Stock code: 204

Annual Report

2009

TEMUJIN

TEMUJIN INTERNATIONAL INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Antonio Ibrahim Tambunan
(Appointed on 29 January 2009 and appointed as the chairman of the Company on 30 April 2009)

Mr. Mark Damion Go
(Appointed on 24 April 2009 as the alternate director to Mr. Antonio Ibrahim Tambunan)

Mr. Thanh Hung Thai
(Appointed on 24 April 2009)

Mr. Tang Hin Keung Alfred
(Appointed on 30 April 2009)

Mr. Ahn Do Il
(Appointed on 26 June 2009)

Ms. Yeh Fang Ching
(Appointed on 19 September 2008 and resigned on 29 January 2009)

Mr. Hoo Chuin Hoong
(Appointed on 26 August 2008 and resigned on 19 September 2008)

Mr. Chuan Wei Chen
(Retired on 26 August 2008)

Non-executive Directors:

Ms. Tsuen Tai Chi Andy
(Resigned on 30 April 2009)

Ms. Yeh Fang Ching
(Retired on 26 August 2008)

Mr. Hao Wei-Chieh
(Appointed on 26 August 2008 and resigned on 25 March 2009)

Independent non-executive Directors:

Mr. Li Man Nang

Ms. Fang Tsz Ying
(Resigned on 9 March 2009)

Mr. Jeffrey John Ervine

Mr. Choi Yong Seok
(Appointed on 29 January 2009)

Mr. Leung Chi Hung
(Appointed on 30 April 2009)

COMPANY SECRETARY

Mr. Chan Chiu Hung Alex

INVESTMENT MANAGER

United Gain Investment Limited

DIRECTORS OF INVESTMENT MANAGER

Mr. Lum Chor Wah Richard
Mr. Lau Chi Yiu

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited

AUDITORS

HLM & Co.
Certified Public Accountants

LEGAL ADVISERS

Hong Kong Law
Michael Li & Co

Cayman Islands Law
Maples and Calder Asia

CORPORATE INFORMATION

PRINCIPAL REGISTRARS

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

BRANCH REGISTRARS

Union Registrars Limited
Rooms 1901–02
Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai
Hong Kong

REGISTERED OFFICE

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands British West Indies

PRINCIPAL PLACE OF BUSINESS

Room 2108, Two IFC
8 Finance Street
Central
Hong Kong

WEBSITE

http://www.irasia.com/listco/hk/temujin

STOCK CODE

204

BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND THE INVESTMENT MANAGER

DIRECTORS OF THE COMPANY

The Board comprises the following persons:

Executive Directors

Mr. Antonio Ibrahim TAMBUNAN ("Mr. Tambunan")

Mr. Tambunan, aged 40, joined the Company as an executive director on 29 January 2009 and was appointed as the Chairman of the Company on 30 April 2009. Mr. Tambunan holds a bachelor degree majored in International Relations from Boston University and a master degree in Business Administration from Boston University. After his graduation, Mr. Tambunan joined B&S Tour and Travel Company Limited in 1991 as a Marketing Executive to provide account services for corporate clients. Thereafter, Mr. Tambunan joined SBC Warburg Dillon Read in 1997 as an Associate and was involved in equity/equity-linked corporate finance transactions, formulation of financial models, due diligence and investment banking research. Later, Mr. Tambunan joined Deloitte & Touche Corporate Finance Limited in Hong Kong as a Manager. Mr. Tambunan was mainly involved in financial restructuring and the recovery process for clients after the Asian financial crisis. Mr. Tambunan served Deutsche Bank as a Vice President in Hong Kong in 2000 to manage a team of analysts overseeing regional coverage of emerging technologies. Leaving Deutsche Bank, Mr. Tambunan joined bx.com as the Chief Financial Officer mainly involved in accounting and budgeting operations. In 2005 Mr. Tambunan joined Bear Stearns Company in Hong Kong as a Senior Analyst involved in the management of a team of analysts covering the online gaming sector. Starting from April 2007, Mr. Tambunan served as the Chief Investment Officer in Gigamedia Limited and was responsible for the global investments in the video games industry.

Mr. Mark Damion GO ("Mr. Go")

Mr. Go, aged 40, was appointed as the alternate director to Mr. Antonio Ibrahim Tambunan, an executive director of the Company on 24 April 2009. Mr. Go holds a bachelor degree from University of California, Berkeley where he double majored in Economics and Asian Studies. After his graduation, Mr. Go joined Hill and Knowlton as a Consultant servicing for telecommunication and media accounts. Thereafter, Mr. Go joined Wheelock NatWest Corporate Finance as an Associate focusing on Asian telecommunication and media deals. Later, Mr. Go joined SBC Warburg Dillion Read's as a Telecom Analyst covering telecommunications sector in Greater China. According to Greenwich Survey in 1997, SBC Warburg Dillion Read was ranked the first in Asian Telecom Team. Mr. Go later served Jardine Fleming Securities as its Greater China Telecom Analyst covering the telecommunication industries within PRC, Hong Kong and Taiwan. He was also responsible for training and managing a team of analysts for New Media and Internet Analysts from 1998 to 2000. Upon leaving Jardine Fleming Securities, Mr. Go formed E-PartsCenter (HK) Limited as the Founder and Director and mainly involved in business development of regional strategic alliances/partnerships with auto parts manufacturers and distributors. Thereafter, Mr. Go joined Bank of China International Equity Research in Hong Kong as a Vice President and

BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND THE INVESTMENT MANAGER

Analyst involved in the management of a team of analysts covering the Chinese/Hong Kong telecommunication services/equipment sector. Following, Mr. Go joined Taiwan Semiconductor Manufacturing Corporation in 2004 as spokesperson in-charge of investor relations. Starting from April 2006, Mr. Go served as the Head of Institutional Research in KGI Asia (Hong Kong) Limited as a Senior Vice-President/Director responsible for writing strategy, China/Hong Kong telecommunication coverage and leading a team of Hong Kong-based analysts whose primary focus was China and Hong Kong markets.

Mr. Thanh Hung THAI ("Mr. Thai")

Mr. Thai, aged 39, joined the Company as an executive director of the Company on 24 April 2009. Mr. Thai holds a bachelor degree majored in Economics from Rutgers University and a master of business administration degree majored in Finance from Rutgers University. Mr. Thai is a Chartered Financial Analyst. Mr. Thai served as a Risk Manager at Merrill Lynch for five years. Thereafter, Mr. Thai joined Lehman Brothers in New York and responsible for trading secondary cash collateralized debt obligations for six years. Later Mr. Thai was promoted as the Head of Trading and Syndication in Lehman Brothers and being responsible for the cash collateralized debt obligations business in Asia excluding Japan for four years. After, Mr. Thai joined ZAIS Solutions as the head of Asia responsible for marketing funds, raising capital and sourcing assets for ZAIS group.

Mr. TANG Hin Keung, Alfred ("Mr. Tang")

Mr. Tang, aged 64, joined the Company as an executive director of the Company on 30 April 2009. Mr. Tang is the Chief Executive Officer of City Credit Capital (UK) Ltd., a Financial Services Authority (FSA) regulated firm registered in London authorized to conduct financial services business in the U.K. He is also a director and the president of GFS Forex & Futures Inc., a NFA and CFTC registered financial services firm incorporated in the U.S. Mr. Tang is responsible for the regulatory supervision, business development and strategic planning of these companies. Mr. Tang was an executive director of Dore Holdings Limited, a company listed in the main board of the Stock Exchange of Hong Kong from April 2002 to November 2008.

Mr. AHN Do Il ("Mr. Ahn")

Mr. Ahn, aged 42, joined the Company as an executive director on 26 June 2009. Mr. Ahn studied Architecture at Kyung Woon University in Korea and Interior Design at Italia ISAD Interior Design School in Italy. Mr. Ahn has over 14 years of experience in business development, distribution of apparels, and food and beverage.

BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND THE INVESTMENT MANAGER

Mr. Ahn had been working at G.V. Co., Ltd., ("G.V."), an apparel manufacturing company headquartered in Korea, for 4 years and was in charge of G.V.'s entire operation in Milano Italy. During his services with G.V., he had been successfully in setting up 10 factories in Italy for G.V.'s mass production. Afterward, Mr. Ahn started his own restaurant business in Korea. Mr. Ahn launched his first Italian restaurant, "Il mare", in 1998. There are 37 "Il mare" now in Korea. Additionally, Mr. Ahn launched a Korean traditional restaurant, 'HANOK' with 3 stores in January 2008.

When Mr. Ahn's restaurant business was at the peak performance, he sold his entire restaurant business to a listed company in Korea. In December 2007, Mr. Ahn became the CEO of NHS Capital Ltd., a company listed in Korea Exchange. During these years, Mr. Ahn invested his time in restructuring NHS Capital Ltd. and played a major role in conducting merger and acquisition exercises in various fields.

