NuBrands
Group
滙寶集團

Nubrands Group Holdings Limited

Stock Code: 835

Annual Report 2007/08

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CORRESPONDENCE ADDRESS AND PRINCIPAL PLACE OF BUSINESS

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BRANCH SHARE REGISTRAR

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REMUNERATION COMMITTEE

Ho Man Kin, Tony
Li Kar Fai, Peter
Yeung Ting Lap, Derek Emory

AUDIT COMMITTEE

Li Kar Fai, Peter
Ho Man Kin, Tony
Yeung Ting Lap, Derek Emory

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
DBS Bank (Hong Kong) Limited

LEGAL ADVISERS

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WEBSITE ADDRESS

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SHARE LISTING

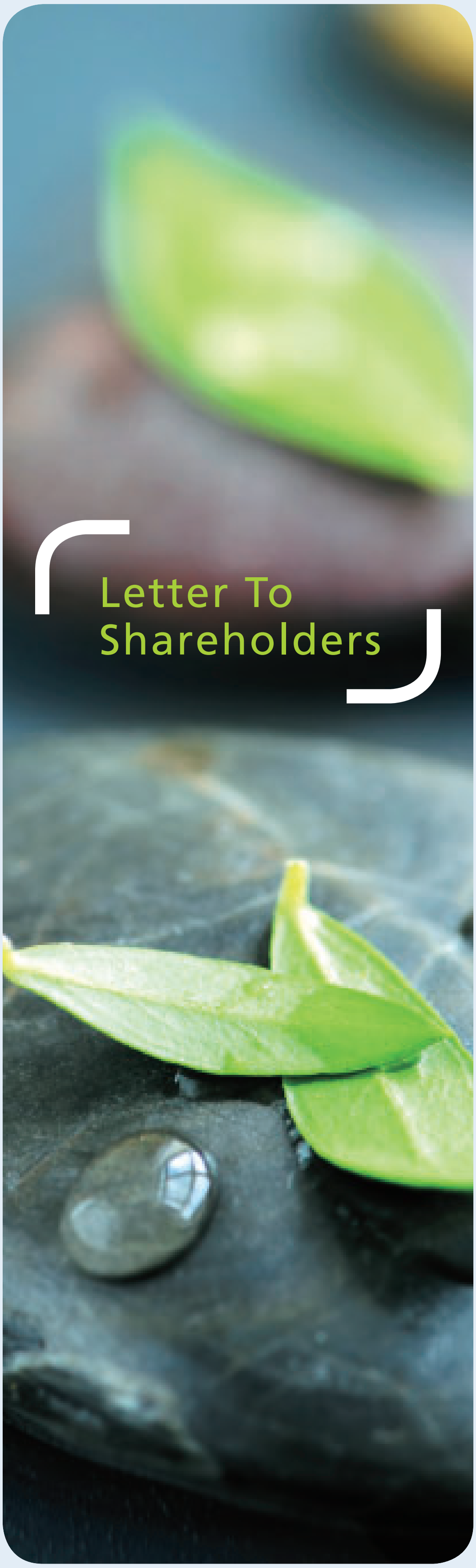
Listed on The Stock Exchange of Hong Kong Limited
Stock Code: 835

On behalf of my fellow directors and senior management team, I am pleased to present the Annual Report of Nubrands Group Holdings Limited ("the Group") for the financial year ended 31st March 2008.

2008 was a pivotal and transitional year for the Group, a year in which we critically assessed our existing businesses, commenced the rationalization of some of our Group's activities, and established the core foundation deemed necessary in transforming the Group into a more focused and economically vibrant investment holding conglomerate. This year's initiatives was marked by a number of divestment in existing businesses as well as pioneering strategic investments in the mining and energy sector which management believes will hold significant commercial potential for the Group.

BUSINESS REVIEW OF FY2007/2008

Since the repositioning of Nubrands in 2006, the Group has focused on building solid foundation for its health and beauty operation and strengthening its original medical equipment trading business. This financial year, increased in our marketing effort complemented by an upturn in the economy contributed to a higher turnover growth in Hong Kong and Mainland China with the Group turnover increase of over 21% to HK$50.8 million. Nonetheless, the continuous increase in production costs in the PRC and the decrease in trade margins from our imported brands resulted in the widening of our consolidated loss for the year to HK$28.5 million from HK$12.2 million in previous financial year.



Despite intense competition, the Group continued to strive for expansion where it made long-term sense and improvements in its health and beauty business throughout the year. As part of the effort, the Group continued to push for expansion in its "One-Stop-Shop" personal care and skincare products OEM business, supplying private label products to multinational healthcare and supermarket chains. The Group had also devoted substantial resources to revamp and reposition its own skincare brand "LaVie" to enhance the brand's overall recognition and sustainability in the competitive market. As a result of the Group's new direction to focus more in nurturing its own brands, in early 2008 the Group ceased to import and distribute some of its lower margin imported brands such as "Lumene", "Institut Arnaud Paris" and "BYLY".

The Group also continued to demonstrate its commitment to achieve substantial and sustainable financial growth for the Group and to maximize shareholders' value by seeking and capitalizing on new opportunities. In this regard, the Group has undertaken various corporate exercises to diversify its business portfolio through acquisitions and restructuring its existing business operations. In January 2008, the Group entered into a sale and purchase transaction to dispose of its entire interests in the medical equipment business.

In early 2008, the Group was offered an opportunity to become a significant player in the Mining and Energy industry. After the appropriate due diligence and assessing the opportunities and potential value of this initiative, on 25th January 2008, the Group entered into sale and purchase agreements to acquire 2 coal mines in Mongolia with a combined estimated coal deposits of upto 1 billion tonnes. Coal, driven by strong demand and limited supply, has experienced robust price appreciation in the past few years and this trend will likely continue into 2009. The Group believes that the diversification into the coal and energy industry in its business portfolio will strengthen the Group's earning base and allow the Group to benefit substantially and sustainably from the opportunities and value unleashed by the coal and other energy sources.

PROSPECTS

The Group views the prospects of the health and beauty business as challenging with the intense competition in the health and beauty industry in Hong Kong and PRC, the entry of new competitors, and the increase in the cost of production and increased investment spending on promoting the brands. Hence, the Group is seeking new efforts to work on various measures in gradually increasing the prices of the products as well as to introducing other value added factors to our own brands, including fine tuning certain product formulations and engaging new and experienced suppliers to manufacture our own product lines in Switzerland instead of the PRC. Despite the keen competition and challenging business environment, the Group remains confident that our efforts in cost control and product enhancements as a strategic priority will allow a healthy and sustainable growth in the foreseeable future as these brands remain properly managed and supported.

In view of the continuous robust growth of the economy, driven by huge potential in energy consumption and demand in the PRC, Russia and other Asian developing countries, the Group is optimistic of the prospects of our new business venture in Coal and Energy industry. The Group will bring in a highly experienced management team and professionals for the exploration, survey, exploitation, sales of coals and other resources therein. The Group will firmly seize the opportunity of the continuous growth in demand for coal and other resources and strive to expand our presence and market share in this arena.

FACING THE FUTURE WITH CONFIDENCE

In closing, I would like to express my deepest gratitude to my fellow Board members for their continuous commitment, contribution and support. I would also like to thank our customers, business partners and investors for their continuous support. Last but not least, nothing would have been made possible without a competent team so I would like to extend my appreciation to our management team and employees for their dedication and hard work during the past year.

While the business expansion is already well underway, the Board will continue to closely monitor the progress of the Group's development and amend its strategies as and when necessary. As the Chairman of the Group, I will continue to put my best effort to steer the Group to produce better economic results and higher returns to our shareholders.

KWOK Wing Leung, Andy
Chairman

Hong Kong, 21st July 2008

Management Discussion and Analysis

BUSINESS REVIEW

During the reporting year, the Group was principally engaged in the manufacturing and distribution of personal care and beauty products, and in the trading of medical equipments.

In the health and beauty sector, the Group continued to expand its "One-Stop-Shop" personal care and skincare OEM products manufacturing business, supplying house brands and private label products to multinational healthcare chains and supermarket chains. The Group had also devoted substantial resources to revamp and reposition its own skincare brand "LaVie" to enhance the brand's overall brand recognition and sustainability in the competitive market. As a result of this new direction to focus more in nurturing the Group's own brands, in early 2008 the Group ceased to distribute some of its less popular imported brands, including "Lumene" and "BYLY".

In this reporting year, the Group continued to strengthen its medical equipment sales and servicing business, supplying a variety of medical equipment to numerous hospitals and medical clinics in Hong Kong.

On 25th January 2008, the Group entered into agreements to acquire Giant Field Group Limited ("GF") and Power Field Holdings Limited ("PF"). GF holds the mineral mining and other rights to the Saikhan Ovoo coal mine in the Bulgan province of Mongolia with an estimated coal resource of upto 190 million tonnes. PF holds the mineral exploration and other rights to the Erdenetsogt coal deposit in the Dornogobi province of Mongolia with an estimated coal resource / reserve of upto 900 million tonnes. The acquisition was approved by the shareholders on 6th June 2008, which signifies the Group's new venture into coal and energy-related businesses.

The coal and energy related businesses will be the focus of the Group's activities in the coming years. Accordingly, the Group entered into various agreements to divest some non-core investments during the year.

On 31st January 2008, the Group entered into a Sale and Purchase Agreement to dispose of its entire interests in the medical equipment business. The disposal was approved by the shareholders on 6th June 2008 and completed in July 2008.

On 19th March 2008, the Group entered into a settlement agreement with the vendors of Speed Growth Trading (HK) Company Limited ("Speed Growth"), a company engaged in the development, production and sales of skincare and personal care products in Peoples' Republic of China ("PRC") under the brand name of "孫思邈" (Sun Si Miao), to rescind the Sale and Purchase Agreement to acquire an aggregate 51% issued share capital of Speed Growth.

FINANCIAL REVIEW

Results Analysis

For the year ended 31st March 2008, the Group generated a consolidated turnover of HK$50.8 million, representing a growth of 21.4% over that of last financial year. The increase was mainly attributable to the substantial increase in sales of medical equipment, with a HK$10.6 million or 41.5% increase in turnover as compared to the last corresponding year. Turnover for the year attributed from health and beauty business decreased slightly from HK$16.2 million in previous year to HK$14.5 million in current financial year, representing a 10.5% reduction. This decrease was mainly due to the termination of "Lumene" and "BYLY" distribution contracts during the year as a result of management's decision to focus on the Group's own brands, as well as the gradual clearance of existing stock on hand starting from beginning of 2008 in preparation for the launch in September 2008, the complete revamping of the "LaVie" brand which will be 100% made in and imported from Switzerland.

During the financial year ended 31st March 2008, the Group recorded a gross profit of HK$14.9 million, representing a mere 0.6% increase compared to last financial year. Despite the substantial increase in turnover, gross profit margin decreased from 35.5% as recorded in the previous year to 29.5% for the year under review as a combined result of the substantial increase in cost of the imported European brands, namely "Lumene" and "BYLY", distributed by the Group during the year prior to their termination in early 2008, and the increase in overall costs of production in PRC for both OEM products and the Group's own brands.

