COSMOPOLITAN
INTERNATIONAL HOLDINGS LTD
四海國際集團有限公司

(incorporated in the Cayman Islands with limited liability)
(stock code : 120)

2009 Annual Report




Contents

Corporate Information

DIRECTORS

Executive Directors:

Mr. Bong Shu Yin, Daniel *(Chairman)*
Mr. Cheng Sui Sang

Non-executive Directors:

Mr. Wang Baoning *(Vice Chairman)*
Mr. Bong Shu Ying, Francis
Mr. Ng Kwai Kai, Kenneth
Mr. Leung So Po, Kelvin

Independent Non-executive Directors:

Mr. Li Ka Fai, David
Mr. Lee Choy Sang
Ms. Ka Kit

AUDIT COMMITTEE

Mr. Li Ka Fai, David *(Chairman)*
Mr. Lee Choy Sang
Ms. Ka Kit

REMUNERATION COMMITTEE

Mr. Bong Shu Yin, Daniel *(Chairman)*
Mr. Lee Choy Sang
Mr. Li Ka Fai, David

SECRETARY

Mr. Cheng Sui Sang

AUDITORS

SHINEWING (HK) CPA Limited

Corporate Information

REGISTERED OFFICE

P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room A, 18th Floor
211 Johnston Road
Wanchai
Hong Kong

(Effective 25 July 2009,
the above address will be changed to:
Units 801-802, 8th Floor
68 Yee Wo Street
Causeway Bay
Hong Kong)

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
46th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.
Industrial and Commercial Bank of China (Asia) Limited
ABN AMRO Bank N.V.
Deutsche Bank A.G.
RBS Coutts Bank Limited

(I) FINANCIAL REVIEW

Cosmopolitan International Holdings Limited (the "Company") together with its subsidiaries (the "Group") incurred a consolidated loss of HK$265,790,000 for the year ended 31 March 2009, as compared with a profit of HK$76,805,000 recorded last year. The consolidated loss incurred for the year under review was attributed mainly to the following factors: -

(i) The write-off of the carrying value of the placement rights in relation to the convertible bonds due 2009 ("CB2009") during the year under review for HK$125,536,000.

(ii) Net decrease in the fair value of the financial assets at fair value through profit or loss, marked to market closing prices as at 31 March 2009, amounting to HK$92,482,000.

(II) BUSINESS REVIEW

General

The principal activities of the Group during the year under review continue to be investments in properties and securities. The turnover of the Group for the year under review was HK$3,243,000, as compared to HK$133,100,000 in previous year. The reduction was mainly attributed to the reduced activities in securities trading during the year. Following the recent financial tsunami which struck the global economies, there was substantial change in the general investment climate and the Group has accordingly adopted a more conservative approach in assessing investment proposals. As at 31 March 2009, the cash and bank balances within the Group were over HK$192,000,000, which may enable the Group to take up good investment opportunities.

In August 2008, Sinofair Investment Limited, a wholly-owned subsidiary of the Company, entered into an agreement with the holder of the CB2009 in respect of the partial exercise, the partial release and the extension of the lock-up period of the placement rights for the CB2009. As a result of the partial exercise and partial release, a total of HK$18 million CB2009 were no longer subject to the placement rights, and the lock-up period was further extended to 13 February 2009. For details, please refer to the Company's announcement dated 18 August 2008. Because of the adverse downturn in the market conditions brought about by the financial tsunami, the carrying value of the placement rights attached to the then remaining CB 2009 was written off for the sake of prudence during the first half of the year under review and no placement rights had subsequently been exercised.

The Group's business in information technology, which had been suspended last year, was disposed of in January 2009.

The Group completed in February 2009 the issue of a new series of zero coupon convertible bonds due 2011 ("CB2011") in an aggregate principal amount of HK$28,000,000. The holder of the CB2011 is entitled to convert the CB2011 into new ordinary shares of the Company at the initial conversion price of HK$0.30 per ordinary share (subject to adjustment). Please refer to the Company's announcement dated 23 January 2009 for further details and the terms of such bond issue. The proceeds from the issue of the CB2011 were used to finance in part the redemption of the CB2009 as stated below.

Part of the CB2009 in the principal amount of HK$25,000,000 was converted in February 2009 and the remaining CB2009 in the principal amount of HK$31,000,000 was redeemed in March 2009 pursuant to the terms and conditions of CB2009.

Property Investments

Chengdu Project

This development project in Xindu District, Chengdu City, Sichuan Province, the People's Republic of China (the "PRC") is operated through a joint venture that is 50% owned by each of the Group and Regal Hotels International Holdings Limited. The site was acquired at a public land auction held in October 2007 and the land use right consideration of RMB213.1 million has been fully settled in July 2008. The project site is composed of two separate land parcels. One of the parcels is planned to be developed into a hotel and commercial complex with a maximum gross floor area of about 180,000 square meters above ground together with a maximum of about 50,000 square meters of commercial and auxilliary services and car park areas below ground. The other parcel is planned for residential development with a maximum gross floor area of about 315,000 square meters. The Planning Permits for Construction Land for the proposed development have been obtained and detailed planning work is progressing.

Xinjiang Project

The Group entered into an agreement dated 19 May 2008 (the "2008 Agreement") to acquire 60% interest in Advanced Industry Limited ("AIL") which, through a wholly-owned PRC incorporated company ("Xinjiang Libao"), has been involved in a re-forestation and landscape project in Urumqi City, Xinjiang Uygur Autonomous Region, the PRC. In return for the ecological improvement works performed, Xinjiang Libao would be granted land use rights for 30% of the land involved for development use, free of any payment of land premium. Due to the recent change in government policy, the development of the Phase 2 Land for ecological improvement and land swap will not be proceeded with and the Group will focus its resources in the Phase 1 Land. Presently, there are disputes between the Group and the minority shareholder owning 38% interest in AIL on the provision of required funds by the shareholders and the increase of capital of Xinjiang Libao and on certain breaches by that minority shareholder, as vendor, under the terms of the 2008 Agreement. Such disputes have adversely affected the progress of the project as originally planned. The Group is seeking legal advice on possible actions that can be pursued and is also considering other viable options to resolve the matter. As the latest date stipulated in the relevant agreement for completion of the re-forestation work expired on 2 July 2009, the Group has taken a prudent view to make full provisions for the investment (including associated goodwill) in the financial statements for the year under review. The Group's management is actively negotiating with the Xinjiang authority for the possible renewal of the relevant agreement for completion of the required re-forestation work, with a view to restoring the viability of the project.

Other PRC Projects

During the year, the Group entered into a letter of intent with Shanxi Broadcasting and Culture Industry Development Limited Company on a proposed joint venture of a cultural-themed development project at Taiyuan City, Shanxi Province, the PRC. Please refer to the Company's announcement dated 16 May 2008 for further details. No definitive agreement in respect of this proposed project has been reached.

In August 2008, the Group entered into a co-operative letter of intent with Dalian High-Tech Industrial Zone Administrative Committee to establish a joint venture in relation to the development of Lingshui Bay Development Project in Dalian City, Liaoning Province, the PRC. Please refer to the Company's announcement dated 15 August 2008 for further details. No definitive agreement in respect of this proposed project has been reached.

Rainbow Lodge

The Group acquired in 2007 ten duplex apartment units plus fourteen carparks in Rainbow Lodge located at No. 9 Ping Shan Lane,Yuen Long, New Territories, Hong Kong for a total consideration of HK$70 million. The Group is planning to relaunch the leasing of the apartment units but the Group may also consider selling part of the units if the price offered is satisfactory.

Securities Investments

The Group continues to maintain an active investment portfolio of listed and unlisted securities. Total financial assets at fair value stood at HK$91,921,000 as at 31 March 2009. As mentioned above, the Group has written off during the year under review the carrying value of the remaining placement rights of the CB 2009 in the amount of HK$125,536,000. There was also a net decrease in the fair value of the financial assets, marked to market closing prices as at 31 March 2009 of HK$92,482,000, as mentioned earlier under "Financial Review".

Information Technology

Management has reviewed the prospect of the information technology business in which the Group was engaged in and, having considered the prospect and the present focus of the Group's investment strategy, has taken action to dispose of the business during the year under review.

(III) PROSPECTS

The global economy has been seriously affected by the financial tsunami which commenced in the second half of 2008 and with no exception, the Hong Kong economy was adversely affected, particularly in the export and financial sectors. Extensive rescue exercises through fiscal and monetary policies were undertaken by the governments of the major world economies and there are signs that the economies are beginning to restore stability, but the ultimate effects of such massive joint efforts are still to be seen. Since the first quarter of 2009, the property and stock markets, notably in the PRC and Hong Kong, have staged substantial recovery. The economy in the PRC appears to be least affected by the financial tsunami and there are indications that the PRC economy may lead the global recovery. The Group remains optimistic of the medium to longer term prospects of the property sector in the PRC and continues to be committed to those projects that are being undertaken by the Group. The Group is cautiously hopeful that the current problems encountered in the Xinjiang Project would eventually be resolved satisfactorily, thereby reviving the potential and prospects of the project as originally envisaged. In the meantime, the Group is also actively reviewing other potential investment and development projects in the PRC, with a view to achieving for the Group asset growth and profitability.

We are confident that with the resources available at present, the Group will be able to overcome the current challenges and to create long term value to the shareholders.

(IV) DIRECTORS AND STAFF

Taking this opportunity, I would like to thank my fellow Directors on the Board for their contribution and advice and all the management and staff members for their efforts and dedications over the past year.

Bong Shu Yin, Daniel
Chairman

Hong Kong
14 July 2009

EXECUTIVE DIRECTORS

1. Mr. Bong Shu Yin, Daniel

Mr. Bong Shu Yin, Daniel, aged 70, is a qualified architect and has extensive experience in the property and hotel fields, both in Hong Kong and overseas. Mr. Bong had been involved in the management of several public listed companies in Hong Kong for over 10 years, including Century City International Holdings Limited ("Century City") and Paliburg Holdings Limited ("Paliburg"). Mr. Bong was the deputy chairman and an executive director of Regal Hotels International Holdings Limited ("Regal Hotels") until 1999 when he resigned to pursue his personal interests and investments.

2. Mr. Cheng Sui Sang

Mr. Cheng Sui Sang, aged 65, has extensive experience in banking and finance fields and has held senior management positions in overseas companies, as well as several Hong Kong listed companies. He holds a Bachelor's degree in Economics and a Master's degree in Business Administration, and is also an associate member of the Hong Kong Institute of Certified Public Accountants. Immediately before joining the Company, Mr. Cheng was involved in private consulting work to a number of clients in the PRC and Hong Kong.

NON-EXECUTIVE DIRECTORS

1. Mr. Wang Baoning

Mr. Wang Baoning, aged 55, has extensive experience in the property development and electronics and software industries in the PRC. Mr. Wang is a director of a number of companies in the PRC, including 北京市中軟恒通科技有限公司 (Beijing Zhongruan Hengtong Keji Co., Ltd), 湖南淺水灣湘雅溫泉花園有限公司 (Hunan Qianshuiwan Xiangya Wenquan Huayuan Co., Ltd),珠海鋒盛拍賣有限公司 (Zhuhai Fengsheng Paimai Co., Ltd) and 珠海怡華通投資有限公司 (Zhuhai Yihuatong Touzi Co. Ltd), which are engaged respectively in the businesses of software technology, property development, auction and investments.

2. Mr. Bong Shu Ying, Francis

Mr. Bong Shu Ying, Francis, OBE, JP, aged 67, is the brother of Mr. Bong Shu Yin, Daniel. Mr. Bong is a Director & Chairman, Asia of Aecom Technology Corporation (a company incorporated in the United States of America listed on the main board of the New York Stock Exchange, stock code: ACM). Mr. Bong holds a Bachelor's degree of Science in Engineering from the University of Hong Kong and is the former president of the Hong Kong Institution of Engineers and a fellow member of the Institution of Civil Engineers and The Institution of Structural Engineers in the United Kingdom.

3. Mr. Ng Kwai Kai, Kenneth

Mr. Ng Kwai Kai, Kenneth, aged 54, is a Chartered Secretary. Mr. Ng is an executive director and the chief operating officer of Century City (together with its subsidiary and associate, the "Century City Group") and an executive director of Paliburg and Regal Hotels. Paliburg is a listed subsidiary of Century City and Regal Hotels is a listed associate of Century City and Paliburg. Century City, Paliburg, and Regal Hotels are companies listed on the main board of The Stock Exchange of Hong Kong Limited. Mr. Ng is in charge of the corporate finance, company secretarial and administrative functions of the Century City Group.

4. Mr. Leung So Po, Kelvin

Mr. Leung So Po, Kelvin, aged 37, is a member of the Illinois CPA Society. Mr. Leung is the general manager of the corporate finance department of the Century City Group. Mr. Leung holds a Bachelor's degree in Business Administration from The Chinese University of Hong Kong. Mr. Leung has over 12 years of experience in accounting and corporate finance.

INDEPENDENT NON-EXECUTIVE DIRECTORS

1. Mr. Li Ka Fai, David

Mr. Li Ka Fai, David, aged 54, is currently the deputy managing partner of Li, Tang, Chen & Co. Certified Public Accountants (Practising). He is also a fellow of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, UK as well as The Institute of Chartered Secretaries & Administrators, UK and an associate member of The Institute of Chartered Accountants in England and Wales. He is currently an independent director and chairman of audit committee of China Vanke Company Limited (a company listed on the Shenzhen Stock Exchange in the PRC), an independent non-executive director and chairman of audit committee of China-Hongkong Photo Products Holdings Limited (a company listed on the main board of the Stock Exchange, stock code 1123) and an independent non-executive director and member of audit committee of China Merchants Holdings (International) Company Limited (a company listed on the main board of the Stock Exchange, stock code 0144) and AVIC International Holding (HK) Limited (formerly known as CATIC International Holdings Limited, a company listed on the main board of the Stock Exchange, stock code 0232).

