The following is a text of a report prepared for the sole purpose of incorporation in this document, received from the auditors and reporting accountants of our Company, Ernst & Young, Certified Public Accountants, Hong Kong:

ERNST & YOUNG
安 永

18th Floor
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Hong Kong

[Date]

The Board of Directors
Asia Cassava Resources Holdings Limited
Taifook Capital Limited

Dear Sirs,

We set out below our report on the financial information of [Asia Cassava Resources Holdings Limited] (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for each of the three years ended 31 March 2006, 2007 and 2008 and the five-month period ended 31 August 2008 (the "Relevant Periods") and the five-month period ended 31 August 2007 (the "31 August 2007 Financial Information"), prepared on the basis of presentation set forth in Section II below, for inclusion in the document of the Company dated [●] (the "Document"), in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited ("The Hong Kong Stock Exchange").

The Company was incorporated in the Cayman Islands on 8 May 2008 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The principal activity of the Company is investment holding. The Group is principally engaged in the trading of dried cassava in Thailand, Hong Kong, Macau and Mainland China. On [●] 2009, the Company became the holding company of the subsidiaries now comprising the Group pursuant to the Corporate reorganisation (the "Group Reorganisation") as set out in Appendix V to the Document.

The Company had not carried on any business since the date of its incorporation, save for the acquisition of the subsidiaries pursuant to the Group Reorganisation to the Document. As at the date of this report, no audited financial statements have been prepared for the Company since the date of its incorporation as the Company has not been involved in any significant business transactions other than the Reorganisation. We have performed an independent review in all relevant transactions of the Company in relation to the Reorganisation for the period since the date of incorporation to the date of this report. The Group has adopted 31 March as its financial year end date.

As at the date of this report, the Company had direct or indirect interests in the following subsidiaries, all of which are private companies (or, if incorporated outside Hong Kong, have characteristics substantially similar to a private company incorporated in Hong Kong). The particulars of the subsidiaries are set out below:

Company name	Place and date of incorporation/ registration	Nominal value of issued ordinary share/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Artwell Tapioca Limited *(Note (a))*	Hong Kong 18 March 2004	HK$10,000	–	100	Trading of dried cassava chips
Artsun International Macao Limited *(Note (b))*	Macau 20 April 2006	MOP100,000	–	100	Trading of dried cassava chips
Rizhao Yushun Cassava Co. Ltd. *(Note (c))*	People's Republic of China (the "PRC") 19 July 2001	US$1,260,000	–	100	Trading of dried cassava chips
Alush (Thailand) Co. Ltd. *(Note (d))*	Thailand 3 January 2001	THB15,000,000	–	100	Procurement and sale of dried cassava chips
Global Property Connection Co. Ltd. *(Note (e))*	Thailand 16 January 2007	THB250,000	–	100	Procurement and sale of dried cassava chips
Artwell Group (Cambodia) Limited *(Note (f))*	Cambodia 28 March 2008	Riel20,000,000	–	100	Procurement of fresh cassava roots and procurement and sale of dried cassava chips
Art Ocean Development Limited *(Note (g))*	British Virgin Islands 5 February 2008	US$1	–	100	Holding of trademarks
Art Rich International Limited *(Note (g))*	British Virgin Islands 11 January 2008	US$1	–	100	Investment holding
All High Holding Limited *(Note (g))*	British Virgin Islands 6 February 2008	US$1	–	100	Investment holding and provision of shipping agency service

Company name	Place and date of incorporation/ registration	Nominal value of issued ordinary share/ registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Alternative View Investments Limited *(Note (g))*	British Virgin Islands 18 August 1999	US$100	100	–	Investment holding and property investment
Artwell Enterprises Limited *(Note (a))*	Hong Kong 26 July 1983	HK$15,000,000	–	100	Investment holding and property investment
Art Well Properties Limited *(Note (h))*	Hong Kong 3 September 2004	HK$100	–	100	Property investment
Fine Success Enterprise Limited *(Note (i))*	Hong Kong 17 September 2004	HK$10	–	100	Property investment
Wide Triumph Investment Limited *(Note (j))*	Hong Kong 3 September 2004	HK$10,000	–	100	Property investment

The English name of Rizhao Yushun Cassava Co. Ltd. is directly translated from its Chinese name as no English names have been registered.

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

Notes:

(a) The statutory financial statements of these companies for the year ended 31 March 2006 were audited by CCIF Certified Public Accountants Limited and the two years ended 31 March 2007 and 2008 were audited by CCP Certified Public Accountants Limited.

(b) The financial year end of Artsun International Macao Limited is 31 December. The statutory financial statements for the period from 20 April 2006 (date of incorporation) to 31 December 2006 and the year ended 31 December 2007 were audited by [CSC and Associates].

(c) The financial year end of Rizhao Yushun Cassava Co. Ltd. is 31 December. The statutory financial statements for the year ended 31 December 2005 were audited by Rizhao Yitong Certified Public Accountants Ltd. The statutory financial statements for the two years ended 31 December 2006 and 2007 were audited by Rizhao Dongye United Certified Public Accountants.

(d) The financial year end of Alush (Thailand) Co. Ltd. ("Alush Thailand") is 31 December. The statutory financial statements for the three years ended 31 December 2005, 2006 and 2007 were audited by [Brio Professional Audit Firm].

The following persons were the registered holders of the shares of Alush Thailand ("Alush Shares") in the following percentages prior to the Reorganisation:

Name	**No. of shares**	**Percentage** *(approximately)*
Mr. Chu Ming Chuan ("Mr. Chu")	43,500	29%
Mr. Chu Ming Kin ("Mr. MK Chu")	15,000	10%
Ms. Liu Yuk Ming ("Ms. Liu")	15,000	10%
Mr. Jirasak Chuenchujitcharatkun ("Mr. Jirasak")	76,464	50.976%
Miss Watcharin Kiatruangchai ("Ms. Watcharin")	12	0.008%
Miss Tatsana Iamkul ("Ms. Tatsana")	12	0.008%
Miss Punyanuch Maturos ("Ms. Punyanuch")	12	0.008%
Total	150,000	100%

Alush Thailand is principally engaged in the procurement and sale of dried cassava chips.

The above shareholding structure of Alush Thailand prior to the Reorganisation was effected through loan agreements and share pledge agreements pursuant to which Mr. Chu has lent funds to each of Mr. MK Chu, Ms. Liu, Mr. Jirasak, (collectively, the "Alush Shareholders") to invest in Alush Thailand and as security for the repayment of the loan, these shareholders have agreed to pledge their respective shares in favour of Mr. Chu, by virtue of which Mr. Chu could enforce the pledge in an event of default in the loan repayment. Each of the Alush Shareholders has also entered into a letter of undertaking to, among other things, assign and direct all dividends and special distribution paid and payable by Alush Thailand in relation to their Alush Shares, and all distribution of assets made or to be made by Alush Thailand, solely to Mr. Chu. Each of the Alush Shareholders has entered into a proxy to grant to Mr. Chu the powers to, among other things, cast votes in all shareholders' meetings of Alush Thailand for any proposed resolution. The loan agreements, the share pledge agreements, the proxies and the letters of undertaking between Mr. Chu and the Alush Shareholders are collectively named as the "Alush Arrangements".

Through entering into the Alush Arrangements, together with his shareholding, Mr. Chu has effective control of over 99.976% of shares in Alush Thailand.

On 20 March 2008, Alternative View Investments Limited ("Alternative View"), Art Rich International Limited ("Art Rich"), Artwell Tapioca Limited ("Artwell Tapioca"), Artwell Enterprises Limited ("Artwell Enterprises"), Artsun International Macao Limited ("Artsun Macau"), Art Ocean Development Limited ("Art Ocean") and All High Holding Limited ("All High") collectively acquired the entire issued share capital of Alush Thailand from Mr. Chu and the Alush Shareholders, respectively, as follows:

(i) Art Rich, acquired from Mr. Chu 43,500 Alush Shares at a consideration of THB4,350,000.

(ii) Mr. Chu, as the lender for a principal amount of THB7,646,400 under the loan agreement between him and Mr. MK Chu (the "MK Chu Loan Agreement"), Mr. MK Chu, as the vendor, and Art Rich, as the purchaser, entered into a tri-party deed of assignment and set-off (the "MK Chu Deed"), pursuant to which in consideration for an amount of THB7,646,400 received from Art Rich, Mr. Chu agreed to assign all his rights, titles, benefits and interests under the MK Chu Loan Agreement to Art Rich, where Mr. MK Chu agreed to sell his 15,000 Alush Shares to Art Rich for a consideration of THB1,500,000, to be set off against the debt originally owed by Mr. MK Chu to Mr. Chu under the MK Chu Loan Agreement and now assigned to Art Rich under the MK Chu Deed. As such, Art Rich acknowledged that the outstanding monies payable under the MK Chu Loan Agreement have been fully and finally settled and satisfied by the amount of the sales consideration under the MK Chu Deed, where Mr. MK Chu acknowledged that the sales consideration have been fully and finally settled and satisfied by the amount of the debt under the MK Chu Loan Agreement and Mr. MK Chu transferred the 76,464 Alush Shares to Art Rich. As a result, Art Rich became the legal and beneficial owner of the 76,464 Alush Shares originally owned by Mr. Jirasak.

(iii) Mr. Chu, as the lender for a principal amount of THB1,500,000 under the loan agreement between him and Ms. Liu (the "Liu Loan Agreement"), Ms. Liu, as the vendor, and Art Rich, as the purchaser, entered into a tri-party deed of assignment and set-off (the "Liu Deed"), pursuant to which in consideration for an amount of THB1,500,000 received from Art Rich, Mr. Chu agreed to assign all his rights, titles, benefits and interests under the Liu Loan Agreement to Art Rich, where Ms. Liu sold her 15,000 Alush Shares at a consideration of THB1,000, to be set off against the debt originally owed by Ms. Liu to Mr. Chu under the Liu Loan Agreement and now assigned to Art Rich under the Liu Deed. As such, Art Rich acknowledged that the outstanding monies payable under the Liu Loan Agreement has been fully and finally settled and satisfied by the amount of the sales consideration under the Liu Deed, where Ms. Liu acknowledged that the sales consideration have been fully and finally settled and satisfied by the amount of the debt under the Liu Loan Agreement and Ms. Liu transferred the 15,000 Alush Shares to Art Rich. As a result, Art Rich became the legal and beneficial owner of the 15,000 Alush Shares originally owned by Ms. Liu.

(iv) Mr. Chu, as the lender for a principal amount of THB7,646,400 under the loan agreement between him and Mr. Jirasak (the "Jirasak Loan Agreement"), Mr. Jirasak, as the vendor, and Art Rich, as the purchaser, entered into a tri-party deed of assignment and set-off (the "Jirasak Deed"), pursuant to which in consideration for an amount of THB7,646,400 received from Art Rich, Mr. Chu agreed to assign all his rights, titles, benefits and interests under the Jirasak Loan Agreement to Art Rich, where Mr. Jirasak agreed to sell his 76,464 Alush Shares to Art Rich at a consideration of THB7,646,400, to be set off against the debt originally owed by Mr. Jirasak to Mr. Chu under the Jirasak Loan Agreement and now assigned to Art Rich under the Jirasak Deed. As such, Art Rich acknowledged that the outstanding monies payable under the Jirasak Loan Agreement have been fully and finally settled and satisfied by the amount of the sales consideration under the Jirasak Deed, where Mr. Jirasak acknowledged that the sales consideration has been fully and finally settled and satisfied by the amount of the debt under the Jirasak Loan Agreement and Mr. Jirasak transferred the 76,464 Alush Shares to Art Rich. As a result, Art Rich became the legal and beneficial owner of the 76,464 Alush Shares originally owned by Mr. Jirasak.

(v) Art Rich, acquired from Ms. Tatsana 10 Alush Shares at a consideration of THB1,000.

(vi) Art Rich, acquired from Ms. Watcharin 10 Alush Shares at a consideration of THB1,000.

(vii) Art Rich, acquired from Ms. Punyanuch 10 Alush Shares at a consideration of THB1,000.

(viii) Artwell Tapioca, acquired from Ms. Tatsana one Alush Share at a consideration of THB100.

(ix) Artsun Macao, acquired from Ms. Tatsana one Alush Share at a consideration of THB100.

(x) Art Ocean, acquired from Ms. Watcharin one Alush Share at a consideration of THB100.

(xi) Alternative View, acquired from Ms. Punyanuch one Alush Share at a consideration of THB100.

(xii) All High, acquired from Ms. Punyanuch one Alush Share at a consideration of THB100.

(xiii) Artwell Enterprises, acquired from Ms. Watcharin one Alush Share at a consideration of THB100.

(xiv) As a result of the above arrangements and share transfers, the seven registered holders of Alush Thailand transferred their respective interests of Alush Thailand to Art Rich, Artwell Tapioca, Artwell Enterprises, Alternative View, Artsun Macao, Art Ocean and All High, respectively, and the shareholding structure of Alush Thailand is shown below:

Name	**No. of shares**	**Percentage** *(approximately)*
Art Rich	149,994	99.994%
Artwell Tapioca	1	0.001%
Artwell Enterprises	1	0.001%
Alternative View	1	0.001%
Artsun Macao	1	0.001%
Art Ocean	1	0.001%
All High	1	0.001%

As a result, Alush Thailand is accounted for as a subsidiary of the Group.