Loss for the year increased to HK$28.5 million from HK$12.2 million recorded during the previous financial year. Such substantial increase was partly attributable to the loss in rescinding the agreement to acquire Speed Growth, as well as the continued investment in advertising and promotional activities including TV and print advertising, the appointment of a spokesperson, and other marketing activities to strengthen the "LaVie" brand. The Group has also continued to invest substantially in human resources and infrastructure to support the anticipated growth of its distribution network in both Hong Kong and PRC. Share options were granted to employees and consultants during the year to attract and retain talent to assist the Group in successfully implementing its business strategies and ensuring its sustainable long-term success.

Segmental Analysis

Health and Beauty Products

During the year under review, sales of health and beauty products amounted to HK$14.5 million, representing a decrease of HK$1.7 million or 10.5% over the last corresponding financial year. The decrease in turnover was primarily due to the gradual clearance sales of existing "LaVie" products since the beginning of 2008 in preparation for the re-launch of the upgraded "LaVie" brand in September 2008. The increase in segmental loss for the year was a result of the increase in wholesale costs of imported skincare brands distributed by the Group, as well as the continuous increase in production and related costs in the PRC where the Group's OEM products and its own brands were manufactured. As a result, the Group implemented a new strategy in late 2007 to concentrate its resources in nurturing the Group's higher margin branded products rather than diverting part of its resources in managing and distributing other imported brands in Hong Kong and PRC. The Group discontinued the distribution of several lower margin imported brands in early 2008, and increased the spending on advertising and marketing activities for "LaVie" and the Group's other brands to enhance their brand recognition which is vital to the long-term success of the Group.

Medical Equipment

During the year under review, sales of medical equipment amounted to approximately HK$36.3 million, representing a 41.5% increase over previous financial year. The solid increase was driven by the strong sales increase in the cardiology sector and the neuro-surgical market. The year saw a segmental profit of approximately HK$2.2 million.

Despite the strong performance in the current financial year, the Group has determined that sales would be difficult to sustain in the future due to a limited market in Hong Kong and increase in competition from other international medical equipment suppliers. As part of the plan to divest some of its non-core businesses, the Group entered into a sale and purchase agreement on 31st January 2008 to dispose its entire interests in the subsidiary operating the medical equipment business for an aggregate consideration of HK$35 million.

New Business Venture

On 25th January 2008, the Company has entered into sale and purchase agreements to acquire mineral exploration, mineral mining and other rights of two coal mines in Mongolia. The Company believes that the Saikhan Uul mining area in the Bulgan province of Mongolia has estimated coal deposits of upto 190 million tonnes and the Erdenetsogt mining area in the Dornogobi province of Mongolia has estimated coal deposits of upto 900 million tonnes. The consideration to be paid for the abovementioned rights for the two mining areas, upon a specific technical adviser successfully assessing the required quality and maximum agreed quantity of coal deposits, amounts to approximately HK$820 million and HK$3,887 million respectively, and will be settled by the issuance of consideration shares and convertible bonds for the rights in the Saikhan Ovoo mining area and of convertible bonds for the rights in the Erdenetsogt mining area. The acquisition was approved by the shareholders on 6th June 2008.

In view of the global scarcity of resources and China and Russia, the two neighbouring countries of Mongolia, being a ready market place for energy, coal and coal products, the acquisition will transform the Group into a scalable participant in the energy business and eventually propel the Group to a global energy player.

Financial Resources and Liquidity

As at 31st March 2008, the Group held cash and bank balances amounting to approximately HK$20,977,000 (2007: HK$ 21,403,000) while the total borrowings were HK$3,397,000 (2007: HK$2,408,000). The gearing ratio, defined as the ratio of total borrowings less cash and bank balances to equity attributable to shareholders of the Company, was therefore not presented as the Group had a net cash position as at 31st March 2008.

In July 2008, the Company completed a share placement through which 400,000,000 new shares were issued to independent placees at the subscription price of HK$0.28 per placing share and net proceeds of approximately HK$110.8 million was raised by the Company.

With its available cash balances and banking facilities, the Group has sufficient financial resources to fund its operational requirements.

Charges on Assets

As at 31st March 2008, prepaid lease payments, building, property, plant and equipment and bank deposits with respective carrying values of approximately HK$2,813,000 (2007: HK$2,884,000), HK$1,886,000 (2007: HK$1,945,000), HK$191,000 (2007: Nil) and HK$1,689,000 (2007: HK$2,652,000) were pledged with banks and other financial institutions in order to secure the Group's banking facilities and finance lease obligations.

Foreign Exchange Risk Management

The majority of the Group's assets and liabilities are either denominated in Hong Kong dollars or United States dollars and most of the Group's cash balances are deposited in Hong Kong dollars or United States dollars with major banks in Hong Kong. Certain portion of the Group's purchases was denominated in foreign currencies which exposed the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy and did not engage in the use of derivative products during the year under review. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

Capital Commitment

As at 31st March 2008, the Group had no capital commitments.

Contingent Liabilities

As at 31st March 2008, the Group had no significant contingent liabilities.

PROSPECTS AND OUTLOOK

The Group has demonstrated its commitment to identifying and capitalizing on new opportunities to achieve substantial and sustainable financial growth for the Group and to maximize shareholders' value. Through a combination of rationalization and repositioning of existing businesses and strategic and coordinated investments in new ventures in current financial year, the Group has established a firm platform to achieve exciting and sustainable future successes.

For its coal and energy business, the Group will focus on exploration and exploitation for coal within the licensed areas in Mongolia. The Group will also focus its efforts to identify and pursue other feasible resources projects and the Directors believe the Group will be able to take up such opportunities when they arise.

For its health and beauty business, the Group remains positive about the macro-economic environment with both Hong Kong and the Mainland China currently benefiting from strong growth in the health and beauty sectors. Expansion for the Group will continue in Hong Kong and Mainland China with plans to increase the geographic coverage of its OEM business to overseas. The Group is optimistic about the sales growth in the coming years with the launch of new "LaVie" skincare brand, 100% imported and made in Switzerland, in Hong Kong, Mainland China and other export markets.

The Group will continue to look for strategic acquisitions and partnership opportunities which are in line with the Group's expansion strategy or provide synergy to its principal business activities. The Group will also consider whether any asset disposal, asset acquisition, fixed assets redeployment, business rationalization, business divestment and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group.

HUMAN RESOURCES

As at 31st March 2008, the Group had a total of 72 employees. The Group believes its success and long-term growth depends primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are also offered to qualified employees based on individual and Group performance.

COMPLIANCE OF CORPORATE GOVERNANCE CODE

The Company has, throughout the year ended 31st March 2008, applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "SEHK") save and except certain deviations as more specifically described below. The current practices will be reviewed and updated regularly so that the latest development in corporate governance can be followed and observed.

DIRECTORS

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") set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiry with all directors, confirms that all directors have complied with the Model Code throughout the financial year ended 31st March 2008.

Directors and Directors' Independence

The Board of directors (the "Board") comprises:

Executive directors
Mr. KWOK Wing Leung, Andy *(Chairman)*
Mr. TSE Michael Nam

Non-executive director
Mr. YEUNG Ting Lap, Derek Emory

Independent non-executive directors
Ms. CHIU Kam Hing, Kathy
Mr. HO Man Kin, Tony
Mr. LI Kar Fai, Peter

The Company has received, from each of the independent non-executive directors, confirmation of his independence pursuant to Rules 3.13 of the Listing Rules. The Company considers all the independent non-executive directors are independent.

During the financial year ended 31st March 2008, 26 Board meetings, 2 Audit Committee meetings and 1 Remuneration Committee meeting were held respectively. Attendance by directors at Board and Committee meetings is shown below:

Attendance Record for the Board and Board Committee Meetings During the Year	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
	Number of Attendance/Number of Meeting		
Executive directors			
Mr. KWOK Wing Leung, Andy	26/26	n/a	n/a
Mr. TSE Michael Nam	18/26	n/a	n/a
Non-executive director			
Mr. YEUNG Ting Lap, Derek Emory	26/26	2/2	1/1
Independent non-executive directors			
Ms. CHIU Kam Hing, Kathy	24/26	n/a	n/a
Mr. HO Man Kin, Tony	24/26	2/2	1/1
Mr. LI Kar Fai, Peter	17/26	2/2	1/1

Role and Function

While daily operation and administration are delegated to the management, the Board is responsible for the types of decision relating to the following aspects:

– Formulation of operational and strategic direction of the Group;

– Monitoring the financial performance of the Group;

– Overseeing the performance of the management;

– Ensuring a prudent and effective framework of internal control is in place to enable risks to be assessed and managed; and

– Setting the Company's values and standards.

The Board held meetings from time to time whenever necessary. Minutes of every Board meeting are circulated to all directors for their perusal and comments prior to confirmation of the minutes at the following Board meeting. The Board also ensures that it is supplied in a timely manner with the agenda and all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

The attendance record of individual Board meetings during the year is set out in the table on this page.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

The Separate Roles of Chairman and Chief Executive Officer

The Company does not have two separate chairman and chief executive officer, and Mr. Kwok Wing Leung, Andy currently holds both positions. This constitutes a deviation from code provision A.2.1 of the Code. However, the Board believes that vesting the roles of both chairman and chief executive officer in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective supervision of management. Such a structure provides many of the benefits of having a separate chairman and chief executive officer. The structure includes:

– Having the Audit Committee comprising a majority of independent non-executive directors;

– Having the Remuneration Committee comprising a majority of independent non-executive directors;

– Ensuring that independent non-executive directors have free and direct access to both Company's external auditors and independent professional advice where considered necessary.

The Board believes that these measures will ensure that our independent non-executive directors continue to effectively supervise the Group's management and to provide vigorous control of key issues relating to strategy, risk and integrity. The Board continually reviews the effectiveness of the Group's corporate governance structure to assess whether any changes, including the separation of the positions of chairman and chief executive officer, are necessary.

Appointment and Re-election of Directors

Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing non-executive director of the Company is now not subject to a specific term but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code. In order to comply with the Code, the Company would try its best to procure any future appointment of non-executive director with a specific term and subject to re-election.

Directors' Responsibility for Financial Statements

The directors acknowledge their responsibility in overseeing the preparation of the financial statements that give a true and fair view of the state of affairs of the Group. Having made appropriate enquiries, the directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future, and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements. With the assistance of the finance department, the directors ensures that the financial statements of the Group are being prepared, and published in a timely manner, in accordance with the applicable accounting standards and statutory requirements. The directors' statements of responsibility for the financial statements should be read in conjunction with – but distinguished from – the Independent Auditor's Report on pages 26 to 27 of this Annual Report, which acknowledges the reporting responsibilities of the external auditors.

REMUNERATION COMMITTEE

A Remuneration Committee was established by the Company in previous financial year to establish policies, review and determine the remuneration of the directors and the senior management. The Remuneration Committee comprises two independent non-executive directors namely Mr. Ho Man Kin, Tony (chairman) and Mr. Li Kar Fai, Peter, and one non-executive director namely Mr. Yeung Ting Lap, Derek Emory.

According to the terms of reference of the Remuneration Committee, its major roles and functions are as follows:

(1) To make recommendations to the Board on the Group's policy and structure for all remuneration packages of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.

(2) To have the delegated responsibility to determine the specific remuneration packages for all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors. The Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remunerations.

(3) To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

(4) To review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.

(5) To review and approve compensation arrangement relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

(6) To ensure that no director or any of his associate is involved in deciding his own remuneration.

The Remuneration Committee held one meeting during the year. The complete attendance record of individual committee members is set out in the table on page 12 of this report.

