,295,363	–
Tax effect of temporary differences not recognised	(64)	322
Tax effect of tax losses not recognised	3,298,016	–
Income tax	–	1,403,099

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

10 (LOSS)/PROFIT FOR THE YEAR

(a) The Group's (loss)/profit for the year is stated after charging the following:

	2008 HK$	2007 HK$
Auditor's remuneration	**220,000**	180,000
Depreciation	**–**	7,077
Impairment loss on available-for-sale financial assets	**221,070**	–
Investment management fee	**5,441,589**	864,821
Performance fee	**15,723,254**	1,050,465
Operating lease payments in respect of office premises	**108,000**	108,000
Staff costs (including directors' emoluments, Note 13(a))		
Salaries and other benefits	**1,834,016**	912,000
Equity-settled share-based payments	**7,174,919**	–
Retirement benefits scheme contributions	**31,484**	25,000
	9,040,419	937,000

(b) The loss for the year dealt with in the financial statements of the Company for the year ended 31 Mach 2008 was HK$16,777,383 (2007: profit for the year of HK$8,051,086) (Note 23(b)).

11 FINAL DIVIDEND PROPOSED

	2008 HK$	2007 HK$
HK$Nil (2007: HK$0.05) per ordinary share	**–**	5,000,000

The Board has resolved not to pay a final dividend.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

12 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the year of HK$16,783,467 (2007: profit for the year of HK$8,051,086) and the weighted average number of 326,381,694 (2007: 100,000,000) ordinary shares in issue during the year.

(b) Diluted (loss)/earnings per share

Diluted loss per share for the year ended 31 March 2008 has not been presented as the Company's outstanding warrants during the year ended 31 March 2008 has an anti-dilutive effect on the basic loss per share and the Company's share options have no dilutive effect for the year ended 31 March 2008 because the exercise price of the Company's share options was higher than the average market price for shares.

Diluted earnings per share for the year ended 31 March 2007 has not been presented as there were no potential dilutive shares outstanding during that year.

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to directors of the Company during the year ended 31 March 2008 are as follows:

Name of director	Fees HK$	Salaries and other benefits HK$	Retirement benefits scheme contributions HK$	Share-based payments HK$	Total HK$
Executive directors					
ZHANG Zhi Ping	–	**130,000**	**6,500**	**1,055,136**	**1,191,636**
ZHANG Gaobo	–	**130,000**	**6,500**	**1,055,136**	**1,191,636**
Non-executive directors					
LIU Hongru	**100,000**	–	–	–	**100,000**
ZHANG Huaqiao*	**36,339**	–	–	**1,055,136**	**1,091,475**
Independent non-executive directors					
KWONG Che Keung, Gordon	**100,000**	–	–	–	**100,000**
HE Jia	**100,000**	–	–	–	**100,000**
WANG Xiaojun	**100,000**	–	–	–	**100,000**
	436,339	**260,000**	**13,000**	**3,165,408**	**3,874,747**

* Mr. ZHANG Huaqiao was appointed on 20 November 2007.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(continued)*

(a) Directors' emoluments *(continued)*

The emoluments paid or payable to directors of the Company during the year ended 31 March 2007 are as follows:

Name of director	Fees HK$	Salaries and other benefits HK$	Retirement benefits scheme contributions HK$	Share-based payments HK$	Total HK$
Executive directors					
ZHANG Zhi Ping	–	130,000	6,500	–	136,500
ZHANG Gaobo	–	130,000	6,500	–	136,500
Non-executive director					
LIU Hongru	100,000	–	–	–	100,000
Independent non-executive directors					
KWONG Che Keung, Gordon	100,000	–	–	–	100,000
HE Jia	100,000	–	–	–	100,000
WANG Xiaojun	100,000	–	–	–	100,000
	400,000	260,000	13,000	–	673,000

The emoluments of the directors fell within the following bands:

	2008 Number of directors	2007 Number of directors
HK$Nil – HK$1,000,000	**4**	6
HK$1,000,001 – HK$1,500,000	**3**	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(continued)*