2. Mr. Lee Choy Sang

Mr. Lee Choy Sang, aged 72, has been involved in the construction industry for over 40 years. Mr. Lee obtained his Bachelor of Architecture Degree in the University of Hong Kong. Mr. Lee was a member of the Royal Institute of British Architects, the Royal Australian Institute of Architects and the Hong Kong Institute of Architects. He was also a registered architect in Hong Kong. He has been appointed as a member of the Hong Kong Housing Society. Mr. Lee is currently a director of Silver Force (Consultants) Limited and Brilliant Force International China Heating Supply Holdings Company Limited, and is in charge of various projects in respect of the provision of services relating to energy supply and management in different regions, including Hong Kong and the PRC.

3. Ms. Ka Kit

Ms. Ka Kit, aged 57, has extensive experience in the telecommunication industry. Ms. Ka is a director of Sharp Wind Development Limited, Southcom Internet Technology Limited and Southcom Limited, which are principally engaged in telecommunication services.

The Directors have pleasure in presenting their report together with the consolidated financial statements of the Group for the year ended 31 March 2009.

(I) PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding Company. The principal activities of the subsidiaries are property investment, property development, investment in listed and unlisted securities and other investments. The principal activities of the principal subsidiaries are set out in note 43 to the consolidated financial statements.

(II) FINANCIAL RESULTS

The results and the state of affairs of the Group for the year ended 31 March 2009 are set out in the consolidated financial statements on pages 28 to 99.

(III) MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCING

Current assets and current liabilities of the Group as at 31 March 2009 were HK$296,875,000 and HK$69,226,000 respectively (31 March 2008: HK$618,836,000 and HK$130,607,000 respectively). Cash and bank balances stood at HK$192,673,000 as at 31 March 2009 in comparison with HK$304,513,000 as at 31 March 2008.

The Group's gearing ratio as at 31 March 2009 based on the net borrowings (represented by convertible bond borrowings net of cash and bank balances) as a percentage of the net assets after deducting goodwill and minority interests was 112% (31 March 2008: 11%).

CONTINGENT LIABILITY

There is no contingent liability outstanding for the Group as at 31 March 2009.

CAPITAL STRUCTURE

The ordinary shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As a result of the conversion of certain CB2009 into 357,142,857 new ordinary shares of the Company during the year, the total number of outstanding issued and fully paid ordinary shares of the Company as at 31 March 2009 was 2,253,442,857 ordinary shares.

REMUNERATION POLICY

The Group had 20 full time employees (including executive directors) working in Hong Kong and the PRC. Management considers the overall level of staffing employed and the remuneration cost incurred in connection with the Group's operations to be compatible with market norm.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed annually based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include a mandatory provident fund scheme as well as medical insurance.

SUMMARY FINANCIAL INFORMATION

A summary of the results, assets, liabilities and minority interests of the Group for the last five financial years is set out on page 100.

(IV) PROPERTY AND EQUIPMENT

The details of movements in the Group's property and equipment during the year are set out in note 18 to the consolidated financial statements.

(V) SHARE CAPITAL

The details of movements in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

(VI) RESERVES

The details of movements in the reserves of the Group during the year are set out in the consolidated financial statements on page 33.

(VII) PRE-EMPTIVE RIGHTS

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

(VIII) PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

(IX) ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the 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 debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right.

(X) DISTRIBUTABLE RESERVES

At 31 March 2009, the Company's reserves available for distribution calculated in accordance with the laws of the Cayman Islands amounted to HK$190,864,000 (2008: HK$194,946,000).

(XI) SHARE OPTIONS

The details of the share option scheme ("Share Option Scheme") adopted by the Company on 20 August 2003 are set out in note 36 to the consolidated financial statements.

On 6 December 2007, the Company entered into three call option agreements with three independent investors to grant an aggregate of 300,000,000 call options for a period of 12 months to these investors to subscribe for a total of 300,000,000 ordinary shares of the Company. For details, please refer to the Company's annual report for the year ended 31 March 2008. The abovementioned call options had not been exercised and expired in January 2009 and there were no outstanding options granted over its shares by the Company as at 31 March 2009.

(XII) JOINTLY CONTROLLED ENTITY

Particulars of the Group's interests in its jointly controlled entity are set out in note 21 to the consolidated financial statements.

(XIII) MAJOR CUSTOMERS AND SUPPLIERS

The Group's turnover during the financial year under review was mainly derived from securities trading, and most of the trading transactions were conducted on the Stock Exchange through securities brokers, and thus the disclosure of the customers and suppliers information would not be meaningful.

(XIV) DIRECTORS

The Directors of the Company are:

Executive Directors:

Mr. Bong Shu Yin, Daniel *(Chairman)*
Mr. Cheng Sui Sang

Non-executive Directors:

Mr. Wang Baoning *(Vice-Chairman)*
Mr. Bong Shu Ying, Francis
Mr. Ng Kwai Kai, Kenneth
Mr. Leung So Po, Kelvin

Independent Non-executive Directors:

Mr. Li Ka Fai, David
Mr. Lee Choy Sang
Ms. Ka Kit

Pursuant to the Article 116 of the articles of association of the Company, Mr. Li Ka Fai, David, Mr. Lee Choy Sang and Ms. Ka Kit will retire as Directors by rotation at the Annual General Meeting ("AGM"), and being eligible, they offer themselves for re-election.

All of the above retiring Directors of the Company, being eligible, have offered themselves for re-election at the AGM. Details of these retiring Directors, which are required to be disclosed pursuant to Rules 13.51(2) and 13.74 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), are set out in the circular of the Company sent to the shareholders together with the 2009 Annual Report, relating to, inter alia, re-election of the retiring Directors.

(XV) DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors had any beneficial interests, whether direct or indirect, in any significant contract to which the Company, or any of its subsidiaries was a party at the balance sheet date or at any time during the year.

None of the Directors had any service contract, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), with the Company or any of its subsidiaries during the year.

Save for the Share Option Scheme under which no options have been granted, at no time during the year was the Company or any of its subsidiaries a party to any arrangement, whose objects are to enable a Director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

(XVI) DIRECTORS' INTERESTS IN SHARE CAPITAL

According to the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), as at 31 March 2009, none of the Directors nor their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporations as defined in the SFO.

(XVII) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 31 March 2009, the following substantial shareholders (not being a Director or chief executive of the Company) had an interest or short position in shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Name	**Number of shares held**	**Percentage of the Company's share capital**
Giant Sino Group Limited *(Note 1)*	880,715,218	39.08%
Prosperity Investment Holdings Limited *(Note 2)*	112,531,078	4.99%
Ever Honest Investments Limited *(Note 2)*	46,500,000	2.06%
Lendas Investments Limited *(Note 3)*	200,000,000	8.88%
Winart Investments Limited *(Note 3)*	180,000,000	7.99%
Fountain Sky Limited *(Note 3)*	66,800,000	2.96%
United Gold Investments Limited *(Note 4)*	175,000,000	7.77%
Great Prospect Development Limited *(Note 5)*	157,142,857	6.97%
Profit Giant Holdings Limited *(Note 5)*	70,806,092	3.14%

Save as disclosed herein, there was no other person who, as at 31 March 2009, had an interest or share position in the shares and underlying shares of the Company which were recorded in the register required to be kept under section 336 of the SFO.

Notes:

1. Giant Sino Group Limited is a wholly owned subsidiary of Space Capital Investments Limited, which in turn is owned as to 28% by Mr. Bong Shu Yin, Daniel (being the Chairman of the Company and an Executive Director) and as to 28% by Mr. Wang Baoning (being the Vice-Chairman of the Company and a Non-executive Director). Space Capital Investments Limited was deemed to be interested in the 880,715,218 shares held by Giant Sino Group Limited.

2. Prosperity Investment Holdings Limited is a company whose shares are listed on the main board of the stock exchange (stock code: 310) which is owned as to 52.23% by Favor Hero Investments Limited, which is in turn wholly owned by Mr. Lam Kwing Wai, Alvin Leslie. Ever Honest Investments Limited is a wholly owned subsidiary of Genius Choice Investment Limited, which in turn is a wholly owned subsidiary of GR Investment Holdings Limited, which in turn is a wholly owned subsidiary of Accufocus Investments Limited, which in turn is a wholly owned subsidiary of Prosperity Investment Holdings Limited. Each of Favor Hero Investments Limited and Mr. Lam Kwing Wai, Alvin Leslie was deemed to be interested in the 112,531,078 shares held by Prosperity Investments Holdings Limited and the 46,500,000 shares held by Ever Honest Investments Limited respectively under Part XV of the SFO.

3. Each of Lendas Investments Limited and Winart Investments Limited is a wholly owned subsidiary of Paliburg Development BVI Holdings Limited, which in turn is a wholly owned subsidiary of Paliburg.

   Fountain Sky Limited is a wholly owned subsidiary of Regal Hotels (Holdings) Limited, which is in turn a wholly owned subsidiary of Regal International (BVI) Holdings Limited, which in turn is a wholly owned subsidiary of Regal Hotels. Regal Hotels is the listed associate of, owned as to 47.20% as at 31 March 2009 by, Paliburg Development BVI Holdings Limited. Paliburg Development BVI Holdings Limited is a wholly owned subsidiary of Paliburg.

   Paliburg is the listed subsidiary of, owned as to 57.66% as at 31 March 2009 by, Century City BVI Holdings Limited. Century City BVI Holdings Limited is a wholly owned subsidiary of Century City, which is a listed company controlled by, and owned as to 51.86% as at 31 March 2009 by, Mr. Lo Yuk Sui.

   Each of Paliburg Development BVI Holdings Limited, Paliburg, Century City BVI Holdings Limited, Century City and Mr. Lo Yuk Sui was deemed to be interested in the shares held by Lendas Investments Limited, Winart Investments Limited and Fountain Sky Limited under Part XV of the SFO.

4. United Gold Investments Limited is a wholly owned subsidiary of Yield High Investments Limited, which is in turn wholly owned by Mr. Luk Yan. Each of Yield High Investments Limited and Mr. Luk Yan was deemed to be interested in the 175,000,000 shares held by United Gold Investments Limited under Part XV of the SFO.

5. Great Prospect Development Limited is a wholly owned subsidiary of International Securities Investments Limited which in turn is wholly owned subsidiary of Capital Builder Investments Limited which in turn is a wholly owned subsidiary of Wan's Family Company Limited which in turn is wholly owned by Ms. Wan Ho Yan, Letty.

   Profit Giant Holdings Limited is wholly owned by Ms. Wan Ho Yan, Letty.

   Ms. Wan Ho Yan, Letty was deemed to be interested in the 157,142,857 shares held by Great Prospect Development Limited and 70,806,092 shares held by Profit Giant Holdings Limited respectively under Part XV of the SFO.

Interests in underlying shares of the Company pursuant to the zero coupon convertible bonds due 2010 issued by Fancy Gold Limited, a wholly-owned subsidiary of the Company ("Convertible Bonds due 2010")

Name	**Underlying shares of the Company pursuant to Convertible Bonds due 2010 issued**	**Adjusted conversion price per share (subject to adjustment)**	**Conversion period**	**Approximate % of issued share capital of the Company**
Valuegood International Limited *(Note 1)*	707,250,000	HK$0.20	16 July 2007 to 2 May 2010	31.39%
United Gold Investments Limited *(Note 2)*	10,250,000	HK$0.20	16 July 2007 to 2 May 2010	0.45%

Notes:

1. Valuegood International Limited is a wholly owned subsidiary of Regal International (BVI) Holdings Limited, which in turn is a wholly owned subsidiary of Regal Hotels. Regal Hotels is the listed associate of, owned as at 47.20% as at 31 March 2009 by, Paliburg Development BVI Holdings Limited. Paliburg Development BVI Holdings Limited is a wholly owned subsidiary of Paliburg. Paliburg is the listed subsidiary of, owned as to 57.66% as at 31 March 2009 by, Century City BVI Holdings Limited. Century City BVI Holdings Limited is a wholly owned subsidiary of Century City which is a listed company controlled by, and owned as to 51.86% as at 31 March 2009 by, Mr. Lo Yuk Sui. Each of Regal International (BVI) Holdings Limited, Regal Hotels, Paliburg Development BVI Holdings Limited, Paliburg, Century City BVI Holdings Limited, Century City and Mr. Lo Yuk Sui was deemed to be interested in the underlying shares of the Company pursuant to the Convertible Bonds due 2010 held by Valuegood International Limited under Part XV of the SFO.

2. United Gold Investments Limited is a wholly owned subsidiary of Yield High Investments Limited, which is in turn wholly owned by Mr. Luk Yan. Each of Yield High Investments Limited and Mr. Luk Yan was deemed to be interested in the underlying shares of the Company pursuant to Convertible Bonds due 2010 held by United Gold Investments Limited under Part XV of the SFO.