The remuneration policies for the Company as well as the directors are market alignment and reward for performance. The Company reviews the remuneration package annually taking into consideration of the market practice, competitive market position and individual performance.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for overseeing the internal control system of the Group. To facilitate the effectiveness and efficiency of operations and to ensure compliance with relevant laws and regulations, the Group emphasises on the importance of a sound internal control system which is also indispensable for mitigating the Group's risk exposures. The Group's internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives.

The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and identification of business risks. The Board is satisfied that, based on information furnished to it and on its own observations, the present internal controls of the Group are satisfactory.

The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's performance by the Audit Committee and the Board.

The Board has conducted review of the effectiveness of its internal control system and is of the view that the internal control system adopted for the year ended 31st March 2008 is sound and is effective to safeguard the interests of the shareholders' investment and the Group's assets.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises two independent non-executive directors namely, Mr. Li Kar Fai, Peter (chairman) and Mr. Ho Man Kin, Tony, and one non-executive director namely Mr. Yeung Ting Lap, Derek Emory. Mr. Li Kar Fai, Peter, the chairman of the Audit Committee, has professional qualification and in-depth experience in accounting and corporate finance. No member of the Audit Committee is a member of the former or existing auditors of the Company.

According to the existing terms of reference of the Audit Committee, its major roles and functions are, amongst others, (i) to oversee the relationship with the Company's auditors; (ii) to review the interim and annual financial statements; and (iii) to review the Company's financial reporting system and internal control and risk management procedures.

The Audit Committee held two meetings during the year. The complete attendance record of individual committee members is set out in the table on page 12 of this report.

In performing its duties in accordance with its terms of reference, the Audit Committee reviewed and supervised the financial reporting process and internal control and risk management systems of the Group and reviewed the Group's financial statements for the relevant period with reference to the scope of the terms of reference. The Audit Committee also conducted discussion with external auditors on financial reporting and compliance and reported relevant matters to the Board.

AUDITORS

The financial reporting responsibilities of the auditors are set out on pages 26 to 27 of this annual report.

During the financial year ended 31st March 2008, the fees paid/payable to the external auditors in respect of audit and non-audit services provided by the auditors to the Group were as follows:

Nature of services rendered	**Fee paid/payable**
	HK$'000
Audit services	1,111
Non-audit services	222
	1,333

CORPORATE COMMUNICATION/INVESTOR RELATIONS

The Code required the Company to have a dialogue with shareholders and the Board recognises the importance of maintaining effective communications with shareholders. Annual reports and interim reports provide shareholders with comprehensive information on the Group's operational and financial performances while general meetings offer a platform for shareholders to state and exchange views with the Board directly.

The management communicates continually with analysts and institutional investors and provides them up-to-date and comprehensive information regarding the Group's development. The Company practices timely dissemination of information including annual reports, interim reports, announcements and press releases, and is updated in a timely manner to ensure transparency.

EXECUTIVE DIRECTORS

Mr. KWOK Wing Leung, Andy

Mr. Kwok, aged 34, bas been an executive director of the Company and chairman of the Board since September 2005. Mr. Kwok has over 10 years of local and overseas financial and general management experience and has experience in the trading business in the People's Republic of China. He holds a Master's degree in Business Administration from Tsinghua University and a Bachelor's degree in Economics from the University of Sydney. Mr. Kwok is a member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr. Kwok is the sole director and beneficial owner of Billion Pacific Ventures Limited, the controlling shareholder of the Company. Mr. Kwok is also the independent non-executive director of a Hong Kong listed company, namely, AGTech Holdings Limited.

Mr. TSE Michael Nam

Mr. Tse, aged 50, has been an executive director of the Company since June 2006. Mr. Tse holds a Bachelor's degree in Biological Science & Marine Biology from University of California, Berkeley and a Master's Degree in Business Administration from University of San Francisco, in the United States of America. Mr. Tse has over twenty years experience in financial services and has held key positions in various corporate advisory projects in Hong Kong, the People's Republic of China, the United States of America, and South East Asia. Mr. Tse is a director of Procare (Holdings) Company Limited, which is a wholly owned subsidiary of the Company. Mr. Tse is the chairman and the executive director of a Hong Kong listed company, namely, Green Global Resources Limited.

NON-EXECUTIVE DIRECTOR

Mr. YEUNG Ting Lap, Derek Emory

Mr. Yeung, aged 35, has been a non-executive director of the Company since September 2005. Mr. Yeung holds a Bachelor's degree in Applied Mathematics and Economics from Brown University and a Master's degree in Business Administration and Accounting from Northeastern University, both in the United States of America. Mr. Yeung is a member of the American Institute of the Certified Public Accountants. Mr. Yeung is presently the chief executive officer and co-founder of She.Com International Holdings Limited and She. Communications Limited, a leading female-centric cross-media communications company and an associate company of the TOM Group Limited. Mr. Yeung is currently a non-executive director of a Hong Kong listed company, namely, Wealthmark International (Holdings) Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. CHIU Kam Hing, Kathy

Ms. Chiu, Justice of the Peace, aged 59, has been an independent non-executive director of the Company since June 2006. Ms. Chiu holds a Bachelor's degree in Business Administration in Canada and a Diploma in Economics, Finance & Political studies from Beijing University in China. Ms. Chiu is an associate and a fellow of the Institute of Canadian Bankers, has almost thirty years of banking experience in both Canada and Asia Pacific region and has held key position in a major bank of the United States of America. Ms. Chiu is an independent non-executive director of Qianlong Technology International Holdings Limited.

Mr. HO Man Kin, Tony

Mr. Ho, aged 37, has been an independent non-executive director of the Company since March 2006. Mr. Ho holds a Bachelor's degree in Management Science from the University of St. Andrews. Mr. Ho is currently the Head of Special Situation Investments – Greater China, LaSalle Investment Management in Hong Kong and has held key positions in various corporate advisory assignments. Mr. Ho has also worked as an equity investment analyst for various major investment banks in Hong Kong.

Mr. LI Kar Fai, Peter

Mr. Li, aged 43, has been an independent non-executive director of the Company since March 2006. Mr. Li holds a Bachelor's degree in Accountancy from the City University of Hong Kong and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Li has extensive experience in corporate finance and accounting.

The directors have pleasure in presenting their annual report and the audited consolidated financial statements of the Company for the year ended 31st March 2008.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the sale of medical equipment and the sale of health and beauty products.

RESULTS

The results of the Group for the year are set out in the consolidated income statement on page 28.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 31 of the annual report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years, as extracted from the audited consolidated financial statements, is set out on page 73.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in note 16 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

PROPERTIES HELD BY THE GROUP

Details of the properties held by the Group at 31st March 2008 are set out on page 74.

SHARE CAPITAL

Details of movements during the year in the share capital are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

There are no distributable reserves of the Company at 31st March 2008, calculated under the Companies Act 1981 of Bermuda (as amended). The Company's share premium account, in the amount of HK$64,829,000 at 31st March 2008 (2007: HK$51,002,000), may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers taken together accounted for 22% and 75% respectively of the Group's total purchases for the year.

The aggregate sales attributable to the Group's largest customer and five largest customers taken together accounted for 22% and 53% respectively of the Group's total turnover for the year.

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

DIRECTORS

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

Executive directors
Mr. KWOK Wing Leung, Andy
Mr. TSE Michael Nam

Non-executive director
Mr. YEUNG Ting Lap, Derek Emory

Independent non-executive directors
Ms. CHIU Kam Hing, Kathy
Mr. HO Man Kin, Tony
Mr. LI Kar Fai, Peter

In accordance with bye-law 110 of the Company's Bye-Laws, Mr. Ho Man Kin, Tony and Ms. Chiu Kam Hing, Kathy will retire as directors of the Company by rotation at the forthcoming annual general meeting and they, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31st March 2008, the directors, chief executives and their associates had the following interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in shares of the Company

Name of director	Capacity	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Mr. KWOK Wing Leung, Andy	Personal interests and interests of a controlled corporation *(Note)*	408,286,095	44.46%
Mr. Tse Michael Nam	Personal interests	1,775,596	0.19%
Mr. YEUNG Ting Lap, Derek Emory	Personal interests	500,000	0.05%

Note: Out of 408,286,095 shares, 401,533,775 shares are held by Billion Pacific Ventures Limited, a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Kwok Wing Leung, Andy. Mr. Kwok Wing Leung, Andy, is the sole director of Billion Pacific Ventures Limited.

Save as disclosed above, none of the directors, chief executives and their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Part XV of SFO) as at 31st March 2008 as required to be in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 29 to the consolidated financial statements.

2003 Scheme

A share option scheme (the "2003 Scheme") was adopted by the Company pursuant to a resolution passed on 26th August 2003. Under the 2003 Scheme, the directors of the Company may invite any director (including non-executive director and independent non-executive director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for share of HK$0.01 each (which was adjusted to HK$0.1 per share following the consolidation of the Company's shares on 20th December 2004) in the capital of the Company.

Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option. The options are exercisable within ten years after date of grant.

2007 Scheme

A share option scheme (the "2007 Scheme") was adopted by the Company pursuant to a resolution passed on 28th September 2007. Under the 2007 Scheme, the directors of the Company may invite any director (including non-executive director and independent non-executive director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for share of HK$0.1 each in the capital of the Company.

Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option. The options are exercisable within ten years after date of grant.

Movements of the share options granted under the 2003 Scheme and the 2007 Scheme are as follows:

	At 1st April 2007	Granted during the year	Exercised during the year	Lapsed during the year	At 31st March 2008	Option Scheme type	Date of grant	Exercisable period	Exercise price per share HK$
Kwok Wing Leung, Andy	5,442,320	–	(5,442,320)	–	–	2003	21st August 2006	21st August 2006 to 21st August 2016	0.210
Tse Michael Nam	4,354,000	–	(4,354,000)	–	–	2003	21st August 2006	21st August 2006 to 21st August 2016	0.210
Yeung Ting Lap, Derek Emory	2,720,000	–	(2,720,000)	–	–	2003	21st August 2006	21st August 2006 to 21st August 2016	0.210
Employees	17,954,320	–	(10,240,000)	(5,442,320)	2,272,000	2003	21st August 2006	21st August 2007 to 21st August 2016	0.210
	–	25,230,000	–	–	25,230,000	2007	22nd November, 2007	22nd November, 2007 to 21st November, 2017	0.270
	–	2,850,000	–	–	2,850,000	2007	22nd November, 2007	22nd November, 2008 to 21st November, 2017	0.270
Consultants	21,769,280	–	(16,326,960)	–	5,442,320	2003	21st August 2006	21st August 2006 to 21st August 2016	0.210
	–	18,060,000	–	–	18,060,000	2007	22nd November, 2007	22nd November, 2007 to 21st November, 2017	0.270
	52,239,920	46,140,000	(39,083,280)	(5,442,320)	53,854,320				

Save as disclosed above, none of the directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Other than the share option scheme disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed in the section "Directors' and chief executives' interest and short positions in shares, underlying shares and debentures", as at 31st March 2008, the following corporations had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Long/Short position	Capacity	Number of shares and underlying shares held	Approximately percentage of the issued shares held
China Enterprise Capital Limited	Long position	Interests of a controlled corporation	14,975,402,500 *(Note)*	1,630.64%
CEC Resources And Minerals Holdings Limited	Long position	Interests of a controlled corporation	14,975,402,500 *(Note)*	1,630.64%
Sino Minerals Capital Limited	Long position	Interests of a controlled corporation	14,975,402,500 *(Note)*	1,630.64%
Sino Mining Investment Limited	Long position	Interests of a controlled corporation	14,975,402,500 *(Note)*	1,630.64%
CEC Resources Limited	Long position	Beneficial Owner	14,975,402,500 *(Note)*	1,630.64%
Galaxy China Opportunities Fund	Long position	Beneficial Owner	52,680,000	5.74%