(b) Senior management's emoluments

Of the five individuals whose emoluments were the highest in the Group for the year, 3 (2007: 4) were directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 2 individuals (2007: 1) are as follows:

	2008 HK$	2007 HK$
Salaries and other benefits	**808,000**	252,000
Share-based payments	**1,582,705**	–
Retirement benefits scheme contributions	**15,000**	12,000
	2,405,705	264,000

The emoluments of the remaining 2 individuals (2007: 1) fell within the following bands:

	2008 Number of individual	2007 Number of individual
HK$Nil – HK$1,000,000	**1**	1
HK$1,500,001 – HK$2,000,000	**1**	–

14 INVESTMENT IN A SUBSIDIARY/AMOUNT DUE FROM A SUBSIDIARY

	Company	
	2008 HK$	2007 HK$
Unlisted shares, at cost	**16**	–
Amount due from a subsidiary	**2,996,068**	–

The amount due from a subsidiary is unsecured, interest-free and has no fixed repayment terms.

Details of the subsidiary at 31 March 2008 are as follows:

Name of subsidiary	Place of incorporation and operation	Issued and paid up capital	Percentage of ownership interest directly held by the Company	Principal activity
Golden Investor Investments Limited	British Virgin Islands	US$2	100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

15 INVESTMENT IN AN ASSOCIATE

	Group 2008 HK$	2007 HK$
Unlisted shares:		
Share of net assets	**2,990,000**	–

Details of the Group's associate at 31 March 2008 are as follows:

Name of associate	Business structure	Place of incorporation and operation	Issued and paid up capital	Percentage of ownership interest indirectly held by the Company	Principal activity
Guotai Junan Fund Management Limited	Corporate	Hong Kong	HK$10,000,000	29.9%	Dormant

Summarised financial information in respect of the Group's associate is set out below:

	2008 HK$	2007 HK$
At 31 March		
Total assets	**10,000,000**	–
Total liabilities	**–**	–
Net assets	**10,000,000**	–
Group's share of associate's net assets	**2,990,000**	–
Year ended 31 March		
Total revenue	**–**	–
Total profit for the year	**–**	–
Group's share of associate's profit for the year	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2008	2007
	HK$	HK$
Unlisted equity securities, at cost	**853,000**	853,000
Less: Impairment losses	**(296,070)**	(75,000)
	556,930	778,000

At 31 March 2008, the available-for-sale financial assets are investments in unlisted equity securities. They are measured at cost less any impairment losses at each balance sheet date as the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair values cannot be measured reliably.

Details of the investments in unlisted equity securities at 31 March 2008 are as follows:

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Investment value: Cost HK$	Investment value: Carrying amount HK$	Percentage of total assets of the Group	Net assets attributable to the Group (Note) HK$
(a) Creative Energy (Asia) Limited	Hong Kong	75,000 ordinary shares of HK$1.00 each (2007: 75,000 ordinary shares of HK$1.00 each)	15.00% (2007: 15.00%)	75,000 (2007: 75,000)	Nil (2007: Nil)	Nil (2007: Nil)	Nil (2007: Nil)
(b) Pacific Life Science Holdings Limited	Cayman Islands	1,000,000 ordinary shares of USD0.10 each (2007: 1,000,000 ordinary shares of USD0.10 each)	7.40% (2007: 7.40%)	778,000 (2007: 778,000)	556,930 (2007: 778,000)	0.07% (2007: 1.23%)	556,930 (2007: 742,220)

Note: The calculation of net assets attributable to the Group is based on the latest management accounts of respective investees.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS *(continued)*

A brief description of the business and financial information of the unlisted investees, is as follows:

(a) Creative Energy (Asia) Limited is principally engaged in the provision of services for environmental energy saving including design, implementation of energy efficiency management solutions system and retrofit projects with energy performance contract mechanism. No dividend was received during the year.