Interests in underlying shares of the Company pursuant to the zero coupon convertible bonds due 2013 issued by Apex Team Limited, a wholly-owned subsidiary of the Company ("Convertible Bonds due 2013")

Name	**Underlying shares of the Company pursuant to Convertible Bonds due 2013 issued**	**Adjusted conversion price per share (subject to adjustment)**	**Conversion period**	**Approximate % of issued share capital of the Company**
Time Crest Investments Limited *(Note 1)*	333,333,333	HK$0.30	29 February 2008 to 31 January 2013	14.79%
Well Mount Investments Limited *(Note 1)*	333,333,333	HK$0.30	14 days after the date of issue *(Note 3)* to 31 January 2013	14.79%
Jumbo Pearl Investments Limited *(Note 2)*	333,333,333	HK$0.30	29 February 2008 to 31 January 2013	14.79%
Sun Joyous Investments Limited *(Note 2)*	333,333,333	HK$0.30	14 days after the date of issue *(Note 3)* to 31 January 2013	14.79%

Notes:

1. Each of Time Crest Investments Limited and Well Mount Investments Limited is a wholly owned subsidiary of Regal International (BVI) Holdings Limited, which in turn is a wholly owned subsidiary of Regal Hotels. Regal Hotels is the listed associate of, owned as to 47.20% as at 31 March 2009 by, Paliburg Development BVI Holdings Limited. Paliburg Development BVI Holdings Limited is a wholly owned subsidiary of Paliburg. Paliburg is the listed subsidiary of, owned as to 57.66% as at 31 March 2009 by, Century City BVI Holdings Limited. Century City BVI Holdings Limited is a wholly owned subsidiary of Century City, which is a listed company controlled by, and owned as to 51.86% as at 31 March 2009 by, Mr. Lo Yuk Sui. Each of Regal International (BVI) Holdings Limited, Regal Hotels, Paliburg Development BVI Holdings Limited, Paliburg, Century City BVI Holdings Limited, Century City and Mr. Lo Yuk Sui was deemed to be interested in the underlying shares of the Company pursuant to the Convertible Bonds due 2013 held by Time Crest Investments Limited and Well Mount Investments Limited under Part XV of the SFO.

2. Each of Jumbo Pearl Investments Limited and Sun Joyous Investments Limited is a wholly owned subsidiary of Paliburg Development BVI Holdings Limited, which in turn is a wholly owned subsidiary of Paliburg. Paliburg is the listed subsidiary of, owned as to 57.66% as at 31 March 2009 by, Century City BVI Holdings Limited. Century City BVI Holdings Limited is a wholly owned subsidiary of Century City which is a listed company controlled by, and owned as to 51.86% as at 31 March 2009 by, Mr. Lo Yuk Sui. Each of Paliburg Development BVI Holdings Limited, Paliburg, Century City BVI Holdings Limited, Century City and Mr. Lo Yuk Sui was deemed to be interested in the underlying shares of the Company pursuant to the Convertible Bonds due 2013 held by Jumbo Pearl Investments Limited and Sun Joyous Investments Limited under Part XV of the SFO.

3. As at 31 March 2009, Well Mount Investments Limited and Sun Joyous Investments Limited had not exercised their options to subscribe for the relevant Convertible Bonds due 2013.

Interests in underlying shares of the Company pursuant to the zero coupon convertible bonds due 2011 issued by Ample Legend Limited, a wholly-owned subsidiary of the Company ("Convertible Bonds due 2011")

Name	**Underlying shares of the Company pursuant to Convertible Bonds due 2011 issued**	**Conversion price per share (subject to adjustment)**	**Conversion period**	**Approximate % of issued share capital of the Company**
Great Select Holdings Limited *(Note 1)*	93,333,333	HK$0.30	4 March 2009 to 18 February 2011	4.14%

Note:

1. Great Select Holdings Limited is a wholly owned subsidiary of Paliburg Development BVI Holdings Limited, which in turn is a wholly owned subsidiary of Paliburg. Paliburg is the listed subsidiary of, owned as to 57.66% as at 31 March 2009 by, Century City BVI Holdings Limited. Century City BVI Holdings Limited is a wholly owned subsidiary of Century City which is a listed company controlled by, and owned as to 51.86% as at 31 March 2009 by, Mr. Lo Yuk Sui. Each of Paliburg Development BVI Holdings Limited, Paliburg, Century City BVI Holdings Limited, Century City and Mr. Lo Yuk Sui was deemed to be interested in the underlying shares of the Company pursuant to the Convertible Bonds due 2011 held by Great Select Holdings Limited under Part XV of the SFO.

(XVIII) SUFFICIENCY OF PUBLIC FLOAT

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

(XIX) AUDITORS

SHINEWING (HK) CPA Limited retire, and being eligible, offer themselves for re-appointment.

(XX) DIVIDENDS

The Board of Directors has resolved not to recommend the payment of a final dividend for the year ended 31 March 2009 (2008: Nil).

On behalf of the Board

Bong Shu Yin, Daniel
Chairman

Hong Kong, 14 July 2009

(I) CORPORATE GOVERNANCE PRACTICES

Following the issue of the Code on Corporate Governance Practices (the "Code"), as set out in Appendix 14 to the Listing Rules, the Company has carefully reviewed and considered the Code, and carried out a detailed analysis on the corporate governance practices of the Company against the requirement of the Code.

Throughout the financial year ended 31 March 2009, except for the requirement that (i) the role of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual and (ii) the Non-executive Directors and the Independent Non-executive Directors should be appointed for specific terms, the Company has complied with all code provisions. The deviation in item (i) above is due to the practical necessity and effective management on account of the Group's corporate operating structure.

Although the Non-executive Directors and the Independent Non-executive Directors of the Company were not appointed for specific terms, arrangements have been put in place such that all Directors would retire, and are subject to re-election, either in accordance with the articles of association of the Company or on a voluntary basis, at least once every three years.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all Independent Non-executive Directors have met the independence guidelines of Rule 3.13 of the Listing Rules.

(II) DIRECTORS' SECURITIES TRANSACTIONS

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 as a code of conduct regarding securities transactions by Directors. Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year under review.

(III) BOARD OF DIRECTORS

Composition and role

The Board of Directors of the Company currently comprises the following members:

Executive Directors:

Mr. Bong Shu Yin, Daniel *(Chairman)*
Mr. Cheng Sui Sang

Non-executive Directors:

Mr. Wang Baoning *(Vice Chairman)*
Mr. Bong Shu Ying, Francis
Mr. Ng Kwai Kai, Kenneth
Mr. Leung So Po, Kelvin

Independent Non-executive Directors:

Mr. Li Ka Fai, David
Mr. Lee Choy Sang
Ms. Ka Kit

The biographical details of the Directors and the relationships among them are disclosed in the preceding section headed 'Directors' Profiles' contained in this Annual Report.

During the year ended 31 March 2009, the Company has fully complied with Rules 3.10(1) and (2) of the Listing Rules regarding the number of Independent Non-executive Directors and the requirement that at least one of these Independent Non-executive Directors must have appropriate professional qualifications.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all Independent Non-executive Directors have met the independence guidelines of Rule 3.13 of the Listing Rules.

The Board conducts regular meetings to discuss and decide on major corporate strategic, business and operational issues. Appropriate and sufficient information is provided to Board members in a timely manner in order to enable them to make informed decisions.

During the year under review, the attendance rates of individual Board members of the Company were as follows:

Name of Directors	Attendance
Executive Directors	
Mr. Bong Shu Yin, Daniel *(Chairman)*	8/9
Mr. Cheng Sui Sang	9/9
Non-executive Directors	
Mr. Wang Baoning *(Vice Chairman)*	1/9
Mr. Bong Shu Ying, Francis	2/9
Mr. Ng Kwai Kai, Kenneth (appointed on 12 June 2008)	5/9
Mr. Leung So Po, Kelvin (appointed on 12 June 2008)	5/9
Independent Non-executive Directors	
Mr. Li Ka Fai, David	5/9
Mr. Lee Choy Sang	5/9
Ms. Ka Kit	4/9

(IV) Audit Committee

The Audit Committee was established with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee currently comprises the following members:

Independent Non-executive Directors:
Mr. Li Ka Fai, David *(Chairman)*
Mr. Lee Choy Sang *(Member)*
Ms. Ka Kit *(Member)*

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the interim and final consolidated financial statements.

As both the Board and the Audit Committee recommended to re-appoint the current external Auditors, SHINEWING (HK) CPA Limited, no circumstances exist as would require an explanation from the Audit Committee as to why the Board has taken a different view from that of the Audit Committee regarding the selection, appointment, resignation or dismissal of the external Auditors.

During the year under review, the Audit Committee met twice and the meetings were attended by the external Auditors of the Company. The attendance rates of individual Audit Committee members of the Company were as follows:

Name of Audit Committee members	Attendance
Mr. Li Ka Fai, David *(Chairman)*	2/2
Mr. Lee Choy Sang *(Member)*	2/2
Ms. Ka Kit *(Member)*	2/2

(V) REMUNERATION COMMITTEE

The Company has formed the Remuneration Committee with specific written terms of reference that deal with its authority and duties. The principal responsibilities of the Remuneration Committee are to make recommendations to the Board on the Company's remuneration policy and structure for Directors and senior management and on the establishment of a formal and transparent procedure for developing such remuneration policy.

The Remuneration Committee currently comprises the following members:

Executive Director:
Mr. Bong Shu Yin, Daniel *(Chairman)*

Independent Non-executive Directors:
Mr. Li Ka Fai, David *(Member)*
Mr. Lee Choy Sang *(Member)*

During the year under review, the Remuneration Committee met once. The attendance rates of individual Remuneration Committee members of the Company were as follows:

Name of Remuneration Committee members	Attendance
Mr. Bong Shu Yin, Daniel *(Chairman)*	1/1
Mr. Li Ka Fai, David *(Member)*	1/1
Mr. Lee Choy Sang *(Member)*	1/1

(VI) NOMINATION OF DIRECTORS

The Company does not have a Nomination Committee. The Board is responsible for the procedure of selecting and appointing Directors.

(VII) INTERNAL CONTROL

The Board has conducted a review of the effectiveness of the system of internal controls of the Group during the year under review, including financial, operational and compliance controls and risk management functions with a view to safeguarding the shareholders' investment and the Group's assets.

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Accordingly, management of the Company had been provided with clear instructions that any material issues relating to the internal control system, particularly in any incidence of significant control failings or weaknesses that has had, or might have, a material impact on the business of the Group are to be reported to the Board and the Audit Committee of the Company on a timely basis.

(VIII) DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors of the Company acknowledge their responsibility for preparing the consolidated financial statements of the Group, which give a true and fair review of the state of affairs of the Group, and ensure that appropriate accounting policies are selected and applied consistently and the consolidated financial statements are prepared in accordance with the relevant statutory requirements and applicable accounting standards. The Directors also ensure the consolidated financial statements are published in a timely manner.

The consolidated financial statements were audited by the external Auditors, SHINEWING (HK) CPA Limited and their reporting responsibilities are set out in the Independent Auditor's Report contained in this Annual Report.

The consolidated financial statements are prepared on a going concern basis. The Directors confirm that, to the best of their knowledge, they are not aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

(IX) INVESTOR RELATIONS

The Company is committed to ensure shareholders' interest. To this end, the general meeting of the Company serves as a communication channel between Directors and shareholders. During the general meeting, Chairman of the Board and its committee members will be present to answer the queries that any individual shareholder may have, and separate resolutions are proposed on each substantial issue, including the re-election of retiring Directors.

The notice of AGM shall be sent to all shareholders at least 20 clear business days prior to the date of meeting. Details of each proposed resolution, voting procedures and other relevant information are set out in the notice of AGM and the circular containing such detailed information will be sent to the shareholders in due course.

Shareholders, investors and the media can make enquiries to the Company through the following means:

Telephone number:	2834-2833
Fax number:	2893-1312
By post:	Room A, 18th Floor, 211 Johnston Road, Wanchai, Hong Kong (Effective 25 July 2009, the above address will be changed to: Units 801-802, 8th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong)
Attention:	Company Secretarial Department
By email:	info@cosmoholdings.com

SHINEWING (HK) CPA Limited
16/F., United Centre
95 Queensway, Hong Kong

TO THE MEMBERS OF
COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED
四海國際集團有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Cosmopolitan International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 99, which comprise the consolidated balance sheet as at 31 March 2009, 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, 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 31 March 2009 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.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chan Wing Kit
Practising Certificate Number: P03224

Hong Kong
14 July 2009

Consolidated Income Statement

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Continuing operations:			
Turnover	(7)	**3,243**	133,100
Net fair value gain on disposal of held for trading investments		**309**	12,540
Net fair value gain on realisation of derivative financial assets	(27c)	**17,030**	—
Other income	(8)	**10,223**	10,028
Administration expenses		**(17,853)**	(10,608)
Impairment loss on goodwill		**(6,795)**	—
Write-down of properties under development	(22)	**(17,143)**	—
(Loss) gain on changes in fair value of financial instruments, net	(9)	**(218,018)**	117,937
(Loss) gain on changes in fair value of investment properties		**(5,000)**	3,000
Share of results of jointly controlled entities		**(2,052)**	(2,148)
Finance costs	(11)	**(33,119)**	(17,245)
(Loss) profit before tax	(12)	**(272,418)**	113,504
Income tax expense	(14)	**—**	(22,265)
(Loss) profit from continuing operations		**(272,418)**	91,239
Discontinued operation:			
Profit (loss) for the year from discontinued operation	(15)	**6,628**	(14,434)
(Loss) profit for the year		**(265,790)**	76,805
Attributable to:			
Equity holders of the Company		**(260,102)**	77,048
Minority interests		**(5,688)**	(243)
		(265,790)	76,805