Note: The shares and the underlying shares in the Company were held by CEC Resources Limited ("CEC"). CEC Resources And Minerals Holdings Limited, a wholly-owned subsidiary of China Enterprise Capital Limited, is interested in more than one-third of the issued capital of CEC. Sino Minerals Capital Limited and Sino Mining Investment Limited are interested in more than one-third of the issued capital of CEC. As a result of such relationship as described in this paragraph, China Enterprise Capital Limited, CEC Resources And Minerals Holdings Limited, Sino Minerals Capital Limited and Sino Mining Investment Limited are deemed to be interested in shares and the underlying shares in the Company held by CEC. CEC is beneficially interested in these shares and underlying shares in the Company in accordance with the terms of the agreements dated 25th January 2008 into which CEC and the Company entered, the details of which were disclosed in the circular of the Company dated 19th May 2008.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st March 2008.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to the date of this annual report, no directors of the Company are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, pursuant to Rule 8.10 of the Listing Rules, other than those businesses of which the directors of the Company were appointed as directors to represent the interests of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

On 31st January 2008, the Group entered into a service agreement with Mr. Yeung Ting Lap, Derek Emory ("Mr. Yeung"), a director of the Company, pursuant to which the Company agreed to appoint Mr. Yeung in consideration of the successful introduction to the Company the business opportunities as contemplated under two acquisition agreements and for procuring the completion of the acquisitions in accordance with the agreements. The Company shall issue and allot to Mr. Yeung new shares in the Company in accordance with the terms of the said service agreement and the maximum limit for the number of new shares to be issued shall be 50,000,000. The details of the said service agreement were disclosed in the circular of the Company dated 19th May 2008.

Except for the amount due to a shareholder as described in note 24 to the consolidated financial statements and Mr. Yeung's service agreement disclosed above, no contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

On 31st January 2008, the Group entered into a service agreement with Mr. Yeung Ting Lap, Derek Emory ("Mr. Yeung"), a director of the Company, pursuant to which the Company agreed to appoint Mr. Yeung in consideration of the successful introduction to the Company the business opportunities as contemplated under two acquisition agreements and for procuring the completion of the acquisitions in accordance with the agreements. The Company shall issue and allot to Mr. Yeung new shares in the Company in accordance with the terms of the said service agreement and the maximum limit for the number of new shares to be issued shall be 50,000,000. The details of the said service agreement were disclosed in the circular of the Company dated 19th May 2008.

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

At no time during the year, did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

MANAGEMENT CONTRACTS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the directors confirm that the Company has maintained the amount of public float as required under the Listing Rules during the year.

PRE-EMPTIVE RIGHTS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company 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. The Company considers that all of the independent non-executive directors are independent.

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is set up by the Remuneration Committee and is based on their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme are set out in note 29 to the consolidated financial statements.

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events are set out in note 35 to the consolidated financial statements.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Mr. KWOK Wing Leung, Andy
Chairman

Hong Kong, 21st July 2008

Deloitte.
德勤

TO THE MEMBERS OF NUBRANDS GROUP HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Nubrands Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 72, which comprise the consolidated balance sheet as at 31st March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March 2008 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21st July 2008

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2008

	Notes	2008 HK$'000	2007 HK$'000
Turnover	7	**50,759**	41,819
Cost of sales		**(35,812)**	(26,960)
Gross profit		**14,947**	14,859
Other income	9	**4,623**	4,674
Impairment loss on an intangible asset	19	**(2,600)**	–
Selling and distribution expenses		**(15,732)**	(11,582)
Administrative expenses		**(26,799)**	(19,460)
Loss on rescission of contract for acquisition of a subsidiary	10	**(3,300)**	–
Finance costs	11	**(117)**	(651)
Loss before tax		**(28,978)**	(12,160)
Taxation	12	**430**	7
Loss for the year	13	**(28,548)**	(12,153)
Attributable to:			
Equity holders of the Company		**(28,540)**	(12,161)
Minority interests		**(8)**	8
		(28,548)	(12,153)
Loss per share	15		
Basic		**(3.17 HK cents)**	(1.51 HK cents)

The directors do not recommend the payment of a final dividend for the year (2007: nil).

At 31st March 2008

	Notes	2008 HK$'000	2007 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	16	**2,628**	2,701
Property, plant and equipment	17	**3,476**	3,182
Prepaid lease payments – non-current portion	18	**8,136**	8,355
Intangible asset	19	**6,200**	8,800
		20,440	23,038
Current assets			
Inventories – finished goods		**5,128**	8,110
Prepaid lease payments – current portion	18	**219**	219
Trade and other receivables	20	**10,855**	11,675
Taxation recoverable		**–**	5
Pledged bank deposits	21	**1,689**	2,652
Bank balances and cash	22	**19,288**	18,751
		37,179	41,412
Current liabilities			
Trade, bills and other payables and accrued charges	23	**20,036**	21,045
Amount due to a shareholder	24	**1,808**	208
Taxation payable		**33**	10
Obligations under finance leases – due within one year	25	**87**	–
Secured bank overdrafts	26	**1,589**	2,200
		23,553	23,463
Net current assets		**13,626**	17,949
Total assets less current liabilities		**34,066**	40,987
Non-current liabilities			
Obligations under finance leases – due after one year	25	**99**	–
Deferred taxation	27	**390**	845
		489	845
NET ASSETS		**33,577**	40,142

	Note	**2008** **HK$'000**	2007 HK$'000
CAPITAL AND RESERVES			
Share capital	28	**91,837**	84,891
Reserves		**(58,260)**	(44,757)
Equity attributable to equity holders of the Company		**33,577**	40,134
Minority interests		**–**	8
		33,577	40,142

The financial statements on pages 28 to 72 were approved and authorised for issue by the Board of Directors on 21st July 2008 and are signed on its behalf by:

Mr. KWOK Wing Leung, Andy
Chairman

Mr. TSE Michael Nam
Director

	Attributable to the equity holders of the Company							
	Share capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1st April 2006	71,838	36,169	–	–	(86,458)	21,549	–	21,549
Exchange differences on translating foreign operation representing net income recognised directly in equity	–	–	–	4	–	4	–	4
(Loss) profit for the year	–	–	–	–	(12,161)	(12,161)	8	(12,153)
Total recognised income and expense for the year	–	–	–	4	(12,161)	(12,157)	8	(12,149)
Equity settled share-based transactions	–	–	2,856	–	–	2,856	–	2,856
Transfers on cancellation of share options	–	–	(105)	–	105	–	–	–
Issue of shares for cash	13,053	15,445	–	–	–	28,498	–	28,498
Share issue expenses	–	(612)	–	–	–	(612)	–	(612)
At 31st March 2007	84,891	51,002	2,751	4	(98,514)	40,134	8	40,142
Exchange differences on translating foreign operation representing net expense recognised directly in equity	**–**	**–**	**–**	**(158)**	**–**	**(158)**	**–**	**(158)**
Loss for the year	**–**	**–**	**–**	**–**	**(28,540)**	**(28,540)**	**(8)**	**(28,548)**
Total recognised loss for the year	**–**	**–**	**–**	**(158)**	**(28,540)**	**(28,698)**	**(8)**	**(28,706)**
Equity settled share-based transactions	**–**	**–**	**3,819**	**–**	**–**	**3,819**	**–**	**3,819**
Transfer on forfeiture of share options	**–**	**–**	**(347)**	**–**	**347**	**–**	**–**	**–**
Issue of shares upon exercise of share options	**3,908**	**6,751**	**(2,451)**	**–**	**–**	**8,208**	**–**	**8,208**
Issue of shares for cash	**3,038**	**7,139**	**–**	**–**	**–**	**10,177**	**–**	**10,177**
Share issue expenses	**–**	**(63)**	**–**	**–**	**–**	**(63)**	**–**	**(63)**
At 31st March 2008	**91,837**	**64,829**	**3,772**	**(154)**	**(126,707)**	**33,577**	**–**	**33,577**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2008

	2008 HK$'000	2007 HK$'000
OPERATING ACTIVITIES		
Loss before tax	**(28,978)**	(12,160)
Adjustments for:		
Finance costs	**117**	651
Interest income	**(624)**	(622)
Equity-settled share-based payment expense	**3,819**	2,856
Loss on disposal of property, plant and equipment	**178**	–
Loss on rescission of contract for acquisition of a subsidiary	**3,300**	–
Impairment loss recognised in respect of trade receivables	**456**	5
Impairment loss recognised in respect of intangible asset	**2,600**	–
Release of prepaid lease payments	**219**	219
Depreciation of investment properties and property, plant and equipment	**1,017**	580
Operating cash flows before movements in working capital	**(17,896)**	(8,471)
Decrease (increase) in inventories	**2,982**	(850)
Decrease (increase) in trade and other receivables	**364**	(2,225)
(Decrease) increase in trade, bills and other payables and accrued charges	**(1,221)**	4,501
Net cash used in operations	**(15,771)**	(7,045)
Interest income received	**624**	619
Income tax refunded	**3**	112
Income tax paid	**–**	(16)
NET CASH USED IN OPERATING ACTIVITIES	**(15,144)**	(6,330)
INVESTING ACTIVITIES		
Payment in relation to a contract for acquisition of a subsidiary	**(3,300)**	–
Purchase of property, plant and equipment	**(1,120)**	(901)
Decrease (increase) in pledged bank deposits	**963**	(46)
Proceeds from disposal of property, plant and equipment	**6**	–
NET CASH USED IN INVESTING ACTIVITIES	**(3,451)**	(947)
FINANCING ACTIVITIES		
Proceeds from issue of shares	**18,385**	28,498
Advance from (repayment to) a shareholder	**1,600**	(6)
Decrease in bank overdrafts	**(611)**	(1,151)
Finance costs paid	**(117)**	(1,768)
Repayment of obligations under finance leases	**(94)**	–
Share issue expenses	**(63)**	(612)
Repayment of convertible notes	**–**	(8,150)
NET CASH FROM FINANCING ACTIVITIES	**19,100**	16,811
NET INCREASE IN CASH AND CASH EQUIVALENTS	**505**	9,534
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**18,751**	9,212
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**32**	5
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**19,288**	18,751

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under The Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information Section.

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

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 36.

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

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

Except for the changes in disclosures as set out below, the adoption of those new HKFRSs has no material impact on the Group's results and financial position for the current or prior years, and does not result in any significant changes in the accounting policies of the Group.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirement of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

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

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

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 12	Service Concession Arrangements[3]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1st January 2009
[2] Effective for annual periods beginning on or after 1st July 2009
[3] Effective for annual periods beginning on or after 1st January 2008
[4] Effective for annual periods beginning on or after 1st July 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, as explained in the accounting policies set out below.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Revenue recognition

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

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

Revenue from the provision of maintenance service is recognised on a straight-line basis over the life of the maintenance contract.