Mr. Ahn was an executive director of NHS Capital Ltd. (KDQ: 025340), an investment company listed in the Korea Exchange from December 2007 to December 2008.

Mr. CHUAN Wei Chen ("Mr. Chuan")

Mr. Chuan, aged 32, joined the Company and was appointed as an executive director on 1 June 2007. Mr. Chuan is the Managing Director of Descartes Global Asset Management. He graduated from The University of British Columbia and acted as Financial Consultant for Merrill Lynch before joining eCorpServ Ltd. as Special Assistant to its President in March 2000. Mr. Chuan participated in executive management discussions on corporate strategies including business decision-making in marketing strategies, corporate benchmarking and feasibility studies in various business cases in that position. Mr. Chuan is responsible for identifying investment opportunities and supervising the asset management division. Mr. Chuan retired on 26 August 2008.

Mr. HOO Chuin Hoong ("Mr. Hoo")

Mr. Hoo, aged 37, was appointed as an executive director of the Company on 26 August 2008 and resigned on 19 September 2008. Mr. Hoo was graduated from the University of Pennsylvania (Wharton/SEAS) major in Finance, Management and Computer Science. Mr. Hoo has been appointed as the Chief Investment Officer of Temujin Global Asset Management Limited, Hong Kong since March 2008. Prior to acting as Chief Investment Officer of Temujin Global Asset Management Limited, Hong Kong, Mr. Hoo served at Deustche Bank AG, Hong Kong Branch and JP Morgan Singapore for more than 8 years and 3 years respectively. Mr. Hoo was an Associate Director responsible for trading currencies, fixed income securities and interest and cross currency derivatives in Singapore local market trading. Thereafter, Mr. Hoo serviced in Deustche Bank AG in various capacities. Mr. Hoo was one of the founding members of Global Credit Trading Asia Group. Further, Mr. Hoo also founded and managed Deutsche Bank's first multi-strategy proprietary trading book major derivatives products and foreign currencies trading with the focus

BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND THE INVESTMENT MANAGER

of Asia excluding Japan. Later, Mr. Hoo joined SABA HK, Deutsche Bank's non-affiliated asset management group and promoted to the Head Trader and expanded the proprietary trading model to include outside coverage. Finally, Mr. Hoo was promoted to Head of Principal Strategies Asia of SABA Hong Kong, which dissolved into SABA Proprietary Trading and became an affiliate of Deutsche Bank AG. Thereafter, Mr. Hoo worked as Senior Trader before joining Temujin Global Asset Management Limited, Hong Kong. He was also responsible for oversight of compliance, operations and risk management in this unit. In addition, Mr. Hoo gained extensive experience in trading and managing almost every asset classes.

Ms. YEH Fang Ching ("Ms. Yeh")

Ms. Yeh, aged 29, joined the Company and was appointed as a non-executive director on 1 June 2007. Ms. Yeh retired as non-executive director of the Company on 26 August 2008 and was appointed an executive director on 19 September 2008 and resigned on 29 January 2009. Ms. Yeh was graduated from the University of Washington and is a certified public accountant in the State of Washington, United States of America. Ms. Yeh has been appointed as the Financial Controller of Descartes Asset Management Limited. Prior to acting as Financial Controller of Descartes Asset Management Limited, Ms. Yeh was a Treasury Team Assistant Manager with eCorpServ Ltd. At eCorpServ Ltd., Ms. Yeh assisted in establishing financial models in calculating capital valuation, evaluated and forecasted revenues and expenditures for company budget and researched government and tax regulations of various countries for the establishment of companies overseas. In addition, Ms. Yeh gained extensive experience in analyzing United States equity market whilst with eCorpServ Ltd. Ms. Yeh is responsible for the accounting procedures and also daily operations of the company.

Non-executive Directors

Mr. HAO Wei-Chieh ("Mr. Hao")

Mr. Hao, aged 31, was appointed as a non-executive director of the Company on 26 August 2008 and resigned on 25 March 2009. Mr. Hao holds a bachelor degree from the Ta-Yeh University Changhua Taiwan major in Business Administration. After his graduation, Mr. Hao joined SinoPac Securities Company Limited as Sales Supervisor which mainly involved the account services for the clients. Thereafter, Mr. Hao joined Prudential Financial Securities Investment Trust Enterprise Limited as a Project Supervisor and was involved in the formulation of corporate strategies, project financial forecast and negotiation of the contract with its clients. Thereafter, Mr. Hao joined Descartes Finance Limited as the Chief Marketing Officer. Mr. Hao was mainly involved in formulating of business plan, human and financial resources plan and setting up of hedge funds. Starting from January 2008, Mr. Hao served as the Marketing Officer in the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND THE INVESTMENT MANAGER

Ms. TSUEN Tai Chi Andy ("Ms. Tsuen")

Ms. Tsuen, aged 52, was appointed as an executive director of the Company on 12 January 2007 and the Chairman of the Company on 15 January 2007. Ms. Tsuen was re-designated from executive director to non-executive director on 1 June 2007 and resigned on 30 April 2009. Prior to joining the Company, Ms. Tsuen has been the chairman and a director of EC Capital Ltd, a private investment company that invests in publicly listed stocks, secondary market traded securities, forex and other private equity investments and Ms. Tsuen has been responsible for analyzing the financial, income, cash flow forecasts and reports as well as business profiles for the purpose of investment. Ms. Tsuen is also an executive director and founding member of Akon Global Logistics Pte Ltd, a Singapore-based freight forwarding company, where she is responsible for setting up the business operations, human resource planning, financial planning, client sourcing, client contract negotiations, sourcing of strategic partnerships and strategic business planning.

Independent non-executive Directors

Mr. LI Man Nang ("Mr. Li")

Mr. Li, aged 59 was appointed as an independent non-executive director of the Company on 19 October 2003. He was qualified as a Professional Accountant in 1972 with a distinguished result. Between 1965 and 1978, he has worked in the areas of finance, accounting, management and development with a number of listed and multinational companies. Since 1979, he has established a number of companies in the businesses of jewelry, finance, securities, property development and investment and has served as a director for those companies. He is presently a fellow member of The Chartered Institute of Management Accountants, The Association of International Accountants and the Hong Kong Institute of Certified Public Accountants. He also has a distinguished record in public service. He has served as Honorary President, Chairman and Adviser for several organizations.

Mr. Jeffrey John ERVINE ("Mr. Ervine")

Mr. Ervine, aged 41, joined the Company as an independent non-executive director of the Company on 12 January 2007. Mr. Ervine is a Chartered Public Accountant (US) and graduated from the Pennsylvania State University with a Bachelor of Science in Accounting in 1989 and obtained his MBA from Columbia Business School in May 1997. Mr. Ervine is currently the chief operating officer and managing partner of Ardennes Management, an investment manager in the United States. Mr. Ervine was previously the chief operating and financial officer of Exis Capital Management, Inc., chief financial officer of Carlin Financial Group and Asset Alliance Corporation. Furthermore, Mr. Ervine was a Senior Investment Banking Associate in the Financial Institutions Group at Bear, Stearns & Co. Inc and a manager at Deloitte & Touche LLP in mergers and acquisitions advisory services. Mr. Ervine has over 18 years of experience working in the financial field and has extensive experience in alternative investment products, mergers and acquisitions, taxation, legal and regulatory aspects of business management, strategic planning, human resource and financial management.

BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND THE INVESTMENT MANAGER

Mr. CHOI Yong Seok ("Mr. Choi")

Mr. Choi, age 46, joined the Company as an independent non-executive director of the Company on 29 January 2009. Mr. Choi is a Korean national and was graduated from Seoul National University Law School in 1985. Mr. Choi was a Prosecuting Attorney for The Special Task Team at Seoul Central Public Prosecutor's Office between 1988 and 1996. After leaving the position as a Senior District Attorney at the Ministry of Justice, Mr. Choi launched his own law firm, OSEO, from 1999 to 2004 and served as a Professor at Judicial Research and Training Institute of Korean between 2004 and 2006. Currently, Mr. Choi is working as Senior Legal Advisor for many major companies in Korea.

Mr. LEUNG Chi Hung ("Mr. Leung")

Mr. Leung, aged 53, was appointed as an independent non-executive director of the Company on 30 April 2009. Mr. Leung has commenced his accountancy professional training since 1976 and is a member of certain international accountancy bodies. Mr. Leung is also a certified public accountant (practising) in Hong Kong and a director of the corporate practice Arthur Mo & Co. Limited. He is an independent non-executive director of Daido Group Limited and Dore Holdings Limited, both listed on the Main Board of the Stock Exchange.

COMPANY SECRETARY

Mr. CHAN Chiu Hung Alex ("Mr. Chan")

Mr. Chan, aged 43, was appointed as the Company Secretary and Qualified Accountant of the Company on 28 April 2008. He is an associate member of Hong Kong Institute of Certified Public Accountants. Mr. Chan holds a bachelor's degree in Business Administration, major in Finance. Mr. Chan oversees the legal, corporate, accounting and compliance matters of the Group. Mr. Chan has been working with several listed and multinational companies for over 15 years.