(e) The financial year end of Global Property Connection Co. Ltd. ("Global Property") is 31 December. The statutory financial statements for the period from 16 January 2007 (date of incorporation) to 31 December 2007 were audited by [Brio Professional Audit Firm].

Immediately prior to the Reorganisation, the following persons were beneficially interested in and/or the registered holders (the "Global Property Shareholders") of the issued shares of Global Property ("GP Shares") in the following percentages:

Name	**No. of shares**	**Percentage** *(approximately)*
Mr. Aja Saepaan ("Mr. Aja")	5,100	51%
Mr. Su Nao Re ("Mr. Su")	4,895	48.95%
Ms. Tatsana	1	0.01%
Ms. Punyanuch	1	0.01%
Ms. Kwanmuang Iadsoi ("Ms. Kwanmuang")	1	0.01%
Mrs. Viraporn Onplee ("Mrs. Viraporn")	1	0.01%
Ms. Watcharin	1	0.01%
Total	10,000	100%

The shares registered in the name of Mr. Aja and Mr. Su prior to the Reorganisation were effected through loan agreements and share pledge agreements pursuant to which Mr. Chu has lent funds of THB122,375 and THB122,750 to Mr. Aja and Mr. Su respectively to invest in Global Property and as security for the repayment of the loans to Mr. Chu, Mr. Aja and Mr. Su have agreed to pledge their shares in favour of Mr. Chu, by virtue of which Mr. Chu could enforce the pledge in an event of default in the loan repayment. Each of Mr. Aja and Mr. Su has also entered into a letter of undertaking to, among other things, assign and direct all dividends and special distribution paid and payable by Global Property in relation to their GP Shares, and all distribution of assets made or to be made by Global Property, solely to Mr. Chu. Each of Mr. Aja and Mr. Su has entered into a proxy to grant to Mr. Chu the powers to, among other things, cast vote in all shareholders' meeting of Global Property for any proposed resolution. The loan agreements, the share pledge agreements, the proxies and the letters of undertaking between Mr. Chu and Mr. Aja and Mr. Su are collectively named as the "GP Arrangements".

Through entering into the GP Arrangements together with his shareholding, Mr. Chu has effective control of over 99.95% of Global Property.

On 26 March 2008, Art Rich acquired the GP Shares from Mr. Su and Mr. Chu assigned the loan agreement, share ledge, proxy and undertaking entered into between him and Mr. Aja to Art Rich, Artwell Tapioca, Artwell Enterprises, Alternative View, Art Ocean and All High collectively acquired the entire issued share capital of Global Property from the Global Property Shareholders, as follows:

(i) Mr. Chu, as the lender under the loan agreement between him and Mr. Su (the "Su Loan Agreement"), Mr. Su, as the vendor and Art Rich, as the purchaser entered into a tri-party deed of assignment and set-off (the "Su Deed"), pursuant to which in consideration for an amount of THB122,375 received from Art Rich, Mr. Chu agreed to assign all his rights, titles, benefits and interests under the Su Loan Agreement to Art Rich, where Mr. Su agreed to sell his 4,895 GP Shares to Art Rich at a consideration of THB122,375, to be set off against the debt originally owed by Mr. Su to Mr. Chu under the Su Loan Agreement and now assigned to Art Rich under the Su Deed. As such, Art Rich acknowledged that the outstanding monies payable under the Su Loan Agreement have been fully and finally settled and satisfied by the amount of the sales consideration under the Su Deed, where Mr. Su acknowledged that the sales consideration have been fully and finally settled and satisfied by the amount of the debt under the Su Loan Agreement and Mr. Su transferred the 4,895 GP Shares to Art Rich. As a result, Art Rich became the legal and beneficial owner of the 4,895 GP Shares originally registered under the name of Mr. Su.

(ii) In consideration of THB127,500 received from Art Rich, Mr. Chu assigned the loan agreement, the share pledge, the undertaking and the proxy entered into between Mr. Chu and Mr. Aja to Art Rich, as a result, Art Rich is entitled to all Mr. Chu's rights, titles, benefits and interests in the loan agreement, share pledge, the undertaking and the proxy (the "Art Rich Aja Arrangements").

(iii) Artwell Tapioca acquired one GP Share from Ms. Tatsana at a consideration of THB25.

(iv) Artwell Enterprises acquired one GP Share from Mrs. Viraporn at a consideration of THB25.

(v) Alternative View acquired one GP Share from Ms. Kwanmuang at a consideration of THB25.

(vi) Art Ocean acquired one GP Share from Ms. Watcharin at a consideration of THB25.

(vii) All High acquired one GP Share from Ms. Punyanuch at a consideration of THB25.

(viii) As a result of the above arrangements and share transfers, except for Mr. Aja, the Global Property Shareholders transferred their respective interests of Global Property to Art Rich, Artwell Tapioca, Artwell Enterprises, Alternative View, Art Ocean and All High, respectively, and the shareholding structure of Global Property after the share transfer is as follows:

Name	**No. of shares**	**Percentage** *(approximately)*
Art Rich	9,995	99.95% (among which, as to 51% is registered under the name of Mr. Aja and controlled by Art Rich through the Art Rich Aja Arrangements)
Alternative View	1	0.01%
Artwell Tapioca	1	0.01%
Artwell Enterprises	1	0.01%
Art Ocean	1	0.01%
All High	1	0.01%

As a result, Global Property is accounted for as a subsidiary of the Group.

(f) The financial year end of Artwell Group (Cambodia) Limited is 31 December. No statutory financial statements have been prepared since its incorporation on 26 March 2008.

(g) No statutory audited financial statements have been prepared as these companies are not subject to any statutory audit requirements under their jurisdictions of incorporation.

(h) The statutory financial statements for the year ended 31 March 2006 were audited by Kelvin Chong & Partners Certified Public Accountants. The statutory financial statements for the two years ended 31 March 2007 and 2008 were audited by Ernst & Young.

The auditors' report in the financial statements of Art Well Properties Limited for the period from 3 September 2004 (date of incorporation) to 31 March 2006 was qualified as the financial statements covered a period in excess of that permitted by Section 122 of the Hong Kong Companies Ordinance. As the financial statements of Art Well Properties Limited have been included in the Group's combined financial statements for the Relevant Periods, which is not subject to the statutory audit requirements in accordance with the Hong Kong Companies Ordinance, we are satisfied that the qualification has no impact on the combined state of affairs of the Group as at 31 March 2006, 2007 and 2008 and 31 August 2008 and the combined results and cash flows of the Group for the Relevant Periods.

(i) The financial year end of Fine Success Enterprise Limited is 31 December. The statutory financial statements for the two years ended 31 December 2005 and 2006 were audited by Kelvin Chong & Partners Certified Public Accountants. The statutory financial statements for the financial year ended 31 December 2007 were audited by Ernst &Young.

(j) The statutory financial statements of Wide Triumph Investment Limited for the two years ended 31 March 2006 and 2007 were audited by Jupiter Lee & Co. Certified Public Accountants (Practising). The statutory financial statements for the financial year ended 31 March 2008 were audited by Ernst & Young.

For the purpose of this report, the directors of the Company have prepared the combined financial statements of the Group for the three years ended 31 March 2006, 2007 and 2008 and the five-month period ended 31 August 2008 (the "Combined Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The combined income statements, combined statements of changes in equity and combined cash flow statements of the Group for the Relevant Periods, and the combined balance sheets of the Group as at 31 March 2006, 2007 and 2008 and 31 August 2008 together with the notes thereto (collectively the "Financial Information") have been prepared based on the Combined Financial Statements on the basis set out in note 2 under Section II "Notes to Financial Information" below, for the purpose of preparing this report for inclusion in the Document.

The directors are responsible for the preparation and the true and fair presentation of the Financial Information and the contents of the Document in which this report is included. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In preparing the Financial Information, it is fundamental that appropriate accounting policies are selected and consistently applied, that the judgements and estimates made are prudent and reasonable.

It is our responsibility to form an independent opinion on the Financial Information, based on our audit, and to report our opinion to you.

Procedures performed in respect of the Relevant Periods

For the purpose of this report, we have carried out an independent audit on the Financial Information for the Relevant Periods in accordance with the Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and have carried out such additional procedures as are necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Procedures performed in respect of the 31 August 2007 Financial Information

For the purpose of this report, we have also performed a review of the 31 August 2007 Financial Information for which the directors are responsible, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our responsibility is to express a conclusion on such information based on our review. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion on the 31 August 2007 Financial Information.

Opinion in respect of the Relevant Periods

In our opinion, the Financial Information prepared on the basis of presentation set out in note 2 under Section II "Notes to Financial Information" below gives, for the purpose of this report, a true and fair view of the combined results and combined cash flows of the Group for each of the Relevant Periods and of the combined state of affairs of the Group as at 31 March 2006, 2007 and 2008 and 31 August 2008.

Review conclusion in respect of the 31 August 2007 Financial Information

Based on our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the 31 August 2007 Financial Information does not give a true and fair view of the combined results and combined cash flows of the Group for the five-month period ended 31 August 2007 in accordance with HKFRSs.

I. FINANCIAL INFORMATION

Combined Income Statements

		Year ended 31 March			Five-month period ended 31 August	
		2006	2007	2008	2007	2008
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
REVENUE	*6*	[740,850]	[818,303]	[903,560]	[273,724]	[334,507]
Cost of sales		[(573,484)]	[(619,839)]	[(665,159)]	[(205,971)]	[(260,442)]
Gross profit		[167,366]	[198,464]	[238,401]	[67,753]	[74,065]
Other income and gains	*6*	[3,063]	[10,907]	[25,109]	[19,770]	[716]
Fair value gain/(loss) on investment properties		[1,060]	[3,351]	[9,070]	[600]	[(8,749)]
Deficit on revaluation of property, plant and equipment		–	–	–	–	[(459)]
Selling and distribution costs		[(118,140)]	[(138,782)]	[(124,529)]	[(42,754)]	[(45,960)]
Administrative expenses		[(12,842)]	[(14,791)]	[(16,993)]	[(5,378)]	[(6,216)]
Finance costs	*7*	[(15,218)]	[(15,004)]	[(14,984)]	[(5,660)]	[(6,125)]
PROFIT BEFORE TAX	*8*	[25,289]	[44,145]	[116,074]	[34,331]	[7,272]
Tax	*10*	[(10,008)]	[(10,075)]	[(14,215)]	[(6,604)]	[(2,456)]
PROFIT FOR THE YEAR/PERIOD		[15,281]	[34,070]	[101,859]	[27,727]	[4,816]
DIVIDENDS	*11*	[–]	[22,000]	[75,000]	[–]	[–]
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*12*					
– Basic (HK cents)		[5.09]	[11.36]	[33.95]	[9.24]	[1.61]
– Diluted (HK cents)		N/A	N/A	N/A	N/A	N/A

Combined Balance Sheets

		As at 31 March			As at 31 August
		2006	2007	2008	2008
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	[8,179]	[9,214]	[21,810]	[18,712]
Investment properties	*14*	[19,000]	[29,900]	[48,199]	[39,450]
Prepaid land lease payments	*15*	[10,962]	[–]	[–]	[–]
Available-for-sale investment	*16*	[10,604]	[15,623]	[–]	[–]
Deferred tax assets	*24*	[4,129]	[4,129]	[5,605]	[2,915]
Total non-current assets		[52,874]	[58,866]	[75,614]	[61,077]
CURRENT ASSETS					
Inventories	*17*	[157,411]	[140,807]	[59,523]	[53,693]
Bills receivable	*18*	[71,963]	[62,084]	[27,798]	[21,492]
Prepayments, deposits and other receivables	*19*	[4,350]	[5,006]	[12,839]	14,357
Due from related companies	*31*	[7,623]	[33,131]	[43,961]	[44,096]
Due from a director	*31*	[52,479]	[45,692]	[–]	26,622
Cash and cash equivalents	*20*	[24,257]	[55,301]	[45,340]	[8,787]
Total current assets		[318,083]	[342,021]	[189,461]	[169,047]
CURRENT LIABILITIES					
Trade, other payables and accruals	*21*	[87,059]	[46,555]	[12,503]	[14,510]
Due to a director	*31*	[–]	[–]	[12,085]	[–]
Due to related companies	*31*	[5,059]	[–]	[740]	[753]
Tax payable		[11,473]	[18,835]	[26,880]	[21,003]
Interest-bearing bank borrowings	*22*	[233,720]	[283,766]	[121,634]	[101,787]
Finance lease payable	*23*	[–]	[128]	[128]	[115]
Total current liabilities		[337,311]	[349,284]	[173,970]	[138,168]
NET CURRENT ASSETS/ (LIABILITIES)		[(19,228)]	[(7,263)]	[15,491]	[30,879]
TOTAL ASSETS LESS CURRENT LIABILITIES		[33,646]	[51,603]	[91,105]	[91,956]

		As at 31 March			As at 31 August
		2006	**2007**	**2008**	**2008**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	22	[–]	[3,952]	[8,009]	[7,762]
Finance lease payable	23	[–]	[168]	[40]	[–]
Deferred tax liabilities	24	[2,468]	[3,313]	[5,530]	[3,622]
Total non-current liabilities		[2,468]	[7,433]	[13,579]	[11,384]
Net assets		[31,178]	[44,170]	[77,526]	[80,572]
EQUITY					
Equity attributable to equity holders of the Company					
Issued capital	25	[15,546]	[15,643]	[18,229]	[18,229]
Reserves	26	[15,632]	[28,527]	[59,297]	[62,343]
Total equity		[31,178]	[44,170]	[77,526]	[80,572]