(b) Pacific Life Science Holdings Limited ("PACIFIC LIFE SCIENCE") is a holding company for private ventures in the life sciences industry in Asia. PACIFIC LIFE SCIENCE seeks to bring selected high potential North American life sciences projects to the Asian market in a form of joint venture with North American parent company. No dividend was received during the year. The unaudited loss attributable to shareholders of PACIFIC LIFE SCIENCE for the year ended 31 March 2008 was approximately HK$2,504,000 (2007: HK$402,000) and the unaudited net asset value attributable to shareholders of PACIFIC LIFE SCIENCE at 31 March 2008 was approximately HK$7,526,000 (2007: HK$10,030,000).

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2008	2007
	HK$	HK$
Equity securities listed in Hong Kong, at fair value	**9,000**	31,524,670

The above investments in listed equity securities are classified as held for trading. The fair values of these listed equity securities are based on quoted market prices.

Details of the investments in listed equity securities at 31 March 2008 are as follows:

Equity securities listed on the Stock Exchange

At 31 March 2008

				Investment value				
Name of investee	Place of incorporation	Particular of issued shares/ warrants held	Proportion of investee's capital owned	Cost HK$	Market value HK$	Unrealised gain HK$	Percentage of total assets of the Group	Net assets attributable to the Group (Note 1) HK$
(a) CHINA DATA	Bermuda	5,000,000 ordinary shares of HK$0.025 each	1.57%	9,534,875	Nil	Nil	Nil	N/A
(b) Listed warrants issued by Man Yue International Holdings Limited	N/A	30,000 warrants for subscription of 30,000 ordinary shares at HK$2.25 per share	N/A	–	9,000	9,000	Nil	N/A
				9,534,875	9,000	9,000		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

Equity securities listed on the Stock Exchange *(continued)*

At 31 March 2007

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Investment value: Cost HK$	Investment value: Market value HK$	Investment value: Unrealised gain/(loss) HK$	Percentage of total assets of the Group	Net assets attributable to the Group (Note 1) HK$
(a) Air China Limited	The People's Republic of China	400,000 H shares of RMB1.00 each	0.003%	1,412,094	2,160,000	747,906	3.43%	RMB891,728
(b) China BlueChemical Ltd.	The People's Republic of China	2,996,000 H shares of RMB1.00 each	0.065%	7,176,375	10,246,320	3,069,945	16.26%	RMB4,360,764
(c) CHINA DATA	Bermuda	5,000,000 ordinary shares of HK$0.025 each	1.57%	9,534,875	Nil	Nil	Nil	71,843
(d) China Southern Airlines Company Limited	The People's Republic of China	950,000 H shares of RMB1.00 each	0.022%	2,662,572	3,363,000	700,428	5.34%	RMB2,241,360
(e) Guangdong Investment Limited	Hong Kong	2,780,000 ordinary shares of HK$0.50 each	0.046%	7,749,936	11,592,600	2,001,600 (Note 2)	18.40%	5,806,390
(f) Man Yue International Holdings Limited	Bermuda	300,000 ordinary shares of HK$0.10 each	0.063%	204,743	708,000	48,000 (Note 2)	1.12%	381,971
(g) MTR Corporation Limited	Hong Kong	95,000 shares of HK$1.00 each	0.002%	1,939,226	1,856,300	(82,926)	2.95%	1,535,340
(h) The Link Real Estate Investment Trust	Hong Kong	43,500 units	0.002%	429,835	813,450	84,825 (Note 2)	1.29%	535,780
(i) Tianjin Capital Environmental Protection Company Limited	The People's Republic of China	250,000 H shares of RMB1.00 each	0.019%	590,430	785,000	194,570	1.25%	RMB453,503
				31,700,086	31,524,670	6,764,348		

Notes:

(1) The calculation of net assets attributable to the Group is based on the latest published interim reports or annual reports of respective investees at the balance sheet date.