Revenue from the provision of repair services is recognised when the services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income, including rental invoiced in advance, from properties let under operating leases, is recognised on a straight-line basis over the period of relevant leases.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method.

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

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Inventories

Inventories, which represent trading stocks, are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method for inventories of medical equipment and first-in, first-out method for inventories of health and beauty products.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Intangible assets with indefinite useful lives are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Borrowing costs

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

Taxation

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

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

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

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 profit will be available to allow all or part of the asset to be recovered.

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

Leasing

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

The Group as lessor

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

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Leasing – continued

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Retirement benefits scheme contributions

Payments to defined contribution retirement benefit plans, the Mandatory Provident Fund Scheme ("MPF Scheme") and state-managed retirement benefit schemes are charged as an expense when employees have rendered services entitling them to the contributions.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified as loans and receivables.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – continued

Financial assets – continued

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

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

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial instruments – continued

Financial liabilities and equity

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

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities (including trade, bills and other payables, amount due to a shareholder, obligations under finance leases and bank overdrafts) are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

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

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

Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of the services received unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses immediately, unless the services qualify for recognition as assets. Corresponding adjustment is made to equity (share options reserve).

Share options issued for unidentifiable services are measured at the fair value of the share options granted and are recognised as expenses immediately. Corresponding adjustment is made to equity (share options reserve).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Determining whether the intangible asset with infinite useful life is impaired requires an estimation of the value in use of the cash-generating units to which the intangible asset has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st March 2008, the carrying amount of the intangible asset (net of accumulated impairment loss of HK$2,600,000 (2007: nil)) is HK$6,200,000 (2007: HK$8,800,000). Details of the recoverable amount calculation are disclosed in note 19.

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes advance from a shareholder, obligations under finance leases and bank overdrafts, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risk associates with each class of capital. Based on recommendation of the directors, the Group will balance its overall capital structure through the payment of dividends, the issue of new debt or the redemption of existing debt, as well as the issue of new shares.

6. FINANCIAL INSTRUMENTS

6a. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances, trade, bills and other payables, amount due to a shareholder, obligations under finance leases and bank overdrafts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liabilities and equity instruments are disclosed in note 3.

(ii) Categories of financial instruments

	2008	2007
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**28,330**	30,260
Financial liabilities		
Amortised cost	**8,557**	7,613

6. FINANCIAL INSTRUMENTS – Continued

6a. Financial risk management objectives and policies – continued

(iii) Foreign currency risk management

The Group have sales and purchases transactions denominated in currencies other than the functional currency of the relevant group entities and the Group's foreign currency risks exposure mainly arises from fluctuations in the US dollars, Euro dollars and Renminbi against Hong Kong dollars. Exchange rate fluctuations and market trends have always been the concern of the Group. The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31st March 2008 and 2007 are as follows:

	2008	2007
	HK$'000	HK$'000
Assets		
Renminbi	**17**	7
US dollars	**9,136**	4,179
Liabilities		
Renminbi	**1,016**	759
US dollars	**2,601**	2,000
Euro dollars	**120**	418

Sensitivity analysis

The Group is mainly exposed to the currency of Renminbi and Euro dollars. As Hong Kong dollars is pegged to US dollars, the effect of changes in Hong Kong dollars and US dollars is insignificant and is therefore not analysed.

The Group's sensitivity analysis is prepared by using a 5% increase and decrease in the functional currencies of the group entities against Renminbi and Euro dollars. 5% is the sensitivity rate used by management for the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. Where the relevant foreign currencies strengthen 5% against the functional currencies of the group entities, the Group's loss for the year would be increased by HK$56,000 (2007: HK$59,000). For 5% weakening of the relevant foreign currencies against the functional currencies of the group entities, there would be an equal and opposite impact on the loss for the year.

6. FINANCIAL INSTRUMENTS – Continued

6a. Financial risk management objectives and policies – continued

(iv) Interest rate risk management

The Group's bank balances carry floating-rate of interests and have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rates.

The Group is exposed to fair value interest rate risk in relation to the fixed-rate pledged bank deposits and finance leases (see notes 21 and 25 respectively for details). The Group's exposure to cash flow interest rate risk is mainly attributable to the variable rate bank overdrafts (see note 26 for details). It is the Group's policy to keep its borrowings/overdrafts at floating-rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates risk on financial liabilities are detailed in the liquidity risk management section of this note.

The Group currently do not have a hedging policy on interest rate risk. However, management closely monitors interest rate exposure and will consider hedging significant interest rate change exposure should the need arises.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates on its variable rate bank balances and bank overdraft at the balance sheet date (see notes 25 and 26 respectively for details) and the stipulated change taking place at the beginning of the financial year and held constant throughout the relevant period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used by the management for the assessment of the possible change in interest rates.

If interest rates had been 50 basis point higher and all other variables were held constant, the Group's loss for the year ended 31st March 2008 would decrease by HK$88,000 (2007: HK$75,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank balances and bank overdrafts.

(v) Credit risk management

As at 31st March 2008, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet. In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. FINANCIAL INSTRUMENTS – Continued

6a. Financial risk management objectives and policies – continued

(v) Credit risk management – continued

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

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

(vi) Liquidity risk management

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

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

	Weighted average effective interest rate	On demand	3 months or less	3 months to 1 years	Over 1 year	Total undiscounted cash flows	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31st March 2008							
Trade, bills and other payables	–	2,877	659	1,438	–	4,974	4,974
Amount due to a shareholder	–	1,808	–	–	–	1,808	1,808
Obligations under finance leases	8.53	–	36	63	105	204	186
Bank overdrafts	6.00	1,589	–	–	–	1,589	1,589
		6,274	695	1,501	105	8,575	8,557
At 31st March 2007							
Trade, bills and other payables	–	3,625	1,053	360	167	5,205	5,205
Amount due to a shareholder	–	208	–	–	–	208	208
Bank overdrafts	7.08	2,200	–	–	–	2,200	2,200
		6,033	1,053	360	167	7,613	7,613

6b. Fair value

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

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

7. TURNOVER

Turnover represents the amounts received and receivable for goods sold, net of discounts, to outside customers during the year.

	2008 HK$'000	2007 HK$'000
Sales of health and beauty products	**14,485**	16,193
Sales of medical equipment	**36,274**	25,626
	50,759	41,819

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

The Group is principally engaged in the business of sale and distribution of health and beauty products and sale of medical equipment in Hong Kong.

In accordance with the Group's internal financial reporting, the Group has determined that business segments should be presented as the primary reporting format. There are no sales or other transactions between the business segments. Analysis of the Group's results by major business segments is as follows:

Consolidated Income Statement

	Health and beauty products		Medical equipment		Consolidated	
	2008 HK$'000	2007 HK$'000	2008 HK$'000	2007 HK$'000	2008 HK$'000	2007 HK$'000
Turnover – external	**14,485**	16,193	**36,274**	25,626	**50,759**	41,819
Segment results	**(13,435)**	(3,112)	**2,210**	466	**(11,225)**	(2,646)
Unallocated corporate income					**993**	1,136
Unallocated corporate expenses					**(15,329)**	(9,999)
Loss on rescission of contract for acquisition of a subsidiary					**(3,300)**	–
Finance costs					**(117)**	(651)
Loss before tax					**(28,978)**	(12,160)
Taxation					**430**	7
Loss for the year					**(28,548)**	(12,153)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – continued

Consolidated Balance Sheet

	Health and beauty products		Medical equipment		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
ASSETS						
Segment assets	**12,473**	19,049	**13,249**	14,209	**25,722**	33,258
Unallocated corporate assets					**31,897**	31,192
Consolidated total assets					**57,619**	64,450
LIABILITIES						
Segment liabilities	**2,734**	2,662	**15,875**	16,793	**18,609**	19,455
Unallocated corporate liabilities					**5,433**	4,853
Consolidated total liabilities					**24,042**	24,308

Other Information

	Health and beauty products		Medical equipment		Unallocated		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Capital expenditure	**261**	644	**135**	142	**1,004**	115	**1,400**	901
Depreciation of property, plant and equipment	**332**	107	**215**	196	**397**	204	**944**	507
Release of prepaid lease payments for owner-occupied property	**–**	–	**71**	71	**–**	–	**71**	71
Impairment loss recognised in respect of trade receivables	**456**	–	**–**	–	**–**	5	**456**	5
Impairment loss on an intangible asset	**2,600**	–	**–**	–	**–**	–	**2,600**	–
Loss on disposal of property, plant and equipment	**20**	–	**77**	–	**81**	–	**178**	–
Equity-settled share-based payment expense	**–**	–	**–**	–	**3,819**	2,856	**3,819**	2,856

8. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(b) Geographical segments

The Group's operations are primarily located in Hong Kong.

Over 95% of the Group's turnover was made to customers located in Hong Kong, irrespective of the origin of the goods.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of assets		Additions to property, plant and equipment	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**19,422**	30,807	**1,154**	393
The People's Republic of China (the "PRC")	**6,300**	2,451	**246**	508
	25,722	33,258	**1,400**	901
Unallocated corporate assets	**31,897**	31,192		
	57,619	64,450		

9. OTHER INCOME

	2008	2007
	HK$'000	HK$'000
Interest income	**624**	622
Rental income	**369**	514
Repair and maintenance income	**3,370**	3,071
Others	**260**	467
	4,623	4,674

10. LOSS ON RESCISSION OF CONTRACT FOR ACQUISITION OF A SUBSIDIARY

On 19th March 2008, the Group and the vendors entered into a settlement agreement pursuant to which the parties mutually agreed to rescind a sale and purchase agreement entered into by the same parties in relation to the acquisition of an aggregate 51% issued share capital of Speed Growth Trading (H.K.) Company Limited, an independent third party, and the shareholder's loan for a total consideration of approximately HK$15.31 million.

Pursuant to the settlement agreement, the vendors and the Group mutually agreed that the settlement agreement represents the full and final settlement of all claims and liabilities that the parties have or may have against each other under the sale and purchase agreement. A loss of HK$3,300,000 arose from this settlement, representing the write-off of the investment cost previously paid to the vendors, and is recognised in the consolidated income statement for the year.

11. FINANCE COSTS

	2008	2007
	HK$'000	HK$'000
Interest on:		
– bank borrowings wholly repayable within five years	**105**	160
– obligations under finance leases	**12**	–
– convertible notes	**–**	491
	117	651

12. TAXATION

	2008	2007
	HK$'000	HK$'000
Hong Kong		
– Current tax	**25**	11
– Overprovision in prior years	**–**	(18)
	25	(7)
Deferred tax *(Note 27)*	**(455)**	–
	(430)	(7)

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for both years.

On 26th June 2008, the Hong Kong Profits Tax rate was enacted to decrease from 17.5% to 16.5% with effect from the year of assessment of 2008/2009. As at 31st March 2008, as the proposed reduction of the profits tax rate has not yet been substantively enacted, there was no financial impact for the current year.

No provision for PRC income tax has been made as the Group's PRC subsidiaries incurred tax loss for the year.

12. TAXATION – Continued

Pursuant to the relevant tax law and regulations in the PRC, one of the Group's PRC subsidiary is entitled to a reduced tax rate at 15% for its establishment in the Shanghai Wai Gao Qiao Free Trade Zone.