Combined Statements of Changes in Equity

	Attributable to equity holders of the Company						
	Issued capital HK$'000	Legal reserve* HK$'000 (note (ii))	Merger reserve* HK$'000 (note (i))	Asset revaluation reserve* HK$'000	Exchange fluctuation reserve* HK$'000	Retained profits* HK$'000	Total equity HK$'000
At 1 April 2005	[5,536]	–	[(9,773)]	[4,386]	[–]	[5,401]	[5,550]
Exchange realignment	[–]	–	[–]	[–]	[(17)]	[–]	[(17)]
Change in fair value of a building recognised directly in equity	[–]	–	[–]	[429]	[–]	[–]	[429]
Deferred tax component of asset revaluation reserve	[–]	–	[–]	[(75)]	[–]	[–]	[(75)]
Total income and expenses directly recognised in equity	[–]	–	[–]	[354]	[(17)]	[–]	[337]
Profit for the year	[–]	–	[–]	[–]	[–]	[15,281]	[15,281]
Total income and expense for the year	[–]	–	[–]	[354]	[(17)]	[15,281]	[15,618]
Capital contributions	[10,010]	–	–	–	–	–	[10,010]
At 31 March 2006 and 1 April 2006	[15,546]	–	[(9,773)]	[4,740]	[(17)]	[20,682]	[31,178]
Exchange realignment	[–]	–	[–]	[–]	[(106)]	[–]	[(106)]
Change in fair value of a building recognised directly in equity	[–]	–	[–]	[1,129]	[–]	[–]	[1,129]
Deferred tax component of asset revaluation reserve	[–]	–	[–]	[(198)]	[–]	[–]	[(198)]
Total income and expense directly recognised in equity	[–]	–	[–]	[931]	[(106)]	[–]	[825]
Profit for the year	[–]	–	[–]	[–]	[–]	[34,070]	[34,070]
Total income and expense for the year	[–]	–	[–]	[931]	[(106)]	[34,070]	[34,895]
Capital contributions	[97]	–	[–]	[–]	[–]	[–]	[97]
Interim dividend paid	[–]	–	[–]	[–]	[–]	[(22,000)]	[(22,000)]
At 31 March 2007 and 1 April 2007	[15,643]	–	[(9,773)]	[5,671]	[(123)]	[32,752]	[44,170]

	Attributable to equity holders of the Company						
	Issued capital	Legal reserve*	Merger reserve*	Asset revaluation reserve*	Exchange fluctuation reserve*	Retained profits*	Total equity
	HK$'000	*HK$'000* *(note (ii))*	*HK$'000* *(note (i))*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Exchange realignment	[–]	–	[–]	[–]	[1,339]	[–]	[1,339]
Change in fair value of a building recognised directly in equity	[–]	–	[–]	[3,117]	[–]	[–]	[3,117]
Deferred tax component of the asset revaluation reserve	[–]	–	[–]	[(545)]	[–]	[–]	[(545)]
Total income and expense directly recognised in equity	[–]	–	[–]	[2,572]	[1,339]	[–]	[3,911]
Profit for the year	[–]	–	[–]	[–]	[–]	[101,859]	[101,859]
Total income and expense for the year	[–]	–	[–]	[2,572]	[1,339]	[101,859]	[105,770]
Capital contributions	[2,586]	–	[–]	[–]	[–]	[–]	[2,586]
Transfer to legal reserve	[–]	46	[–]	[–]	[–]	[(46)]	[–]
Interim dividend paid	[–]	–	[–]	[–]	[–]	[(75,000)]	[(75,000)]
At 31 March 2008 and 1 April 2008	[18,229]	46	[(9,773)]	[8,243]	[1,216]	[59,565]	[77,526]
Exchange realignment	–	–	–	–	[111]	–	[111]
Change in fair value of a building recognised directly in equity	–	–	–	[(2,376)]	–	–	[(2,376)]
Deferred tax component of asset revaluation reserve	–	–	–	[495]	–	–	[495]
Total income and expenses directly recognised in equity	–	–	–	[(1,881)]	[111]	[–]	[(1,770)]
Profit for the period	–	–	–	–	–	[4,816]	[4,816]
Total income and expense for the period	–	–	–	[(1,881)]	[111]	[4,816]	[3,046]
At 31 August 2008	[18,229]	46	[(9,773)]	[6,362]	[1,327]	[64,381]	[80,572]

	Attributable to equity holders of the Company						
	Issued capital	Legal reserve*	Merger reserve*	Asset revaluation reserve*	Exchange fluctuation reserve*	Retained profits*	Total equity
	HK$'000	*HK$'000* *(note (ii))*	*HK$'000* *(note (i))*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(unaudited)							
At 31 March 2007	[15,643]	–	[(9,773)]	[5,671]	[(123)]	[32,752]	[44,170]
Exchange realignment	[–]	–	[–]	[–]	[455]	[–]	[455]
Change in fair value of a building recognised directly in equity	[–]	–	[–]	[112]	[–]	[–]	[112]
Deferred tax component of asset revaluation reserve	[–]	–	[–]	[(19)]	[–]	[–]	[(19)]
Total income and expenses directly recognised in equity	[–]	–	[–]	[93]	[455]	[–]	[548]
Profit for the period	[–]	–	[–]	[–]	[–]	[27,727]	[27,727]
Total income and expense for the period	[–]	–	[–]	[93]	[455]	[27,727]	[28,275]
Capital contributions	[1,895]	–	[–]	[–]	[–]	[–]	[1,895]
At 31 August 2007	[17,538]	[–]	[(9,773)]	[5,764]	[332]	[60,479]	[74,340]

Notes:

(i) The merger reserve represents the excess of the consideration paid over the net asset value of the subsidiaries acquired pursuant to the Reorganisation over the investment cost of these subsidiaries.

(ii) In accordance with the provisions of the Macau Commercial Code, the Group's subsidiary incorporated in Macau is required to transfer 25% of the annual net profit to the legal reserve before the appropriation of profits to dividends until the reserve equals half of the capital. This reserve is not distributable to the respective shareholders.

* *These reserve accounts comprise the combined reserves of HK$[15,632,000], HK$[28,527,000], HK$[59,297,000] and HK$[62,343,000] in the combined balance sheets as at 31 March 2006, 2007 and 2008 and 31 August 2008, respectively.*

Combined Cash Flow Statements

		Year ended 31 March			Five-month period ended 31 August	
		2006	2007	2008	2007	2008
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		[25,289]	[44,145]	[116,074]	[34,331]	[7,272]
Adjustments for:						
Interest income	6	[(187)]	[(195)]	[(5,345)]	[(1,754)]	[(29)]
Dividend income	6	[–]	[(4,464)]	[–]	[–]	[–]
Change in fair values of investment properties		[(1,060)]	[(3,351)]	[(9,070)]	[(600)]	[8,749]
Deficit on revaluation of property, plant and equipment		[–]	[–]	[–]	[–]	[459]
Gain on disposal of prepaid land lease payments	6	[–]	[(3,146)]	[–]	[–]	[–]
Gain on disposal of an unlisted available-for-sale investment	6	[–]	[–]	[(16,205)]	[(16,205)]	[–]
Finance costs	7	[15,218]	[15,004]	[14,984]	[5,660]	[6,125]
Depreciation	8	[366]	[527]	[434]	[162]	[241]
Recognition of prepaid land lease payments	8	[238]	[–]	[–]	[–]	[–]
Loss/(gain) on disposal of investment properties	8	[620]	[–]	[(65)]	[–]	[–]
		[40,484]	[48,520]	[100,807]	[21,594]	[22,817]
Decrease/(increase) in inventories		[(73,118)]	[16,604]	[81,284]	[54,738]	[5,830]
Decrease/(increase) in bills receivable		[(49,029)]	[9,879]	[34,286]	[62,084]	[6,306]
Decrease/(increase) in prepayments, deposits and other receivables		[4,298]	(656)	[(9,023)]	[(2,886)]	[(1,518)]
Increase/(decrease) in trade, other payables and accruals		[31,878]	[(40,504)]	[(35,262)]	[(34,293)]	[2,007]
Cash generated from/(used in) operations		[(45,487)]	[33,843]	[172,092]	[101,237]	[35,442]
Interest received		[187]	[195]	[5,345]	[1,754]	[29]
Interest paid		[(15,218)]	[(15,004)]	[(14,984)]	[(5,660)]	[(6,125)]
Hong Kong taxes paid		[(384)]	[(869)]	[(1,913)]	[(634)]	[(1,656)]
Overseas taxes paid		[1,678]	[(1,197)]	[(1,661)]	[(1,661)]	[(5,400)]
Net cash inflow/(outflow) from operating activities		[(59,224)]	[16,968]	[158,879]	[95,036]	[22,290]

	Notes	Year ended 31 March 2006 HK$'000	Year ended 31 March 2007 HK$'000	Year ended 31 March 2008 HK$'000	Five-month period ended 31 August 2007 HK$'000 (unaudited)	Five-month period ended 31 August 2008 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment	13	[(558)]	[(18)]	[(9,758)]	[(146)]	[(46)]
Proceeds from disposal of prepaid land lease payments		[–]	[14,108]	[–]	[–]	[–]
Purchase of investment properties	14	[–]	[(7,549)]	[(10,129)]	[–]	[–]
Proceeds from disposal of investment properties		[12,860]	[–]	[965]	[–]	[–]
Proceeds from disposal of an available-for-sale investment		[–]	[–]	[31,828]	[31,828]	[–]
Net cash inflow/(outflow) from investing activities		[12,302]	[6,541]	[12,906]	[31,682]	[(46)]
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of balances to related companies		(11,304)	(32,746)	(74,825)	–	(20,604)
Receipt of balances from related companies		256	2,179	64,735	26,690	20,482
Receipt of balances from directors		18,657	32,204	62,846	–	2,033
Payment of balances to directors		(55,729)	(47,417)	(80,069)	(3,704)	(40,740)
Drawdown of bank loans		[233,720]	[287,718]	[125,691]	[–]	[–]
Repayment of bank loans		[(120,944)]	[(233,720)]	[(283,766)]	[(166,022)]	[(20,094)]
Capital element of finance lease rental payments		[–]	[(89)]	[(128)]	[(53)]	[(53)]
Proceeds from capital contributions		[10,010]	[97]	[2,586]	[1,895]	[–]
Net cash inflow/(outflow) from financing activities		[74,666]	[8,226]	[(182,930)]	[(141,194)]	[(58,976)]
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		[27,744]	[31,735]	[(11,145)]	[(14,476)]	[(36,732)]
Cash and cash equivalents at beginning of year/period		[(3,259)]	[24,257]	[55,301]	[55,301]	[45,340]
Effect of foreign exchange rate changes, net		[(228)]	[(691)]	[1,184]	[455]	[179]
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		[24,257]	[55,301]	[45,340]	[41,280]	[8,787]
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		[9,453]	[32,661]	[43,975]	[41,280]	[8,787]
Non-pledged time deposits with original maturity of less than three months when acquired		[14,804]	[22,640]	[1,365]	[–]	[–]
		[24,257]	[55,301]	[45,340]	[41,280]	[8,787]

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND REORGANISATION

The Company is a limited liability company incorporated in the Cayman Islands on 8 May 2008. The registered office address is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Particulars of the companies comprising the Group have been set out in the foregoing section.

In the opinion of the directors, the ultimate holding company of the Company is Art Rich Management Limited ("AR Management"), which is incorporated in the British Virgin Islands.

2. BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully described in [Appendix V] to the Document, the Company became the holding company of the subsidiaries now comprising the Group on 18 February 2009. The Reorganisation involved business combinations of entities under common control and the Group is regarded and accounted for as a continuing group. Accordingly, for the purpose of this report, the Financial Information has been prepared on a combined basis by applying the principles of merger accounting.

The Financial Information has been prepared as if the current group structure had been in existence throughout the Relevant Periods, or since their respective dates of incorporation or registration, where there is a shorter period. The combined balance sheets of the Group as at 31 March 2006, 2007 and 2008 and 31 August 2008 have been prepared to present the assets and liabilities of the Group as at the respective dates as if the current group structure had been in existence at those dates.

All significant intra-group transactions and balances have been eliminated on consolidation.

3.1 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The Financial Information has been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting periods commencing from 1 April 2005, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Financial Information throughout the Relevant Periods.

The Financial Information has been prepared under the historical cost convention, except for investment properties and certain land and buildings which have been measured at fair value. The Financial Information is presented in Hong Kong dollars ("HK$") with all values rounded to the nearest thousand except when otherwise indicated.

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, deferred tax assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

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

(b) the party is a member of the key management personnel of the Group or its holding company;

(c) the party is a close member of the family of any individual referred to in (a) or (b);

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

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

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	2% to 5%
Furniture and fixtures	10% to 33 $^{1}/_{3}$%
Leasehold improvements	Shorter of lease terms and 20%
Machinery and equipment	10% to 25%
Motor vehicles	20% to 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases, net of any incentives received from the lessor, are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as loans and receivables and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sale of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

The Group's available-for-sale financial asset is a non-derivative financial asset in an unlisted equity security that is designated as available for sale.