	Notes	2009 HK$'000	2008 HK$'000
(Loss) earnings per share	(16)		
From continuing and discontinued operations			
– Basic		**(13.39) HK cents**	4.47 HK cents
– Diluted		**N/A**	2.79 HK cents
From continuing operations			
– Basic		**(13.73) HK cents**	5.31 HK cents
– Diluted		**N/A**	3.24 HK cents

Consolidated Balance Sheet

At 31 March 2009

	Notes	2009	2008
		HK$'000	HK$'000
Non-current assets			
Property and equipment	(18)	**320**	574
Investment properties	(19)	**70,000**	75,000
Goodwill	(20)	**—**	—
Club membership		**360**	360
Interests in jointly controlled entities	(21)	**175,229**	84,069
		245,909	160,003
Current assets			
Accounts receivable	(23)	**—**	—
Loan receivable	(24)	**11,500**	—
Prepayments, deposits and other receivables	(25)	**781**	5,568
Financial assets at fair value through profit or loss	(26)	**86,880**	55,630
Derivative financial assets	(27)	**5,041**	213,074
Available-for-sale investments	(28)	**—**	40,051
Cash and bank balances	(29)	**192,673**	304,513
		296,875	618,836
Current liabilities			
Accounts payable	(30)	**—**	1,444
Accrued liabilities and other payables		**5,547**	2,812
Derivative financial liabilities	(31)	**41,414**	45,000
Income tax payable		**22,265**	22,265
Amounts due to minority shareholders	(32)	**—**	3,378
Convertible bonds	(34)	**—**	55,708
		69,226	130,607
Net current assets		**227,649**	488,229
Total assets less current liabilities		**473,558**	648,232
Non-current liability			
Convertible bonds	(34)	**341,256**	288,953
		132,302	359,279

Consolidated Balance Sheet

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Capital and reserves			
Share capital	(35)	**2,253**	1,896
Reserves		**130,049**	356,564
Equity attributable to equity holders of the Company		**132,302**	358,460
Minority interests		**—**	819
		132,302	359,279

The consolidated financial statements on pages 28 to 99 were approved and authorised for issue by the board of directors on 14 July 2009 and are signed on its behalf by:

Bong Shu Yin, Daniel	**Cheng Sui Sang**
Director	*Director*

Consolidated Statement of Changes in Equity

For the year ended 31 March 2009

	Attributable to equity holders of the Company										
	Share Capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Exchange fluctuation reserve HK$'000	Contributed surplus (Note) HK$'000	Convertible bonds reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 April 2007	1,596	47,917	209	28,309	362	26,801	61,912	24,986	192,092	1,062	193,154
Exchange difference arising on translation of overseas operation	—	—	—	—	(85)	—	—	—	(85)	—	(85)
Share of exchange reserve of jointly controlled entities	—	—	—	—	1,095	—	—	—	1,095	—	1,095
Net income recognised directly in equity	—	—	—	—	1,010	—	—	—	1,010	—	1,010
Profit for the year and total recognised income and expenses for the year	—	—	—	—	—	—	—	77,048	77,048	(243)	76,805
Recognition of equity component of the convertible bonds	—	—	—	—	—	—	28,962	—	28,962	—	28,962
Conversion of convertible bonds	300	63,134	—	—	—	—	(4,086)	—	59,348	—	59,348
At 31 March 2008 and 1 April 2008	1,896	111,051	209	28,309	1,372	26,801	86,788	102,034	358,460	819	359,279

Consolidated Statement of Changes in Equity

For the year ended 31 March 2009

	Attributable to equity holders of the Company										
	Share Capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Exchange fluctuation reserve HK$'000	Contributed surplus (Note) HK$'000	Convertible bonds reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
Exchange difference arising on translation of overseas operation	—	—	—	—	134	—	—	—	134	—	134
Share of exchange reserve of jointly controlled entities	—	—	—	—	2,324	—	—	—	2,324	—	2,324
Transfer to retained profits on redemption of convertible bonds	—	—	—	—	—	—	(34,274)	34,274	—	—	—
Net income recognised directly in equity	—	—	—	—	2,458	—	(34,274)	34,274	2,458	—	2,458
Reserve released on disposal of subsidiaries	—	—	—	—	292	—	—	—	292	—	292
Loss for the year	—	—	—	—	—	—	—	(260,102)	(260,102)	(5,688)	(265,790)
Total recognised income and expenses for the year	—	—	—	—	292	—	—	(260,102)	(259,810)	(5,688)	(265,498)
Recognition of equity component of the convertible bonds	—	—	—	—	—	—	4,497	—	4,497	—	4,497
Conversion of convertible bonds	357	53,978	—	—	—	—	(27,638)	—	26,697	—	26,697
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	5,470	5,470
Disposal of subsidiaries	—	—	—	—	—	—	—	—	—	(601)	(601)
At 31 March 2009	**2,253**	**165,029**	**209**	**28,309**	**4,122**	**26,801**	**29,373**	**(123,794)**	**132,302**	**—**	**132,302**

Note: The contributed surplus of the Group represents the excess of the nominal value of the subsidiaries' shares acquired over the nominal value of the Company's shares issued in exchange at the time of the Group reorganisation in 1991, net of subsequent distributions therefor. Under the Companies Law of the Cayman Islands, the contributed surplus is distributable under certain specific circumstances.

Consolidated Cash Flow Statement

For the year ended 31 March 2009

	2009	2008
	HK$'000	HK$'000
Operating activities		
(Loss) profit before tax – continuing operations	**(272,418)**	113,504
Loss before tax – discontinued operation *(note 15)*	**(399)**	(2,826)
	(272,817)	110,678
Adjustments for:		
Share of results of jointly controlled entities	**2,052**	2,148
Interest income	**(5,178)**	(8,641)
Depreciation of property and equipment	**420**	535
Impairment loss on accounts and other receivables	**736**	1,201
Impairment loss on goodwill	**6,795**	—
Write-down of properties under development	**17,143**	—
Loss (gain) on change in fair value of financial instruments, net	**218,018**	(117,937)
Loss (gain) on change in fair value of investment properties	**5,000**	(3,000)
Finance costs	**33,119**	17,245
Loss on disposal of property and equipment	**—**	9
Net fair value gain on realisation of derivative financial assets	**(17,030)**	—
Operating cashflows before movements in working capital	**(11,742)**	2,238
Increase in properties under development	**(3,684)**	—
Decrease (increase) in prepayments, deposits and other receivables	**3,856**	(5,087)
Increase in held for trading investments	**(72,648)**	(22,813)
Increase in accounts payable	**32**	763
Increase (decrease) in accrued liabilities and other payables	**5,043**	(11,565)
Net cash used in operating activities	**(79,143)**	(36,464)

Consolidated Cash Flow Statement

For the year ended 31 March 2009

	2009	2008
	HK$'000	HK$'000
Investing activities		
Advance to jointly controlled entities	**(90,888)**	(85,121)
Net cash outflow from acquisition of subsidiaries *(note 37)*	**(14,981)**	—
Increase in loan receivable	**(11,500)**	—
Purchase of property and equipment	**(110)**	(28)
Net cash outflow from disposal of subsidiaries *(note 38)*	**(28)**	—
Proceeds on realisation of derivative financial assets	**44,857**	—
Decrease (increase) in available-for-sale investments	**40,051**	(40,051)
Interest received	**5,178**	8,641
Proceeds on disposal of available-for-sale investments	**—**	14,000
Acquisition of jointly controlled entities	**—**	(1)
Proceeds on disposal of property and equipment	**—**	10
Net cash used in investing activities	**(27,421)**	(102,550)
Financing activities		
Redemption of convertible bonds	**(33,229)**	—
Convertible bonds issuance costs	**(101)**	(413)
(Decrease) increase in amounts due to minority shareholders	**(67)**	62
Proceeds from issue of convertible bonds	**28,000**	405,000
Short-term bank loan borrowed	**—**	39,517
Proceeds from issue of share options	**—**	3,000
Short-term bank loan repayment	**—**	(39,517)
Interest paid	**—**	(316)
Net cash (used in) generated from financing activities	**(5,397)**	407,333
Net (decrease) increase in cash and cash equivalents	**(111,961)**	268,319
Cash and cash equivalents at beginning of year	**304,513**	36,349
Effect of foreign exchange rate changes	**121**	(155)
Cash and cash equivalents at end of year, represented by cash and bank balances	**192,673**	304,513

1. GENERAL

The Company is an exempted limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate holding company is Giant Sino Group Limited (incorporated in British Virgin Islands ("BVI")) and its ultimate holding company is Space Capital Investments Limited (incorporated in BVI). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

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

The principal activity of the Company is that of a holding company. The principal activities of the subsidiaries are property investment, property development, investment in listed and unlisted securities and other investments. The principal activities of the principal subsidiaries are set out in note 43.

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 amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), that are effective for the Group's financial year beginning on 1 April 2008.

Hong Kong Accounting Standard ("HKAS") 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Interpretation ("Int")12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective as at 31 March 2009.

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

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[8]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible hedges items[3]
HKFRS 1 (Revised)	First-time Adoption on HKFRSs[3]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity of Associate[2]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments[2]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded Derivatives[7]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[6]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
[2] Effective for annual periods beginning on or after 1 January 2009.
[3] Effective for annual periods beginning on or after 1 July 2009.
[4] Effective for annual periods beginning on or after 1 July 2008.
[5] Effective for annual periods beginning on or after 1 October 2008.
[6] Effective for transfer of assets from customers received on or after 1 July 2009.
[7] Effective for annual periods ending on or after 30 June 2009.
[8] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.

The application of HKFRS 3 (Revised) may affect the accounting for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009, HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments 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, except for investment properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

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

Basis of consolidation

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

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

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

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

Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on an acquisition of a business for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalised goodwill, the Group has discontinued amortisation from 1 April 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on an acquisition of a business for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment loss.

Capitalised goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. Impairment loss for goodwill is not reversed in subsequent years.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interest in jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

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

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

Property and equipment

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

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

An item of property 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the assets (calculating 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.

Club membership

Club membership is stated at cost less impairment losses.

Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to sale proceeds received after the balance sheet date less selling expenses, or by management estimates based on prevailing market condition.

Costs of properties under development include acquisition costs of land, development expenditure, borrowing costs capitalisation and other direct costs attributable to such properties.

Revenue recognition

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

Income from securities trading is recognised when the related bought and sold notes are executed.

Service income is recognised when services are provided to customers.

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

Dividend income from investments (including financial assets at fair value through profit or loss) is recognised when the shareholders' right to receive payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

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

The Group as lessee

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

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss have two subcategories, including financial assets held for trading and those designated as at fair value through profit or loss on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-making; or
- it is derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy on impairment loss on financial assets below).

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

Impairment loss on financial assets

Financial assets, other than those at fair value through profit or loss, 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 affected.

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

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as accounts receivable, loan receivable, deposits and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment loss on financial assets *(Continued)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables, loan receivable, deposits and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable or loan receivable or deposit or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent year, 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.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent years. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss have two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the year in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities including accounts payable, accrued liabilities and other payables, and amounts due to minority shareholders are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded option is exercised (in which case the balance stated in convertible bonds reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds reserve will be released to the retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method.

Equity instruments

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

Derivative financial instruments and hedging

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

Derivatives of the Group do not qualify for hedge accounting thus they are deemed as derivative financial assets or derivative financial liabilities. Changes in fair values of such derivatives are recognised directly in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

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 expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Retirement benefits costs

Payments to state-managed retirement benefits scheme and defined contribution retirement benefit schemes are charged as expenses when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

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 Group (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 fluctuation reserve). Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange fluctuation reserve.

Borrowing costs

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 consolidated income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable 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 taxable profit nor the accounting profit.

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

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

Impairment (other than goodwill – see the accounting policies in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered 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. Impairment loss is recognised as expense immediately.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At 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 retained profits.

Share options granted to suppliers/consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

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

Impairment loss on loan receivable

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgment. In assessing the ultimate realisation of the receivable, judgment on current creditworthiness of the borrower is required. If the financial conditions of the borrower of the Group were to deteriorate, resulting in impairment of his ability to make payments, additional allowance may be required. As at 31 March 2009, the carrying amount of loan receivable is HK$11,500,000. No allowance for doubtful debts was provided for the loan receivable.

Fair value of derivatives financial instruments

As described in notes 27 and 31, the directors of the Company use their judgment in selecting an appropriate valuation technique for derivative financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument.

Income tax payable

Income tax payable of approximately HK$22,265,000 was recognised in the consolidated balance sheet at 31 March 2008 and 2009 for the sake of prudence. The income tax payable is subject to adjustment based on the finalisation of assessable profits assessed by the relevant tax authority.

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 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 convertible bonds in note 34, cash and cash equivalent and equity attributable to equity holders of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through new share issues, the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

	2009	2008
	HK$'000	HK$'000
Financial assets		
Fair value through profit or loss:		
Held for trading investments	**83,785**	55,630
Designated as at fair value through profit or loss	**3,095**	—
Derivative financial assets	**5,041**	213,074
Loan and receivables (including cash and bank balances)	**204,661**	309,833
Available-for-sale investments	**—**	40,051
Financial liabilities		
Fair value through profit or loss -		
Derivative financial liabilities	**41,414**	45,000
Amortised cost	**346,803**	352,295

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies

The Group's major financial instruments include accounts receivable, loan receivable, deposits and other receivables, financial assets at fair value through profit or loss, derivative financial assets, cash and bank balances, accounts payable, accrued liabilities and other payables, derivative financial liabilities and amounts due to minority shareholders. 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. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(a) Currency risk

The Group is exposed to foreign currency risk primarily through monetary assets that are denominated in a currency other than the functional currency of the Group to which they relate. The currencies giving rise to this risk is United States Dollar. The Group does not hedge its foreign currency risks, as the rate of exchange between Hong Kong dollars and the United States dollars is controlled within a tight range. The management determined that there is insignificant effect to the profit and equity of the Group. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

(b) Price risk

Price risk arises mainly from the volatility of prices of listed equity securities in Hong Kong held by the Group. Prices of equity securities are determined by market forces. The Group is subject to increased market risk largely because the stock market of Hong Kong is relatively volatile.