On 16th March 2007, the National People's Congress promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by order No. 63 of the President of the PRC. On 6th December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. For the subsidiary that was qualified under old law or regulations for incentive tax rate of 15%, the tax rate will progressively increase to 18%, 20%, 22%, 24% and 25% in year 2008, 2009, 2010, 2011 and 2012, respectively. For subsidiaries that were subject to tax rate of 33%, the New Law and Implementation Regulations change the tax rate from 33% to 25% from 1st January 2008.

The taxation for the year can be reconciled to the loss before tax per the consolidated income statement as follows:

	2008 **HK$'000**	2007 HK$'000
Loss before tax	**(28,978)**	(12,160)
Tax at Hong Kong Profits Tax rate of 17.5%	**(5,071)**	(2,128)
Tax effect of expenses not deductible for tax purpose	**1,832**	1,075
Tax effect of income not taxable for tax purpose	**(704)**	(177)
Tax effect of tax losses not recognised	**4,034**	1,609
Tax effect of other deductible temporary differences not recognised	**–**	31
Utilisation of tax losses previously not recognised	**(189)**	(417)
Effect of different tax rate of subsidiaries operating in other jurisdictions	**(332)**	18
Overprovision in respect of prior years	**–**	(18)
Tax credit for the year	**(430)**	(7)

Details of deferred taxation are set out in note 27.

13. LOSS FOR THE YEAR

	2008 HK$'000	2007 HK$'000
Loss for the year has been arrived at after charging (crediting):		
Staff costs (including directors' remuneration):		
Salaries and other benefits	**17,302**	12,140
Retirement benefits scheme contributions	**478**	376
Equity-settled share-based payment expense *(Note 29)*	**2,462**	1,611
Total employee benefits expenses	**20,242**	14,127
Auditors' remuneration		
– Current year	**1,111**	868
– Underprovision in prior years	**11**	–
Cost of inventories recognised as an expense	**34,479**	25,707
Depreciation of investment properties and property, plant and equipment	**1,017**	580
Loss on disposal of property, plant and equipment	**178**	–
Net exchange (gain) loss	**(89)**	84
Operating lease rentals in respect of rented premises	**2,808**	1,468
Release of prepaid lease payments	**219**	219
Impairment loss recognised in respect of trade receivables	**456**	5
Equity-settled share-based payment expense in respect of options granted to consultants *(Note 29)*	**1,357**	1,245

14. DIRECTORS' AND EMPLOYEES' REMUNERATION

(a) Directors' emoluments

The emoluments paid or payable to each of the 6 (2007: 8) directors were as follows:

2008

	Kwok Wing Leung, Andy HK$'000	Tse Michael Nam HK$'000	Yeung Ting Lap, Derek Emory HK$'000	Chiu Kam Hing, Kathy HK$'000	Ho Man Kin Tony HK$'000	Li Kar Fai, Peter HK$'000	Total HK$'000
Fees	–	–	–	60	60	120	240
Other emoluments							
Salaries and other benefits	1,040	–	–	–	–	–	1,040
Contributions to retirement benefits schemes	12	–	–	–	–	–	12
Total emoluments	1,052	–	–	60	60	120	1,292

14. DIRECTORS' AND EMPLOYEES' REMUNERATION – Continued

(a) Directors' emoluments – continued

2007

	Kwok Wing Leung, Andy HK$'000	Tse Michael Nam HK$'000	Yeung Ting Lap, Derek Emory HK$'000	Luk Chung Po HK$'000 *(Note)*	Chiu Kam Hing, Kathy HK$'000	Ho Man Kin Tony HK$'000	Li Kar Fai, Peter HK$'000	Ma She Shing, Albert HK$'000 *(Note)*	Total HK$'000
Fees	–	–	–	–	47	60	120	60	287
Other emoluments									
Salaries and other benefits	1,020	–	–	–	–	–	–	–	1,020
Contributions to retirement benefits schemes	12	–	–	–	–	–	–	–	12
Equity-settled share-based payment expense	410	328	205	–	–	–	–	–	943
Total emoluments	1,442	328	205	–	47	60	120	60	2,262

Note: Both Mr. Luk and Mr. Ma retired as the director of the Company on 18th September 2006.

(b) Employees' emoluments

During the year, the five highest paid individuals included one director (2007: one director), details of whose emoluments are set out in (a) above.

The emoluments of the remaining four (2007: four) individuals are as follows:

	2008 HK$'000	2007 HK$'000
Salaries and other benefits	**2,684**	2,136
Bonus *(Note)*	**–**	39
Retirement benefits scheme contributions	**78**	89
Equity-settled share-based payment expense	**2,186**	425
	4,948	2,689

Note: The bonus was at discretion and determined based on individual performance.

14. DIRECTORS' AND EMPLOYEES' REMUNERATION – Continued

(b) Employees' emoluments – continued

Their emoluments were within the following bands:

	2008 No. of employees	2007 No. of employees
Not exceeding HK$1,000,000	**1**	4
HK$1,000,000 to HK$1,500,000	**2**	–
HK$1,500,000 to HK$2,000,000	**1**	–
	4	4

During the years ended 31st March 2008 and 2007, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, during the years ended 31st March 2008 and 2007, no director waived any emoluments.

(c) Remuneration of key management

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

	2008 HK$'000	2007 HK$'000
Short-term employee benefits	**4,227**	1,818
Other long-term benefits	**74**	52
Share-based payment	**1,280**	1,044
	5,581	2,914

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

15. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to equity holders of the Company of HK$28,540,000 (2007: HK$12,161,000) and on 899,493,846 (2007: 803,383,246) weighted average number of ordinary shares in issue during the year.

For the year ended 31st March 2008, no diluted loss per share is presented as the exercise of the Company's outstanding share options for the year ended 31st March 2008 would result in a decrease in loss per share.

For the year ended 31st March 2007, no diluted loss per share is presented as the exercise price of the Company's share options was higher than average market price per share during the share options outstanding period for that year.

16. INVESTMENT PROPERTIES

	HK$'000
COST	
At 1st April 2006, 31st March 2007 and **31st March 2008**	**2,811**
DEPRECIATION	
At 1st April 2006	37
Provided for the year	73
At 31st March 2007	110
Provided for the year	**73**
At 31st March 2008	**183**
CARRYING VALUES	
At 31st March 2008	**2,628**
At 31st March 2007	2,701

The investment properties are depreciated at 2% per annum or over the term of leases, whichever is shorter.

	2008 **HK$'000**	2007 HK$'000
The Group's investment properties comprise:		
Building in Hong Kong on a medium-term lease land	**829**	853
Buildings in the PRC on medium-term lease land	**1,799**	1,848
	2,628	2,701

The fair value of the investment properties at 31st March 2008 was HK$5,130,000 (2007: HK$4,720,000). The fair value was arrived at based on a valuation carried out by Memfus Wong Surveyors Limited, an independent valuer not connected with the Group. The valuation was determined by reference to recent market prices for similar properties.

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Furniture, fixtures and office equipment HK$'000	Leasehold improvements HK$'000	Computer equipment HK$'000	Total HK$'000
AT COST					
At 1st April 2006	2,954	1,751	2,297	1,097	8,099
Additions	–	470	210	221	901
Disposals	–	(4)	–	(185)	(189)
At 31st March 2007	2,954	2,217	2,507	1,133	8,811
Exchange realignment	**–**	**18**	**17**	**4**	**39**
Additions	**–**	**514**	**485**	**401**	**1,400**
Disposals	**–**	**(246)**	**(374)**	**(34)**	**(654)**
At 31st March 2008	**2,954**	**2,503**	**2,635**	**1,504**	**9,596**
DEPRECIATION					
At 1st April 2006	950	1,548	2,013	799	5,310
Exchange realignment	–	–	1	–	1
Provided for the year	59	117	207	124	507
Eliminated on disposals	–	(4)	–	(185)	(189)
At 31st March 2007	1,009	1,661	2,221	738	5,629
Exchange realignment	**–**	**6**	**10**	**1**	**17**
Provided for the year	**59**	**308**	**339**	**238**	**944**
Eliminated on disposals	**–**	**(140)**	**(301)**	**(29)**	**(470)**
At 31st March 2008	**1,068**	**1,835**	**2,269**	**948**	**6,120**
CARRYING VALUES					
At 31st March 2008	**1,886**	**668**	**366**	**556**	**3,476**
At 31st March 2007	1,945	556	286	395	3,182

17. PROPERTY, PLANT AND EQUIPMENT – Continued

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

Buildings	50 years or over the period of the relevant land lease, if shorter
Furniture, fixtures and office equipment	15% – 20%
Leasehold improvements	33.3% or over the period of the relevant land lease, if shorter
Computer equipment	25% – 33.3%

At 31st March 2008, the carrying value of the Group's property, plant and equipment included an amount of approximately HK$191,000 (2007: Nil) in respect of assets held under finance leases.

The Group's buildings are situated in Hong Kong and are situated on lands held under medium-term leases.

18. PREPAID LEASE PAYMENTS

	2008 HK$'000	2007 HK$'000
The Group's prepaid lease payments comprise:		
Land in Hong Kong under a medium-term lease	**6,019**	6,172
Land in the PRC under a medium-term lease	**2,336**	2,402
	8,355	8,574
Analysed for reporting purposes as:		
Non-current asset	**8,136**	8,355
Current asset	**219**	219
	8,355	8,574
Analysed for usage as:		
Leasing purpose	**5,542**	5,690
Owner-occupied	**2,813**	2,884
	8,355	8,574

19. INTANGIBLE ASSET

	Trademark HK$'000
COST	
At 1st April 2006, 31st March 2007 and 31st March 2008	**8,800**
IMPAIRMENT	
Impairment loss recognised during the year and balance at 31st March 2008	**2,600**
CARRYING VALUES	
At 31st March 2008	**6,200**
At 31st March 2007	8,800

The trademark has a registered legal life of 10 years in certain countries and is renewable at minimal cost. The directors of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trademark has no foreseeable limit to the period over which the trademarked products are expected to generate net cash inflows for the Group.

As a result, the trademark is considered by management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the purposes of impairment testing, the trademark is allocated to the sales of "LaVie" branded beauty products, an individual cash generating unit ("CGU"), under the health and beauty products segment.

During the year ended 31st March 2008, the Group recognised an impairment loss of HK$2,600,000 in relation to the trademark.

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 2-year period using a growth rate based on the industry growth forecasts and the CGU's past performances, and a discount rate of 18.7% (2007: 19.3%) per annum. The cash flows beyond the 2-year period are extrapolated using a 5% growth basis. Another key assumption for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

20. TRADE AND OTHER RECEIVABLES

	2008 HK$'000	2007 HK$'000
Trade receivables	**7,039**	7,638
Other receivables, deposits and prepayments *(Note)*	**3,816**	4,037
	10,855	11,675

Note: Included in other receivables, deposits and prepayments is an amount of approximately HK$273,000 (2007: HK$285,000) which carries interest at prime rate (as quoted by a bank) plus 1.5% per annum. The effective interest rate was 8.86% (2007: 9.68%) per annum. The amount is expected to be repaid within one year of the balance sheet date.

The Group has a policy of allowing credit periods ranging from 30 days to 90 days to its trade customers, except for certain well-established customers where the terms are extended beyond 90 days. The aging analysis of trade receivables prepared on the basis of sales invoice date is stated as follows:

	2008 HK$'000	2007 HK$'000
0 to 90 days	**6,985**	7,292
91 to 180 days	**27**	278
181 to 365 days	**27**	68
	7,039	7,638

The Group closely monitors the granting of credit and periodically reviews the recoverability of each trade debt. Majority of the trade receivables that are neither past due nor impaired have no default payment history. As at 31st March 2008, management assessed and considered the Group's outstanding trade receivables of good credit quality.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK$54,000 (2007: HK$346,000) which are past due at the balance sheet date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivable from the date credit was initially granted up to the balance sheet date. The impairment loss recognised represents the difference between the carrying amount of the specific trade receivable and the present value of the expected recoverable amount. The Group does not hold any collateral over these balances.

21. PLEDGED BANK DEPOSITS

The amount represents deposits pledged to banks to secure banking facilities granted to the Group. The deposits carry fixed interest rate which ranged from 1.2% to 4.0% (2007: 3% to 4%) per annum. These deposits have been pledged to secure bank overdrafts and short-term general facilities and they are therefore classified as current assets.

22. BANK BALANCES AND CASH

Bank balances carry interest at market rates ranged from 0.01% to 2.88% (2007: 1.25% to 4.86%) per annum.

The amount of the Group's bank balances and cash denominated other than the functional currencies of the relevant group entities are set out below:

	Renminbi	**US dollars**	**Total**
	HK$'000	HK$'000	HK$'000
At 31st March 2008	**17**	**9,136**	**9,153**
At 31st March 2007	7	4,179	4,186

23. TRADE, BILLS AND OTHER PAYABLES AND ACCRUED CHARGES

	2008	2007
	HK$'000	HK$'000
The aging analysis of the Group's trade payables is as follows:		
0 to 90 days	**3,208**	3,878
91 to 180 days	**681**	206
181 to 365 days	**568**	1
Over 365 days	**481**	196
	4,938	4,281
Bills payable (aged within 90 days)	**–**	924
Deposits received from customers	**1,448**	3,717
Accrued charges	**13,613**	12,123
Other payables	**37**	–
	20,036	21,045

23. TRADE, BILLS AND OTHER PAYABLES AND ACCRUED CHARGES – Continued

The amount of the Group's trade, bills and other payables denominated in the following currencies other than the functional currencies of the relevant group entities are set out below:

	Renminbi	US dollars	Euro dollars	Total
	HK$'000	HK$'000	HK$'000	HK$'000
As at 31st March 2008	**1,016**	**2,601**	**120**	**3,737**
As at 31st March 2007	759	2,000	418	3,177

24. AMOUNT DUE TO A SHAREHOLDER

The amount represents advances from Billion Pacific Ventures Limited, a substantial shareholder of the Company, and is unsecured, interest-free and repayable on demand. Mr. Kwok Wing Leung, Andy, a director of the Company, has a beneficial interest in this company.

25. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**99**	–	**87**	–
In more than one year but not more than two years	**84**	–	**78**	–
In more than two years but not more than three years	**21**	–	**21**	–
	204	–	**186**	–
Less: Future finance charges	**(18)**	–	**–**	–
Present value of lease obligations	**186**	–	**186**	–
Less: Amounts due within one year shown under current liabilities			**(87)**	–
Amounts due after one year			**99**	–

The lease terms ranged from one to three years. The effective borrowing rates ranged from 8.5% to 9.5% per annum. Interest rates underlying all obligations under finance leases are fixed at respective contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The obligations under finance leases are secured by the lessors' charge over the leased assets.

26. SECURED BANK OVERDRAFTS

The bank overdrafts carried interest ranging from prime rate (as quoted by the bank) minus 2% to prime rate (as quoted by the bank) plus 1% per annum. The effective interest rate ranged from 5.75% to 8.75% (2007: 5.75% to 8.25%) per annum.

27. DEFERRED TAXATION

The major deferred tax liabilities (asset) recognised and movements thereon during the current and prior years are summarised below:

	Fair value of trademark HK$'000	**Accelerated tax depreciation** HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1st April 2006	845	565	(565)	845
Charge (credit) for the year	–	40	(40)	–
At 31st March 2007	845	605	(605)	845
(Credit) charge for the year	**(455)**	**53**	**(53)**	**(455)**
At 31st March 2008	**390**	**658**	**(658)**	**390**

At the balance sheet date, the Group has unused tax losses of approximately HK$277 million (2007: HK$255 million) available for offset against future profits. A deferred tax asset amounting to approximately HK$658,000 (2007: HK$605,000) in respect of tax loss amounting to approximately HK$3,760,000 (2007: HK$3,457,000) has been recognised. No deferred tax asset has been recognised in respect of the remaining unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK$5,504,000 (2007: HK$685,000) that will expire in 2011 to 2013 (2007: 2011 to 2012). Other losses may be carried forward indefinitely.

At 31st March 2007, the Group has other deductible temporary difference of HK$133,000. No deferred tax asset was recognised in relation to such deductible temporary difference as it was not probable that taxable profit would be available against which the deductible temporary differences can be utilised. Such deductible temporary difference was utilised during the year ended 31st March 2008.

The Group had no other significant unprovided deferred tax liability at the balance sheet date.

28. SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number of shares	**Nominal value** HK$'000	**Number of shares**	**Nominal value** HK$'000
Ordinary shares of HK$0.1 each:				
At 1st April 2006	1,000,000,000	100,000	718,379,767	71,838
Addition	1,000,000,000	100,000	–	–
Issue of shares *(note a)*	–	–	43,530,000	4,353
Share placement *(note b)*	–	–	87,000,000	8,700
At 31st March 2007	2,000,000,000	200,000	848,909,767	84,891
Exercise of share options *(note c)*	**–**	**–**	**39,083,280**	**3,908**
Issue of shares *(note d)*	**–**	**–**	**30,380,000**	**3,038**
At 31st March 2008	**2,000,000,000**	**200,000**	**918,373,047**	**91,837**

Notes:

(a) In April 2006, the Company issued 43,530,000 ordinary shares of HK$0.10 each in the Company to Billion Pacific, at a price of HK$0.195 per share. The same number of the Company's ordinary shares owned by Billion Pacific were placed at a price of HK$0.195 per share to other investors. The placing price represented a discount of approximately 11.36% to the closing price of HK$0.22 per share as quoted on the Stock Exchange on 6th April 2006 (the day before the date of the share placing agreement). The proceeds are to be used for the business expansion of the Group. The transaction was completed and the placing shares were issued in April 2006. These new shares were issued under the general mandate granted to the directors at the Company's annual general meeting held on 30th September 2005. These new shares ranked pari passu with existing shares in all respects.

(b) In September 2006, the Company entered into a share placing agreement to procure Billion Pacific to subscribe for 87,000,000 shares at a price of HK$0.23 per share, representing a discount of approximately 7.26% to the closing price of HK$0.248 per share as quoted on the Stock Exchange on 27th September 2006 (the last full trading day before the date of the share placing agreement). The same number of the Company's ordinary shares owned by Billion Pacific were placed at a price of HK$0.23 per share to other investors. The proceeds are to be used for the potential acquisition of skincare and cosmetics products brands and distribution network and for general working capital. The transaction was completed and the placing shares were issued in October 2006. These shares were issued under the general mandate granted to the directors at the Company's annual general meeting held on 18th September 2006. These new shares ranked pari passu with the existing shares then in issue in all respects.

(c) During the year ended 31st March 2008, 39,083,280 ordinary shares of HK$0.1 each of the Company were issued upon the exercise of 39,083,280 share options at an exercise price of HK$0.21 per share. These new shares ranked pari passu with the existing shares then in issue in all respects.

(d) In June 2007, the Company entered into a subscription agreement with Galaxy China Opportunities Fund under which this fund subscribed for 30,380,000 new shares at a price of HK$0.335 per share, representing a discount of approximately 2.9% to the closing price of HK$0.345 per share as quoted on the Stock Exchange on 30th May 2007 (the last full trading day before the date of the subscription agreement). The proceeds are to be used for the general working capital of the Company. The transaction was completed and the placing shares were issued in June 2007. These shares were issued under the general mandate granted to the directors at the Company's annual general meeting held on 18th September 2006. These new shares ranked pari passu with the existing shares then in issue in all respects.

29. SHARE OPTION SCHEMES

Details of the share option schemes adopted by the Company are as follows:

(a) 2003 Scheme

A share option scheme (the "Scheme") was adopted by the Company pursuant to a resolution passed on 26th August 2003. Under the Scheme, the directors of the Company may invite any director (including non-executive director and independent non-executive director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for share of HK$0.01 each (which was adjusted to HK$0.1 per share following the consolidation of the Company's shares on 20th December 2004) in the capital of the Company.

Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option. The options are exercisable within ten years after date of grant.

(b) 2007 Scheme

A share option scheme (the "2007 Scheme") was adopted by the Company pursuant to a resolution passed on 28th September 2007. Under the 2007 Scheme, the directors of the Company may invite any director (including non-executive director and independent non-executive director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for share of HK$0.1 each in the capital of the Company.

Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option. The options are exercisable within ten years after date of grant.

29. SHARE OPTION SCHEMES – Continued

The following table discloses movements in the Company's share options during the year ended 31st March 2008:

	Option Scheme type	Date of grant	Vesting period	Exercisable period	Exercise price per share HK$	At 1st April 2007	Granted during the year	Exercised during the year	Lapsed during the year	At 31st March 2008
Directors	2003	21st August 2006	N/A	21st August 2006 to 21st August 2016	0.210	12,516,320	–	(12,516,320)	–	–
Employees	2003	21st August 2006	21st August 2006 to 20th August 2007	21st August 2007 to 21st August 2016	0.210	17,954,320	–	(10,240,000)	(5,442,320)	2,272,000
	2007	22nd November 2007	N/A	22nd November 2007 to 21st November 2017	0.270	–	25,230,000	–	–	25,230,000
	2007	22nd November 2007	22nd November 2007 to 21st November 2008	22nd November 2008 to 21st November 2017	0.270	–	2,850,000	–	–	2,850,000
Consultants	2003	21st August 2006	N/A	21st August 2006 to 21st August 2016	0.210	21,769,280	–	(16,326,960)	–	5,442,320
	2007	22nd November 2007	N/A	22nd November 2007 to 21st November 2017	0.270	–	18,060,000	–	–	18,060,000
						52,239,920	46,140,000	(39,083,280)	(5,442,320)	53,854,320
Exercisable at end of the year										51,004,320
						HK$	HK$	HK$	HK$	HK$
Weighted average exercise price						0.210	0.270	0.210	0.210	0.261

29. SHARE OPTION SCHEMES – Continued

The following table disclose movements in the Company's share options during the year ended 31st March 2007:

	Date of grant	Vesting period	Exercisable period	Exercise price per share HK$	Number of share options At 1st April 2006	Granted during the year	Exercised during the year	Cancelled during the year	At 31st March 2007
Directors	21st August 2006	N/A	21st August 2006 to 21st August 2016	0.210	–	12,516,320	–	–	12,516,320
Employees	21st August 2006	21st August 2006 to 20th August 2007	21st August 2007 to 21st August 2016	0.210	–	17,954,320	–	–	17,954,320
Consultants	21st August 2006	N/A	21st August 2006 to 21st August 2016	0.210	–	23,769,280	–	(2,000,000)	21,769,280
					–	54,239,920	–	(2,000,000)	52,239,920

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was HK$0.276 (2007: N/A).

During the year ended 31st March 2008, 46,140,000 options with an exercise price of HK$0.270 per share were granted on 22nd November 2007. The estimated fair value of the options granted on 22nd November 2007 was approximately HK$3,517,000. This fair value was calculated using, the Black-Scholes Option Pricing Model. The inputs into the model are as follows:

Share price as at the date of grant	HK$0.26
Exercise price	HK$0.27
Expected volatility	76.04%
Expected life	1 to 1.5 years
Risk-free rate	1.75% to 1.978%
Expected dividend yield	Nil

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

29. SHARE OPTION SCHEMES – Continued

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 options granted to consultants are measured with reference to the fair value of share options granted using the Black-Scholes Option Pricing Model as the fair value of the identifiable services received cannot be reliably measured.

The closing price of the Company's shares immediately before 22nd November 2007, the date of grant of the share options, was HK$0.27.

The Group recognised an aggregate amount of approximately HK$3,819,000 (2007: HK$2,856,000) as expenses for the year in relation to the share options granted by the Company, of which approximately HK$2,462,000 (2007: HK$1,611,000) was related to options granted to the Group's employees and shown as staff costs, and the remaining balance represents share option expense for consultants.

30. OPERATING LEASES

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises and office equipment, which fall due as follows:

	2008	2007
	HK$'000	HK$'000
Within one year	**3,308**	988
In the second to fifth year inclusive	**1,692**	274
	5,000	1,262

Operating lease payments represent rental payable by the Group for certain of its office premises and warehouse and office equipment. Leases for office premises and warehouse and office equipment are negotiated for an average terms of two and five years, respectively.

30. OPERATING LEASES – Continued

The Group as lessor

Property rental income earned during the year was approximately HK$369,000 (2007: HK$514,000). The relevant outgoings incurred during the year was approximately HK$157,000 (2007: HK$69,000).

At the balance sheet date, the Group had minimum lease receipts, which represent rentals receivable by the Group from its investment properties under non-cancellable operating leases, which fall due as follows:

	2008	2007
	HK$'000	HK$'000
Within one year	**432**	225
In the second to fifth year inclusive	**755**	–
	1,187	225

The investment properties held have committed tenants for an average term of one to three years.

31. RETIREMENT BENEFITS SCHEMES

Hong Kong

The Group participates in Mandatory Provident Fund Schemes (the "MPF Schemes") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the MPF Schemes are held separately from those of the Group in an independently administered fund.

The Group contributes certain percentage of relevant payroll costs each month to the MPF Schemes.

The PRC

The employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local government in the PRC. The Group is required to contribute a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

32. PLEDGE OF ASSETS

At the balance sheet date, certain assets of the Group with the following carrying amounts had been pledged to secure banking facilities and finance lease arrangements granted to the Group:

	2008 **HK$'000**	2007 HK$'000
Prepaid lease payments	**2,813**	2,884
Leasehold buildings	**1,886**	1,945
Bank deposits	**1,689**	2,652
Property, plant and equipment	**191**	–
	6,579	7,481

33. MAJOR NON-CASH TRANSACTION

During the year, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the finance leases of HK$280,000 (2007: Nil).

34. CONNECTED AND RELATED PARTY TRANSACTIONS AND BALANCES

(i) Connected person and related party

On 31st January 2008, the Group entered into a service agreement with Mr. Yeung Ting Lap, Derek Emory ("Mr. Yeung"), a director of the Company, pursuant to which the Company agreed to appoint Mr. Yeung in consideration of the successful introduction to the Company the business opportunities as contemplated under two acquisition agreements and for procuring the completion of the acquisitions in accordance with the agreements. Details of the acquisitions are set out in note 35 (i).

The Company shall issue and allot to Mr. Yeung new shares in the Company in accordance with the terms of the said service agreement and the maximum limit for the number of new shares to be issued shall be 50,000,000.

(ii) Related parties, other than connected persons

Details of the Group's outstanding balances with related parties are set out in the consolidated balance sheet and in note 24.

(iii) Key management personnel

Compensation of key management personnel and directors during the year is set out in note 14.

35. POST BALANCE SHEET EVENTS

The following significant events took place after the balance sheet date:

(i) On 25th January 2008, the Company as the purchaser, CEC Resources Limited as the vendor, and China Enterprise Capital Limited as the guarantor entered into two sale and purchase agreements pursuant to which the Company conditionally agreed to acquire from the vendor the entire issued share capital of Giant Field Group Limited ("GF") and Power Field Holdings Limited ("PF") respectively. Both CEC Resources Limited and China Enterprise Capital Limited are independent third parties of the Company.

According to the abovementioned sale and purchase agreements, SMI LLC ("SMI") and Sinotum Mongolia LLC ("Sinotum"), companies incorporated in Mongolia, will become wholly-owned subsidiaries of GF and PF respectively. The principal assets of SMI and Sinotum are all the mineral mining and other rights to the Saikhan Ovoo coal mine in the Bulgan province of Mongolia and the mineral exploration and other rights to the Erdenetsogt coal deposit in the Dornogobi province of Mongolia, respectively.

The initial consideration of the GF acquisition amounts to approximately HK$300.6 million and will be satisfied by (i) the allotment and issue of the Company's shares at the issue price of HK$0.25 per share (the total number of which equals 19.99% of the total enlarged issued share capital of the Company); and (ii) the issue of a five-year zero coupon convertible bond with a face value equal to the amount of the initial consideration less the value of the consideration shares to be issued. Pursuant to the abovementioned sale and purchase agreements, the consideration for the acquisition of GF is subject to adjustment and can be increased up to maximum of RMB760 million (equivalent to approximately HK$820.6 million).

The initial consideration of the PF acquisition will be determined with reference to the amount (in tonnage) of the types of coal ore resource and reserves held by Sinotum and multiplied such amount by the per tonne price.

The abovementioned transactions constituted a very substantial acquisition under the Listing Rules and had been approved by the independent shareholders in a special general meeting held on 6th June 2008 (the "SGM"). The acquisition has not been completed up to the date of approval of these consolidated financial statements.

(ii) On 31st January 2008, the Group entered into a sale and purchase agreement to dispose of a subsidiary, Wealthy Bridge Group Limited ("Wealthy Bridge"), to an independent third party, at a cash consideration of HK$35 million. The principal assets of Wealthy Bridge are the investments in subsidiaries engaging in the sale of medical equipment operations. The transaction was approved by the shareholders in the SGM and was completed on 2nd July 2008. The operations of the sale of medical equipment segment was discontinued accordingly.

(iii) In January 2008, the board of directors proposes an increase in the authorised share capital of the Company from HK$200,000,000 divided into 2,000,000,000 ordinary shares of HK$0.1 each to HK$3,000,000,000 divided into 30,000,000,000 ordinary shares of HK$0.1 each. The increase in authorised share capital was approved by the shareholders in the SGM.

(iv) On 9th May 2008, the Company entered into a placing agreement with a placing agent, pursuant to which the Company appointed the placing agent to procure not less than six independent placees to subscribe for up to a maximum of 400,000,000 new ordinary shares of HK$0.1 each in the issued share capital of the Company at the placing price of HK$0.28 per placing share. The placing was completed on 4th July 2008.

36. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Group as at 31st March 2008 and 31st March 2007 which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name of subsidiaries	Place of incorporation/ and operations	Issued and fully paid share capital	Attributable to proportion of nominal value of issued capital held by the Company indirectly	Principal activities
Ultronics Enterprise Limited	Hong Kong	11 ordinary shares of HK$0.5 each and 8,627,759 deferred shares of HK$0.5 each *(Note 1)*	100%	Trading of medical equipment and supplies
eQuality Group Limited	Hong Kong	4 ordinary shares of HK$1 each	100%	Trading of medical equipment and supplies
Procare (Holdings) Company Limited ("Procare") *(Note 2)*	Hong Kong	10,000 ordinary shares of HK$1 each	100%	Trading of health and beauty products

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

1. 100,000 deferred shares, which are not held by the Group, carry practically no rights to dividends or to receive notice of or to attend or vote at any general meeting of the Company or to participate in any distribution on winding up.

2. Procare was directly held by the Company as at 31st March 2007.

37. SUMMARISED BALANCE SHEET OF THE COMPANY

The summarised balance sheet of the Company as at 31st March 2008 is as follows:

	2008	2007
	HK$'000	HK$'000
Property, plant and equipment	**32**	180
Investments in subsidiaries	**–**	31,881
Amounts due from subsidiaries	**63,693**	13,133
Other receivables	**1,139**	246
Bank balances and cash	**236**	2,773
Amount due to a shareholder	**(1,808)**	(208)
Other payables	**(999)**	(1,399)
Net assets	**62,293**	46,606
Share capital	**91,837**	84,891
Reserves	**(29,544)**	(38,285)
Total equity	**62,293**	46,606

Loss for the year of the Company amounted to approximately HK$6,454,000 (2007: HK$8,001,000).

RESULTS

	For the year ended 31st March				
	2008	2007	2006	2005	2004
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TURNOVER	**50,759**	41,819	19,420	17,228	18,254
LOSS BEFORE TAXATION	**(28,978)**	(12,160)	(6,701)	(6,957)	(8,151)
TAXATION	**430**	7	(28)	–	–
LOSS FOR THE YEAR	**(28,548)**	(12,153)	(6,729)	(6,957)	(8,151)
Loss for the year attributable to:					
Equity holders of the Company	**(28,540)**	(12,161)	(6,729)	(6,957)	(8,151)
Minority interests	**(8)**	8	–	–	–
	(28,548)	(12,153)	(6,729)	(6,957)	(8,151)

ASSETS AND LIABILITIES

	At 31st March				
	2008	2007	2006	2005	2004
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**57,619**	64,450	51,798	29,457	31,884
TOTAL LIABILITIES	**(24,042)**	(24,308)	(30,249)	(22,859)	(18,329)
TOTAL EQUITY	**33,577**	40,142	21,549	6,598	13,555

There is no material effect of the adoption of new accounting standards on the 2004 and 2005 amounts and therefore these amounts have not been restated.

PROPERTIES HELD BY THE GROUP

Name/Location	Type of properties	Lease term
Investment properties		
PRC		
Room 801, Kun Yang International Business Plaza, 798 Zhaojia Bang Road, Xu Hui District, Shanghai, PRC	Commercial	Medium
Room 802, Kun Yang International Business Plaza, 798 Zhaojia Bang Road, Xu Hui District, Shanghai, PRC	Commercial	Medium
Unit A, 1504, 15/F Block A, Vantone New World Plaza, 2 Fu Cheng Men Wai Street, Xi Cheng District, Beijing, PRC	Commercial	Medium
Unit A, 1505, 15/F Block A, Vantone New World Plaza, 2 Fu Cheng Men Wai Street, Xi Cheng District, Beijing, PRC	Commercial	Medium
Unit A, 1506, 15/F Block A, Vantone New World Plaza, 2 Fu Cheng Men Wai Street, Xi Cheng District, Beijing, PRC	Commercial	Medium
Unit 3, 25/F Office Block Wuhan Plaza, 358 Jie Fang Main Road, Wunhan, Hubei Province, PRC	Commercial	Medium
Hong Kong		
Workshop Unit No. 7, 6/F Harbour Centre Tower I, No. 1 Hok Cheung Street, Kowloon, Hong Kong	Commercial	Medium
Land and buildings		
Hong Kong		
Workshop Unit No. 12, 6/F Harbour Centre Tower I, No. 1 Hok Cheung Street, Kowloon, Hong Kong	Commercial	Medium