When the fair value of the unlisted equity security cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such security is stated at cost less any impairment losses.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to bills and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliable measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

Financial liabilities at amortised cost (including interest-bearing bank borrowings)

Financial liabilities including trade and other payables, amounts due to a director and related companies, finance lease payable and interest-bearing bank borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "Finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the combined cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the combined balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) rental income, on a time proportion basis over the lease terms;

(c) management fee income, when the services have been rendered;

(d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and

(e) dividend income, when the shareholders' right to receive payment has been established.

Other employee benefits

Pension schemes

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

[The Group operates a defined contribution schemes for those employees in Thailand who are eligible and have elected to participate in the schemes. The assets of the schemes are held separately from those of the Group in an independently administered funds. Contributions are made based on a percentage of the participating employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the schemes. When an employee leaves the schemes prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.]

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

The employees of the Group's subsidiary which operates in Macau are required to participate in a central pension scheme operated by the Macau government. This subsidiary is required to contribute a fixed amount of its payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Borrowing costs

Borrowing costs are recognise as expenses in the income statement in the period in which they are incurred.

Foreign currencies

These financial statements are presented in Hong Kong dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the combined cash flow statements, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3.2 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the Financial Information.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards and HKAS 27 Consolidated and Separate Financial Statements[2]
HKFRS 2 Amendments	Share-based Payments – Vesting Conditions and Cancellation[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKAS 39 and HKFRS 7 Amendments	Reclassification of Financial Assets[2]
HKAS 39 Amendments	Financial Instruments: Recognition and Measurement – Eligible Hedged items[2]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[3]
HK(IFRIC)-Int 15	Agreement for the Construction of Real Estate[1]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[4]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[2]

Apart from the above, the HKICPA has also issued *improvements to HKFRSs*[*] which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

The HKAS 27 Amendment requires all dividends from subsidiaries, associates or jointly-controlled entities to be recognised in the income statement in the separate financial statements. The amendment is applied prospectively only. The HKFRS 1 Amendment allows a first-time adopter of HKFRSs to measure its investment in subsidiaries, associates or jointly-controlled entities using a deemed cost of either fair value or the carrying amount under the previous accounting practice in the separate financial statements. The Group expects to adopt the HKAS 27 Amendment from 1 January 2009. The amendments have no impact on the consolidated financial statements.

The HKFRS 2 Amendments clarify that vesting conditions are service conditions and performance conditions only. Any other conditions are non-vesting conditions. Where an award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterpart, this is accounted for as a cancellation.

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest for a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rate*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The Group expects to adopt HKFRS 3 (Revised) and HKAS 27 (Revised) from 1 January 2010. The changes introduced by these revised standards must be applied prospectively and will affect future acquisitions, loss of control and transactions with minority interests.

HKFRS 8, which will replace HKAS 14 "Segment Reporting", specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 April 2009.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group expects to adopt HKAS 1 (Revised) from 1 January 2009.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional provisions in the revised standard, the Group shall apply the revised standard on a prospective basis to borrowing costs relating to qualifying assets for which the commencement date for the capitalisation is on or after 1 April 2009. The revised standard is unlikely to have any financial impact on the Group.

The HKAS 32 Amendments provide a limited scope exception for puttable financial instruments and instruments that impose specified obligations arising on liquidation to be classified as equity if they fulfil a number of specified features. HKAS 1 Amendments require disclosure of certain information relating to these puttable financial instruments and obligations classified as equity. As the Group currently has no such financial instruments or obligations, the amendments are unlikely to have any financial impact on the Group.

Amendments to HKAS 39 and HKFRS 7 permit, but only in rare circumstances, reclassification of certain non-derivative securities out of the trading category (i.e. out of the fair value through profit or loss category). Such securities shall be re-classified at their fair value on the date of reclassification, which will become their new cost or amortized cost, as applicable. The amendments also permit reclassification of loans and receivables out of the "fair value through profit or loss category" or "available-for-sale category" if the entity has the intention and ability to hold those financial assets for the foreseeable future (for loans) or until maturity (for debt securities).

The amendment to HKAS 39 address the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. As the Group has not entered into any such hedges, the amendment is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires customers loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. As the Group currently has no customer loyalty award scheme, the interpretation is not applicable to the Group and therefore is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 15 will replace HK Interpretation 3 *Revenue – Pre-completion Contracts for the Sale of Development Properties.* It clarifies when and how an agreement for the construction of real estate should be accounted for as a construction contract in accordance with HKAS 11 *Construction Contracts* or an agreement for the sale of goods or services in accordance with HKAS 18 *Revenue*. As the Group currently is not involved in any construction of real estate, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 16 provides guidance on the accounting for a hedge of a net investment in a foreign operation. This includes clarification that (i) hedge accounting may be applied only to the foreign exchange differences arising between the functional currencies of the foreign operation and the parent entity; (ii) a hedging instrument may be held by any entities within a group; and (iii) on disposal of a foreign operation, the cumulative gain or loss relating to both the net investment and the hedging instrument that was determined to be an effective hedge should be reclassified to the income statement as a reclassification adjustment. As the Group currently has no hedge of a net investment in a foreign operation, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 17 standardises practice in the accounting for non-reciprocal distributions of non-cash assets to owners. The Group expects to apply the interpretation from 1 January 2010 prospectively. The Interpretation clarifies that (i) a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; (ii) an entity should measure the dividend payable at the fair value of the net assets to be distributed; and (iii) an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. Other consequential amendments were made to HKAS 10 *Events after the Balance Sheet Date* and HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.* While the adoption of the interpretation may result in changes in certain accounting policies, the interpretation is unlikely to have any material financial impact on the Group.

In October 2008, the HKICPA issued its first *Improvements to HKFRSs* which sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 January 2009. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group.

HK(IFRIC)-Int 17 provides guidance on how the company should measure distributions of assets other than cash as dividends to its owners acting in their capacity as owners.

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(ii) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under finance leases), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(iii) Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

Estimation uncertainty

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

(i) Useful lives and residual values of items of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to previously estimated, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represented a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the property investment segment invests in office space and industrial properties for its rental income potential; and

(b) the sale of dried cassava chips segment engages in the procurement and sale of dried cassava chips.

(a) **Business segments**

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the Relevant Periods and the five-month period ended 31 August 2007.

Year ended 31 March 2006	**Property investment** *HK$'000*	**Sale of dried cassava chips** *HK$'000*	**Combined** *HK$'000*
Segment revenue:			
Sales to external customers	[–]	[740,850]	[740,850]
Gross rental income	[664]	–	[664]
Total	[664]	[740,850]	[741,514]
Segment results	[1,582]	[49,226]	[50,808]
Interest and dividend income and unallocated gains			[2,399]
[Corporate and other] unallocated expenses			[(12,700)]
Finance costs			[(15,218)]
Profit before tax			[25,289]
Tax			[(10,008)]
Profit for the year			[15,281]
Assets and liabilities			
Segment assets	[19,000]	[245,665]	[264,665]
Corporate and other unallocated assets			[106,292]
Total assets			[370,957]
Segment liabilities	[237]	86,822	87,059
[Corporate and other] unallocated liabilities			252,720
Total liabilities			[339,779]
Other segment information:			
Depreciation and amortisation	[–]	[337]	[337]
[Corporate and other] unallocated amounts			[29]
			[366]
Capital expenditure	[–]	[558]	[558]
Fair value gain on investment properties	[1,060]	[–]	[1,060]

Year ended 31 March 2007	**Property investment**	**Sale of dried cassava chips**	**Combined**
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue:			
Sales to external customers	[–]	[818,303]	[818,303]
[Gross rental income]	[1,054]	–	[1,054]
Total	[1,054]	[818,303]	[819,357]
Segment results	[4,317]	[59,682]	[63,999]
Interest and dividend income and unallocated gains			[9,853]
[Corporate and other] unallocated expenses			[(14,703)]
Finance costs			[(15,004)]
Profit before tax			[44,145]
Tax			[(10,075)]
Profit for the year			[34,070]
Assets and liabilities			
Segment assets	[29,900]	[254,503]	[284,403]
[Corporate and other] unallocated assets			[116,484]
Total assets			[400,887]
Segment liabilities	320	46,235	46,555
[Corporate and other] unallocated liabilities			310,162
Total liabilities			356,717
Other segment information:			
Depreciation and amortisation	[–]	[498]	[498]
[Corporate and other] unallocated amounts			[29]
			[527]
Capital expenditure	[7,549]	[18]	[7,567]
Fair value gain on investment properties	[3,351]	[–]	[3,351]

Year ended 31 March 2008	Property investment	Sale of dried cassava chips	Combined
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue:			
Sales to external customers	[–]	[903,560]	[903,560]
[Gross rental income]	[1,299]	–	[1,299]
Total	[1,299]	[903,560]	[904,859]
Segment results	[10,275]	[113,872]	[124,147]
Interest and dividend income and unallocated gains			[23,810]
[Corporate and other] unallocated expenses			[(16,899)]
Finance costs			[(14,984)]
Profit before tax			[116,074]
Tax			[(14,215)]
Profit for the year			[101,859]
Assets and liabilities			
Segment assets	[48,199]	[101,750]	[149,949]
[Corporate and other] unallocated assets			[115,126]
Total assets			[265,075]
Segment liabilities	36	12,467	12,503
[Corporate and other] unallocated liabilities			175,046
Total liabilities			[187,549]
Other segment information:			
Depreciation and amortisation	[–]	[375]	[375]
[Corporate and other] unallocated amounts			[59]
			[434]
Capital expenditure	[10,129]	[896]	[11,025]
[Corporate and other unallocated amounts]			[8,862]
			[19,887]
Fair value gain on investment properties	[9,070]	[–]	[9,070]

Five-month period ended 31 August 2007 (Unaudited)	**Property investment** *HK$'000*	**Sale of dried cassava chips** *HK$'000*	**Combined** *HK$'000*
Segment revenue:			
Sales to external customers	[–]	[273,724]	[273,724]
[Gross rental income]	[511]	–	[511]
Total	[511]	[273,724]	[274,235]
Segment results	[1,097]	[24,999]	[26,096]
Interest and dividend income and unallocated gains			[19,259]
[Corporate and other] unallocated expenses			(5,364)
Finance costs			(5,660)
Profit before tax			[34,331]
Tax			[(6,604)]
Profit for the period			[27,727]
Other segment information:			
Depreciation and amortisation	[–]	[150]	[150]
[Corporate and other] unallocated amounts			[12]
			[162]
Fair value gain on investment properties	[600]	[–]	[600]

Five-month period ended 31 August 2008	**Property investment** *HK$'000*	**Sale of dried cassava chips** *HK$'000*	**Combined** *HK$'000*
Segment revenue:			
Sales to external customers	–	[334,507]	[334,507]
Gross rental income	[641]	–	[641]
Total	[641]	[334,507]	[335,148]
Segment results	[(8,137)]	[28,106]	[19,969]
Interest and dividend income and unallocated gains			[76]
[Corporate and other] unallocated expenses			[(6,648)]
Finance costs			[(6,125)]
Profit before tax			[7,272]
Tax			[(2,456)]
Profit for the period			[4,816]
Assets and liabilities			
Segment assets	[39,450]	[92,470]	[131,920]
[Corporate and other unallocated assets]			[98,204]
Total assets			[230,124]
Segment liabilities	328	14,182	14,510
[Corporate and other unallocated liabilities]			135,042
Total liabilities			149,552
Other segment information:			
Depreciation and amortisation	[–]	[156]	[156]
[Corporate and other] unallocated amounts			[85]
			[241]
Capital expenditure	[–]	[46]	[46]
Fair value losses on investment properties	[8,749]	[–]	[8,749]

(b) Geographical segments

The following tables present certain asset, liability and expenditure information for the Group's business segments for the Relevant Periods and the five-month period ended 31 August 2007.