DIRECTORS OF THE INVESTMENT MANAGER

The Directors of the Investment Manager are:

Mr. LAU Chi Yiu has over 17 years of experience in the areas of investment management, consulting and finance. Mr. Lau served as fund manager to a comanaged emerging market hedge fund and portfolios for a group of high net worth individuals with over US$75 million worth of assets under management with a focus in the pharmaceutical, internet technology and semiconductor sectors globally. Before entering into the consulting, investment management and financial services industry, Mr. Lau spent around seven years as an engineer and a research assistant in enterprises/institutes in the United States of America including the New York State Institute on Superconductivity and Intel Corporation. Mr. Lau holds a Master's degree in Business Administration from the Chinese University of Hong Kong, a Master's degree in Science of Electrical Engineering from National Technological University, Fort Collins, Colorado, the United States of America, a Bachelor's degree in Science of Electrical and Computer Engineering from

BIOGRAPHICAL DETAILS OF DIRECTORS OF THE COMPANY AND THE INVESTMENT MANAGER

State University of New York at Buffalo, New York, the United States of America and a Certificate in Plasma processing from Massachusetts Institute of Technology of Massachusetts, the United States of America. He is a member of the Society of Registered Financial Planners in Hong Kong, a registered member of the Financial Planner in People's Republic of China, and an associate member of Institute of Financial Accountants, United Kingdom.

Mr. LUM Chor Wah Richard has over 19 years of experience in the investment management, corporate finance and investment advisory fields including the provision of advice in relation to group restructuring and fund raising. During the period from 1990 to 2008, he acted as executive director of Innovative International (Holdings) Ltd., Dransfield Holdings Limited, Digital World Holdings Limited and Teem Foundation Group Limited (now renamed Dore Holdings Limited), all of which are companies listed on the main board of The Stock Exchange of Hong Kong Limited. He was also a director of DF China Technology Inc., a company listed on the Nasdaq, U.S. During these engagements, he was in charge of investment and corporate finance activities, including merger and acquisition, fund raising, portfolio management, direct investments and corporate strategic planning. Mr. Lum possesses further corporate finance and venture capital experience, through his provision of investment advisory services to clients during the period from 1998 till now which included fund raising exercises ranging from US$2 million to US$20 million in size. Prior to joining the corporate world, Mr. Lum was an experienced banker and had held a senior position in Banque Nationale de Paris. Mr. Lum holds a Master's degree in Law (Chinese Law) from the Renmin University of China, a Master's degree in Business Administration from The Chinese University of Hong Kong and a Bachelor's degree in Science from The University of Hong Kong. He is a member of the Society of Registered Financial Planners in Hong Kong, a registered member of the Financial Planner in People's Republic of China, a fellow member of the Hong Kong Institute of Directors, an associate member of Institute of Financial Accountants, United Kingdom and an associate member of the Certified Risk Planner.

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements of Temujin International Investments Limited (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The Company and its subsidiaries are engaged in investment holding for medium to long-term capital appreciation purposes, and in trading of listed and unlisted securities. There have been no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND APPROPRIATIONS

The consolidated results of the Group for the year ended 31 March 2009 are set out in the consolidated income statement on page 30 of the financial statements.

The directors do not recommend the payment of a dividend for the year.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the authorised and issued share capital of the Company are set out in note 19 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity of the Group on page 32 and in note 20 to the financial statements.

DISTRIBUTABLE RESERVES

Pursuant to Section 34 of the Companies Law (Revised) of the Cayman Islands and the Articles of Association of the Company (the "Articles"), the Company's share premium account is available for distribution to shareholders subject to a solvency test on the Company and the provisions of the Articles. As at 31 March 2009, in the opinion of the Directors, the Company's reserves available for distribution to shareholders, comprising share premium account and accumulated losses, amounted to approximately HK$122,000 (2008: approximately HK$5,213,000).

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

As the Group is engaged in investment holding for medium to long-term capital appreciation purposes, and in trading of listed and unlisted securities, there are no major customers and suppliers during the year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 72. This summary does not form part of the audited financial statements.

DIRECTORS

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

Executive Directors:

Mr. Antonio Ibrahim Tambunan	(Appointed on 29 January 2009)
Mr. Mark Damion Go (Alternate director to Mr. Antonio Ibrahim Tambunan)	(Appointed on 24 April 2009)
Mr. Thanh Hung Thai	(Appointed on 24 April 2009)
Mr. Tang Hin Keung Alfred	(Appointed on 30 April 2009)
Mr. Ahn Do Il	(Appointed on 26 June 2009)
Mr. Hoo Chuin Hoong	(Appointed on 26 August 2008 and resigned on 19 September 2008)
Ms. Yeh Fang Ching	(Appointed on 19 September 2008 and resigned on 29 January 2009)
Mr. Chuan Wei Chen	(Retired on 26 August 2008)

Non-executive Directors:

Ms. Tsuen Tai Chi Andy	(Resigned on 30 April 2009)
Ms. Yeh Fang Ching	(Retired on 26 August 2008)
Mr. Hao Wei-Chieh	(Appointed on 26 August 2008 and resigned on 25 March 2009)

Independent non-executive Directors:

Mr. Li Man Nang	
Ms. Fang Tsz Ying	(Resigned on 9 March 2009)
Mr. Jeffrey John Ervine	
Mr. Choi Yong Seok	(Appointed on 29 January 2009)
Mr. Leung Chi Hung	(Appointed on 30 April 2009)

REPORT OF THE DIRECTORS

DIRECTORS *(continued)*

In accordance with Articles 152 of the Company's Articles of Association, Mr. Antonio Ibrahim Tambunan and Mr. Li Man Nang will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Articles 118 of the Company's Articles of Association, Mr. Thanh Hung Thai, Mr. Tang Hin Keung Alfred, Mr. Ahn Do Il and Mr. Leung Chi Hung will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The term of office of each of the independent non-executive directors is the period up to their retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company (the "Directors") and the senior management of the Group are set out on pages 4 to 10 of the annual report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 March 2009, none of the directors, the chief executive and their associates, had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies as at 31 March 2009.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2009, the interests and short positions of persons in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholder required to be kept by the Company under Section 336 of the SFO were as follow:

Long positions

Ordinary shares of HK$0.20 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Wang Annie	Beneficial owner *(Note 1)*	3,914,500	18.6%
Key Mark Investments Limited ("Key Mark")	Beneficial owner *(Note 2)*	2,958,800	14.1%
Ms. Kwok Kit Ping	Held by controlled corporation *(Note 2)*	2,958,800	14.1%

Notes:

1. Ms.Annie Wang does not hold any position within the Company and is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of her being a substantial shareholder of the Company.

2. Ms. Kwok Kit Ping beneficially owns the entire issued share capital of Key Mark. Key Mark in turn owns 2,958,800 ordinary shares of the Company. Ms. Kwok Kit Ping does not hold any position within the Company. Each of Ms. Kwok Kit Ping and Key Mark is regarded as a connected person (as defined in the Listing Rules) of the Company by virtue of their being a substantial shareholder of the Company.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS *(continued)*

Save as disclosed above, as at 31 March 2009, the directors of the Company were not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any its subsidiaries a party to any arrangements to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE AND CONNECTED PARTY TRANSACTIONS

No directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during or at the end of the year.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this report, none of the directors and their respective associates had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

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

During the year, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

REPORT OF THE DIRECTORS

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, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

PUBLIC FLOAT

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

AUDIT COMMITTEE

The Company set up an audit committee (the "Audit Committee") with written terms of reference in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Audit Committee comprises four independent non-executive directors of the Company, namely Mr. Li Man Nang, Mr. Jeffrey John Ervine, Mr. Choi Yong Seok and Mr. Leung Chi Hung. The consolidated financial statements of the Group for the year ended 31 March 2009 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

CORPORATE GOVERNANCE

With the consent of the Audit Committee, the Board hereby confirms that, in the preparation of the 2009 consolidated financial statements of the Group, the Directors, both collectively and individually, applied such degree of skill, care and diligence as may reasonably be expected of under the Rule 3.08 of the Listing Rules.

A report on the principle corporate governance practices adopted by the Company is set out on pages 21 to 27 of the annual report.

REPORT OF THE DIRECTORS

AUDITORS

The financial statements of the Company and the Group for the years ended 31 March 2007, 2008 and 2009 were audited by HLM & Co. A resolution for their re-appointment as auditors of the Company and the Group will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Antonio Tambunan
Chairman

Hong Kong, 17 July 2009

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The subprime mortgage crisis and credit crunch eventually led to worldwide economic recession. The bankruptcy of Lehman Brothers has destructive effect over investor confidence and sentiment which lead to the adoption of quantitative monetary easing policy and expansionary fiscal policy by the central banks of many countries to stimulate economy.