(2) The unrealised gain/loss represented the changes in market value of the respective investees.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

Equity securities listed on the Stock Exchange *(continued)*

A brief description of the business and financial information of the listed investees, based on their latest published interim reports or annual reports, is as follows:

(a) CHINA DATA is principally engaged in the trading of consumer electronic products and the related parts and components. No dividend was received during the year. The audited loss attributable to shareholders of CHINA DATA for the year ended 31 December 2007 was approximately HK$3,896,000 and the audited net liabilities attributable to shareholders of CHINA DATA at 31 December 2007 was approximately HK$13,105,000. Due to the trading in shares of CHINA DATA on the Stock Exchange has been suspended for more than 3 years since 28 December 2004 and based on the latest published financial information of CHINA DATA, the directors are of opinion that the fair value of the Company's investment in CHINA DATA was nil at 31 March 2008.

(b) The listed warrants ("MAN YUE WARRANT") was issued by Man Yue International Holdings Limited ("MAN YUE") by way of bonus issue on 23 May 2007 on the basis of one MAN YUE WARRANT for every ten MAN YUE shares held. Each MAN YUE WARRANT will entitle the holder thereof to subscribe in cash for one share in MAN YUE at an initial subscription price of HK$2.25, subject to adjustment, at any time during the period commencing on 6 June 2007 and ending on 5 June 2009.

18 AMOUNT DUE FROM A BROKER – GROUP AND COMPANY

The amount due from a broker represented net recoverable arising from the sale and purchase transactions of listed securities. The balance is unsecured, interest-free and repayable on 1 April 2008, the settlement day of the relevant transactions.

19 DEFERRED TAX

The movement on the deferred tax liability in respect of accelerated tax depreciation is as follows:

	Group and Company	
	2008	2007
	HK$	HK$
Deferred tax liability at beginning of the year	**–**	835
Credited to the income statement for the year	**–**	(835)
Deferred tax liability at end of the year	**–**	–

At the balance sheet date, the following unused tax losses have not been recognised as deferred tax asset:

	Group and Company	
	2008	2007
	HK$	HK$
Unused tax losses	**18,845,809**	–

Deferred tax asset has not been recognised in respect of the above unused tax losses due to the unpredictability of future profit streams.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

20 SHARE CAPITAL

	Note	Number of shares 2008	Number of shares 2007	HK$ 2008	HK$ 2007
Ordinary shares of HK$0.10 each					
Authorised:					
At beginning of the year		**200,000,000**	200,000,000	**20,000,000**	20,000,000
Increase during the year	(a)	**1,800,000,000**	–	**180,000,000**	–
At end of the year		**2,000,000,000**	200,000,000	**200,000,000**	20,000,000
Issued and fully paid:					
At beginning of the year		**100,000,000**	100,000,000	**10,000,000**	10,000,000
Issue of shares by placing	(b)	**600,000,000**	–	**60,000,000**	–
Exercise of warrants	(c)	**500,000**	–	**50,000**	–
At end of the year		**700,500,000**	100,000,000	**70,050,000**	10,000,000

(a) Pursuant to an ordinary resolution duly passed at an extraordinary general meeting held on 7 November 2007, the authorised share capital of the Company was increased from HK$20,000,000 divided into 200,000,000 ordinary shares of par value of HK$0.10 each to HK$200,000,000 divided into 2,000,000,000 shares by the creation of an additional 1,800,000,000 shares, such new shares ranking pari pasu in all respects with the existing shares of the Company.

(b) On 15 November 2007, the Company completed the placing of 600,000,000 shares at a price of HK$1.20 per share (the "placing shares"). The net proceeds from the placing (after deducting share issue expenses of HK$18,952,745) was HK$701,047,255 and resulted in an increase in share premium of HK$660,000,000 (Note 23(b)).

(c) The placing shares were issued with 120,000,000 unlisted warrants on the basis of one warrant for every five placing shares. The warrants will be exercisable for a period of one year commencing on 15 November 2007 to 14 November 2008. During the year, 500,000 warrants were exercised for 500,000 shares of HK$0.10 at a subscription price of HK$1.20. Consequently gross proceeds of HK$600,000 and resulted in an increase in share premium of HK$550,000 (Note 23(b)) were raised.

Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2008 and 2007.

Neither the Company nor its subsidiary is subject to externally imposed requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

21 SHARE OPTION SCHEME

Under the Share Option Scheme adopted on 19 March 2003 and refreshed on 21 January 2008, the Board may at any time following the date of adoption and before the tenth anniversary thereof, offer to grant to certain selected classes of participants (including, among others, full-time employees) of the Company, an option to subscribe for shares as incentives or rewards for their contribution to the Company. The subscription price will be determined by the Board (subject to adjustment), and will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and (c) the nominal value of the shares of the Company. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Company may not exceed 10% of the share capital of the Company in issue. An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made.

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

The following table shows the movement of the Company's share options during the year ended 31 March 2008:

Date of share option granted	Outstanding at beginning of the year	Granted during the year	Outstanding at end of the year	Exercise price	Exercise period
20 December 2007	–	6,800,000	6,800,000	HK$1.974	20 December 2007 – 20 December 2010

In assessing the fair value of the share options granted and fully accepted during the year, the Black-Scholes option pricing model has been used. In current year, an amount of share option expense of HK$7,174,919 (2007: Nil) has been recognised.

Share options granted and fully accepted during year ended 31 March 2008:

Date of grant: 20 December 2007
Exercise period: 20 December 2007 – 20 December 2010
Exercise price: HK$1.974

Grantee	Date of share option granted	Number of share options granted	Share options valued at HK$ (Note c)	Number of share options at 31 March 2008
Directors	20 December 2007	3,000,000	3,165,408	3,000,000
Employees	20 December 2007	3,800,000	4,009,519	3,800,000
		6,800,000	7,174,927	6,800,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

21 SHARE OPTION SCHEME *(continued)*

Notes:

(a) There is no vesting period of the share options from the date of grant.

(b) The closing prices of the ordinary shares of the Company immediately before the date on which the options were granted was HK$1.95 on 20 December 2007.

(c) The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors best estimate. The value of an option varies with different variables of certain subjective assumptions. The theoretical aggregate value of the options was estimated at HK$7,174,927 as at 20 December 2007 (when the options were granted) with the following variables and assumptions:

Risk free interest rate:	2.607%
Expected volatility:	92.535%
Expected life of the options:	3 years from the date of grant
Expected dividend yield:	2.457%

Options forfeited, if any, before the expiry of the options will be treated as lapsed options which will be added back to the number of ordinary shares available to be issued under the Share Option Scheme.

22 WARRANTS

On 15 November 2007, the Company issued 120,000,000 unlisted warrants pursuant to the placement of shares completed on 15 November 2007 (Note 20(b)), with an aggregate subscription amount of HK$144,000,000. Each of the warrant-holder is entitled to subscribe for one ordinary share of the Company of HK$0.10 each at the initial subscription price of HK$1.20 (subject to adjustment (if any) during the period from 15 November 2007 to 14 November 2008 (both dates inclusive). During the year, 500,000 warrants were exercised and gross proceeds of HK$600,000 were raised accordingly. At 31 March 2008, there were 119,500,000 warrants outstanding.

23 RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

23 RESERVES *(continued)*

(b) Company

	Note	Share premium HK$	Share-based payment reserve HK$	(Accumulated losses)/ Retained profits HK$	Final dividend proposed HK$	Total HK$
At 1 April 2006		36,593,108	–	6,596,219	–	43,189,327
Profit for the year		–	–	8,051,086	–	8,051,086
2007 final dividend proposed		–	–	(5,000,000)	5,000,000	–
At 31 March 2007		36,593,108	–	9,647,305	5,000,000	51,240,413
Issue of shares by placing	20(b)	660,000,000	–	–	–	660,000,000
Share issue expenses	20(b)	(18,952,745)	–	–	–	(18,952,745)
Exercise of warrants	20(c)	550,000	–	–	–	550,000
Recognition of equity-settled share-based payments	21	–	7,174,927	–	–	7,174,927
Loss for the year		–	–	(16,777,383)	–	(16,777,383)
2007 final dividend paid		–	–	–	(5,000,000)	(5,000,000)
At 31 March 2008		**678,190,363**	**7,174,927**	**(7,130,078)**	**–**	**678,235,212**