Year ended 31 March 2006	Mainland China	Hong Kong	Macau	Thailand	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:					
Sales to external customers	[740,850]	[–]	[–]	[–]	[740,850]
Gross rental income	[–]	[664]	[–]	[–]	[664]
	[740,850]	[664]	[–]	[–]	[741,514]
Other segment information:					
Segment assets	[101,264]	[155,173]	[–]	[114,520]	[370,957
Capital expenditure	[187]	[140]	[–]	[231]	[558]

Year ended 31 March 2007	Mainland China	Hong Kong	Macau	Thailand	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:					
Sales to external customers	[818,303]	[–]	[–]	[–]	[818,303]
Gross rental income	[–]	[1,054]	[–]	[–]	[1,054]
	[818,303]	[1,054]	[–]	[–]	[819,357]
Other segment information:					
Segment assets	[71,803]	[195,510]	[31,412]	[102,162]	[400,887]
Capital expenditure	[–]	[7,554]	[–]	[13]	[7,567]

Year ended 31 March 2008	Mainland China HK$'000	Hong Kong HK$'000	Macau HK$'000	Thailand HK$'000	Total HK$'000
Segment revenue:					
Sales to external customers	[894,566]	[–]	[–]	[8,994]	[903,560]
Gross rental income	[–]	[1,299]	[–]	[–]	[1,299]
	[894,566]	[1,299]	[–]	[8,994]	[904,859]
Other segment information:					
Segment assets	[48,587]	[109,137]	[30,994]	[76,357]	[265,075]
Capital expenditure	[10,129]	[8,694]	[7]	[1,057]	[19,887]

Five-month period ended 31 August 2007 (unaudited)	Mainland China HK$'000	Hong Kong HK$'000	Macau HK$'000	Thailand HK$'000	Total HK$'000
Segment revenue:					
Sales to external customers	[273,724]	[–]	[–]	[–]	[273,724]
Gross rental income	[–]	[511]	[–]	[–]	[511]
	[273,724]	[511]	[–]	[–]	[274,235]

Five-month period ended 31 August 2008	Mainland China HK$'000	Hong Kong HK$'000	Macau HK$'000	Thailand HK$'000	Total HK$'000
Segment revenue:					
Sales to external customers	[334,507]	[–]	[–]	[–]	[334,507]
Gross rental income	[93]	[548]	[–]	[–]	[641]
	[334,600]	[548]	[–]	[–]	[335,148]
Other segment information:					
Segment assets	[67,174]	[103,696]	[26,847]	[44,194]	[241,911]
Capital expenditure	[–]	[46]	[–]	[–]	[46]

6. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	Year ended 31 March			Five-month period ended 31 August	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Revenue					
Sale of goods	[740,850]	[818,303]	[903,560]	[273,724]	[334,507]
Other income					
Management fee income to a related company *(note 31(a)(i))*	[1,800]	[1,800]	[1,800]	[750]	[–]
Bank interest income	[187]	[195]	[345]	[50]	[29]
Interest income from a related company *(note 31(a)(ii))*	[–]	[–]	[5,000]	[1,704]	[–]
Dividend income from an unlisted available-for-sale investment	[–]	[4,464]	[–]	[–]	[–]
Gross rental income	[664]	[1,054]	[1,299]	[511]	[641]
Others	[412]	[248]	[395]	[550]	[46]
	[3,063]	[7,761]	[8,839]	[3,565]	[716]
Gains					
Gain on disposal of prepaid land lease payments	[–]	[3,146]	[–]	[–]	[–]
Gain on disposal of an unlisted available-for-sale investment	[–]	[–]	[16,205]	[16,205]	[–]
Gain on disposal of investment properties	[–]	[–]	[65]	[–]	[–]
	[–]	[3,146]	[16,270]	[16,205]	[–]
	[3,063]	[10,907]	[25,109]	[19,770]	[716]

7. FINANCE COSTS

	Year ended 31 March			Five-month period ended 31 August	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Interest on bank loans and overdrafts wholly repayable within five years	[15,080]	[14,838]	[14,814]	[5,593]	[6,010]
Interest on bank loans wholly repayable after five years	[138]	[161]	[156]	[61]	[109]
Interest on finance leases	[–]	[5]	[14]	[6]	[6]
	[15,218]	[15,004]	[14,984]	[5,660]	[6,125]

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 March			Five-month period ended 31 August	
	2006	**2007**	**2008**	**2007**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Cost of inventories sold	[573,484]	[619,839]	[665,159]	[187,065]	[260,442]
Depreciation	[366]	[527]	[434]	[162]	[241]
Recognition of prepaid land lease payments	[238]	[–]	[–]	[–]	[–]
Auditors' remuneration	[186]	[217]	[1,108]	[417]	[500]
Employee benefit expenses (including directors' remuneration – *note 9*):					
Wages and salaries	[5,076]	[4,878]	[5,544]	[2,174]	[3,486]
Pension scheme contributions*	[159]	[146]	[127]	[51]	[90]
	[5,235]	[5,024]	[5,671]	[2,225]	[3,576]
Gross rental income	[(664)]	[(1,054)]	[(1,299)]	[(511)]	[(641)]
Less: Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	[142]	[88]	[94]	[14]	[29]
Net rental income	[(522)]	[(966)]	[(1,205)]	[(497)]	[(612)]
Loss/(gain) on disposal of investment properties	[620]	–	[(65)]	–	–
Minimum lease payments under operating leases in respect of storage facilities and office premises	[1,979]	[1,976]	[2,760]	[788]	[1,182]
Contingent rent under operating leases in respect of storage facilities	[1,463]	[1,828]	[2,524]	[1,039]	[287]
Foreign exchange differences, net	[533]	[3,897]	[2,377]	[228]	[(1,344)]

* *As at 31 March 2006, 2007 and 2008 and 31 August 2008, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.*

9. DIRECTORS' REMUNERATION

(a) Directors' remuneration

Details of directors' remuneration are as follows:

	Year ended 31 March			Five-month period ended 31 August	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Fees	–	–	–	–	–
Other emoluments:					
Salaries, allowances and benefits in kind	[1,904]	[2,070]	[1,430]	[656]	[691]
Pension scheme contributions	[48]	[48]	[48]	[20]	[20]
	[1,952]	[2,118]	[1,478]	[676]	[711]
	[1,952]	[2,118]	[1,478]	[676]	[711]

Year ended 31 March 2006

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:				
Chu Ming Chuan	–	[494]	[12]	[506]
Chu Ming Kin	–	[984]	[12]	[996]
Liu Yuk Ming	–	[170]	[12]	[182]
Lam Ching Fan	–	[256]	[12]	[268]
Chan Yuk Tong	–	–	–	–
	–	[1,904]	[48]	[1,952]
Independent non-executive directors:				
Lee Kwan Hung	–	–	–	–
Yue Man Yiu Matthew	–	–	–	–
Fung Kwok Pui	–	–	–	–
	–	–	–	–
	–	[1,904]	[48]	[1,952]

Year ended 31 March 2007

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:				
Chu Ming Chuan	–	[494]	[12]	[506]
Chu Ming Kin	–	[1,097]	[12]	[1,109]
Liu Yuk Ming	–	[197]	[12]	[209]
Lam Ching Fan	–	[282]	[12]	[294]
Chan Yuk Tong	–	–	–	–
	–	[2,070]	[48]	[2,118]
Independent non-executive directors:				
Lee Kwan Hung	–	–	–	–
Yue Man Yiu Matthew	–	–	–	–
Fung Kwok Pui	–	–	–	–
	–	–	–	–
	–	[2,070]	[48]	[2,118]

Year ended 31 March 2008

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:				
Chu Ming Chuan	–	[456]	[12]	[468]
Chu Ming Kin	–	[507]	[12]	[519]
Liu Yuk Ming	–	[207]	[12]	[219]
Lam Ching Fan	–	[260]	[12]	[272]
Chan Yuk Tong	–	–	–	–
	–	[1,430]	[48]	[1,478]
Independent non-executive directors:				
Lee Kwan Hung	–	–	–	–
Yue Man Yiu Matthew	–	–	–	–
Fung Kwok Pui	–	–	–	–
	–	–	–	–
	–	[1,430]	[48]	[1,478]

Five-month period ended 31 August 2007 (unaudited)

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:				
Chu Ming Chuan	–	[185]	[5]	[190]
Chu Ming Kin	–	[288]	[5]	[293]
Liu Yuk Ming	–	[80]	[5]	[85]
Lam Ching Fan	–	[103]	[5]	[108]
Chan Yuk Tong	–	–	–	–
	–	[656]	[20]	[676]
Independent non-executive directors:				
Lee Kwan Hung	–	–	–	–
Yue Man Yiu Matthew	–	–	–	–
Fung Kwok Pui	–	–	–	–
	–	–	–	–
	–	[656]	[20]	[676]

Five-month period ended 31 August 2008

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:				
Chu Ming Chuan	–	[185]	[5]	[190]
Chu Ming Kin	–	[300]	[5]	[305]
Liu Yuk Ming	–	[93]	[5]	[98]
Lam Ching Fan	–	[113]	[5]	[118]
Chan Yuk Tong	–	–	–	–
	–	[691]	[20]	[711]
Independent non-executive directors:				
Lee Kwan Hung	–	–	–	–
Yue Man Yiu Matthew	–	–	–	–
Fung Kwok Pui	–	–	–	–
	–	–	–	–
	–	[691]	[20]	[711]

No emoluments were paid by the Group to any of the persons who are the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Periods.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

(b) Five highest paid individuals

The five highest paid employees during the Relevant Periods included [4] directors, details of whose remuneration are set out above. Details of the remuneration of the remaining [1] non-director, highest paid employee for the Relevant Periods and the five-month period ended 31 August 2007 are as follows:

	Year ended 31 March			Five-month period ended 31 August	
	2006	**2007**	**2008**	**2007**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Salaries, allowances and benefits in kind	[212]	[279]	[257]	[190]	[350]
Pension scheme contributions	[12]	[12]	[12]	[5]	[5]
	[224]	[291]	[269]	[195]	[355]

No emoluments were paid by the Group to any of the five highest paid individuals of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the Relevant Periods.

10. TAX

Hong Kong profits tax has been provided at the rates of 17.5%, 17.5%, 17.5% and 16.5% on the estimated assessable profits arising in Hong Kong during the years ended 31 March 2006, 2007 and 2008 and the five-month period ended 31 August 2008, respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Year ended 31 March			Five-month period ended 31 August	
	2006	**2007**	**2008**	**2007**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Current – Hong Kong					
Charge for the year/period	[(1,916)]	[3,863]	[11,151]	[4,095]	[1,109]
Current – Elsewhere:					
– The PRC#	[550]	[1,237]	[2,868]	[1,633]	–
– Thailand (30%)	[11,563]	[4,328]	[–]	–	–
Deferred *(note 24)*	[(189)]	[647]	[196]	[876]	[1,347]
Total tax charge for the year/period	[10,008]	[10,075]	[14,215]	[6,604]	[2,456]

The PRC corporate income tax rate for the Relevant Periods was provided at the rate 33% except for the period commencing 1 January 2008 which was provided at 25%.

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled to the tax charge for the Relevant Periods and the five-month period ended 31 August 2007 is as follows:

	Year ended 31 March			Five-month period ended 31 August	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Profit before tax	[25,289]	[44,145]	[116,074]	[34,331]	[7,272]
Tax at the statutory tax rates	[4,426]	[7,725]	[20,313]	[6,008]	[1,200]
Higher tax rate for specific locations	[4,589]	[2,501]	[171]	[1,208]	[1,494]
Effect on opening deferred tax of decrease in tax rate	–	–	–	–	[(240)]
Income not subject to tax*	[–]	[(583)]	[(8,141)]	[(738)]	[(2,221)]
Expenses not deductible for tax#	[993]	[432]	[1,872]	[126]	2,223
Tax charge for the year/period	[10,008]	[10,075]	[14,215]	[6,604]	[2,456]

* *Income not subject to tax mainly represented offshore income generated by Artsun Macao, bank interest income and gain on disposal of prepaid land lease payments in Mainland China.*

\# *The expenses not deductible for tax mainly represented the unclaimed value added tax in Thailand, entertainment, personal and staff welfare expense not deductible by the PRC/Thailand tax authorities.*

11. DIVIDENDS

The dividends distributed by the subsidiaries of the Group during the Relevant Periods and the five-month period ended 31 August 2007 were as follows:

	Year ended 31 March			Five-month period ended 31 August	
	2006	2007	2008	2007	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Interim dividend	[–]	[22,000]	[75,000]	[–]	[–]

The dividend rates are not presented as such information is considered not meaningful for the purpose of this report.

12. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share for each of the Relevant Periods and the five-month period ended 31 August 2007 is based on the profit for the year/period attributable to equity holders of the Company for each of the Relevant Periods and the five-month period ended 31 August 2007 and on the assumption that [300,000,000] shares had been in issue throughout the Relevant Periods and the five-month period ended 31 August 2007, comprising the 100,000,000 shares in issue at the date of the Document, and 200,000,000 shares to be issued pursuant to the capitalisation issue and described more fully in the paragraph headed "[Written resolutions of the sole shareholder]" in Appendix [V] to the Document.