The impact of the above factor towards the Group is far beyond the estimation of the management. Nevertheless, the management are confident that the unstable environment of the equity markets will end up in a medium term and the Company's results would be improved.

For the year ended 31 March 2009, the Group recorded a revenue arising solely from interest income, of approximately HK$1,000, represented a decrease of approximately 97.7% as compared with that of last year. The trading of listed securities for the year ended 31 March 2009 showed a loss of approximately HK$466,000 as compared with a loss of approximately HK$1,599,000 recorded the same period last year.

Owing to the up trend of the Hong Kong equity market in the first quarter of 2009 as a result of the influx of foreign funds, the investment portfolio of the Group recorded an unrealised gain of approximately HK$67,000 as compared to unrealised loss of approximately HK$2,417,000 recorded in the same period last year. In addition, the Group had caught the chance to dispose of its available-for-sale financial assets at cost as compared to a net realised loss of approximately HK$8.8 million in last year.

The administrative expenses incurred by the Group decreased by approximately HK$1.8 million compared to that in last year as a result of the adoption of a stringent cost measures on the operation. The management of the Group will carefully adjust the operating cost of the Group and well prepare itself for future opportunities.

In aggregate, the Group recorded a net loss attributable to shareholders for the year amounting to approximately HK$5.1 million, which was greatly improved by a decrease of approximately 73% as compared with the net loss of approximately HK$18.9 million recorded for the same period last year.

FUTURE OUTLOOK

The recent operating environment in Hong Kong equity market is volatile and it is comparatively difficult for the Group to identify good investment opportunities with appropriate pricing. The management of the Group, together with the investment manager, will closely monitor the market environment and will use our best effort to grasp any opportunities available in order to bring return to our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group will closely monitor the market situation and minimize risks accordingly. To ensure a stable return for the shareholders of the Company on a medium to long term basis, the Group will continue to enhance its internal operation efficiency and to allocate more resources on identified promising investments so as to minimize the risk of over concentration by diversify its investments.

The Group had completed the acquisition of Ergomics Co., Ltd. a Korean company which is principally engaged in the research and development of technologies applicable to automobiles and electronics industries and holds an aggregate of thirteen patents and has entered into a letter of intent with a leading Korean automobile company to utilize its technology, on 3 June 2009. The management of the Company has confident that this investment will have sentential return to the Company's operating result in the years to come.

In order to further strengthen the financial position of the Group, the Company issued a convertible bond in the amount of HK$40 million on 17 June 2009. With this additional financial resources together with the engagement of highly qualified directors, who are bankers, fund managers and well experienced top executives, to the Company in the recent months, the Group has confident to identity and pursue investment opportunities in Hong Kong, the PRC and other regions that have development potential. The Group will uphold the existing investment objectives and policies to achieve capital appreciation and growth in profits.

The Board is optimistic in the long-term economic prospect of Hong Kong, China and Aisa Pacific. The management will carefully assess all potential investment to ensure that the risk is under manageable level and at the same time the associate return to the Group is maximized.

FINANCIAL RESOURCES

Financial resources and liquidity

As at 31 March 2009, the Group had current assets of approximately HK$3,609,000 (2008: approximately HK$7,423,000) while the net assets amounted to approximately HK$4,718,000 (2008: approximately HK$9,054,000). There was cash and bank balances of approximately HK$22,000 (2008: approximately HK$1,576,000) and no borrowings, bank loan and long term liabilities (2008: Nil) as at 31 March 2009.

At 31 March 2009, approximately 9% (2008: approximately 24%) of the value of the Group's total assets was in a portfolio of listed shares and approximately 91% (2008: approximately 76%) in property, plant and equipment, bank and cash balances, other deposits and unlisted investments. The percentage of the investment in listed shares was lower than that of last year as the management took a prudent approach to mininize the risk of the Group in view of the current market situation.

MANAGEMENT DISCUSSION AND ANALYSIS

Current ratio, calculated on the basis of the total current assets over total current liabilities at year-end date was 6.9 (2008: 64.0) and the gearing ratio, calculated on the basis of the total liabilities over total shareholders' fund as at 31 March 2009, was 0.111 (2008: 0.013).

CAPITAL STRUCTURE

During the year under review, the Company did not have any changes in its capital structure except for the placement of a total of 4,208,460 unlisted warrants at the issue price of HK$0.20 each entitling the holders thereof to subscribe for the shares of the Company at the subscription price of HK$1.00 each. A net proceed of approximately HK$640,000 was received by the Company for the placement which has been fully applied as general working capital.

The Group had insignificant current liabilities while the Group maintained a position with sufficient cash and marketable securities to generate enough fund under the dynamic nature of operating environment. Subsequent to the balance sheet date on 24 April 2009, the authorised share capital of the Company was increased to HK$10,000,000 divided into 500,000,000 shares of HK$0.2 each.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

Throughout the year ended 31 March 2009, assets of the Group were free from any form of legal charge. In addition, the Group did not have any contingent liabilities.

EMPLOYEES

As at 31 March 2009, the Group has 4 employees and the total remuneration paid to staff was approximately of HK$0.8 million during the year under review (2008: 2). The employees were remunerated based on their responsibilities and performance.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Following the issue of the Code on Corporate Governance Practices (the "Code"), as set out in Appendix 14 of the Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Company has carefully reviewed and considered Code provisions, and carried out a detailed review on the corporate governance practices of the Company in compliance with the requirements of the Code.

The Company is committed to maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has complied with the Code provisions, except for the following deviation during the year ended 31 March 2009:

Under the Code Provision A.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be preformed by the same individual. An individual chief executive officer was not appointed during the year based on the existing size and structure of the Company.

Under the Code Provision A.4.1, non-executive directors should be appointed for specific terms, subject to re-election at the general meeting of the Company. Currently, all the Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the forthcoming annual general meeting in accordance with the Company's Articles of Association. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting that in the Code.

The Company will continue to improve its corporate governance and believes that good corporate governance will bring long-term benefits to its shareholders.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all the directors have complied with the required standard set out in the Model Code throughout the year.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Composition

The Board comprises of executive Directors, non-executive Directors and independent non-executive Directors during the year and as at the date of this report as follows:

Executive Directors:

Mr. Antonio Ibrahim Tambunan	(Appointed on 29 January 2009 and appointed as the Chairman on 30 April 2009)
Mr. Mark Damion Go *(Alternate director to Mr. Antonio Ibrahim Tambunan)*	(Appointed on 24 April 2009)
Mr. Thanh Hung Thai	(Appointed on 24 April 2009)
Mr. Tang Hin Keung Alfred	(Appointed on 30 April 2009)
Mr. Ahn Do Il	(Appointed on 26 June 2009)
Mr. Hoo Chuin Hoong	(Appointed on 26 August 2008 and resigned on 19 September 2008)
Ms. Yeh Fang Ching	(Appointed on 19 September 2008 and resigned on 29 January 2009)
Mr. Chuan Wei Chen	(Retired on 26 August 2008)

Non-executive Directors:

Ms. Tsuen Tai Chi Andy	(Resigned on 30 April 2009)
Ms. Yeh Fang Ching	(Retired on 26 August 2008)
Mr. Hao Wei-Chieh	(Appointed on 26 August 2008 and resigned on 25 March 2009)

Independent non-executive Directors:

Mr. Li Man Nang	
Ms. Fang Tsz Ying	(Resigned on 9 March 2009)
Mr. Jeffrey John Ervine	
Mr. Choi Yong Seok	(Appointed on 29 January 2009)
Mr. Leung Chi Hung	(Appointed on 30 April 2009)

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, investment and strategic decisions and performance. The Investment Manager, Executive Board, and senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval by the Board. In addition, the Board has also delegated various responsibilities to the Board Committees. Further details of these Board Committees are set out in this report.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS *(continued)*

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced board composition is formed to ensure strong independence exists across the Board and has met recommended practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive Directors. The biographical information of the Directors are set out on pages 4 to 10 under the section headed "Biographical Details of Directors of the Company and the Investment Manager".

Chairman

The role of the chairman of the Company takes the lead in formulating overall strategies and policies of the Group; ensures the effective performance by the Board of its functions, including compliance with good corporate governance practices and encourages and facilitates active contribution of directors in Board activities. She/He also ensures that all Directors are properly briefed on issues arising at Board meetings and have received adequate, complete and reliable information in a timely manner with the assistance of the company secretary.