The Group manages price risk by holding an appropriately diversified investment portfolio to reduce the risk of concentration in any one specific industry or issuer.

At 31 March 2009, if all the Group's equity securities' prices had increased/decreased by 10% (2008: 10%) with all other variables held constant, pre-tax loss for the year would have been approximated HK$8,379,000 lower/higher (2008: pre-tax profit approximated HK$5,563,000 higher/lower), mainly as a result of an increase/decrease in fair value of equity securities.

(c) Interest rate risk

The Group's exposure to fair value interest rate risk in relation to fixed-rate loan receivable and convertible bonds issued by the Group (see notes 24 and 34 for the details of loan receivable and convertible bonds respectively). The Group currently does not enter into any hedging instrument for fair value interest rate risk.

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of loan receivable 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.

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

The Group is exposed to concentration risk on loan receivable and liquid funds. The loan receivable, which is due from a borrower, is closely monitored by the directors of the Company. The liquid funds are deposited with several banks which have high credit-ratings. Other than the concentration risk on loan receivable and liquid funds, the Group does not have any other significant concentration of credit risk.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

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

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

	Within 1 year	1-5 years	Total undiscounted cash flows	Carrying amounts at 31 March 2009
	HK$'000	HK$'000	HK$'000	HK$'000
2009				
Non-derivative financial liabilities				
Accrued liabilities and other payables	5,547	—	5,547	5,547
Convertible bonds	—	453,343	453,343	341,256
	5,547	453,343	458,890	346,803

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

	Within 1 year HK$'000	1-5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts at 31 March 2008 HK$'000
2008				
Non-derivative financial liabilities				
Accounts payables	1,444	—	1,444	1,444
Accrued liabilities and other payables	2,812	—	2,812	2,812
Amounts due to minority shareholders	3,378	—	3,378	3,378
Convertible bonds	60,026	422,437	482,463	344,661
	67,660	422,437	490,097	352,295

Fair value

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

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

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

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

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values because of the immediate or short-term maturity of these financial instruments.

7. TURNOVER

Turnover represents the proceeds from disposal of equity securities listed in Hong Kong, and providing information technology services for the years. An analysis of the Group's turnover for both years is as follows:

	2009 HK$'000	2008 HK$'000
Continuing operations		
Proceeds from disposal of equity securities listed in Hong Kong	3,243	133,100
Discontinued operation		
Service income from providing information technology services	75	69
	3,318	133,169

8. OTHER INCOME

	2009 HK$'000	2008 HK$'000
Continuing operations		
Interest income from:		
Bank balances	2,844	7,667
Loan receivable	767	—
Derivative financial assets	1,213	974
Available-for-sale investments	354	—
Total interest income	5,178	8,641
Dividend income from financial assets at fair value through profit or loss	4,093	1,387
Sundry income on non-financial assets	952	—
	10,223	10,028
Discontinued operation		
Exchange gain, net	—	430
Sundry income on non-financial assets	—	32
	—	462
	10,223	10,490

9. (LOSS) GAIN ON CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS, NET

	2009	2008
	HK$'000	HK$'000
Continuing operations		
Loss on change in fair value of financial assets at fair value through profit or loss	(94,328)	(27,366)
(Loss) gain on change in fair value of derivative financial assets	(127,276)	142,309
Gain on change in fair value of derivative financial liabilities	3,586	2,994
	(218,018)	117,937

10. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

(a) Securities investment – invest in listed and unlisted securities;

(b) Property investment and development – invest in properties for their rental income potential and property development; and

(c) Information technology – provide information technology service.

During the year ended 31 March 2009, the Group disposed of its information technology business.

10. SEGMENT INFORMATION *(Continued)*

Business segments *(Continued)*

Segment information about these businesses is presented below.

For the year ended 31 March 2009

	Continuing operations			Discontinued operation	
	Securities investment HK$'000	Property investment and development HK$'000	Total HK$'000	Information technology HK$'000	Consolidated HK$'000
Segment turnover	3,243	—	3,243	75	3,318
Segment results	(85,845)	(20,531)	(106,376)	(399)	(106,775)
Unallocated corporate income			4,655	—	4,655
Unallocated corporate expenses			(19,397)	—	(19,397)
Net fair value gain on realisation of derivative financial assets			17,030	—	17,030
Gain on disposal of subsidiaries			—	7,027	7,027
Impairment loss on goodwill	—	(6,795)	(6,795)	—	(6,795)
Loss on change in fair value of derivative financial instruments related to convertible bonds			(126,364)	—	(126,364)
Share of results of jointly controlled entities	—	(2,052)	(2,052)	—	(2,052)
Finance costs			(33,119)	—	(33,119)
(Loss) profit before tax			(272,418)	6,628	(265,790)
Income tax expense			—	—	—
(Loss) profit for the year			(272,418)	6,628	(265,790)

10. SEGMENT INFORMATION *(Continued)*

Business segments *(Continued)*

For the year ended 31 March 2008

	Continuing operations			Discontinued operation	
	Securities investment HK$'000	Property investment and development HK$'000	Total HK$'000	Information technology HK$'000	Consolidated HK$'000
Segment turnover	133,100	—	133,100	69	133,169
Segment results	(9,584)	3,000	(6,584)	(2,826)	(9,410)
Unallocated corporate income			7,679	—	7,679
Unallocated corporate expenses			(10,507)	—	(10,507)
Impairment loss on goodwill			—	(11,608)	(11,608)
Gain on change in fair value of derivative financial instruments related to convertible bonds			142,309	—	142,309
Share of results of jointly controlled entities	—	(2,148)	(2,148)	—	(2,148)
Finance costs			(17,245)	—	(17,245)
Profit (loss) before tax			113,504	(14,434)	99,070
Income tax expense			(22,265)	—	(22,265)
Profit (loss) for the year			91,239	(14,434)	76,805

10. SEGMENT INFORMATION *(Continued)*

Business segments *(Continued)*

Consolidated balance sheet

As at 31 March 2009	Securities investment HK$'000	Property investment and development HK$'000	Consolidated HK$'000
Segment assets	91,921	70,364	162,285
Interest in jointly controlled entities	—	175,229	175,229
Unallocated corporate assets			205,270
Total assets			542,784
Segment liabilities	—	3,045	3,045
Unallocated corporate liabilities			407,437
Total liabilities			410,482

10. SEGMENT INFORMATION *(Continued)*

Business segments *(Continued)*

Consolidated balance sheet *(Continued)*

Other segment information:

For the year ended 31 March 2009

	Continuing operations				Discontinued operation	
	Securities investment HK$'000	Property investment and development HK$'000	Unallocated HK$'000	Total HK$'000	Information technology HK$'000	Consolidated HK$'000
Depreciation	—	63	60	123	297	420
Capital expenditure	—	208	66	274	—	274
Impairment loss on accounts and other receivables	698	—	38	736	—	736
Impairment loss on goodwill	—	6,795	—	6,795	—	6,795
Write-down of properties under development	—	17,143	—	17,143	—	17,143
Loss on change in fair value of financial instruments, net	91,654	—	126,364	218,018	—	218,018
Loss on change in fair value of investment properties	—	5,000	—	5,000	—	5,000

Capital expenditure for the year ended 31 March 2009 includes additions resulting from acquisitions through business combinations, amounting to HK$164,000.

10. SEGMENT INFORMATION *(Continued)*

Business segments *(Continued)*

Consolidated balance sheet *(Continued)*

As at 31 March 2008	Securities investment HK$'000	Property investment and development HK$'000	Information technology HK$'000	Consolidated HK$'000
Segment assets	123,755	75,000	746	199,501
Interest in jointly controlled entities	—	84,069	—	84,069
Unallocated corporate assets				495,269
Total assets				778,839
Segment liabilities	4,414	—	2,843	7,257
Unallocated corporate liabilities				412,303
Total liabilities				419,560

10. SEGMENT INFORMATION *(Continued)*

Business segments *(Continued)*

Consolidated balance sheet *(Continued)*

Other segment information:

For the year ended 31 March 2008

	Continuing operations				Discontinued operation	
	Securities investment HK$'000	Property investment and development HK$'000	Unallocated HK$'000	Total HK$'000	Information technology HK$'000	Consolidated HK$'000
Depreciation	—	—	51	51	484	535
Capital expenditure	—	—	22	22	6	28
Impairment loss on accounts and other receivables	—	—	161	161	1,090	1,251
Impairment loss on goodwill	—	—	—	—	11,608	11,608
Loss on disposal of property and equipment	—	—	—	—	9	9
Loss (gain) on change in fair value of financial instruments, net	24,372	—	(142,309)	(117,937)	—	(117,937)
Gain on change in fair value of investment properties	—	(3,000)	—	(3,000)	—	(3,000)

10. SEGMENT INFORMATION *(Continued)*

Geographical segments

In determining the Group's geographical segments, turnover is attributed to the segments based on the location of the stock exchange and customers, and assets are attributed to the segments based on the location of the assets.

The following table presents certain turnover, assets and expenditure information for the geographical segments of the Group.

	Hong Kong ("HK")		The People's Republic of China ("PRC") (excluding HK)		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment turnover	**3,243**	133,100	**75**	69	**3,318**	133,169
Carrying amount of total assets	**367,192**	694,024	**175,592**	84,815	**542,784**	778,839
Other segment information:						
Capital expenditure	**66**	22	**208**	6	**274**	28

Revenue from the Group's discontinued operation was derived from PRC.

11. FINANCE COSTS

	2009	2008
	HK$'000	HK$'000
Interest on other borrowings repayable within five years	**—**	316
Convertible bonds issuance costs	**101**	413
Imputed interest expense on convertible bonds	**33,018**	16,516
	33,119	17,245

All finance costs for both years are from the continuing operations.

12. (LOSS) PROFIT BEFORE TAX

	Continuing operations		Discontinued operation		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
(Loss) profit before tax has been arrived at after charging:						
Staff costs (excluding directors' emoluments in note 13(a))						
Wages and salaries	**949**	907	**107**	364	**1,056**	1,271
Retirement benefits scheme contributions	**65**	64	**—**	—	**65**	64
	1,014	971	**107**	364	**1,121**	1,335
Auditors' remuneration						
– current year	**444**	459	**37**	51	**481**	510
– under-provision in previous year	**—**	42	**—**	—	**—**	42
Depreciation on property and equipment	**123**	51	**297**	484	**420**	535
Operating lease charges on rented premises	**283**	309	**71**	496	**354**	805
Loss on disposal of property and equipment	**—**	—	**—**	9	**—**	9
Impairment loss on accounts and other receivables	**736**	161	**—**	1,040	**736**	1,201

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the nine (2008: seven) directors were as follows:

		Other emoluments		
	Directors' fees HK$'000	Basic salaries, allowance and benefits in kind HK$'000	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Executive directors				
Bong Shu Yin, Daniel	**102**	**2,268**	**12**	**2,382**
Cheng Sui Sang	**102**	**814**	**12**	**928**
Non-executive directors				
Wang Baoning	**102**	**—**	**—**	**102**
Bong Shu Ying, Francis	**102**	**—**	**—**	**102**
Ng Kwai Kai, Kenneth[1]	**85**	**—**	**—**	**85**
Leung So Po, Kelvin[1]	**85**	**—**	**—**	**85**
Independent non-executive directors				
Li Ka Fai, David	**114**	**—**	**—**	**114**
Lee Choy Sang	**102**	**—**	**—**	**102**
Ka Kit	**102**	**—**	**—**	**102**
Total for 2009	**896**	**3,082**	**24**	**4,002**
Executive directors				
Bong Shu Yin, Daniel	99	2,045	12	2,156
Cheng Sui Sang	99	806	12	917
Non-executive directors				
Wang Baoning	99	—	—	99
Bong Shu Ying, Francis	99	—	—	99
Independent non-executive directors				
Li Ka Fai, David	112	—	—	112
Lee Choy Sang	99	—	—	99
Ka Kit	99	—	—	99
Total for 2008	706	2,851	24	3,581

[1] Appointed on 12 June 2008

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' emoluments *(Continued)*

There was no arrangement under which a director waived or agreed to waive any remuneration in both years.

During the two years ended 31 March 2009 and 2008, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Employees' emoluments

Of the five highest emoluments paid individuals in the Group, two (2008: two) were directors whose emoluments are set out in note 13(a) above. Details of the emoluments of the remaining three (2008: three) highest paid, non-director employees are as follows:

	2009	2008
	HK$'000	HK$'000
Basic salaries, housing benefits, other allowances and benefits in kind	**803**	739
Retirement benefit scheme contributions	**34**	33
	837	772

Their emoluments were within the following band:

	No. of employee	
	2009	2008
Nil – HK$1,000,000	**3**	3

During the years ended 31 March 2009 and 2008, no emoluments were paid by the Group to the highest paid, non-director employees as an inducement to join or upon joining the Group or as compensation for loss of office.

14. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as all group entities did not derive any assessable profits for the year ended 31 March 2009.

Hong Kong profits tax was calculated at 17.5% of the estimated assessable profits for the year ended 31 March 2008.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009.