There were no dilutive potential ordinary shares in existence during the Relevant Periods and the five-month period ended 31 August 2007 and therefore no diluted earnings per share amounts have been presented.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Furniture, fixtures and leasehold improve-ments HK$'000	Machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 March 2006					
At 1 April 2005:					
Cost or valuation	[6,800]	[344]	[244]	[2,100]	[9,488]
Accumulated depreciation	[–]	[(328)]	[(221)]	[(1,348)]	[(1,897)]
Net carrying amount	[6,800]	[16]	[23]	[752]	[7,591]
At 1 April 2005, net of accumulated depreciation	[6,800]	[16]	[23]	[752]	[7,591]
Additions	[–]	[318]	[63]	[177]	[558]
Depreciation provided during the year	[(29)]	[(13)]	[(17)]	[(307)]	[(366)]
Revaluation	[429]	[–]	[–]	[–]	[429]
Exchange realignment	[–]	[(6)]	[(2)]	[(25)]	[(33)]
At 31 March 2006, net of accumulated depreciation	[7,200]	[315]	[67]	[597]	[8,179]
At 31 March 2006:					
Cost or valuation	[7,200]	[660]	[296]	[2,237]	[10,393]
Accumulated depreciation	[–]	[(345)]	[(229)]	[(1,640)]	[(2,214)]
Net carrying amount	[7,200]	[315]	[67]	[597]	[8,179]
Analysis of cost or valuation:					
At cost	[–]	[660]	[296]	[2,237]	[3,193]
At 31 March 2006 valuation	[7,200]	[–]	[–]	[–]	[7,200]
	[7,200]	[660]	[296]	[2,237]	[10,393]
31 March 2007					
At 1 April 2006:					
Cost or valuation	[7,200]	[660]	[296]	[2,237]	[10,393]
Accumulated depreciation	[–]	[(345)]	[(229)]	[(1,640)]	[(2,214)]
Net carrying amount	[7,200]	[315]	[67]	[597]	[8,179]
At 1 April 2006, net of accumulated depreciation	[7,200]	[315]	[67]	[597]	[8,179]
Additions	[–]	[–]	[18]	[385]	[403]
Depreciation provided during the year	[(29)]	[(72)]	[(17)]	[(409)]	[(527)]
Revaluation	[1,129]	[–]	[–]	[–]	[1,129]
Exchange realignment	[–]	[5]	[1]	[24]	[30]
At 31 March 2007, net of accumulated depreciation	[8,300]	[248]	[69]	[597]	[9,214]
At 31 March 2007:					
Cost or valuation	[8,300]	[660]	[318]	[2,632]	[11,910]
Accumulated depreciation	[–]	[(412)]	[(249)]	[(2,035)]	[(2,696)]
Net carrying amount	[8,300]	[248]	[69]	[597]	[9,214]
Analysis of cost or valuation:					
At cost	[–]	[660]	[318]	[2,632]	[3,610]
At 31 March 2007 valuation	[8,300]	[–]	[–]	[–]	[8,300]
	[8,300]	[660]	[318]	[2,632]	[11,910]

	Leasehold land and buildings HK$'000	Furniture, fixtures and leasehold improvements HK$'000	Machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 March 2008					
At 1 April 2007:					
Cost or valuation	[8,300]	[660]	[318]	[2,632]	[11,910]
Accumulated depreciation	[–]	[(412)]	[(249)]	[(2,035)]	[(2,696)]
Net carrying amount	[8,300]	[248]	[69]	[597]	[9,214]
At 1 April 2007, net of accumulated depreciation	[8,300]	[248]	[69]	[597]	[9,214]
Additions	[8,862]	[91]	[804]	[1]	[9,758]
Depreciation provided during the year	[(59)]	[(74)]	[(29)]	[(272)]	[(434)]
Revaluation	[3,117]	[–]	[–]	[–]	[3,117]
Exchange realignment	[–]	[70]	[5]	[80]	[155]
At 31 March 2008, net of accumulated depreciation	[20,220]	[335]	[849]	[406]	[21,810]
At 31 March 2008:					
Cost or valuation	[20,220]	[841]	[1,139]	[2,533]	[24,733]
Accumulated depreciation	[–]	[(506)]	[(290)]	[(2,127)]	[(2,923)]
Net carrying amount	[20,220]	[335]	[849]	[406]	[21,810]
Analysis of cost or valuation:					
At cost	[–]	[841]	[1,139]	[2,533]	[4,513]
At 31 March 2008 valuation	[20,220]	[–]	[–]	[–]	[20,220]
	[20,220]	[841]	[1,139]	[2,533]	[24,733]
31 August 2008					
At 1 April 2008:					
Cost or valuation	[20,220]	[841]	[1,139]	[2,533]	[24,733]
Accumulated depreciation	[–]	[(506)]	[(290)]	[(2,127)]	[(2,923)]
Net carrying amount	[20,220]	[335]	[849]	[406]	[21,810]
At 1 April 2008, net of accumulated depreciation	[20,220]	[335]	[849]	[406]	[21,810]
Additions	[–]	[–]	[46]	[–]	[46]
Depreciation provided during the period	[(85)]	[(41)]	[(25)]	[(90)]	[(241)]
Revaluation	[(2,835)]	[–]	[–]	[–]	[(2,835)]
Exchange realignment	[–]	[(37)]	[(13)]	[(18)]	[(68)]
At 31 August 2008, net of accumulated depreciation	[17,300]	[257]	[857]	[298]	[18,712]
At 31 August 2008:					
Cost or valuation	[17,300]	[803]	[1,170]	[2,472]	[21,745]
Accumulated depreciation	[–]	[(546)]	[(313)]	[(2,174)]	[(3,033)]
Net carrying amount	[17,300]	[257]	[857]	[298]	[18,712]
Analysis of cost or valuation:					
At cost	[–]	[803]	[1,170]	[2,472]	[4,445]
At 31 August 2008 valuation	[17,300]	[–]	[–]	[–]	[17,300]
	[17,300]	[803]	[1,170]	[2,472]	[21,745]

The Group's leasehold land is held under a medium term lease and is situated in Hong Kong.

The net book values of the Group's property, plant and equipment held under finance leases included in the total amount of motor vehicles as at 31 March 2006, 2007 and 2008 and 31 August 2008 amounted to nil, HK$[385,000], HK$[214,000] and HK$[118,000], respectively.

The Group's buildings and leasehold land and buildings were revalued at 31 March 2006, 2007 and 2008 and 31 August 2008, respectively, by Asset Appraisal Limited, independent professionally qualified valuers. At 31 March 2006, 2007 and 2008 and 31 August 2008, the Group's leasehold buildings were revalued on an open market, existing use basis at approximately HK$[7,200,000], HK$[8,300,000], HK$[20,220,000] and HK$[17,300,000], respectively. Surpluses on revaluation of approximately HK$[429,000], HK$[1,129,000] and HK$[3,117,000] arising from the above valuation had been credited to the asset revaluation reserve during the years ended 31 March 2006, 2007 and 2008, respectively, whereas deficits on revaluation of approximately HK$[2,376,000] and [HK$459,000] arising from the above valuation had been charged to the asset revaluation reserve and the income statement, respectively, during the five-month period ended 31 August 2008.

Had the Group's leasehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately [HK$1,454,000], [HK$1,425,000], [HK$10,228,000] and [HK$10,142,000], as at 31 March 2006, 2007 and 2008 and 31 August 2008, respectively.

The Group's leasehold land and buildings with aggregate net carrying values of approximately [HK$7,200,000], [HK$8,300,000], [HK$20,220,000] and [HK$17,300,000] as at 31 March 2006, 2007 and 2008 and 31 August 2008, respectively, were pledged to secure bank loans granted to the Group (note 22(i)).

14. INVESTMENT PROPERTIES

	As at 31 March			As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Carrying amount at beginning of year/period	[31,420]	[19,000]	[29,900]	[48,199]
Additions	[–]	[7,549]	[10,129]	[–]
Disposals	[(13,480)]	[–]	[(900)]	[–]
Net gains/(losses) on fair value adjustments	[1,060]	[3,351]	[9,070]	[(8,749)]
Carrying amount at end of year/period	[19,000]	[29,900]	[48,199]	[39,450]
The Group's investment properties are held under the following lease terms:				
Medium term leases in Hong Kong	[19,000]	[29,900]	[38,070]	[31,200]
Medium term leases in Mainland China	[–]	[–]	[10,129]	[8,250]
Carrying amount at end of year/period	[19,000]	[29,900]	[48,199]	[39,450]

The Group's investment properties were revalued by Asset Appraisal Limited, independent professionally qualified valuers located at Room 1303, 13/F Beverly House, No. 93-107 Lockhart Road, Wanchai, Hong Kong, on an open market, existing use basis. The investment properties are leased to third parties under operating lease arrangements, further summary details of which are included in note 30 to the Financial Information.

Certain of the Group's investment properties with aggregate carrying amounts of [HK$19,000,000], [HK$29,900,000], [HK$38,070,000] and [HK$31,200,000] as at 31 March 2006, 2007 and 2008 and 31 August 2008, respectively, were pledged to secure bank loans granted to the Group (note 22(ii)).

15. PREPAID LAND LEASE PAYMENTS

		As at 31 March		As at 31 August
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Carrying amount at beginning of year/period	[11,200]	[10,962]	[–]	[–]
Amortisation	[(238)]	[–]	[–]	[–]
Disposal	[–]	[(10,962)]	[–]	[–]
Carrying amount at end of year/period	[10,962]	[–]	[–]	[–]
Current portion included in prepayments, deposits and other receivables	[–]	[–]	[–]	[–]
Non-current portion	[10,962]	[–]	[–]	[–]

The Group's prepaid land lease payments as at 31 March 2006 related to the right to the use of land situated in the PRC, which was held under a medium term lease, was disposed of during the year ended 31 March 2007.

16. AVAILABLE-FOR-SALE INVESTMENT

		As at 31 March		As at 31 August
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted equity investment, at cost	[10,604]	[15,623]	[–]	[–]

[The above unlisted equity investment was designated as an available-for-sale financial asset and has no fixed maturity date or coupon rate. The unlisted available-for-sale equity investment has been stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that its fair value cannot be measured reliably.

17. INVENTORIES

The Group's inventories during the Relevant Periods principally consisted of dried cassava chips held for resale.

At 31 March 2006, 2007 and 2008 and 31 August 2008, all of the Group's inventories were pledged as security for the Group's banking facilities (note 22(iii)).

18. BILLS RECEIVABLE

It is the Group's policy that all customers who wish to trade with the Group to provide the Group with irrecoverable letters of credit issued by reputable banks, with terms within 90 to 180 days at sight, or by cash on delivery. Credit limits are set for individual customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. In view of the aforementioned and the fact that the Group's bills receivable relate to a large number of diversified customers, there is no significant concentration of credit risk.

An aged analysis of the Group's bills receivable as at 31 March 2006, 2007 and 2008 and 31 August 2008, based on the invoice date, is as follows:

	As at 31 March			As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 60 days	[54,437]	[25,892]	[27,798]	[21,492]
61 to 90 days	[–]	[20,529]	[–]	[–]
91 to 180 days	[17,526]	[15,663]	[–]	[–]
	[71,963]	[62,084]	[27,798]	[21,492]

None of the above bills receivable is either past due or impaired. Bills receivable relate to customers for whom there was no recent history of default.

At 31 March 2006, 2007 and 2008 and 31 August 2008, discounted bills receivable with recourse of HK$[61,998,000], HK$[62,084,000], nil and [nil], respectively, were included in bills receivable.

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March			As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Prepayments	[196]	[2,222]	[5,560]	6,397
Deposits and other receivables	[4,154]	[2,784]	[7,279]	[8,245]
	[4,350]	[5,006]	[12,839]	14,642

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

20. CASH AND CASH EQUIVALENTS

	As at 31 March			As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash and bank balances	[9,453]	[32,661]	[43,975]	[8,787]
Time deposits	[14,804]	[22,640]	[1,365]	[–]
	[24,257]	[55,301]	[45,340]	[8,787]

At 31 March 2006, 2007 and 2008, and 31 August 2008, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to HK$[11,872,000], HK$[23,909,000], HK$[11,832,000] and HK$[3,956,000], respectively. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

21. TRADE, OTHER PAYABLES AND ACCRUALS

	As at 31 March			As at 31 August
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales receipts in advance	[80,526]	[40,606]	[–]	[–]
Rental deposits received	[285]	[358]	[406]	[364]
Trade and other payables	[768]	[3,110]	[3,790]	[5,940]
Accrued liabilities	[5,480]	[2,481]	[8,307]	[8,206]
	[87,059]	[46,555]	[12,503]	[14,510]

Trade and other payables are non-interest-bearing and have an average term of three months.

22. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate	Maturity	31 March			As at 31 August
			2006	2007	2008	2008
	(%)		*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Current						
Bank loans – secured	[5.5 – 9.25]	[Within 1 year]	[225,541]	[218,963]	[39,014]	[45,800]
Trust receipt loans – secured	[3.75 – 8.25]	[Within 1 year]	[8,179]	[64,440]	[81,711]	[55,240]
Current portion of long term bank loans – secured	[2.45 – 5.03]	[2016 – 2018]	[–]	[363]	[909]	[747]
			[233,720]	[283,766]	[121,634]	[101,787]
Non-current						
Long term bank loans – secured	[2.45 – 5.03]	[2016 – 2018]	[–]	[3,952]	[8,009]	[7,762]
			[233,720]	[287,718]	[129,643]	[109,549]
Repayable:						
Within one year or on demand			[233,720]	[283,766]	[121,634]	[101,787]
In the second year			[–]	[446]	[941]	[785]
In the third to fifth years, inclusive			[–]	[1,428]	[2,970]	[2,577]
Beyond five years			[–]	[2,078]	[4,098]	[4,400]
			[233,720]	[287,718]	[129,643]	[109,549]

Notes:

The Group's bank borrowings are secured by:

(i) mortgages over the Group's land and buildings situated in Hong Kong with aggregate carrying values of [HK$7,200,000], [HK$8,300,000], [HK$20,220,000] and HK$[17,300,000] as at 31 March 2006, 2007 and 2008 and 31 August 2008, respectively (note 13);

(ii) mortgages over the Group's investment properties situated in Hong Kong with aggregate carrying values of [HK$19,000,000], [HK$29,900,000], [HK$38,070,000] and HK$[31,200,000] as at 31 March 2006, 2007 and 2008 and 31 August 2008, respectively (note 14);

(iii) floating charges over all of the Group's inventories as at 31 March 2006, 2007 and 2008 and 31 August 2008 (note 17);

(iv) certain properties of a director of the Company and certain related companies controlled by that director;

(v) unlimited cross guarantees by certain related companies controlled by that director; and

(vi) unlimited guarantees by a director of the Company.