Executive Directors

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

Non-executive Directors and independent non-executive Directors

The non-executive Directors and the independent non-executive Directors serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. Their participations provide adequate checks and balances to safeguard the interests of the Group and its shareholders. The Board consists of four independent non-executive Directors and three of them have appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each of the independent non-executive Directors a confirmation of independence for the year pursuant to Rule 3.13 of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS *(continued)*

Board Meetings

During the financial year ended 31 March 2009, the Board held 38 regular/special Board meetings. The attendance of each member at the Board meetings is set out below:

Name		Number of meetings attended/Total
Executive Directors:		
Mr. Hoo Chuin Hoong	(Appointed on 26 August 2008 and resigned on 19 September 2008)	4/4
Ms. Yeh Fang Ching	(Appointed on 19 September 2008 and resigned on 29 January 2009)	16/16
Mr. Chuan Wei Chen	(Retired on 26 August 2008)	9/9
Mr. Antonio Ibrahim Tambunan	(Appointed on 29 January 2009)	10/11
Non-executive Directors:		
Ms. Tsuen Tai Chi Andy		38/38
Mr. Hao Wei-Chieh	(Resigned on 25 March 2009)	29/30
Ms. Yeh Fang Ching	(Retired on 26 August 2008)	9/9
Independent non-executive Directors:		
Mr. Li Man Nang		37/38
Ms. Fang Tsz Ying	(Resigned on 9 March 2009)	34/35
Mr. Jeffrey John Ervine		26/38
Mr. Choi Yong Seok	(Appointed on 29 January 2009)	12/12

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

AUDIT COMMITTEE

The audit committee (the "Audit Committee") has been established by the Board. The Audit Committee comprises three independent non-executive Directors during the year. The Audit Committee will meet at least twice a year. The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board in the appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; and reviewing the interim and annual reports and the financial statements of the Group.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE *(continued)*

During the year, the Audit Committee held 2 meetings. Details of attendance are set out below:

Members	Number of meetings attended/Total
Independent non-executive Directors:	
Mr. Li Man Nang *(Chairman)*	2/2
Mr. Jeffrey John Ervine	2/2
Ms. Fang Tsz Ying	2/2

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 20 February 2006 which consists of one non-executor Director and two independent non-executive Directors during the year.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy for Directors, senior management, and investment manager and overseeing the remuneration packages of the executive Directors, senior management, and investment manager.

During the year, the Remuneration Committee held 3 meetings to discuss about the remuneration package of Directors, qualified accountant, and investment manager. Details of attendance are set out below:

Members	Number of meetings attended/Total
Non-executive Director:	
Ms. Tsuen Tai Chi Andy *(Chairman)*	3/3
Independent non-executive Directors:	
Mr. Li Man Nang	3/3
Mr. Jeffrey John Ervine	3/3

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the investment business and/or other professional areas.

Furthermore, as the full Board is responsible for the selection and approval of candidate for appointment as Director to the Board, therefore the Company has not established a Nomination Committee for the time being.

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's financial statements for each financial period and to ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statements of the auditors of the Group regarding their responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 28 to 29 of this annual report.

INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective internal control system of the Group. The Board has delegated to the management the implementation of such systems of internal controls as well as the review of relevant financial, operational and compliance controls and risk management procedures. An Audit Committee composites member of the management was established for conducting a review of the internal control of the Group which cover the material controls including financial, operational and compliance controls and risk management functions. Procedures have been set up, inter alia, for safeguarding assets against unauthorized use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. The management throughout the Group maintains and monitors the internal control system on an ongoing basis.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

During the year under review, the remuneration in respect of audit and non-audit services provided by the Group's auditors, HLM & Co., is set out below:

Services rendered	Fee paid/payable
	HK$'000
Audit services	115
Non-audit services	65

INVESTOR RELATIONS

During the year under review, the Group has proactively enhanced its corporate transparency and communications with its shareholders and the investment community through its mandatory interim and final reports announcement. Through the timely distribution of press releases, the Group has also kept the public abreast of its latest developments.

COMMUNICATION WITH SHAREHOLDERS

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. The Chairman as well as Chairman of the Audit and Remuneration Committees and members of the Committees are pleased to answer shareholders' questions. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual directors. Details of poll voting procedures and the rights of shareholders to demand a poll are included in the circular to shareholders dispatched together with the annual report. The circular also includes relevant details of proposed resolutions, including biographies of each candidates standing for re-election. The results of the poll are published in the newspapers, on the Company's website (http://www.irasia.com/listco/hk/temujin), and on the website of The Stock Exchange of Hong Kong Limited, (http://www.hkex.com.hk).

INDEPENDENT AUDITORS' REPORT

恒健會計師行
HLM & Co.
Certified Public Accountants

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TO THE SHAREHOLDERS OF TEMUJIN INTERNATIONAL INVESTMENTS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Temujin International Investments Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 30 to 71, which comprise the consolidated balance sheet as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE 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 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.

INDEPENDENT AUDITORS' REPORT

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.

HLM & Co.
Certified Public Accountants

Hong Kong, 17 July 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Revenue	7	**1**	44
Net realised loss on disposal of financial assets at fair value through profit or loss		**(466)**	(1,599)
Net realised loss on disposal of available-for-sale financial assets		**–**	(8,786)
Net unrealised gain/(loss) on financial assets at fair value through profit or loss		**67**	(2,417)
Other revenue		**–**	300
Administrative expenses		**(4,693)**	(6,453)
Finance cost		**–**	(9)
Loss before taxation		**(5,091)**	(18,920)
Taxation	9	**–**	–
Loss attributable to shareholders	10	**(5,091)**	(18,920)
Dividends	11	**–**	–
Loss per share			
– Basic	12	**(24.19) cents**	(89.91) cents
– Diluted		**N/A**	N/A

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	14	**95**	123
Available-for-sale financial assets	15	**1,537**	1,624
		1,632	1,747
Current assets			
Financial assets at fair value through profit or loss	16	**478**	2,229
Other receivables, deposits and prepayments	17	**3,109**	3,618
Bank and cash balances	18	**22**	1,576
		3,609	7,423
Current liability			
Other payables and accrued charges		**523**	116
Net current assets		**3,086**	7,307
Net assets		**4,718**	9,054
Capital and reserves			
Share capital	19	**4,209**	4,209
Reserves	20	**509**	4,845
Shareholders' funds		**4,718**	9,054
Net asset value per share	22	**HK$0.22**	HK$0.43

The financial statements on pages 30 to 71 were approved and authorised for issue by the Board of Directors on 17 July 2009 and are signed on its behalf by:

Thanh Hung Thai	**Tang Hin Keung, Alfred**
DIRECTOR	*DIRECTOR*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Warrant reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 31 March 2007	4,209	79,845	(9,168)	–	(55,712)	19,174
Changes in fair value of available-for-sale financial assets	–	–	52	–	–	52
Loss realised on disposals of available-for-sale financial assets	–	–	8,748	–	–	8,748
Loss for the year	–	–	–	–	(18,920)	(18,920)
At 31 March 2008	4,209	79,845	(368)	–	(74,632)	9,054
Changes in fair value of available-for-sale financial assets	–	–	(87)	–	–	(87)
Issue of unlisted warrants	–	–	–	842	–	842
Loss for the year	–	–	–	–	(5,091)	(5,091)
At 31 March 2009	4,209	79,845	(455)	842	(79,723)	4,718

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	2009 HK$'000	2008 HK$'000
OPERATING ACTIVITIES		
Loss before taxation	**(5,091)**	(18,920)
Adjustments for:		
Interest income	**(1)**	(44)
Interest expense	**–**	9
Depreciation	**32**	95
Loss on disposal of property, plant and equipment	**–**	132
Unrealised (gain)/loss on financial assets at fair value through profit or loss	**(67)**	2,417
Realised loss on disposal of financial assets at fair value through profit or loss	**466**	1,599
Loss on disposal of available-for-sale financial assets	**–**	8,786
Operating cash flow before movement in working capital	**(4,661)**	(5,926)
Decrease in long term receivables	**–**	108
Decrease in other receivables, deposits and prepayments	**509**	12,615
Increase/(decrease) in other payables and accrued charges	**407**	(1,315)
Cash (used in)/generated from operations	**(3,745)**	5,482
Interest received	**1**	44
Interest paid	**–**	(9)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**(3,744)**	5,517
INVESTING ACTIVITIES		
Proceeds on disposal of financial assets at fair value through profit or loss	**1,763**	15,839
Proceeds on disposal of available-for-sale financial assets	**–**	1,622
Acquisition of financial assets at fair value through profit or loss	**(411)**	(22,084)
Acquisition of available-for-sale financial assets	**–**	(391)
Purchases of property, plant and equipment	**(4)**	(136)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	2009 HK$'000	2008 HK$'000
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**1,348**	(5,150)
FINANCING ACTIVITIES		
Net proceeds from issue of unlisted warrants	**842**	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	**842**	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(1,554)**	367
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,576**	1,209
CASH AND CASH EQUIVALENTS AT END OF YEAR	**22**	1,576

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12 December 2000. Its registered office is located at P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands and its principal office in Hong Kong is at Room 2108, Two IFC, 8 Finance Street, Central, Hong Kong.