Income tax expense arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No tax provision for other jurisdictions has been made as the Group did not derive any assessable profits for both years.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "EIT") (the "New Law") by Order No.63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation Regulation, the EIT rate of the Group's subsidiaries in the PRC reduced from 33% to 25% from 1 January 2008 onwards. The relevant tax rate for the Group's subsidiaries in the PRC is 25% (Before 1 January 2008: 33%).

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

	2009	2008
	HK$'000	HK$'000
(Loss) profit before tax		
– Continuing operations	**(272,418)**	113,504
– Discontinued operation	**6,628**	(14,434)
	(265,790)	99,070
Tax at the Hong Kong profits tax rate of 16.5% (2008: 17.5%)	**(43,855)**	17,337
Tax effect of expenses not deductible for tax purpose	**13,761**	9,500
Tax effect of income not taxable for tax purpose	**(2,276)**	(3,914)
Utilisation of tax loss not recognised in prior years	**—**	(2,612)
Tax effect of tax losses not recognised	**32,370**	1,954
Income tax expense for the year	**—**	22,265

Details of the potential deferred tax asset not recognised in the year are set out in note 33.

15. DISCONTINUED OPERATION

On 21 January 2009, the Group entered into an agreement with an independent third party to dispose of a subsidiary, Cyberlogistic International Holdings Limited ("CIH") and its subsidiaries (the "CIH Group"), which carried out all the Group's information technology operations. The disposal was effected in order to focus the Group's resources in its remaining business. The disposal was completed on 21 January 2009, on which date control of CIH Group passed to the acquirer.

The profit (loss) for the year from the discontinued operation is analysed as follows:

	2009	2008
	HK$'000	HK$'000
Operating loss of information technology business	**(399)**	(2,826)
Impairment loss on goodwill	**—**	(11,608)
Gain on disposal of subsidiaries *(note 38)*	**7,027**	—
	6,628	(14,434)

The results of the information technology operations for the period from 1 April 2008 to 21 January 2009, which have been included in the consolidated income statement, were as follows:

	1/4/2008 to	Year ended
	21/1/2009	31/3/2008
	HK$'000	HK$'000
Turnover	**75**	69
Direct cost	**—**	(4)
Other income	**—**	462
Administrative expenses	**(474)**	(3,353)
Loss before tax	**(399)**	(2,826)
Income tax expense	**—**	—
Loss for the period / year	**(399)**	(2,826)

During the two years ended 31 March 2009 and 2008, CIH Group did not contribute significant cash flow to the Group.

The carrying amounts of the assets and liabilities of the CIH Group at the date of disposal are disclosed in note 38.

16. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	2009	2008
	HK$'000	HK$'000
(Loss) earnings		
(Loss) earnings for the purpose of basic earnings per share		
((loss) profit for the year attributable to equity holders of the Company)	(260,102)	77,048
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds with dilutive effect (net of tax)	14,913	14,351
(Loss) earnings for the purpose of diluted earnings per share	(245,189)	91,399

	2009	2008
	'000	'000
Number of shares		
Weighted average number of ordinary shares for		
the purpose of basic (loss) earnings per share	1,942,288	1,721,968
Effect of dilutive potential ordinary shares:		
Convertible bonds with dilutive effect	1,399,178	1,549,041
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,341,466	3,271,009

The computation of diluted (loss) earnings per share does not assume the exercise of the Company's certain outstanding convertible bonds and share options as their conversion/exercise prices are higher than the average market price of ordinary shares of the Company for the respective years ended 31 March 2009 and 2008.

16. (LOSS) EARNINGS PER SHARE *(Continued)*

From continuing operations

The calculation of the basic and diluted (loss) earnings per share from continuing operations attributable to equity holders of the Company for the year is based on the following data:

	2009	2008
	HK$'000	HK$'000
(Loss) profit for the year attributable to equity holders of the Company	(260,102)	77,048
Less:		
Profit (loss) for the year from discontinued operation	6,628	(14,434)
(Loss) earnings for the purpose of basic (loss) earnings per share from continuing operations	(266,730)	91,482
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds with dilutive effect (net of tax)	14,913	14,351
(Loss) earnings for the purpose of diluted (loss) earnings per share from continuing operations	(251,817)	105,833

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

From Discontinued operation

Basic earnings per share for the discontinued operation is HK0.34 cents per share (2008: basic loss per share for the discontinued operation is HK0.84 cents per share). Diluted earnings per share for the discontinued operation is HK0.20 cents per share (2008: N/A). The basic and diluted earnings (loss) per share from discontinued operation attributable to equity holders of the Company for the year is based on the profit for the year from discontinued operation of HK$6,628,000 (2008: loss of HK$14,434,000) and the denominators detailed above for both basic and diluted earning (loss) per share.

No diluted loss per share from continuing and discontinued operations, and diluted loss per share from continuing operations had been presented for the year ended 31 March 2009 as the effect of the conversion of convertible bonds was anti-dilutive.

No diluted loss per share from discontinued operation had been presented for the year ended 31 March 2008 as the effect of the conversion of convertible bonds was anti-dilutive.

17. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 March 2009 (2008: Nil).

18. PROPERTY AND EQUIPMENT

	Leasehold improvement HK$'000	Furniture, equipment, and computer software HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2007	130	2,429	—	2,559
Additions	—	28	—	28
Disposals	—	(31)	—	(31)
Exchange adjustment	—	265	—	265
At 31 March 2008 and 1 April 2008	130	2,691	—	2,821
Additions	—	110	—	110
Acquired on acquisition of subsidiaries	—	54	110	164
Disposal of subsidiaries	—	(2,646)	—	(2,646)
Exchange adjustment	—	60	4	64
At 31 March 2009	**130**	**269**	**114**	**513**
ACCUMULATED DEPRECIATION				
At 1 April 2007	9	1,520	—	1,529
Charge for the year	26	509	—	535
Eliminated on disposals	—	(12)	—	(12)
Exchange adjustment	—	195	—	195
At 31 March 2008 and 1 April 2008	35	2,212	—	2,247
Charge for the year	26	357	37	420
Eliminated on disposal of subsidiaries	—	(2,525)	—	(2,525)
Exchange adjustment	—	49	2	51
At 31 March 2009	**61**	**93**	**39**	**193**
CARRYING VALUES				
At 31 March 2009	**69**	**176**	**75**	**320**
At 31 March 2008	95	479	—	574

The above items of property and equipment are depreciated on a straight-line basis at 20%-30% per annum.

19. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2007	72,000
Increase in fair value recognised in the consolidated income statement	3,000
At 31 March 2008 and 1 April 2008	75,000
Decrease in fair value recognised in the consolidated income statement	(5,000)
At 31 March 2009	**70,000**

The investment properties are located in Hong Kong and held under medium lease terms.

The fair value of the Group's investment properties at 31 March 2009 have been arrived at on the basis of a valuation carried out on that date by Landscope Surveyors Limited, an independent qualified professional valuer not connected with the Group. Landscope Surveyors Limited is a member of the Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

20. GOODWILL

	HK$'000
COST	
At 1 April 2007, 31 March 2008 and 1 April 2008	14,346
Arising on acquisition of subsidiaries *(note 37)*	6,795
Eliminated on disposal of subsidiaries	(14,346)
At 31 March 2009	**6,795**
IMPAIRMENT	
At 1 April 2007	2,738
Impairment loss recognised for the year	11,608
At 31 March 2008 and 1 April 2008	14,346
Impairment loss recognised for the year	6,795
Eliminated on disposal of subsidiaries	(14,346)
At 31 March 2009	**6,795**
CARRYING VALUE	
At 31 March 2009	**—**
At 31 March 2008	—

The goodwill was recognised on acquisition of subsidiaries, which are engaged in the information technology and property development. For the purposes of impairment testing, goodwill has been allocated to the cash generating units of provision for information technology and property development respectively.

The goodwill arose from the acquisition of subsidiaries operating information technology business in prior years had been eliminated on disposal of subsidiaries during the year ended 31 March 2009.

The goodwill arose from the acquisition of subsidiaries operating in property development business in the current year was tested for impairment based on the recoverable amount of the relevant cash generating unit. The recoverable amount was valued by BMI Appraisals Limited, an independent qualified professional valuer not connected with the Group. The cost approach was selected to value the recoverable amount of the cash generating unit. The recoverable amount of this unit has been determined based on the amount that would be required to replace the future service capability of the cash generating unit.

As these subsidiaries did not generate operating income during the year ended 31 March 2009 and its major asset of the property under development was fully impaired; a provision for impairment loss on goodwill of approximately HK$6,795,000 (2008: HK$11,608,000) was identified and recognised in the consolidated income statement for the year based on the estimated recoverable amount, taking into account the future expectation of the business.

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	2009 HK$'000	2008 HK$'000
Unlisted investment		
Cost of investment	**1**	1
Advance to jointly controlled entities	**176,009**	85,121
Share of post-acquisition losses	**(781)**	(1,053)
	175,229	84,069

Details of the Group's jointly controlled entities at 31 March 2009 are as follows:

Name of entity	Form of business structure	Country of registration and operations	Nominal value of registered/ issued capital	Principal activities
Faith Crown Holdings Limited	Incorporated	BVI	US$100	Investment holding
Joyous Unity Investments Limited	Incorporated	BVI	US$1	Investment holding
Farah Investments Limited	Incorporated	HK	HK$2	Investment holding
置富投資開發（成都）有限公司	Incorporated	PRC	HK$336,000,960	Property development
成都富博房地產開發有限公司	Incorporated	PRC	RMB10,000,000	Property development

The Group holds 50% equity interests in these jointly controlled entities. Under the relevant joint venture agreement, all the operating and financial decisions have to be jointly approved by the Group and the joint venture partner. Accordingly, these entities are classified as jointly controlled entities of the Group.

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES *(Continued)*

The summarised financial information in respect of the Group's jointly controlled entities which are accounted for using the equity method is set out below:

Consolidated financial information at 31 March:	**2009**	2008
	HK$'000	HK$'000
Current assets	**94,400**	161,729
Non-current assets	**256,588**	144,683
Current liabilities	**157**	3,392
Non-current liabilities	**352,393**	305,125
Income	**997**	204
Expenses	**5,100**	4,499

22. WRITE-DOWN OF PROPERTIES UNDER DEVELOPMENT

The amounts of properties under development represent the costs incurred by a subsidiary of the Company for the contractual rights to perform and complete the landscaping works over a parcel of land in Xinjiang Uygur Autonomous Region, the PRC for a total area of about 10,000 mu (the "Rights"). The subsidiary has entered into contracts with the relevant PRC government authorities that upon completion of such landscaping works in respect of 70% of the land, it will be entitled to apply for the land use rights in respect of the remaining 30% area of such land, free from payment of any land consideration or land premium, for usual commercial and residential development uses. Pursuant to the contract entered into with the relevant government authorities, the Rights expired on 2 July 2009 and the Group had not completed the contractual landscaping works before the expiry date. The Group is negotiating with the relevant PRC government authorities for renewal of the contractual rights in respect of the landscaping works and no approval for such renewal was obtained up to reporting date.

As at 31 March 2009, the costs of properties under development approximate HK$17,143,000. In the opinion of the directors of the Company, the negotiation for such renewal may be uncertain and the cost of properties under development will not be recovered without obtaining such renewal. Accordingly, the cost was fully impaired at 31 March 2009.

23. ACCOUNTS RECEIVABLE

The Group normally allows an average credit period of 30 to 60 days to its trade customers. The Group extends the normal credit term to 120 days to certain major and reputable customers.

The following is an aged analysis of the Group's accounts receivable at the balance sheet date:

	2009	2008
	HK$'000	HK$'000
Over 120 days	**—**	1,090
Less: Impairment loss recognised	**—**	(1,090)
	—	—

Movement in the allowance for doubtful debts

	2009	2008
	HK$'000	HK$'000
Balance at beginning of the year	**1,090**	—
Impairment loss recognised	**—**	1,040
Exchange difference	**24**	50
Elimination on disposal of subsidiaries	**(1,114)**	—
Balance at end of the year	**—**	1,090

No receivable was past due but not impaired at both balance sheet dates.

Included in the allowance for doubtful debts for the year ended 31 March 2008 were individually impaired account receivables with an aggregate balance of approximately HK$1,090,000 (2009: Nil) which had been in financial difficulties. The Group did not hold any collateral over these balances.

24. LOAN RECEIVABLE

	2009 HK$'000	2008 HK$'000
Fixed rate loan receivable	**11,500**	—

The amount is advanced to an independent third party. It is unsecured, interest bearing at 20% per annum and originally to mature on 30 May 2009. Pursuant to the renewal agreement dated 29 May 2009, the loan receivable was partly repaid and partly renewed with a repayment date on 29 July 2009.

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2009 HK$'000	2008 HK$'000
Prepayments, deposits and other receivables	**830**	5,729
Less: Impairment loss recognised	**(49)**	(161)
	781	5,568

Movement in the allowance for doubtful debts

	2009 HK$'000	2008 HK$'000
Balance at beginning of the year	**161**	—
Impairment loss recognised	**736**	161
Elimination on disposal of subsidiaries	**(114)**	—
Amount written off as uncollectible	**(736)**	—
Exchange difference	**2**	—
Balance at end of the year	**49**	161

Included in the allowance for doubtful debts were individually impaired other receivables with an aggregate balance of approximately HK$49,000 (2008: HK$161,000) which have been in financial difficulties. The Group does not hold any collateral over these balances.