The Company's reserves available for distribution comprise share premium, share-based payment reserve and retained profits/accumulated losses. In the opinion of the directors, the Company's reserves available for distribution to the shareholders at 31 March 2008 were HK$678,235,212 (2007: HK$51,240,413).

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company subject to the provisions of the Memorandum and Articles of Association and provided that the Company is able to pay its debts as they fall due in the ordinary course of business immediately following the distribution of dividends.

(ii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and other eligible participants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 4(n) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

24 NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value of the Group at 31 March 2008 of HK$748,279,128 (2007: HK$61,240,413) by the number of ordinary shares in issue at that date, being 700,500,000 (2007: 100,000,000).

25 LEASE COMMITMENTS

At 31 March 2008, the total future minimum lease payments under non-cancellable operating lease for office premises are payable as follows:

	2008 HK$	2007 HK$
Within one year	**9,000**	108,000
In the second to fifth years inclusive	**–**	9,000
	9,000	117,000

26 RELATED PARTY TRANSACTIONS

During the year, the Group had entered into the following significant related party transactions:

Transactions and balances with related parties

Name of related party	Nature of transactions and balances	**2008 HK$**	2007 HK$
Oriental Patron Asia Limited (“OPAL”) (Note a)	Investment management fee paid/payable (of which HK$971,861 (2007: HK$81,711) was included in accrued charges) (Note d)	**5,441,589**	864,821
OPAL	Accrued performance fee (Note d)	**15,723,254**	1,050,465
OPAL	Advisory fee paid (Note e)	**70,000**	–
OPAL	Placing commission paid (Note f)	**18,000,000**	–
Oriental Patron Securities Limited (“OPSL”) (Note b)	Commission paid (Note g)	**231,566**	39,824
OPSL	Amount due from a broker (Note h)	**4,237,211**	–
Oriental Patron Finance Limited (“OPFL”) (Note c)	Rental paid (Note i)	**108,000**	108,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

26 RELATED PARTY TRANSACTIONS *(continued)*

Transactions and balances with related parties *(continued)*

Notes:

(a) OPAL (trading as Oriental Patron Fund Management for its fund management activities) is the investment manager of the Company and is a wholly owned subsidiary of Oriental Patron Financial Services Group Limited ("OPFSGL"). OPFSGL was previously a substantial shareholder of the Company which had an interest of 29.80% in the share capital of the Company. The directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo had significant influence in OPFSGL. Upon the completion of the placement of shares (Note 20(b)) on 15 November 2007, the Company becomes the subsidiary of Oriental Patron Financial Group Limited, which is also the ultimate holding company of OPFSGL. Hence, OPAL becomes a fellow subsidiary of the Company.

(b) OPSL is a wholly owned subsidiary of OPFSGL. OPFSGL was previously a substantial shareholder of the Company which had an interest of 29.80% in the share capital of the Company. The directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo had significant influence in OPFSGL. Upon the completion of the placement of shares (Note 20(b)) on 15 November 2007, the Company becomes the subsidiary of Oriental Patron Financial Group Limited, which is also the ultimate holding company of OPFSGL. Hence, OPSL becomes a fellow subsidiary of the Company.

(c) OPFL is an affiliated company; the directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFL.

(d) Investment management fee and performance fee are charged in accordance with the agreement with OPAL for investment management services. The investment management fee was calculated at 1.5% per annum on the Net Asset Value of the Company at each preceding month end as defined in the agreement. Performance fee represented 10% of the net increase in the Net Asset Value per share at the Performance Fee Valuation Day as defined in the agreement.