The Group is principally engaged in investment holding for medium to long-term capital appreciation purposes, and in trading of listed and unlisted securities.

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

The Company had disposed of its subsidiary in the year ended 31 March 2007, and the Company did not have subsidiary in the last financial year. Accordingly, the comparative figures presented represent the financial statements of the Company of the year ended 31 March 2008.

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

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on 1 April 2008.

HKAS 39 & HKFRS 7(Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 - 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 periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

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

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

HKFRSs (Amendments)	Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments [3]
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[5]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[6]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[7]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[8]

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, 1 July 2009 and 1 January 2010, as appropriate

3 Effective for annual periods beginning on or after 1 January 2009

4 Effective for annual periods beginning on or after 1 July 2009

5 Effective for annual periods ending on or after 30 June 2009

6 Effective for annual periods beginning on or after 1 July 2008

7 Effective for annual periods beginning on or after 1 October 2008

8 Effective for transfers on or after 1 July 2009

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

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

The adoption of HKFRS 3 (Revised) may affect the accounting treatment for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results or financial position of the Group.

3. PRINCIPAL ACCOUNTING POLICIES

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

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

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. A subsidiary is an entity in which the Company, directly or indirectly, has control.

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.

All significant inter-company transactions and balances within the Group are eliminated on consolidation.

In the Company's balance sheet, the investment in a subsidiary is stated at cost less provision for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(b) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is measured at fair value of the consideration received or receivable and recognised in the profit or loss as follows:

Dividends

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

Interest income

Interest income is recognised as it accrues using the effective interest method.

(c) Property, plant and equipment

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

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight line method, at the following rates:

Computer equipment	20%
Furniture and fixture	20%
Leasehold improvement	25%
Office equipment	20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(d) Impairment of tangible and intangible assets other than goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the impairment loss is treated as revaluation decrease under that accounting standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that accounting standard.

(e) Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(e) Financial instruments *(continued)*

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets designed as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or

- it is a part of an identified portfolio of financial instruments that the Company 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 asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(e) Financial instruments *(continued)*

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

- 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 Company'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 FVTPL.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL 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 are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, 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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(e) Financial instruments *(continued)*

Available-for-sale financial assets (continued)

For available-for-sale equity investments 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 losses at each balance sheet date subsequent to initial recognition

Impairment of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(e) Financial instruments *(continued)*

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, where the carrying amount is reduced through the use of an allowance account.

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

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. 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 instruments

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 FVTPL 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(e) Financial instruments *(continued)*

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated at FVTPL 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 FVTPL 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 as at FVTPL.

At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(f) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, short-term, highly liquid investments that are readily convertible to cash and with a maturity of three months or less from date of investment, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(g) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events; and it is probable that the Group will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

(h) Employee benefits

(i) Employee leave-entitlements

Employee entitlements to annual leave and long service leave are recognised when they are accrued to employees. A provision is made for estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

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

(ii) Pension obligations

The Group contributes to a defined contribution retirement scheme which is available to all employees. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefits scheme contributions charged to the income statement represent contribution payable by the Group to the scheme.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(i) Foreign currency translation

In preparing the financial statements of the 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 period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity. For the purposes of presenting the financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (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 translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(j) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(k) Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of asset and liabilities in 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 negative 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 the taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(l) Operating lease

Leases where substantially all the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases.

Payments made under operating leases are recognised on straight-line basis over the relevant lease term.

(m) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as provision.

A contingent asset is a possible asset that arises from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(n) Segment reporting

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

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(n) Segment reporting *(continued)*

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

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

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of available-for-sale financial assets

The Group follows the guidance of HKAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Where the final outcome of these matters is different from the management’s estimates and judgements, such differences will impact the income statement and carrying value of investment revaluation reserve in the period in which such determination is made. Based on the Group’s estimation, no impairment loss on available-for-sale financial assets (2008: HK$ Nil) has been recognised during the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Depreciation and amortisation

The Group depreciates the property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight line method. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Allowance for bad and doubtful debts

The Group's provision policy for bad and doubtful debts is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is total bank borrowings (including current and non-current bank borrowings). Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus debt.

As at 31 March 2009 and 2008, the Group has no bank borrowings and, accordingly, the gearing ratio for both years is 0%.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity investments, other receivables and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Cash flow and fair value interest rate risk

Except for the cash and cash equivalents which carry floating interest rate, the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

Assuming the balance as 31 March 2009 was the amount for the whole year, if the interest rate was 50 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 31 March 2009 would increase or decrease by HK$111 (2008: HK$7,881).

Foreign exchange risk

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

The exposure to fluctuations in exchange rate of HK$ is considered to be insignificant. The Group is mainly exposed to fluctuation in exchange rate of Renminbi ("RMB") against HK$. If HK$ strengthened or weakened by 5% against RMB and all other variables were held constant, the Group's loss for the year ended 31 March 2009 would decrease or increase by approximately HK$73,197 (2008: decrease or increase by approximately HK$83,554) and the Group's investment revaluation reserve would decrease or increase by approximately HK$73,197 (2008: decrease or increase by approximately HK$83,554).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Price risk

The Group is exposed to financial assets price risks as investments held by the Group are classified on the balance sheet either as available-for-sale financial assets or as financial assets at fair value through profit or loss. To manage its price risk arising from investments in financial assets, the Group diversifies its portfolio.

If the financial assets price of the respective investments held by the Group as available-for-sale financial assets and financial assets at fair value through profit or loss were higher or lower by 5% as at 31 March 2009, the Group's investment revaluation reserve and loss for the year would increase or decrease by HK$76,857 (2008: HK$81,189) and HK$23,920 (2008: HK$111,460) respectively.

Credit risk

The Group has no significant concentration of credit risk. It has policies in place to ensure that money lending transactions are made to borrowers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any borrower.

The carrying amounts of deposits and receivables included in the balance sheet represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group considers that adequate provision for unrecoverable other receivables has been made in the relevant accounting period after considering the Group's experience in collection of other receivables.

Liquidity risk

With regard to 2008 and thereafter, the liquidity of the Group is primarily dependent on its ability to maintain adequate cash flow from operations to meet its debt obligations as they fall due. 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 fluctuation in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk *(continued)*

The maturity profile of the Group's financial liabilities as at the balance sheet date are as follows:

	Weighted average effective interest rate	**Less than 1 year**	**More than 1 year**	**Total undiscounted cash flows**	**Carrying amount at 31.3.2009**
	%	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
2009					
Other payables	**N/A**	**523**	**–**	**523**	**523**

	Weighted average effective interest rate	Less than 1 year	More than 1 year	Total undiscounted cash flows	Carrying amount at 31.3.2008
	%	HK$'000	HK$'000	HK$'000	HK$'000
2008					
Other payables	N/A	116	–	116	116

Subsequent to the year end date, the Company completed the issue of the Convertible Bonds ("Convertible Bonds") on 17 June 2009. The Convertible Bonds shall carry an interest of 12% per annum and shall be redeemed on the date falling on the third anniversary of the date of issue of the Convertible Bonds. The holders of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into shares at any time and from time to time, from the date of issue of the Convertible Bonds in amounts of not less than a whole multiple of HK$500,000 on each conversion.

Due to the nature of the notes and the uncertainty that they will be redeemed, these notes are not included in the maturity profile.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Fair value

The fair value of financial instruments quoted in an active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not quoted in an active market (for example, unlisted securities) is determined by using valuation techniques. The management of the Group uses a variety of methods and makes assumptions based on market conditions current at each balance sheet date. Valuation techniques include comparable recent arm's length transactions, earnings multiples, discounted cash flow analysis and other valuation techniques commonly used by market participants. Due to inherent uncertainty of valuations, however, estimated fair values may differ significantly from the values that would have been used had a readily available market for the securities existed and the differences could be material.

The carrying values of the Group's cash and cash equivalents, other receivables and other payables approximate their fair values due to their short maturities.

7. REVENUE

An analysis of revenue is as follows:

	2009	2008
	HK$'000	HK$'000
Interest income from financial institutions	**1**	29
Interest income from available-for-sale financial assets	**–**	15
	1	44

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

8. SEGMENT INFORMATION

During the years ended 31 March 2009 and 2008 respectively, the Group's revenue and net losses were mainly derived from the interest income from investment holding. The directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses. The Group's segment assets and liabilities for the year, analysed by geographical market, are as follows:

	Hong Kong SAR		PRC (not including Hong Kong, SAR)		Total	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
ASSETS AND LIABILITIES						
Assets						
Segment assets	**95**	123	**1,537**	4,581	**1,632**	4,704
Unallocated corporate assets					**3,609**	4,466
					5,241	9,170
Liabilities						
Unallocated corporate liabilities and total liabilities					**523**	116
Other information:						
Depreciation	**32**	95			**32**	95

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

9. TAXATION

No provision for Hong Kong profits tax is required since the Group has no assessable profits arising from Hong Kong during the year (2008: Nil).