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2009 HK$'000	2008 HK$'000
Held for trading investments		
Listed investments:		
Equity securities listed in Hong Kong	**83,785**	55,630
Financial assets designated at fair value through profit or loss		
Unlisted investments:		
Equity securities	**3,095**	—
	86,880	55,630

The fair values of the unlisted investments are based on the market price provided by a financial institution.

27. DERIVATIVE FINANCIAL ASSETS

Derivative financial assets are not for the hedging purpose and include:

	2009 HK$'000	2008 HK$'000
Equity linked notes (a)	**2,989**	24,493
Range accrued notes (b)	**2,052**	3,581
Placement rights in respect of convertible bonds (c)	**—**	185,000
	5,041	213,074

(a) Major terms of the equity linked notes outstanding at 31 March 2009:

Notional amount	Maturity	Coupon rates
HK$ 3,000,000	3 April 2009	0%

The equity linked notes were purchased at a discount to face value and will be redeemed by either delivering the relevant number of underlying shares or the amounts of the face value as set out in the relevant notes.

27. DERIVATIVE FINANCIAL ASSETS *(Continued)*

(b) Major terms of the range accrued notes outstanding at 31 March 2009:

Notional amount	Maturity	Range of coupon rates
US$300,000 (HK$2,326,650)	27 April 2009	0% to 3.183%
US$300,000 (HK$2,330,400)	16 November 2009	0% to 2.670%

(c) Placement rights in respect of convertible bonds

The placement rights (the "Placement Rights") are attached with the convertible bonds of HK$56,000,000 issued by the Group on 2 March 2007 ("CB 2009"). The details of the Placement Rights are set out in note 34(a).

For the year ended 31 March 2008, the fair value of the Placement Rights was valued by BMI Appraisals Limited, an independent qualified professional valuer not connected with the Group, at HK$185,000,000. The valuation was made by using the Black-Scholes-Merton Option Pricing Model.

The inputs into the model were as follows:

	At 31 March 2008
Spot price	HK$0.475
Conversion price of the underlying convertible bonds	HK$0.07
Risk free rate	0.801%
Expected life	155 Days
Expected volatility	99.87%
Expected dividend yield	Nil

In August 2008, the Group partially exercised the Placement Rights and entered into an agreement with the subscriber of CB 2009 (the "Subscriber") for procuring the disposal by the Subscriber of part of the CB 2009 in a principal amount of HK$11,000,000 to an independent third party investor. The net proceeds receivable by the Group on the partial exercise of the Placement Rights pursuant to the terms of the Placement Rights (see note 34(a) for details) was approximately HK$46,746,000. The Subscriber is a subsidiary of Paliburg Holdings Limited, a Hong Kong listed company.

Under that agreement, the Subscriber also sought a release from the Group of the Placement Rights over part of the remaining CB 2009 in a principal amount of HK$7,000,000 at a consideration of approximately HK$29,748,000.

Upon completion of the agreement mentioned above, certain Placement Rights in the carrying amount of HK$59,464,000 was realised and released. The remaining balance of the Placement Rights in the carrying amount of HK$125,536,000 was written-off during the year and expired on 13 February 2009.

28. AVAILABLE-FOR-SALE INVESTMENTS

	2009	2008
	HK$'000	HK$'000
Unlisted investments:		
– Foreign currency fund	**—**	40,051

At 31 March 2008, the foreign currency fund was denominated in USD5,153,000. The average interest rate of the foreign currency fund for the year ended 31 March 2008 was 2.86%. The fund was redeemed during the year ended 31 March 2009.

29. CASH AND BANK BALANCES

	2009	2008
	HK$'000	HK$'000
Cash and bank balances denominated in:		
Chinese Renminbi	**74**	64
United States dollar	**109**	188
Canadian dollar	**—**	1
Hong Kong dollar	**192,490**	304,260
	192,673	304,513

The Group's cash and bank balances are denominated in original currencies that are set forth in below:

	Chinese Renminbi	**United States Dollar**	**Canadian Dollar**
In 2009	64,797	13,975	—
In 2008	52,939	24,205	88

The effective interest rates on bank balances are ranged from 0.01% to 4.81% (2008: from 0.03% to 6.15%).

30. ACCOUNTS PAYABLE

The following is an ageing analysis of the Group's accounts payable at the balance sheet date :

	2009	2008
	HK$'000	HK$'000
Over 120 days	—	1,444

The average credit period on providing of services was 120 days.

31. DERIVATIVE FINANCIAL LIABILITIES

The derivative financial liabilities of the Group are not for the hedging purpose. Derivative financial liabilities as at 31 March 2009 and 2008 comprise:

	2009	2008
	HK$'000	HK$'000
Forward contracts on listed equity securities in Hong Kong (a)	—	4,414
Options to subscribe for convertible bonds (b)	41,414	40,586
Share call options (c)	—	—
	41,414	45,000

(a) No forward contracts on listed equity securities in Hong Kong outstanding at 31 March 2009.

31. DERIVATIVE FINANCIAL LIABILITIES *(Continued)*

(b) Options to subscribe for additional convertible bonds were granted by the Group in conjunction with the issue of the convertible bonds in the principal amount of HK$200,000,000 by the Group on 15 February 2008. The details of such options are set out in note 34(c).

The fair value of the option to subscribe for convertible bonds was valued by BMI Appraisals Limited, an independent qualified professional valuer not connected with the Group. The valuation was made by using the Binomial Option Pricing Model and considering the present value of the stream of future cash flows discounted at the interest rate of 12.039% (2008: 12.039%).

The inputs into the model were as follows:

	At 31 March 2009	At 31 March 2008
Spot price	**HK$202,432,000**	HK$202,942,000
Exercise price	**HK$200,000,000**	HK$200,000,000
Risk free rate	**1.474%**	2.039%
Expected life	**1.94 years**	2.44 years
Expected volatility	**33.94%**	27.94%
Expected dividend yield	**Nil**	Nil

31. DERIVATIVE FINANCIAL LIABILITIES *(Continued)*

(c) The major terms of the share call options outstanding at 31 March 2008:

Pursuant to three separate independent call option agreements ("Agreements") with three independent third parties (the "Grantees") dated 6 December 2007, an aggregate of 300 million call options (the "Options") at the total option fee of HK$3,000,000 for the subscription of 300,000,000 ordinary shares of the Company ("Option Shares") were granted at an initial exercise price of HK$0.90 per share. The Grantees have the rights to exercise the Options to acquire Option Shares at any time during the period within twelve months from the date of grant of the Options. The Group has sole discretion to procure the delivery of the Option Shares upon exercise of the Options, either by the way of issuance and allotment of the new shares or by way of transfer of shares in issue.

If the Options are exercised at any time during the period commencing the date of the grant of the Options and ending on six months after the date of the Agreements, the exercise price is HK$0.90 per Option Share (subject to adjustment). If the Options are exercised at any time during the period commencing on the date on which the period above expires and ending on twelve months after the date of grant of the Options, the exercise price is HK$6.00 per Option Share (subject to adjustment). Should the Options be exercised at the exercise price of HK$6.00 per Option Share, the total number of Option Shares would be adjusted to 45,000,000 ordinary shares of the Company.

The following table discloses movements of the Company's share options held by the Grantees during the year:

Outstanding at 1 April 2008	**Granted during year**	**Exercised during year**	**Expired and lapsed during year**	**Outstanding at 31 March 2009**
300,000,000	—	—	(300,000,000)	—

The option fee of HK$3,000,000 received was recognised as fair value of the derivative financial liabilities at date of issue.

The fair value of the share call options at 31 March 2008 was nil. The fair value was valued by BMI Appraisals Limited, an independent qualified professional valuer not connected with the Group. The fair value was calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

	At 31 March 2008
Spot price	HK$0.475
Exercise price up to 5 May 2008	HK$0.9
Exercise price from 6 May 2008 to 2 January 2009	HK$6.0
Risk free rate	0.835%
Expected life	276 Days
Expected volatility	71.04%
Expected dividend yield	Nil

32. AMOUNTS DUE TO MINORITY SHAREHOLDERS

During the year ended 31 March 2008, the amounts were unsecured, non-interest bearing and repayable on demand. The amounts were eliminated in the disposal of subsidiaries (note 38) during the year ended 31 March 2009.

33. DEFERRED TAXATION

At the balance sheet date, the Group has estimated unused tax losses of approximately HK$306,435,000 (2008: HK$120,502,000) available to set off against future taxable income. No deferred tax asset has been recognised for such tax losses due to the unpredictability of future profit streams. These tax losses may be carried forward indefinitely.

34. CONVERTIBLE BONDS

During the year ended 31 March 2009, the Group had 4 (2008: 3) series outstanding convertible bonds.

(a) On 2 March 2007, the Company's wholly-owned subsidiary, Sinofair Investment Limited ("Sinofair") issued convertible bonds in the principal amount of HK$56,000,000 with maturity date on 1 March 2009. The CB 2009 bears no coupon interest and is unsecured.

The effective interest rate of the liability component is 7.75%.

The principal terms of the CB 2009 are as follows:

— Conversion rights are exercisable at any time from 16 March 2007 to 15 February 2009.

— The holders of the CB 2009 are entitled to convert the CB 2009 into ordinary shares of the Company at an initial conversion price of HK$0.07 per ordinary share (subject to adjustment).

— If any of the CB 2009 has not been converted, it will be redeemed on the maturity date at 107.19% of the outstanding principal amount of the CB 2009.

— The subscriber of the CB 2009 undertook with the Company that it would not exercise the conversion rights attached to the CB 2009 during the period from 2 March 2007 to 2 March 2008 (the "Lock-up Period") and would not sell or transfer to other parties during the Lock-up Period. Pursuant to the supplementary agreement dated 29 February 2008, the Lock-up Period had been extended to 2 September 2008. Pursuant to the agreement dated 13 August 2008, the Placement Rights in the principal amount of HK$18,000,000 were exercised and released, and the Lock-up Period of the remaining Placement Rights in the principal amount of HK$38,000,000 had been extended to 13 February 2009.

34. CONVERTIBLE BONDS *(Continued)*

(a) *(Continued)*

— Sinofair is entitled to Placement Rights under which at any time during the Lock-up Period, Sinofair has the rights to procure potential investors to purchase all or part of the CB 2009 held by the subscriber (the "Sold Bonds").

— If the subscriber sells the Sold Bonds to the new buyer, the subscriber is obliged to pay 70% of the difference between the proposed purchase price of the Sold Bonds and the redemption amount of the Sold Bonds on the maturity date (the "Difference") to Sinofair.

— If the subscriber confirms not to sell the Sold Bonds, the subscriber is obliged to pay the 70% of the Difference to Sinofair.

CB 2009 contains three components: liability component, equity component and derivative component.

The Placement Rights were presented in the consolidated balance sheet as "Derivative financial assets" at 31 March 2008 and was measured at fair value with changes in fair value recognised in profit or loss. The Placement Rights were partially exercised, partially released and the remaining expired in the year ended 31 March 2009. Details are stated in note 27(c).

The CB 2009 in the principal amount of 25,000,000 were converted into 357,143,000 new ordinary shares of the Company at the initial conversion price of HK$0.07 per share on 13 February 2009 and the remaining balance of the CB 2009 in a principal amount of HK$31,000,000 were redeemed by the Group in cash at an aggregate redemption amount of approximately HK$33,229,000 upon their maturity in March 2009.

34. CONVERTIBLE BONDS *(Continued)*

(b) On 17 May 2007, the Company's wholly-owned subsidiary, Fancy Gold Limited issued convertible bonds in the principal amount of HK$205,000,000 ("CB 2010") with maturity date on 16 May 2010. The CB 2010 bears no coupon interest and is unsecured.

The effective interest rate of the liability component is 7.5%.

The principal terms of the CB 2010 are as follows:

— Conversion rights are exercisable at any time from 16 July 2007 to 2 May 2010.

— The holders of the CB 2010 are entitled to convert the CB 2010 into ordinary shares of the Company at an initial conversion price of HK$0.205 per share (subject to adjustment). The conversion price was adjusted to HK$0.20 per share (subject to adjustment) due to the new convertible bonds issued on 25 February 2009.

— If any of the CB 2010 has not been converted, it will be redeemed on the maturity date at 115.97% of the outstanding principal amount of the CB 2010.

On 30 October 2007, a holder of the CB 2010 converted the CB 2010 in the principal amount of HK$61,500,000 into 300,000,000 new ordinary shares of the Company at the initial conversion price of HK$0.205 per share.

The CB 2010 contains two components: liability component and equity component.

34. CONVERTIBLE BONDS *(Continued)*

(c) On 15 February 2008, the Company's wholly-owned subsidiary, Apex Team Limited issued convertible bonds in the principal amount of HK$200,000,000 ("CB 2013") with maturity date on 14 February 2013. The CB 2013 bears no coupon interest and is unsecured.

The effective interest rate of the liability component is 12.19%.

The principal terms of the CB 2013 are as follows:

— Conversion rights are exercisable at any time from 29 February 2008 to 31 January 2013.

— The holders of the CB 2013 are entitled to convert the CB 2013 into ordinary shares of the Company at an initial conversion price of HK$0.60 per share (subject to adjustment). The conversion price was adjusted to HK$0.30 per share (subject to adjustment) due to the new convertible bonds issued on 25 February 2009.

— If any of the CB 2013 has not been converted, it will be redeemed on the maturity date at 128.01% of the outstanding principal amount of the CB 2013.

Options are granted by the Group to subscribe for the CB 2013 in an additional principal amount of up to HK$200 million ("Optional Bonds").

The CB 2013 contains three components: liability component, equity component and embedded derivative financial liabilities for the Optional Bonds.

The options granted to subscribe for the Optional Bonds is presented in the consolidated balance sheet as "Derivative financial liabilities" and is measured at fair value with changes in fair value recognised in profit or loss.

(d) On 25 February 2009, the Company's wholly-owned subsidiary, Ample Legend Limited issued convertible bonds in the principal amount of HK$28,000,000 ("CB 2011") with maturity date on 24 February 2011. The CB 2011 bears no coupon interest and is unsecured.

The effective interest rate of the liability component is 14.68%.

The principal terms of the CB 2011 are as follows:

— Conversion rights are exercisable at any time from 4 March 2009 to 18 February 2011.

— The holders of the CB 2011 are entitled to convert the CB 2011 into ordinary shares of the Company at an initial conversion price of HK$0.30 per share (subject to adjustment).

— If any of the CB 2011 has not been converted, it will be redeemed on the maturity date at 110.38% of the outstanding principal amount of the CB 2011.

34. CONVERTIBLE BONDS *(Continued)*

(d) *(Continued)*

The CB 2011 contains two components: liability component and equity component.

The liability component of the above-mentioned convertible bonds represents the present value of the contractually determined stream of future cash flows discounted at the rate of interest at the date of issue with reference to the market rates for an equivalent non-convertible loan.

The equity component is presented in equity heading "Convertible bonds reserve".

The movement of the liability component of the above-mentioned convertible bonds for the year is set out below:

	2009	2008
	HK$'000	HK$'000
Carrying amount of the liability component at the beginning of year	**344,661**	52,035
Face value of convertible bonds issued	**28,000**	405,000
Redemption of convertible bonds	**(33,229)**	—
Conversion of convertible bonds	**(26,697)**	(59,348)
Equity component of convertible bonds issued	**(4,497)**	(28,962)
Derivative financial liabilities component of convertible bonds issued	**—**	(40,580)
	308,238	328,145
Imputed interest expense	**33,018**	16,516
Carrying amount of the liability component at end of year	**341,256**	344,661
Representing by:		
Amounts due within one year shown under current liabilities	**—**	55,708
Amounts due after one year shown under non-current liability	**341,256**	288,953
	341,256	344,661

35. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Ordinary shares of HK$0.001 each		
Authorised:		
At 1 April 2007 and 31 March 2008 and 2009	250,000,000	250,000
Issued and fully paid:		
At 1 April 2007	1,596,300	1,596
Issue of new shares upon conversion of convertible bonds *(note 34(b))*	300,000	300
At 31 March 2008 and 1 April 2008	1,896,300	1,896
Issue of new shares upon conversion of convertible bonds *(note 34(a))*	357,143	357
At 31 March 2009	**2,253,443**	**2,253**

All the new ordinary shares issued in years ended 31 March 2009 and 2008 rank pari passu in all respects with the existing shares.

36. SHARE OPTION SCHEME

On 20 August 2003, at the annual general meeting, the Company adopted a share option scheme ("the Scheme") under which the board of directors may, at their discretion, invite any full time and part time employees, directors, suppliers, customers, consultants, advisors or shareholders of any of the companies within the Group to take up options to subscribe for ordinary shares of the Company at any time during ten years from the date of adoption of the Scheme.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and other schemes of the Group must not in aggregate exceed 10% of the number of shares in issue as at the date of approval of the Scheme (the "10% Limit"). The Company may obtain approval from the shareholders of the Company to refresh the 10% Limit, provided that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme and other schemes of the Group under the limit as refreshed must not exceed 10% of the number of shares in issue at the date of approval of the refresher mandate.

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed such number of shares as shall represent 30% of the issued share capital of the Company from time to time.

The total number of shares issued and may be issued upon exercise of the options granted to each eligible person under the Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the proposed date of grant for such options must not exceed 1% of the then number of issued shares of the Company, without prior approval from the Company's shareholders.

Option granted under the Scheme must be accepted within 6 months from the date of grant and in any event no later than the last date of the period of ten years from the date of adoption of the Scheme. Upon acceptance, the grantee shall pay HK$10.00 to the Company as consideration for the grant.

The subscription price for the shares under the Scheme shall be a price determined by the board of directors of the Company and notified to an eligible participant and shall be at least the higher of: (i) the nominal value of a share; (ii) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant, which shall be a business day; and (iii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant.

No share option has been granted since the date when the Scheme becomes effective.

37. ACQUISITION OF SUBSIDIARIES

On 19 May 2008, the Group acquired 60% of the issued share capital of Advanced Industry Limited and its subsidiary (the "AIL Group") for a consideration of HK$15,000,000 from an independent third party. This acquisition of AIL Group has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK$6,795,000.

The fair value of net assets acquired in the transaction approximate to their carrying amounts and the goodwill arising are as follows:

	HK$'000
Net assets acquired:	
Property and equipment	164
Properties under development	13,459
Prepayment and other receivables	33
Cash and cash equivalents	19
	13,675
Minority interests	(5,470)
Goodwill arising on the acquisition	6,795
Consideration	15,000
Total consideration satisfied by:	
Cash	15,000

	HK$'000
Net cash outflow arising on acquisition:	
Cash consideration paid	(15,000)
Cash and cash equivalents acquired	19
	(14,981)

AIL Group caused approximately HK$2,059,000 to the Group's loss for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1 April 2008, total Group's revenue for the period would have no change and the loss of the Group for the year would have been approximately HK$265,792,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of the operations of the Group actually would have been achieved had the acquisition been completed on 1 April 2008, nor is it intended to be a projection of future results.

38. DISPOSAL OF SUBSIDIARIES

As refer to note 15, on 21 January 2009, the Group discontinued its information technology operation at the time of disposed of its subsidiaries, CIH Group. The net liabilities disposed of these subsidiaries at the date of disposal were as follows:

	HK$'000
Net liabilities disposed of:	
Property and equipment	121
Prepayment, deposits and other receivables	228
Cash and cash equivalents	58
Accounts payables	(1,476)
Accrued liabilities and other payables	(2,308)
Amounts due to minority shareholders	(3,311)
	(6,688)
Exchange reserve realised on disposal of subsidiaries	292
Minority interests	(601)
Gain on disposal	7,027
Total consideration	30
Total consideration satisfied by:	
Cash	30
Net cash outflow arising on disposal:	
Cash consideration	30
Cash and cash equivalents disposed of	(58)
	(28)

The impact of CIH Group on the Group's results and cash flows in the current and prior periods is disclosed in note 15.

39. MAJOR NON-CASH TRANSACTIONS

As detailed in note 27(c), during the year ended 31 March 2009, the Group exercised certain Placement Rights and part of the proceeds from such partial exercise amounting to HK$52,930,000 were settled by receiving equity securities listed in Hong Kong which were classified as held for trading investments.

During the year ended 31 March 2009, convertible bonds of approximately HK$26,697,000 (2008: HK$59,348,000) in the principal amount of HK$25,000,000 (2008: HK$61,500,000) were converted into approximately 357,143,000 (2008: 300,000,000) ordinary shares of the Company.

40. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance in December 2000, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Company's subsidiaries operating in the PRC are required to participate in a central pension scheme (the "Central Scheme") operated by the local municipal government in the PRC. The respective local municipal government in the PRC, undertakes to assume the retirement benefits obligations of all existing and future retired staff of these subsidiaries. The only obligation of these subsidiaries with respect to the Central Scheme is to meet the required contributions under the Central Scheme. The contributions, which are calculated based on 23% of the monthly salaries of the current employees, are charged to the consolidated income statement as they become payable in accordance with the rules of the Central Scheme. The total contribution to the retirement benefits scheme charged to the consolidated income statement for the year was HK$89,000 (2008: HK$88,000).

41. OPERATING LEASE COMMITMENT

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2009	2008
	HK$'000	HK$'000
Within one year	**—**	510

Operating lease payments represent rentals payable by the Group for certain of its office premises. The leases were negotiated for a term of one year and with fixed rentals.

42. OTHER COMMITMENT

The Group has contracted with a wholly-owned subsidiary of Regal Hotels International Holdings Limited to establish jointly controlled entities in which the Group had committed to provide financing to the jointly controlled entities with maximum amount of HK$250,000,000 for property development in Chengdu City, Sichuan Province, the PRC. Approximately HK$176,009,000 had been paid as at 31 March 2009. The other commitment in respect of investment in jointly controlled entities contracted for but not provided in the consolidated financial statements are approximately HK$73,991,000 (2008: 164,879,000).

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries held by the Company as at 31 March 2009 are as follows:

Name of company	Place of incorporation/ operation	Nominal value of issued ordinary share capital/paid up registered capital	Effective percentage of ownership interest		Principal activities
			Directly	Indirectly	
			%	%	
Cosmopolitan International (China) Limited	BVI	US$1	100	—	Investment holding
Cosmopolitan International Finance Limited	HK	HK$1	100	—	Securities investments
Cosmopolitan International Management Services Limited	HK	HK$1	100	—	Provision of management services
Cosmopolitan Properties and Securities Limited	HK	HK$1,000	100	—	Securities trading and properties investment
Hope Bright Holdings Limited	BVI	US$1	100	—	Investment holding
Kola Glory Limited	BVI	US$1	100	—	Investment holding
Advance Industry Limited	BVI	US$51,000	—	60	Investment holding
Ample Legend Limited	HK	HK$1	—	100	Provision of inter-company treasury services
Apex Team Limited	HK	HK$1	—	100	Provision of inter-company treasury services
Evercharm Investments Limited	BVI	US$1	—	100	Securities trading
Fancy Gold Limited	HK	HK$1	—	100	Provision of inter-company treasury services
Joint Talent Investments Limited	BVI	US$1	—	100	Securities trading
Lead Fortune Development Limited	HK	HK$1	—	100	Property investment

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Details of the principal subsidiaries held by the Company as at 31 March 2009 are as follows :

Name of company	Place of incorporation/ operation	Nominal value of issued ordinary share capital/paid up registered capital	Effective percentage of ownership interest		Principal activities
			Directly %	Indirectly %	
Readyway Holdings Limited	BVI	US$1	—	100	Investment holding
Sincere Tact Limited	HK	HK$1	—	100	Treasury and financing
Sinofair Investment Limited	HK	HK$1	—	100	Provision of inter-company treasury services
Sinofame International Limited	BVI	US$1	—	100	Securities trading
Wise Bridge Investments Limited	BVI	US$1	—	100	Investment holding
新疆麗寶生態開發有限公司	PRC	US$1,500,000	—	60	Property development

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Save as disclosed in note 34, none of the subsidiaries had issued any debt securities subsisting at the end of the year or at any time during the year.

44. RELATED PARTY TRANSACTION

The key management members of the Group were the directors. The remunerations of directors were disclosed in note 13(a).

The remunerations of the key management members are determined by the remuneration committee having regarded to the performance of individuals and market prices.

45. CONTINGENT LIABILITY

A summons dated 18 October 2007 issued in the Supreme Court of the State of New York, County of New York, the United States of America had been sent to Cosmopolitan Properties and Securities Limited ("CPSL"), a wholly-owned subsidiary of the Company, requiring CPSL to answer a complaint lodged by Eric Edward Hotung, C.B.E. (Eric Hotung) in which CPSL was named as a joint defendant with Sean Eric Mclean Hotung ("Sean Hotung") and Gabrielle Hotung-Davidsen, which related to two properties in the Osborne apartment block in New York that are currently registered in the name of CPSL holding in trust for Eric Hotung (the "2007 Litigation). In conjunction with the 2007 Litigation, there were unrelated cross-claims filed by Sean Hotung, a defendant in the 2007 Litigation, against CPSL and the Company (which is not a party to the 2007 Litigation) for some specified amount of US$10.8 million and other claims on account and inquiry related to certain events alleged to have occurred in Hong Kong many years ago. These litigations had been concluded and settled during the year ended 31 March 2009 and had no material impact on the Group.

There is no contingent liability outstanding for the Group as at 31 March 2009.

Summary Financial Information

A summary of the results, assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out below.

RESULTS

	Year ended 31 March				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(restated)			*(restated)*
Turnover	**3,243**	133,100	17,294	11,468	2,763
Administrative expenses	**(17,853)**	(10,608)	(14,906)	(9,270)	(9,362)
Other operating expenses	**—**	—	—	(25)	(7,610)
(Loss)/profit before taxation	**(272,418)**	113,504	6,196	(19,552)	15,477
Income tax expense	**—**	(22,265)	—	—	—
(Loss)/profit before minority interests (including discontinued operations)	**(265,790)**	76,805	6,196	(19,552)	15,477
Minority interests	**5,688**	243	912	(1,151)	(586)
Net (loss)/profit attributable to shareholders (including discontinued operations)	**(260,102)**	77,048	7,108	(20,703)	14,891
Discontinued operation					
Profit/(loss) for the year from discontinued operation	**6,628**	(14,434)	—	—	—
(Loss)/earnings per share (in HK cents)	**(13.39)**	4.47	0.94	(3.89)	2.80

ASSETS, LIABILITIES AND MINORITY INTERESTS

	As at 31 March				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
					(restated)
Non-current assets	**245,909**	160,003	98,998	40,255	44,384
Current assets	**296,875**	618,836	164,565	40,778	55,588
Current liabilities	**(69,226)**	(130,607)	(18,374)	(4,924)	(4,337)
Net current assets	**227,649**	488,229	146,191	35,854	51,251
Total assets less current liabilities	**473,558**	648,232	245,189	76,109	95,635
Non-current liabilities	**(341,256)**	(288,953)	(52,035)	(38)	(38)
Net assets	**132,302**	359,279	193,154	76,071	95,597
Minority interests	**—**	(819)	(1,062)	(1,933)	(781)