(e) Pursuant to an agreement dated 7 December 2007, the Company appointed OPAL to act as the financial adviser in respect of the refreshment of general mandate to issue new shares and repurchase shares.

(f) Pursuant to the placing agreement dated 7 September 2007, the Company appointed OPAL to act as the placing agent and paid OPAL a commission at 2.5% of the aggregate placing price. The placing commission, being a share issue expense, was debited to the share premium account.

(g) The commission fee was charged on the sale and purchase transactions of listed securities through OPSL.

(h) The amount due from a broker represented net receivable arising from the sale and purchase transactions of listed securities through OPSL with which the Company holds a securities trading account and pending settlement at 31 March 2008. The receivable was due within one trading day.

(i) The Company entered into a licence agreement with OPFL on 1 February 2007 in respect of the provision of the principal place of business of the Company for the period from 16 February 2007 to 30 April 2008 for a monthly rental of HK$9,000.

Compensation of key management personnel

The key management personnel of the Company comprises all directors, details of their remuneration are disclosed in Note 13(a) to the financial statements.

27 RETIREMENT BENEFITS SCHEME

The Group makes contributions to a defined contribution Mandatory Provident Fund Scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance which is available for all eligible employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

During the year, the Group's contributions charged to the consolidated income statement amounted to HK$31,484 (2007: HK$25,000).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

28 SUBSEQUENT EVENTS

On 24 June 2008, the Group entered into an Agreement for Sale and Purchase with Mr. Benoit Descourtieux (the "Vendor") to acquire 30% of the issued ordinary shares and 100% of the issued non-voting preference shares of Calypso Capital Limited ("CHK"); and 30% of the issued ordinary shares and 100% of the issued non-voting preference shares of Calypso Capital (Cayman) Limited ("CC"). Both CHK and CC are asset management companies incorporated in Hong Kong and the Cayman Islands respectively.

The initial purchase price payable by the Group to the Vendor is HK$6,875,000 by way of issue and allotment of 5,500,000 ordinary shares of the Company to the Vendor at an issue price of HK$1.25 per ordinary share. In addition, the Group also agreed to issue and allot:

(a) 450,000 ordinary shares of the Company to the Vendor at an issue price of HK$1.25 per ordinary share if the adjusted net asset value of CHK at 31 March 2009 is not less than HK$2,500,000; and

(b) 4,050,000 ordinary shares of the Company to the Vendor at an issue price of HK$1.25 per ordinary share if the adjusted net asset value of CC at 31 March 2009 is not less than HK$1,000,000.

In addition, the Group agreed to grant, at the completion date of the acquisition pursuant to the aforesaid Agreement for Sale and Purchase, to the Vendor the options to subscribe for a maximum of 20,000,000 ordinary shares of the Company at HK$1.25 per share upon the exercise of the options.

The acquisition is still in progress up to the date of approval of the financial statements.

29 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 24 July 2008.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out below. This summary does not form part of the audited financial statements.

	Year ended 31 March				
	2008	2007	2006	2005	2004
	HK$	HK$	HK$	HK$	HK$
		(Restated)	(Restated)	(Restated)	(Restated)
RESULTS					
Turnover	**9,464,047**	1,438,316	792,323	278,412	798,241
(Loss)/Profit before tax	**(16,783,467)**	9,454,185	8,182,257	(5,438,724)	17,306,560
Income tax	–	(1,403,099)	(307,090)	1,226	(2,828,226)
(Loss)/Profit for the year	**(16,783,467)**	8,051,086	7,875,167	(5,437,498)	14,478,334

	At 31 March				
	2008	2007	2006	2005	2004
	HK$	HK$	HK$	HK$	HK$
ASSETS AND LIABILITIES					
Total assets	**765,215,774**	63,018,835	54,246,935	48,043,717	65,269,602
Total liabilities	**(16,936,646)**	(1,778,422)	(1,057,608)	(2,729,557)	(4,517,944)
Net assets	**748,279,128**	61,240,413	53,189,327	45,314,160	60,751,658