[Applications have been made to and consent has been obtained from the bankers in respect of items (iv) to (vi) above to be released upon the listing of the Company's shares on the Hong Kong Stock Exchange and replaced by corporate guarantees and/or other security to be provided by the Group].

The Group's bank borrowings as at 31 March 2006, 2007 and 2008 and 31 August 2008 were denominated in the following currencies:

		As at 31 March		As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
United States dollar	[171,095]	[226,830]	[89,730]	[67,531]
Hong Kong dollar	[3,741]	[10,328]	[9,946]	[8,508]
Thai Baht	[58,884]	[46,502]	[–]	[–]
Renminbi	[–]	[4,058]	[29,967]	[33,510]
	[233,720]	[287,718]	[129,643]	[109,549]

The carrying amounts of the interest-bearing bank borrowings approximate to their fair values. The fair value of the interest-bearing bank borrowings has been calculated by discounting the expected future cash flows at the prevailing interest rates.

23. FINANCE LEASE PAYABLE

The Group leases one of its motor vehicles under a finance lease agreement. The lease is classified as a finance lease repayable by [36] monthly instalments and has a remaining lease term of [11] months as at 31 August 2008.

At 31 March 2006, 2007 and 2008 and 31 August 2008, the total future minimum lease payments under a finance lease and their present values were as follows:

	Minimum lease payments As at 31 March			As at 31 August	Present value of minimum lease payments As at 31 March			As at 31 August
	2006	2007	2008	2008	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts payable:								
Within one year	[–]	[142]	[142]	[127]	[–]	[128]	[128]	[115]
In the second year	[–]	[142]	[44]	[–]	[–]	[128]	[40]	[–]
In the third to fifth years, inclusive	[–]	[44]	[–]	[–]	[–]	[40]	[–]	–
Total minimum finance lease payments	[–]	[328]	[186]	[127]	[–]	[296]	[168]	[115]
Future finance charges	[–]	[(32)]	[(18)]	[(12)]				
Total net finance lease payables	[–]	[296]	[168]	[115]				
Portion classified as current liabilities	[–]	[(128)]	[(128)]	[(115)]				
Non-current portion	[–]	[168]	[40]	[–]				

The finance lease arrangement bears interest at a fixed rate and its carrying amount approximates to its fair value.

24. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax liabilities

	Revaluation of properties	Depreciation allowance in excess of related depreciation	Losses available for offset against future taxable profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2005	[1,978]	[189]	[–]	[2,167]
Deferred tax charged/(credited) to the income statement during the year *(note 10)*	[186]	[52]	[(12)]	[226]
Deferred tax charged to asset revaluation reserve during the year	[75]	[–]	[–]	[75]
At 31 March 2006 and 1 April 2006	[2,239]	[241]	[(12)]	[2,468]
Deferred tax charged/(credited) to the income statement during the year *(note 10)*	[586]	[86]	[(25)]	[647]
Deferred tax charged to asset revaluation reserve during the year	[198]	[–]	[–]	[198]
At 31 March 2007 and 1 April 2007	[3,023]	[327]	[(37)]	[3,313]
Deferred tax charged/(credited) to the income statement during the year *(note 10)*	[1,587]	[99]	[(14)]	[1,672]
Deferred tax charged to asset revaluation reserve during the year	[545]	[–]	[–]	[545]
At 31 March 2008 and 1 April 2008	[5,155]	[426]	[(51)]	[5,530]
Deferred tax credited to the income statement during the period *(note 10)*	[(1,327)]	[(86)]	–	[(1,413)]
Deferred tax charged to asset revaluation reserve during the period	[(495)]	[–]	[–]	[(495)]
At 31 August 2008	[3,333]	[340]	[(51)]	[3,622]

Deferred tax assets

	Stock provision	Losses available for offset against future taxable profits	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2005	[(3,714)]	[–]	[(3,714)]
Deferred tax charged/(credited) to the income statement during the year *(note 10)*	[–]	[(415)]	[(415)]
At 31 March 2006 and 1 April 2006	[(3,714)]	[(415)]	[(4,129)]
Deferred tax charged/(credited) to the income statement during the year *(note 10)*	[–]	[–]	[–]
At 31 March 2007 and 1 April 2007	[(3,714)]	[(415)]	[(4,129)]
Deferred tax credited to the income statement during the year *(note 10)*	[3,714]	[(5,190)]	[(1,476)]
At 31 March 2008 and 1 April 2008	[–]	[(5,605)]	[(5,605)]
Deferred tax charged/(credited) to the income statement during the period *(note 10)*	[–]	[2,760]	[2,760]
Exchange realignment	[–]	[(70)]	[(70)]
At 31 August 2008	[–]	[(2,915)]	[(2,915)]

There was no significant unrecognised deferred tax liability as at the respective balance sheet dates.

There are no income tax consequences attaching to the payment of dividends by the Group to its shareholders.

25. SHARE CAPITAL

For the purpose of this report, share capital in the combined balance sheets as at 31 March 2006, 2007 and 2008 and 31 August 2008 represented the aggregate amount of paid-in capital/issued share capital of the companies now comprising the Group.

The Company was incorporated in the Cayman Islands on 8 May 2008. As at the date of incorporation of the Company, its authorised share capital was HK$[380,000] divided into 3,800,000 ordinary shares of HK$[0.10] each. On 8 May 2008, [one nil-paid] subscriber's share had been allotted and issued to [Codan Trust Company (Cayman) Limited], the initial subscriber of the Company, which was then transferred to AR Management on the same date.

26. RESERVES

The movements in the Group's reserves for the Relevant Periods are presented in the combined statements of changes in equity on pages 14 to 16 of the Accountant's Report.

27. NOTES TO THE COMBINED CASH FLOW STATEMENT

(i) During the year ended 31 March 2007, the Group entered into a finance lease arrangement in respect of the acquisition of a motor vehicle with a total capital value at the inception of HK$385,000 (note 23).

(ii) During the year ended 31 March 2007, the Group reinvested dividend income of HK$4,464,000 into an unlisted available-for-sale investment.

(iii) During the years ended 31 March 2007 and 2008, dividends distributed by certain subsidiaries of the Group of HK$22,000,000 and HK$75,000,000, respectively, were payable to the then shareholder of the subsidiaries and were set off against the amount due from a director (note 11).

(iv) During the year ended 31 March 2008, the Group acquired an investment property situated in Mainland China from a director of the Company at a consideration of HK$10,129,000 (note 31(a)). The consideration was set off against the amount due from such director.

28. COMMITMENTS

At 31 March 2006, 2007 and 2008 and 31 August 2008, the Group had the following commitments:

		As at 31 March		As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Credit commitments				
Letters of credit issued but not utilised	[14,700]	[38,200]	[10,300]	[–]

29. CONTINGENT LIABILITIES

During the Relevant Periods, certain of the Group's banking facilities amounting to approximately HK$[134] million were shared between the Group and Artwell Cotton Limited ("Artwell Cotton"), a company controlled by a director of the Company. These banking facilities were secured by, inter alia, cross corporate guarantees given by Artwell Cotton and the Group. No banking facility was utilised by Artwell Cotton as at 31 March 2006, 2007 and 2008 and 31 August 2008. [Subsequent to 31 August 2008, the cross guarantees given by the Group in favour of Artwell Cotton and the arrangement to share the banking facilities between the Group and Artwell Cotton have been released.]

Save as disclosed above, as at 31 March 2006, 2007 and 2008 and 31 August 2008, the Group did not have any other significant contingent liabilities.

30. OPERATING LEASE ARRANGEMENTS

(a) As lessor

At 31 March 2006, 2007 and 2008 and 31 August 2008, the Group leases its investment properties (note 14 to the Financial Information) under operating lease arrangements, with leases negotiated for terms ranging from [one] to [three] years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 March 2006, 2007 and 2008 and 31 August 2008, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 31 March			As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	[861]	[856]	[1,573]	[4,283]
In the second to fifth years, inclusive	[342]	[690]	[721]	[623]
	[1,203]	[1,546]	[2,294]	[4,906]

(b) As lessee

At 31 March 2006, 2007 and 2008 and 31 August 2008, the Group leases certain of its office properties and warehouses under operating lease arrangements. Leases for properties are negotiated for terms ranging from [one] to [three] years.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 31 March			As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	[785]	[835]	[4,375]	[2,039]
In the second to fifth years, inclusive	[202]	[152]	[7,163]	[2,423]
	[987]	[987]	[11,538]	[4,462]

The operating lease rentals of certain warehouses are based on the higher of a fixed rental or contingent rent based on the volume of inventories handled in the warehouses pursuant to the terms and conditions as set out in the respective rental agreements. As the future handling volume of warehouses could not be estimated reliably, the relevant contingent rent has not been included above and only the minimum lease commitment has been included in the above table.

31. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions forming part of the Reorganisation detailed in Appendix [V] to the Document and other transactions detailed elsewhere in this Financial Information, the Group had the following material transactions with related parties during the Relevant Periods:

		Year ended 31 March			Five-month period ended 31 August	
		2006	**2007**	**2008**	**2007**	**2008**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Management fee income from Artwell Cotton Limited*	*(i)*	[1,800]	[1,800]	[1,800]	[750]	[–]
Interest income received from Alther Limited*	*(ii)*	[–]	[–]	[5,000]	[1,704]	[–]
Freight handling fees paid to Artwell Transportation Limited*	*(iii)*	[–]	[400]	[386]	[33]	[–]
Consideration received on disposal of an investment property to Alpha Concord Investments Limited*	*(iv)*	[–]	[–]	[965]	[–]	[–]
Consideration paid on acquisition of an investment property from Mr. Chu Ming Chuan#	*(iv)*	[–]	[–]	[10,129]	[–]	[–]
Management fees paid to 濟南雅新房地產開發有限公司*	*(v)*	[–]	[–]	[740]	[287]	[–]
Rental expenses paid to Rizhao Artwell International Hotel Co. Ltd. (日照雅禾國際大酒店有限公司)*	*(vi)*	[125]	[122]	[133]	[52]	[57]
Performance bonus paid to Ms. Ng Nai Na^	*(vii)*	[1,083]	[–]	[–]	[–]	[–]

\# *Mr. Chu Ming Chuan is the chairman of the Board of Directors and the controlling shareholder of the Group.*

^ *Ms. Ng Nai Na is the spouse of Mr. Chu Ming Chuan.*

* *Mr. Chu Ming Chuan is the controlling shareholder of these related companies.*

Notes:

(i) [The management for the provision of certain administrative services and the sharing of office was mutually agreed between both parties with reference to actual costs incurred. Pursuant to the termination agreement dated 1 April 2008, the Group ceased to provide the above services to Artwell Cotton Limited and no management fee was received from Artwell Cotton thereafter.]

(ii) [The interest was charged at 8% above the prime rate per annum quoted by the People's Bank of China on the outstanding amount due from a related company for the year ended 31 March 2008. No interest was charged to such related company during the years ended 31 March 2006 and 2007.] Have the interest been charged to this related company and determined based on the above, the amounts would have been HK$[398,000] and HK$[1,983,000] during the years ended 31 March 2006 and 2007, respectively. The Group ceased to charge such interest income from this related company commencing on 1 April 2008.

(iii) [The freight handling fees in relation to the transportation of dried cassava chips were charged with reference to the actual overhead costs incurred. Commencing from 1 April 2008, the freight arrangement is handled by the Group and no freight handling fees were paid to Artwell Transportation Limited.]

(iv) [The consideration was based on fair market value appraised by independent professionally qualified valuers.]

(v) [The management fee for the provision of administrative services was mainly based on actual staff costs incurred. Commencing from 1 April 2008, the Group employed its own staff for such administrative services and no management fee was paid to 濟南雅新房地產開發有限公司 thereafter.]

(vi) [The rental expenses were determined based on prevailing market rent.]

(vii) [The performance bonus paid related to the sale of properties of the Group arranged by a member of the Group's staff, who is the spouse of Mr. Chu Ming Chuan, was determined by the Group at its sole discretion with reference to the transaction value.]