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

	2009	2008
	HK$'000	HK$'000
Loss before taxation	**(5,091)**	(18,920)
Tax at the domestic income tax rate of 16.5% (2008: 17.5%)	**(840)**	(3,311)
Tax effect of expenses that are not deductible in determining taxable profit, net	**9**	1,561
Tax effect of non-taxable revenues	**–**	(57)
Tax effect of tax losses not recognised	**832**	1,843
Tax effect on temporary differences not recognised	**(1)**	(36)
Taxation charge	**–**	–

At the balance sheet date, the Group had unused tax losses of approximately HK$24,577,000 (2008: approximately HK$19,531,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to unpredictability of future profit streams.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

10. LOSS ATTRIBUTABLE TO SHAREHOLDERS

Loss attributable to shareholders is stated after charging the following:

	2009 HK$'000	2008 HK$'000
Directors' remunerations		
Fees	365	185
Other remunerations	–	–
Provident fund contributions	–	–
Total directors' remunerations	365	185
Staff costs		
Salaries	785	783
Provident fund contributions	–	14
Total staff costs (excluding directors' remunerations)	785	797
Auditor's remuneration	115	135
Annual listing fee	145	145
Depreciation	32	95
Investment manager's fee	6	–
Legal and professional fees	845	1,266
Rent and rates	916	1,365
Travel and entertainment	171	15

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

11. DIVIDENDS

No dividends have been paid or declared by the Company during the year (2008: Nil).

12. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	2009	2008
	HK$'000	HK$'000
Loss for the purposes of basic loss per share	**(5,091)**	(18,920)
Number of shares:		
Weighted average number of shares for the purpose of basic loss per share	**21,042,300**	21,042,300

Diluted loss per share for the year ended 31 March 2009 has not been disclosed, as the warrants outstanding during the year had an anti-dilutive effect on the basic loss per share for the year ended 31 March 2009. No diluted loss per share was presented in 2008 as there was no potential dilutive shares during the year.

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(a) Directors

The aggregate amounts of emoluments payable by the Group during the years are as follows:

	2009	2008
	HK$'000	HK$'000
Fees		
Executive directors	**38**	25
Non-executive directors	**140**	50
Independent non-executive directors	**187**	110
	365	185
Other emoluments		
Basic salaries and other benefits	**–**	–
	365	185

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS *(continued)*

(a) Directors *(continued)*

The emoluments of each of the directors fell within the remuneration band of HK$ Nil to HK$1,000,000

No directors waived any emoluments and no emoluments were paid to the directors as inducement to join or upon joining the Group or as compensation for loss of office during the year (2008: Nil).

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

	Fees			**2009**	2008
	Executive directors	**Non-executive directors**	**Independent non-executive directors**	**Total emoluments**	Total emoluments
	HK$'000	HK'000	HK$'000	**HK$'000**	HK$'000
Chuan Wei Chen *(Note 1)*	24	–	–	**24**	25
Hoo Chuin Hoong *(Note 2)*	4	–	–	**4**	–
Antonio Ibrahim Tambunan *(Note 3)*	10	–	–	**10**	–
Li Man Nang	–	–	60	**60**	60
Jeffrey John Ervine	–	–	60	**60**	25
Fang Tsz Ying *(Note 4)*	–	–	56	**56**	25
Choi Yong Seok *(Note 3)*	–	–	11	**11**	–
Tsuen Tai Chi Andy *(Note 5)*	–	60	–	**60**	25
Yeh Fang Ching *(Note 6)*	–	45	–	**45**	25
Hao Wei Chieh *(Note 7)*	–	35	–	**35**	–
Total	38	140	187	**365**	185

Notes:

1. Retired on 26 August 2008
2. Appointed on 26 August 2008 and resigned on 19 September 2008
3. Appointed on 29 January 2009
4. Resigned on 9 March 2009
5. Resigned on 30 April 2009
6. Retired on 26 August 2008 and re-appointed on 19 September 2008 and resigned on 29 January 2009
7. Appointed on 26 August 2008 and resigned on 25 March 2009

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS *(continued)*

(b) Five highest paid individuals' emoluments

The emoluments of the five highest paid individuals (2008: five) were as follows:

	2009	2008
	HK$'000	HK$'000
Basic salaries and other benefits	**952**	643
Contributions to retirement benefits scheme	**–**	11
	952	654

The emoluments of each of all the five highest paid employees fall within the HK$ Nil to HK$1,000,000.

There was no arrangement under which any of the five (2008: five) highest paid employees waived or agreed to waive any remuneration during the year.

During the year, no emoluments were paid by the Group to any of the directors or the highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Computer equipment HK$'000	Total HK$'000
COST					
At 31 March 2007	198	167	47	119	531
Additions	–	–	–	136	136
Disposals	(198)	–	–	–	(198)
At 31 March 2008	–	167	47	255	469
Additions	–	–	4	–	4
At 31 March 2009	–	167	51	255	473
DEPRECIATION AND IMPAIRMENT					
At 31 March 2007	29	146	42	100	317
Charge for the year	37	21	3	34	95
Write back on disposals	(66)	–	–	–	(66)
At 31 March 2008	–	167	45	134	346
Charge for the year	–	–	3	29	32
At 31 March 2009	–	167	48	163	378
NET BOOK VALUE					
At 31 March 2009	–	–	3	92	95
At 31 March 2008	–	–	2	121	123

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2009 HK$'000	2008 HK$'000
Unlisted equity securities, at cost	1,991	1,991
Fair value changes	(454)	(367)
Fair value at 31 March	1,537	1,624

Particulars of available-for-sale financial assets are as follows:

Name of investee company	Place of incorporation	Percentage of interest held	Unlisted equity securities, at cost		Fair value adjustment		Carrying value	
			2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000
上海恒勝生物醫藥有限公司(“上海恒勝”)	The People's Republic of China (“PRC”)	5%	1,991	1,991	(454)	(367)	1,537	1,624

上海恒勝is principally engaged in development of medical products in the PRC. The net book value of上海恒勝as at 31 March 2009 is approximately RMB27,106,978. No dividend was received or receivable during the year.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2009 HK$'000	2008 HK$'000
Financial assets at fair value through profit or loss		
Listed securities, at cost	411	4,646
Unrealised gain/(loss) recognised in income statement	67	(2,417)
Market value at 31 March	478	2,229

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

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

Particulars of the financial assets as at 31 March 2009 are as follows:

Name of Investee company	Place of incorporation	Number of shares held	Percentage of interest held	Cost	Accumulated unrealised gain	Market value	Net assets attributable to the investments
				HK$'000	HK$'000	HK$'000	HK$'000
Siberian Mining Group Company Limited ("Siberian") (formerly known as Rontex International Holdings Limited) *(note a)*	Cayman Islands	4,600,000	0.22%	411	67	478	98

The closing price quoted from the Hong Kong Stock Exchange is used to calculate the estimated fair value of the listed securities at 31 March 2009.

Note:

Siberian is a company listed in Hong Kong. The following information of Siberian is extracted from her latest published annual report for the year ended 31 March 2009:

Siberian is principally engaged in the provision of investment holding, property holding and trading of garment, digital television technology services and premium products. The audited consolidated profit attributable to shareholders of Siberian was approximately HK$2 million (2008: approximately loss HK$13 million). At 31 March 2009 the audited consolidated net asset value of the Siberian was approximately HK$125 million (2008: approximately HK$47 million). No dividend was received or receivable during the year (2008: HK$NIL).

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2009	2008
	HK$'000	HK$'000
Deposits for investments	2,700	3,042
Prepayments and rental deposits	408	426
Others	1	150
	3,109	3,618

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(continued)*

There were deposits for acquisition of investments amounting to approximately HK$2,700,000 in the year ended 31 March 2009. As the acquisition could not be completed, and the Group decided to terminate the transaction and a full refund has been received subsequently after year end. Therefore, the Group considers that the exposure to liquidity risk is insignificant.

The directors consider that the carrying amount of other receivables approximates their fair value.

18. CASH AND CASH EQUIVALENTS

	2009	2008
	HK$'000	HK$'000
Cash at bank and in hand	**22**	1,576

The effective interest rates of the deposits range from 0.01% to 1.88% (2008: 1.88% to 4.91%) per annum and all of them have a maturity period of three months.

19. SHARE CAPITAL

	Number of ordinary shares of HK$0.2 each	HK$'000
Authorised:		
At 31 March 2008 and 31 March 2009	50,000,000	10,000
Issued and fully paid:		
At 31 March 2008 and 31 March 2009	21,042,300	4,209

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

20. RESERVES

	Share premium	Investment revaluation reserve	Warrant reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2007	79,845	(9,168)	–	(55,712)	14,965
Changes in fair value of available-for-sale financial assets	–	52	–	–	52
Loss realised on disposals of available-for-sale financial assets	–	8,748	–	–	8,748
Loss for the year	–	–	–	(18,920)	(18,920)
At 31 March 2008	79,845	(368)	–	(74,632)	4,845
Changes in fair value of available-for-sale financial assets	–	(87)	–	–	(87)
Issue of unlisted warrants	–	–	842	–	842
Loss for the year	–	–	–	(5,091)	(5,091)
At 31 March 2009	79,845	(455)	842	(79,723)	509

Under the Companies Law (revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and a statutory solvency test. It is provided that a dividend cannot be paid if this would result in the Company being unable to pay its debts as they fall due. In accordance with the Company's Articles of Association, the Company's reserves available for distribution to shareholders amounted to approximately HK$122,000 (2008: approximately HK$5,213,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

21. WARRANTS

The Company has a total of 4,208,460 warrants outstanding at 31 March 2009 and its movement is as follows:

Date of grant	Outstanding at 1/4/2008	Issued during the year	Exercised/ lapsed during the year	Outstanding at 31/3/2009	Exercise period	Exercise price per share
6 February 2009	–	4,208,460	–	4,208,460	6 February 2009 to 5 February 2012	HK$1.00

Note:

On 6 February 2009, the Company placed a total of 4,208,460 unlisted warrants ("Warrants") to certain independent third parties at an issue price of HK$1.00 each. No Warrants has been exercised during the year ended 31 March 2009.

22. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of the Group as at 31 March 2009 of approximately HK$4,718,000 (2008: approximately HK$9,054,000) and 21,042,300 (2008: 21,042,300) ordinary shares in issue as at that date.

23. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel, including the directors and other members of key management, during the year is as follows:

	2009	2008
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**610**	397
Contributions to MPF scheme	**–**	7
	610	404

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

23. RELATED PARTY TRANSACTIONS *(continued)*

(b) The investment managers were remunerated based on their respective investment management agreement as follows:

	2009	2008
	HK$'000	HK$'000
Descartes Global Asset Management Limited ("Descartes")	**–**	–
United Gain Investment Limited ("United Gain")	**6**	–

Note:

During the year, the investment management agreement with Descartes was terminated and United Gain was appointed as investment manager. The Group will pay to the investment manager an annual equivalent to the higher of HK$100,000 or 1.25% of the Group's net asset value, provided that such annual fee shall not exceed HK$600,000.

24. RETIREMENT BENEFIT SCHEME

The Group has participated in a defined contribution Mandatory Provident Fund Scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for all eligible employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustee. Under the scheme, each of the Group (the employer) and its employees makes monthly contributions to the Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Scheme Ordinance. The contributions from each of the employer and employees are subject to a maximum contribution of HK$1,000 per month and thereafter contributions are voluntary. No forfeited contribution is available to reduce the contributions payable in the future years.

The total contributions charged to the consolidated income statement amounted to HK$ Nil (2008: approximately HK$14,000), representing contributions payable to the Scheme by the Group in respect of the year ended 31 March 2009.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

25. FINANCIAL INFORMATION OF THE COMPANY

	2009	2008
	HK$'000	HK$'000
Non-current assets		
Property, plant and equipment	**95**	123
Available-for-sale financial assets *(note 15)*	**1,537**	1,624
Investment in subsidiaries *(note a)*	**–**	–
	1,632	1,747
Current assets		
Financial assets at fair value through profit or loss *(note 16)*	**478**	2,229
Other receivables, deposits and prepayments *(note 17)*	**3,109**	3,618
Bank and cash balances *(note 18)*	**22**	1,576
	3,609	7,423
Current liability		
Other payables and accrued charges	**523**	116
Net current assets	**3,086**	7,307
Net assets	**4,718**	9,054
Capital and reserves		
Share capital *(note 19)*	**4,209**	4,209
Reserves *(note b)*	**509**	4,845
Total equity	**4,718**	9,054

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

25. FINANCIAL INFORMATION OF THE COMPANY *(continued)*

Notes:

(a) Subsidiaries

Details of the subsidiaries at 31 March 2009 are as follows:

Name of subsidiary	Place of incorporation	Particulars of issued share capital	Direct interest held 2009	Direct interest held 2008	Principal activities
Asia Light Limited	Hong Kong	HK$1	**100%**	–	Investment holding
Temujin Strategic Investment II Limited	British Virgin Islands	US$1	**100%**	–	Investment holding

(b) Reserve

	Share premium HK$'000	Investment revaluation reserve HK$'000	Warrant reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 31 March 2007	79,845	(9,168)	–	(55,712)	14,965
Changes in fair value of available-for-sale financial assets	–	52	–	–	52
Loss realised on disposals of available-for-sale financial assets	–	8,748	–	–	8,748
Loss for the year	–	–	–	(18,920)	(18,920)
At 31 March 2008	79,845	(368)	–	(74,632)	4,845
Changes in fair value of available-for-sale financial assets	–	(87)	–	–	(87)
Issue of unlisted warrants	–	–	842	–	842
Loss for the year	–	–	–	(5,091)	(5,091)
At 31 March 2009	79,845	(455)	842	(79,723)	509

Under the Companies Law (revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and a statutory solvency test. It is provided that a dividend cannot be paid if this would result in the Company being unable to pay its debts as they fall due. In accordance with the Company's Articles of Association, the Company's reserves available for distribution to shareholders amounted to approximately HK$122,000 (2008: approximately HK$5,213,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

26. COMMITMENTS

(a) Operating lease arrangements

During the year, the Group had leased certain of its office premises under non-cancelable operating lease arrangements and rentals are fixed for an average term of two years.

At 31 March 2009, the Group had total future minimum lease payments in respect of non-cancelable operating leases for land and buildings falling due as follows:

	2009	2008
	HK$'000	HK$'000
Within one year	**912**	1,142
In the second to fifth year inclusive	**760**	1,672
	1,672	2,814

(b) Capital commitments

At the balance sheet date, except as those detailed in note 27 below, the Group had no significant capital commitments.

27. POST BALANCE SHEET EVENTS

On 22 November 2008, Temujin Strategic Investment II Limited ("Temujin Strategic"), a wholly owned subsidiary of the Company, entered into a conditional sale and purchase agreement ("S&P") with independent third parties (the "Vendors"), Temujin Strategic would conditionally acquire 30% of the issued share capital of Ergomics Co., Ltd. ("Ergomics") from the Vendors at an aggregate consideration of HK$4,208,460. The consideration was satisfied by the issue of 4,208,460 new shares of the Company at an issue price of HK$1.00 per new share. The transaction has been completed on 3 June 2009. Further details of this transaction were set out in the Company's circular to shareholders dated 25 January 2009 and completion announcement on 3 June 2009.

The fair values of the Ergomics, its identifiable assets, liabilities or contingent liabilities were determined by the management with reference to the carrying value of the net assets of Ergomics, based on its unaudited financial statements as at 30 November 2008. The group's share of net asset value at that date was approximately HK$5,360,000. Accordingly, the amount of negative goodwill arising resulting from this acquisition is tentatively assessed to be approximately HK$1,152,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

27. POST BALANCE SHEET EVENTS *(continued)*

On 1 April 2009, the Company and an independent third party entered into a subscription agreement in respect of the issue of the Convertible Bonds with a principal amount of HK$40,000,000. The Convertible Bonds shall carry an interest of 12% per annum and shall be redeemed on the date falling on the third anniversary of the date of issue of the Convertible Bonds. The conversion price is initially fixed at HK$1.60 per share, subject to adjustment for, among other matters, subdivision or consolidation of shares, rights issue, extraordinary stock or cash distribution, and other dilutive events. The holder of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into shares at any time and from time to time, from the date of issue of the Convertible Bonds in amounts of not less than a whole multiple of HK$500,000 on each conversion. Further details of this transaction were set out in the Company's announcement dated 1 April 2009 and the completion announcement on 17 June 2009.

28. COMPARATIVES FIGURES

Certain comparative figures have been reclassified for better presentation.

FIVE YEARS FINANCIAL SUMMARY

	Year ended 31 March				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	(Consolidated)		(Consolidated)	(Consolidated)	(Consolidated)
RESULTS					
Revenue	**1**	44	65	38	32
Loss before taxation	**(5,091)**	(18,920)	(9,396)	(1,478)	(3,515)
Taxation	**–**	–	(100)	–	–
Loss attributable to shareholders	**(5,091)**	(18,920)	(9,496)	(1,478)	(3,515)

	At 31 March				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	(Consolidated)		(Consolidated)	(Consolidated)	(Consolidated)
ASSETS AND LIABILITIES					
Non-current assets	**1,632**	1,747	3,163	15,066	11,012
Current assets	**3,609**	7,423	17,442	6,915	12,720
Current liabilities	**(523)**	(116)	(1,431)	(908)	(1,031)
Shareholders' funds	**4,718**	9,054	19,174	21,073	22,701