(b) Outstanding balances with related parties:

	As at 31 March			As at 31 August
	2006	2007	2008	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Due from a director:				
Mr. Chu Ming Chuan	[52,479]	[45,692]	[–]	26,622
Due from related companies*:				
Alpha Concord Investments Limited	[320]	[–]	[1,301]	[1,362]
A Luck Limited (formerly A-Lush Limited)	[–]	[279]	[3,104]	[5,526]
Artwell Cotton Limited	[–]	[1,455]	[3,001]	3,208
Artwell Transportation Limited	[–]	[1,172]	[120]	[188]
Alther Limited	[1,859]	[–]	[30,129]	[27,510]
Jinan Yahe Textile Works Co., Ltd. (濟南雅禾紡織廠有限公司)	[77]	[81]	[89]	[90]
濟南雅新房地產開發有限公司	[3,968]	[23,944]	[–]	[–]
Rizhao Artwell International Hotel Co. Ltd. (日照雅禾國際大酒店有限公司)	[366]	[546]	[597]	[551]
Lianyungang Yafa Enterprise Co., Ltd. (連雲港雅發實業有限公司)	[10]	[10]	[–]	[11]
Fujian Artwell Houseware Co., Ltd.	[964]	[5,580]	[5,550]	[5,650]
山東雅禾紡織股份有限公司	[59]	[64]	[70]	[–]
	[7,623]	[33,131]	[43,961]	[44,096]
Due to a director:				
Mr. Chu Ming Chuan	[–]	[–]	[12,085]	[–]
Due to related companies*:				
A Luck Limited (formerly A-Lush Limited)	[4,488]	[–]	[–]	[–]
Artwell Cotton Limited	[571]	[–]	[–]	[–]
濟南雅新房地產開發有限公司	[–]	[–]	[740]	[753]
	[5,059]	[–]	[740]	[753]

* *A director of the Company is the controlling shareholder of these related companies.*

	Maximum amount outstanding			
	Year ended 31 March			Five-month period ended 31 August
	2006	2007	2008	2008
	HK$'000	HK$'000	HK$'000	HK$'000
Due from a director:				
Mr. Chu Ming Chuan	[80,284]	[61,412]	[40,325]	26,622
Due from related companies:				
Alpha Concord Investments Limited	[320]	[320]	[1,301]	[1,362]
A Luck Limited (formerly A-Lush Limited)	[–]	[280]	[3,104]	[5,432]
Artwell Cotton Limited	[–]	[–]	[4,904]	3,208
Artwell Transportation Limited	[–]	[1,889]	[619]	[188]
Alther Limited	[1,859]	[1,859]	[30,129]	[30,129]
Jinan Yahe Textile Works Co., Ltd. (濟南雅禾紡織廠有限公司)	[77]	[81]	[89]	[90]
濟南雅新房地產開發有限公司	[3,968]	[24,560]	[41,060]	[–]
Rizhao Artwell International Hotel Co. Ltd. (日照雅禾國際大酒店有限公司)	[482]	[546]	[597]	[597]
Lianyungang Yafa Enterprise Co., Ltd. (連雲港雅發實業有限公司)	[10]	[10]	[10]	[11]
Fujian Artwell Houseware Co., Ltd.	[964]	[5,580]	[6,104]	[5,650]
山東雅禾紡織股份有限公司	[61]	[64]	[70]	[70]

The balance with a director, who is also the beneficial controlling shareholder of the Company, is non-trade in nature, unsecured, interest-free and repayable on demand. The balances included net cash advances made between the Group and the director and various payments made by the Group on behalf of the director, including the entire portion of listing expenses agreed to be borne by the director of approximately HK$9,879,000 as at 31 August 2008 (31 March 2006, 2007 and 2008: Nil).

All balances are with the related companies, non-trade in nature, unsecured, interest-free and repayable on demand except for the balance with Alther Limited as at 31 March 2008, which bore interest at 8% per annum above the prime rate quoted by the People's Bank of China.

[The balances with related companies and the director as at 31 August 2008 were fully settled subsequent to 31 August 2008.]

(c) Compensation of key management personnel of the Group:

	Year ended 31 March			Five-month period ended 31 August	
	2006	2007	2008	2007	2008
	HK$'000	HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Short term employee benefits	[1,904]	[2,070]	[1,430]	[678]	[710]
Post-employment benefits	[48]	[48]	[48]	[20]	[20]
Total compensation paid to key management personnel	[1,952]	[2,118]	[1,478]	[698]	[730]

32. CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

[During the Relevant Periods, the Group had the following connected and continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.]

(i) Continuing connected transactions

As at 26 March 2008, Art Rich, a subsidiary of the Group, had entered into a loan agreement and a share pledge agreement with Mr. Aja Saepaan ("Mr. Aja"), whose registered interests in Global Property Connection Co. Ltd ("Global Property") represent 51% of the total issued share capital of Global Property. Art Rich, pursuant to the loan agreement, had lent fund to Mr. Aja to invest in Global Property, and as security for the repayment of his loan owed to Art Rich, Mr. Aja had agreed to pledge his shares in Global Property in favour of Art Rich, by virtue of which, Art Rich could enforce the share pledge in an event of default in the loan repayment. Further, pursuant to the loan agreement, upon demand of repayment, Art Rich has the right at its sole discretion to demand and effect the transfer of the shares so pledged by Mr. Aja to Art Rich or its designated person at a consideration equal to the loan amount.

Mr. Aja had also entered into a letter of undertaking with Art Rich whereby Mr. Aja had undertaken, among other things, to assign and direct all dividends and special distribution paid and payable by Global Property in relation to his shares in Global Property, and all distribution of assets made or to be made by Global Property in relation to his shares in Global Property, solely to Art Rich.

Apart from the above, the related party transactions in respect of item (vi) set out in note 31(a) above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(ii) [Discontinued connected transactions]

The related party transactions in respect of items (i), (ii), (iii), (iv), (v) and (vii) set out in note 31(a) above also constitute discontinued connected transactions as defined in Chapter 14A of the Listing Rules.

33. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Except for the Group's available-for-sale investment which is categorised as available-for-sale financial asset, all the Group's financial assets as at 31 March 2006, 2007 and 2008 and 31 August 2008, including bills receivable, deposits and other receivables, amounts due from a director, amount due from related companies and cash and cash equivalents are categorised as loans and receivables.

Financial liabilities

All the Group's financial liabilities as at 31 March 2006, 2007 and 2008 and 31 August 2008, including other payables, a finance lease payable, amounts due to related companies, amount due to a director and interest-bearing bank borrowings are categorised as financial liabilities at amortised cost.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets and liabilities such as bills receivable, which arise directly from its operations.

It is, and has been, throughout the Relevant Periods, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from revenue or expenses of operating units in currencies other than the units' functional currency. The Group's monetary assets, financing and transactions are principally denominated in Hong Kong dollars, United States dollars ("US$"), Thai Baht ("THB") and RMB. The Group is exposed to the foreign exchange risk arising from changes in the exchange rate of US$ against THB/RMB. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arises.

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the THB and RMB exchange rates, with all other variables held constant, of the Group's profit before tax and equity (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in RMB/THB rate	**Increase/ (decease) in profit before tax**	**Increase/ (decrease) in equity**
	%	*HK$'000*	*HK$'000*
Five-month period ended 31 August 2008			
If Hong Kong dollar weakens against RMB	[1%]	[2]	[232]
If Hong Kong dollar strengthens against RMB	[(1%)]	[(2)]	[(230)]
If Hong Kong dollar weakens against THB	[1%]	[112]	[169]
If Hong Kong dollar strengthens against THB	[(1%)]	[(112)]	[(168)]
Year ended 31 March 2008			
If Hong Kong dollar weakens against RMB	[1%]	[153]	[268]
If Hong Kong dollar strengthens against RMB	[(1%)]	[(151)]	[(265)]
If Hong Kong dollar weakens against THB	[1%]	[55]	[87]
If Hong Kong dollar strengthens against THB	[(1%)]	[(55)]	[(87)]
Year ended 31 March 2007			
If Hong Kong dollar weakens against RMB	[1%]	[69]	[154]
If Hong Kong dollar strengthens against RMB	[(1%)]	[(68)]	[(152)]
If Hong Kong dollar weakens against THB	[1%]	[113]	[114]
If Hong Kong dollar strengthens against THB	[(1%)]	[(112)]	[(113)]
Year ended 31 March 2006			
If Hong Kong dollar weakens against RMB	[1%]	[11]	[36]
If Hong Kong dollar strengthens against RMB	[(1%)]	[(11)]	[(36)]
If Hong Kong dollar weakens against THB	[1%]	[426]	[377]
If Hong Kong dollar strengthens against THB	[(1%)]	[(422)]	[(374)]

(ii) Credit risk

The Group trades only with creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. All customers who wish to trade with the Group need to provide the Group with irrecoverable letters of credit issued by reputable banks or by cash on delivery. Credit limits are set for individual customers. As such, the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, an available-for-sale financial asset, deposits and other receivables, amounts due to a director and amount due to related companies, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

(iii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group has no specific policy to deal with the cash flow interest rate risk. However, management monitors the exposure and will consider appropriate hedging measures in the future should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) interest rate	**Increase/ (decease) in profit before tax**	**Increase/ (decrease) in equity**
	%	*HK$'000*	*HK$'000*
Five-month period ended 31 August 2008			
[Hong Kong dollar]	[1%]	(869)	(726)
[Hong Kong dollar]	[(1%)]	869	726
[THB]	[1%]	(54)	(38)
[THB]	[(1%)]	54	38
Year ended 31 March 2008			
[Hong Kong dollar]	[1%]	(1,425)	(1,176)
[Hong Kong dollar]	[(1%)]	1,425	1,176
[THB]	[1%]	(232)	(162)
[THB]	[(1%)]	232	162
Year ended 31 March 2007			
[Hong Kong dollar]	[1%]	(1,653)	(1,364)
[Hong Kong dollar]	[(1%)]	1,653	1,364
[THB]	[1%]	(527)	(369)
[THB]	[(1%)]	527	369
Year ended 31 March 2006			
[Hong Kong dollar]	[1%]	(1,093)	(902)
[Hong Kong dollar]	[(1%)]	1,093	902
[THB]	[1%]	(493)	(345)
[THB]	[(1%)]	493	345

(iv) Liquidity risk

The Group monitors its risk to a shortage of funds by considering the maturity of both its financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings to meet its working capital requirements.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2006, 2007 and 2008 and 31 August 2008 based on contractual undiscounted payments.

31 March 2006	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Beyond 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest-bearing bank borrowings	[–]	[233,720]	[–]	[–]	–	[233,720]
Trade and other payables	[–]	[768]	[–]	[–]	–	[768]
Due to related companies	[5,059]	[–]	[–]	[–]	–	[5,059]
	[5,059]	[234,488]	[–]	[–]	–	[239,547]

31 March 2007	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Beyond 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Finance lease payable	[–]	[35]	[105]	[188]	–	[328]
Interest-bearing bank borrowings	[–]	[283,766]	[–]	[2,759]	[1,659]	[288,184]
Trade and other payables	[–]	[3,110]	[–]	[–]	–	[3,110]
	[–]	[286,911]	[105]	[2,947]	[1,659]	[291,622]

31 March 2008	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Beyond 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Finance lease payable	[–]	[35]	[105]	[46]	–	[186]
Interest-bearing bank borrowings	[–]	[121,634]	[–]	[5,634]	[3,358]	[130,626]
Trade and other payables	[–]	[3,790]	[–]	[–]	–	[3,790]
Due to a director	[12,085]	[–]	[–]	[–]	–	[12,085]
	[12,085]	[125,459]	[105]	[5,680]	[3,358]	[146,687]

31 August 2008	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Beyond 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Finance lease payable	[–]	[35]	[79]	–	–	[114]
Interest-bearing bank borrowings	[–]	[101,787]	[–]	[3,914]	[4,555]	[110,256]
Trade and other payables	[–]	[5,940]	[–]	[–]	[–]	[5,940]
	[–]	[107,762]	[79]	[3,914]	[4,555]	[116,310]

(v) Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratio in order to support its business. The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives or policies during the Relevant Periods.

The Group monitors capital on the basis of the net debt-to-equity ratio. The net debt including interest-bearing bank borrowings, less cash and cash equivalents. The debt-to-equity ratios as at 31 March 2006, 2007 and 2008 and 31 August 2008 were as follows:

	As at 31 March			As at 31 August
	2006	**2007**	**2008**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Interest-bearing bank borrowings	[233,720]	[287,718]	[129,643]	[109,549]
Less: Cash and cash equivalents	[(24,257)]	[(55,301)]	[(45,340)]	[(8,787)]
Net debt	[209,463]	[232,417]	[84,303]	[100,762]
Total equity	[31,178]	[44,170]	[77,526]	[80,572]
Debt-to-equity ratio	[6.7]	[5.3]	[1.1]	[1.3]

35. NET ASSETS OF THE COMPANY

[The Company was incorporated on 8 May 2008. As at 31 August 2008, the Company had no assets and liabilities. Pursuant to the Group Reorganisation, the Company became the holding company of the Group on [●] 2009.

36. DIRECTORS' REMUNERATION

[Save as disclosed herein, no remuneration has been paid or is payable in respect of any of the Relevant Periods by the Company, or any of the other companies now comprising the Group, to the directors of the Company. Under the arrangements currently in force, the estimated amount of directors' fees and other remuneration payable to the directors of the Company for the year ending 31 March 2009 will be approximately HK$[2,000,000], excluding discretionary bonuses payable under the directors' service contracts. Further details of the directors' service contracts are set out in the paragraph headed ["Particulars of service contracts"] in Appendix [V] to the Document.]

III. SUBSEQUENT EVENTS

Subsequent to 31 August 2008, the following events occurred:

(a) Pursuant to the written resolutions of the sole shareholder passed on [●] 2009, the authorised share capital of the Company was increased from HK$[380,000] to HK$200,000,000 by the creation of additional 1,996,200,000 ordinary shares.

On [●] 2009, in consideration of the transfer of the entire share capital of Alternative View from AR Management to the Company, the Company allotted and issued 99,999,999 ordinary shares to AR Management.

(b) On [●] 2009 the companies now comprising the Group underwent a reorganisation in preparation for the listing of the Company's shares on The Hong Kong Stock Exchange. Further details of the Group Reorganisation are set out in Appendix [V] to the Document.

Save as aforesaid, no other significant events took place subsequent to 31 August 2008.

IV. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 August 2008.]

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong