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Asia Cassava Resources Holdings Limited
亞洲木薯資源控股有限公司

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 841)

Annual Report 2010

Contents

Chairman's Statement

CHU Ming Chuan
Chairman

Dear Shareholders,

For the year ended 31 March 2010 (the "Current Year"), with the efforts and contribution of our management and all of our staff members, as well as the support from all business partners, and by fully utilizing the funds raised from listing and the subsequent placing appropriately to establish two new warehouses in Thailand and Cambodia and to strengthen the provision for liquidity, we have substantially enhanced our ability of procuring dried cassava chips. In addition, the strong demand of dried cassava chips from our customers in the People's Republic of China (the "PRC") during the Current Year has driven a rapid growth in business for the Group, thus achieving outstanding results.

During the Current Year, the Group recorded accumulative sales of dried cassava chips of approximately 1,480,000 tonnes, more than double compared to approximately 735,000 tonnes in the corresponding period last year. The Group has been comfortably occupying the leading position in respect of the sales of Thai dried cassava chips to the PRC, with a persistent growth in its market share. During the Current Year, the Group achieved sales revenue of approximately HK$2 billion, a growth of more than double compared to approximately HK$910 million in the corresponding period last year; and the profit attributable to the shareholders of the Company was approximately HK$100.33 million, which also doubled that of the corresponding period last year.

Earnings per share of the Current Year were approximately HK31 cents. The Board recommends the payment of a final dividend of HK6 cents per share to reward the shareholders for their support.

The Group is the largest procurer and exporter of dried cassava chips in Thailand, and is the largest supplier of dried cassava chips sold in the PRC. The dried cassava chips imported to the PRC are mainly used for the production of ethanol, which is further used for producing Chinese white wine, chemical products and ethanol fuel using non-grain feedstock, so the market demand for dried cassava chips shows a strong growth.

Thailand is the largest exporting country of cassava chips in the world while the PRC is the largest importing country of the same. Being the leader of the cassava chips industry in the PRC and Thailand, the Group was among the first to introduce cassava chips to the PRC, and has secured the leading position in the market. From 2001 to 2009, the Group was the largest procurer and exporter of dried cassava chips in Thailand. The Group's market share in Thai dried cassava chips market has increased persistently, reflecting the Group's competitive advantage in influencing product pricing.

Especially for the production of ethanol fuel using non-grain feedstock, as encouraged by the PRC's policy of "non-competition for grain with people and non-competition for harvest land with grain"《不與民爭糧，不與糧爭地》, according to《可再生能源中長期發展規劃》("The Mid– and Long-term Development Plan For Renewable Energy") in August 2007, the PRC will cease to increase the production capacity of ethanol fuel using grain feedstock, and targets to increase the annual production capacity of ethanol fuel using non-grain feedstock by 1 million tonnes per annum and up to 10 million tonnes by 2020. During the Current Year, the Group's sales of dried cassava chips to ethanol fuel producers and other industry players amounted to approximately 350,000 tonnes, representing a year-on-year growth of over 115%, fully demonstrating the leading status of the Group in the market of ethanol fuel produced by non-grain feedstock.

Chairman's Statement

The Group's one-stop service includes sourcing dried cassava chips from the Southeast Asian regions (such as Thailand), processing, storage and warehousing, shipping arrangement, and delivery and logistics, and supplies its products under the "Artwell" brand in the PRC. The Group also enjoys the following advantages:

(1) ***Advantages in procuring and exporting in Thailand*** — The Group has pioneered the "365-day open door policy", which guarantees the procurement of cassava chips at open market prices with payments settled in cash throughout the year, thus enabling us to secure a stable procuring network. The Group has more than 200 suppliers across Thailand, and has also entered into long-term supply contracts with a major supplier. The Group has also expanded into upstream processing operations, and operates an exclusive drying yard of nearly 80,000 square meters, which enables the Group to increase its purchasing volume as well as enhancing its operational efficiency;

(2) ***Advantages in logistics and shipments*** — During the Current Year, the Group has explored new purchasing points through establishing new warehouses in Northeast Thailand and Cambodia respectively, enabling the Group to expand its purchasing network and broaden the supply source of cassava. To date, total storage capacity for the Group's warehouses in Thailand and Cambodia increased to approximately 215,000 tonnes of dried cassava chips. The Group's major warehouses are all conveniently located in the vicinity of the ports facilitating sea shipments. One of the warehouses is equipped with the only conveyor belt for loading dried cassava chips in Thailand of 3 kilometers long, which enables the loading of dried cassava chips directly from the warehouses to the vessels. This significantly shortens the lead time for cargo readiness and reduces losses in weight of its products. In addition, with its persistent large-scaled shipment volume, the Group is able to employ vessels of various capacities, which creates an advantage for the Group when bargaining shipping terms with vessel operators. During the Current Year, Baltic Dry Index has doubled, however, the Group's average freight cost per unit only increased slightly by approximately 6%, revealing the Group's advantages in logistics and shipment. During the Current Year, the Group acquired a vessel with a carrying capacity of approximately 43,500 metric tonnes. The vessel was put into operation since June 2010, which has enhanced our transportation capability, and increased our flexibility in transportation, also enhancing the synergy between self-owned and chartered vessels, so further reducing our shipping costs. Consequently we can achieve better efficiency and flexibility in logistics arrangement and will be less dependent on existing carriers which are chartered from other independent third parties; and

(3) ***Advantages in sales in the PRC and customer services*** — the Group is the largest supplier of imported cassava chips in the PRC, its brand name "*Artwell*" continues to enjoy high reputation in the PRC's cassava industry. The Group consistently executes stringent quality control standards from procuring to loading dried cassava chips, earning consumer confidence and trust. The Group has been expanding its sales network, and has stable cornerstone clients including Henan Tianguan, one of the top four authorized ethanol fuel producers in the PRC, as well as some listed companies in Hong Kong.

Looking ahead, driven by the favorable state policy to promote ethanol fuel industry reform and to encourage ethanol fuel production with non-grain feedstock such as cassava, the Group is dedicated to improve its integrated business model to actively expand its operation scale, accelerate its pace of growth and to generate larger synergy, so as to further improve its profitability and strengthen its market leading position.

In terms of developing its upstream operations, the Group will set up warehouses and drying yards in the major cassava plantation areas in Thailand, expand its procurement network to secure more cassava supply sources. Meanwhile, referencing to its successful business model in Thailand, the Group will set up procurement network and logistics facilities in South East countries such as Cambodia and Laos in order to capitalize the huge development potentials of producing and procuring cassava in those regions. In terms of developing its sales network in the PRC, the Group will expand its sales network coverage to southern and southwestern China, and will increase its marketing and brand promotion efforts in eastern and central China, thus to strengthen the Group's leading position in the PRC's cassava industry. In terms of logistics, the Group's transporting vessel was put into service since June 2010. Leveraging on its enhanced transportation capability, the Group will be able to reduce its shipping costs and achieve better efficiency in logistics arrangement, and will be less dependent on existing carriers which are chartered from other independent third parties.

In addition, the appreciation of RMB against other foreign currencies has driven the import business of customers in the PRC and benefited the Group in terms of sales growth. During the Current Year, the PRC started to implement the "settlement with Renminbi ("RMB") in trading with ASEAN countries (東盟國家人民幣貿易結匯)" in this year, enabling the Group to have greater flexibility in using RMB as transactional currency for procurement of dried cassava chips with suppliers in ASEAN countries, including Thailand, Vietnam, Cambodia and Laos, and for sales to customers in the PRC. In December 2009, the Group was granted an award of "pioneer" from Bank of China (Hong Kong) Limited, honoring our active participation in this aspect.

Summing up and looking ahead to the future, on behalf of the Board, I would like to express my sincere appreciation to our Shareholders, business partners, management and staff members for their tremendous contributions to the Group in the past year. The Group will continue to strive to improve its profitability and create greater value to our Shareholders.

CHU Ming Chuan
Chairman of the Board

Hong Kong
26 July 2010

Management Discussion and Analysis

During the year, the Group was principally engaged in procurement of dried cassava chips in Southeast Asian countries, including Thailand and sales of dried cassava chips, to customers in the People's Republic of China (the "PRC"). The Group had remained the largest procurer and exporter of dried cassava chips in Thailand and the largest supplier of imported dried cassava chips in the PRC with an all-round integrated business model covering procurement, processing, warehousing, logistics and sale of dried cassava chips.

The Group's revenue amounted to approximately HK$1,997.1 million for the year ended 31 March 2010 (the "Current Year"), representing an increase of approximately 117% from approximately HK$919.3 million for the previous year with approximately 1,480,000 tonnes of dried cassava chips sold during the Current Year, representing a 101% increase from approximately 735,000 tonnes for the previous year. The Group had maintained its leading position in the PRC as the largest supplier of imported dried cassava chips with a persistent increase in our market share for the Current Year. The Group's sales of dried cassava chips to the companies in ethanol fuel industry increased from approximately 163,000 tonnes for the previous year to approximately 350,000 tonnes for the Current Year, representing a significant growth of approximately 115%.

The Group's profit for the Current Year amounted to approximately HK$100.3 million, representing a 101% increase from approximately HK$50.0 million for the previous year.

Revenue

Revenue of the Group increased by approximately HK$1,077.8 million or approximately 117% from approximately HK$919.3 million to approximately HK$1,997.1 million in the Current Year, mainly due to:

(i) The increase in sales volume of approximately 101% from approximately 735,000 tonnes for the previous year to approximately 1,480,000 tonnes for the Current Year which was mainly attributable to the increasing demand from the Group's PRC customers including those engaging in production of ethanol fuel. The Group's sales of dried cassava chips to the companies in ethanol fuel industry increased from approximately 163,000 tonnes for the previous year to approximately 350,000 tonnes for the Current Year, representing a significant growth of approximately 115%; and

(ii) The increase in average selling price of approximately 8% from approximately US$160 per tonne for the previous year to approximately US$173 per tonne for the Current Year.

The Group had maintained its leading position in the PRC as the largest supplier of imported dried cassava chips with a persistent increase in our market share for the Current Year.

Management Discussion and Analysis

Gross profit and gross profit margin

Cost of sales of the Group, representing the cost of dried cassava chips, increased by approximately HK$902.6 million, or approximately 124%, from approximately HK$730.5 million for the previous year to approximately HK$1,633.1 million in the Current Year, mainly due to (i) the increase in sales volume by approximately 101% and (ii) the increase in average unit cost of dried cassava chips by approximately 12% in the Current Year.

Gross profit of the Group increased by approximately HK$175.3 million, or approximately 93%, from approximately HK$188.7 million for the previous year to approximately HK$364.0 million for the Current Year, mainly due to the net effect of (i) an increase in sales by approximately 117% and (ii) a decrease in gross profit margin.

The Group's gross profit margin for the Current Year decreased by approximately 2.3 percentage points to approximately 18.2% from approximately 20.5% for the previous year as a more robust gross profit margin was sacrificed in favour of an overall stronger sales growth. Considering the liquidity and operational risks associated with locking up working capital and holding excessive inventories during the Current Year when the cost of dried cassava chips was in an increasing trend, the Group adopted its sales strategy by speeding up inventories turnover. The increase in number of inventories turnover was well covered a slight decrease in gross profit margin. In addition, to achieve the Group's strategic objective to boost sales and to enlarge market shares by more quickly capturing the thriving demand of dried cassava chips, a more aggressive direct sales approach was executed, which usually results in a relatively lower gross profit margin.

Fair value gain/(loss) on investment properties and reversal of deficit/(deficit) on revaluation of own-used properties

During the Current Year, the local properties market recovered and the Group had a fair value gain on investment properties of approximately HK$11.3 million (2009: a loss of approximately HK$16.9 million) and a surplus of revaluation of own-used properties of approximately HK$2.5 million (2009: a deficit of approximately HK$2.5 million).

Selling and distribution costs

During the Current Year, the selling and distribution expenses of the Group were approximately HK$219.9 million (2009: approximately HK$95.4 million), which comprised mainly ocean freight costs of approximately HK$158.9 million (2009: approximately HK$73.9 million) and warehouse, handling and inland transportation expenses of approximately HK$61.0 million (2009: approximately HK$21.5 million),

The selling and distribution expenses increased by approximately HK$124.5 million, or approximately 131%, mainly due to (i) an increase in sales volume and (ii) an increase in the average unit market ocean freight costs. The average ocean freight costs slightly increased by approximately 6% from approximately HK$101 per tonne in the previous year to approximately HK$107 per tonne in the Current Year. In view of the Baltic Dry Index doubled during the Current Year, the Group demonstrated competitive edge on hiring transportation vessels.

The selling and distribution expenses of the Group represented 11.0% of the total sales revenue for the Current Year, compared to that of 10.4% for the previous year.

Administrative expenses

Administrative expenses of the Group increased by approximately HK$20.6 million, or approximately 91%, from approximately HK$22.6 million in the previous year to approximately HK$43.2 million in the Current Year, mainly due to (i) the increase in salaries and wages as a result of annual payroll adjustment and the increase in staff headcount and (ii) additional administrative expenses incurred for upgrading and maintaining the warehouse and logistic facilities and corporate governance after listing.

Finance costs

Finance expenses of the Group decreased by approximately 62% from approximately HK$10.5 million for the previous year to approximately HK$4.0 million for the Current Year due to the decrease in market interest rates and the reduction of the average bank borrowing balance by the use of the strong cashflows generated by the Group's operations and the proceeds of the share placement during the Current Year.

Taxation

For each of the years ended 31 March 2010 and 2009, the Group's tax expenses were approximately HK$12.0 million and HK$2.1 million, respectively. During the Current Year, the Group wrote back an over-provision for income tax in Thailand in the prior year of approximately HK$5.2 million (2009: HK$5.6 million). Excluding the effect of such tax written-back, the effective tax rate of the Group for the Current Year was approximately 15.4% (2009: 14.8%).

Profit for the year

The Group's profit for the Current Year was doubled to approximately HK$100.3 million (2009: approximately HK$50.0 million). The relatively low growth rate when compared with the 117% jump of turnover was because of (i) a lower gross profit margin; (ii) a one-off compensation from a supplier amounting to HK$9.4 million recorded in previous year; (iii) more administrative expenses incurred in upgrading and maintaining the warehouse and logistics facilities to ensure efficient operation to cater for future growing business needs; and (iv) the higher effective tax rate than the previous year.

Financial resources and liquidity

As at 31 March 2010, the net assets amounted to approximately HK$371.5 million, representing an increase of approximately HK$188.3 million from approximately HK$183.2 million as at 31 March 2009 due to (i) the proceeds from share placement received during the Current Year, (ii) the profit for the Current Year and (iii) surplus on revaluation of own used properties, less the payment of dividends during the year.

Management Discussion and Analysis

Current assets amounted to approximately HK$426.7 million (2009: HK$351.2 million), including cash and cash equivalents of approximately HK$64.0 million (2009: HK$164.7 million), trade and bills receivables of approximately HK$131.9 million (2009: HK$104.1 million) and inventories of approximately HK$162.0 million (2009: HK$47.6 million). The Group had non-current assets of HK$110.3 million (2009: HK$47.1 million) which represent mainly a vessel purchased during the Current Year for the Group's transportation and the properties located in Hong Kong for office and property investment purposes.

The Group's current liabilities amounted to approximately HK$156.1 million (2009: HK$206.1 million), which comprised mainly trade and other payables and accruals of approximately HK$47.5 million (2009: HK$77.5 million) and bank borrowings of approximately HK$86.5 million (2009: HK$112.9 million). The Group's non-current liabilities included non-current portion of bank borrowings of approximately HK$5.0 million (2009: HK$7.0 million).

The Group expresses its gearing ratio as a percentage of finance leases and borrowings over total assets. As at 31 March 2010, the Group had a gearing ratio of 17.1%, representing a significant improvement of 13.0 percentage points from 30.1% as at 31 March 2009. The improvement is mainly due to the net proceeds from share placement during the Current Year and profit for the Current Year, which improved the total assets of the Group as well as generated funds for reducing the bank borrowings during the Current Year.

The Group's debtor turnover period is 21.6 days as at 31 March 2010, representing a decrease of 19.8 days from 41.4 days as at 31 March 2009. Such decrease is mainly because the Group had several shipments of dried cassava chips near 31 March 2009 and the related bills receivables had not been discounted, as usual, before 31 March 2009 due to time constraint.

The Group's inventory turnover period is 23.4 days as at 31 March 2010, representing a decrease of 3.4 days from 26.8 days as at 31 March 2009. Such decrease is mainly attributable to improvement in operating efficiency and the Group's strategy not to hold excessive inventories during the current year.

Employment and remuneration policy

As at 31 March 2010, the total number of the Group's staff was approximately 77. The total staff costs (including directors' remuneration) amounted to approximately HK$13.8 million for the year. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group provides retirement benefit for its employees in Hong Kong in form of mandatory provident fund and provides similar schemes for its employees in the PRC, Macau and Thailand.

Charge on group assets

As at 31 March 2010, the Group's land and buildings and investment properties situated in Hong Kong with aggregate carrying values of HK$18,300,000 (2009: HK$12,900,000) and HK$34,810,000 (2009: HK$23,900,000), respectively, were pledged to the bankers to secure the banking facilities granted to the Group.

Foreign currency exposure

The Group carries on business in Renminbi ("RMB"), United States dollars ("US$") and Thai Baht and therefore the Group is exposed to foreign currency risk as the values of these currencies fluctuate in the international market. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the directors monitor the related foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent liabilities and capital commitment

At 31 March 2010, the Group did not have any material contingent liabilities and capital commitment.

Directors and Senior Management

Board of Directors

Executive Directors

Mr. Chu Ming Chuan ("Mr. Chu"), aged 55, is the chairman of the Board. He was also appointed as an executive Director on 8 May 2008. Save for Artwell Property, Mr. Chu is a director of all the subsidiaries of the Company. Mr. Chu is responsible for formulating the Group's strategies and guiding the Group's overall development. He has over 20 years of experience in import and export of agricultural by-products and over 15 years of experience in the cassava industry. Mr. Chu is currently a standing member and a convenor for Hong Kong Region of the Chinese People's Political Consultative Conference, Shandong Province and standing member and a convenor for Hong Kong and Macau Regions of the Chinese People's Political Consultative Conference, Jinan City. He is also a permanent honorary chairman of the Hong Kong Federation of Fujian Associations. Mr. Chu has completed DBA (工商管理博士) course at the Shenzhen Research Institution of the Renmin University of China (中國人民大學深圳研究院). Mr. Chu is the spouse of Ms. Ng Nai Nar and the brother of Ms. Chu Ling Ling, Miranda and Mr. MK Chu.

Ms. Liu Yuk Ming ("Ms. Liu"), aged 49, was appointed as an executive Director on 8 May 2008. She is also a director of Artsun International Macao Limited, Rizhao Yushun Cassava Co., Ltd. ("Rizhao Yushun"), Global Property Connection Co., Ltd., Art Rich International Limited and Alush (Thailand) Co., Ltd. ("Alush Thailand"), each a subsidiary of the Company. She joined the Group in 1992 and is currently the deputy general manager of the Group. She is responsible for formulating the marketing strategies and daily operations of the Group. She has over 15 years of experience in logistics management and import and export of cassava. Over the 15 years with the Group, Ms. Liu has been responsible for, among others, overseeing the operation of charter vessels, developing ship chartering networks and supervising the sales and marketing team of the Group. Prior to joining the Group, Ms. Liu has worked in certain trading and shipping companies and as an export executive in the Hong Kong office of a multinational trading group. Ms. Liu is currently a council member of the Shandong Overseas Friendship Association.

Mr. Chu Ming Kin ("Mr. MK Chu"), aged 46, was appointed as an executive Director on 2 July 2008. He is also a director of All High Holdings Limited, Global Property Connection Co., Ltd., and Alush (Thailand) Co., Ltd., each a subsidiary of the Company, and the Thailand-based officer of the Group in Thailand. Mr. MK Chu joined the Group in 1999 and is currently responsible for the overall monitoring of the daily operations of Alush Thailand, the procurement of cassava and the formulation of pricing policies for procurement of cassava chips in Thailand. Mr. MK Chu has about ten years of experience in cassava procurement and warehouse management. He is the younger brother of Mr. Chu and Ms. Chu Ling Ling Miranda. On 22 April 2010, Mr. MK Chu tendered resignation as the Company's executive director with effect from 25 April 2010 and remains as the resident representative of the Group in Thailand.

Mr. Chan Yuk Tong ("Mr. Chan"), aged 48, was appointed as an executive Director on 2 July 2008. Mr. Chan joined the Group in 2007 and is responsible for overall planning, implementing of the business strategies and overseeing the accounting and compliance issue of the Group. He has over 20 years of experience in corporate finance, financial advisory and management, professional accounting and auditing. Mr. Chan obtained a bachelor degree in Commerce from the University of Newcastle in Australia and a master degree of Business Administration from the Chinese University of Hong Kong. He is a practising fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

Mr. Chan's current directorship in other listed public companies:

Name of listed company in Hong Kong	Nature of directorship
Vitop Bioenergy Holdings Limited	non-executive
BYD Electronic (International) Company Limited	independent non-executive
Daisho Microline Holdings Limited	independent non-executive
Global Sweeteners Holdings Limited	independent non-executive
Thunder Sky Battery Company Limited (formerly known as Jia Sheng Holdings Limited)	independent non-executive
Kam Hing International Holdings Limited	independent non-executive
Sichuan Xinhua Winshare Chainstore Co., Limited	independent non-executive
Ausnutria Dairy Corporation Limited	independent non-executive
Great Wall Motor Company Limited#	independent non-executive
Trauson Holdings Company Limited*	independent non-executive

Name of listed company in Hong Kong and Shanghai	Nature of directorship
Anhui Conch Cement Company Limited	independent non-executive

Mr. Chan has been appointed as an independent non-executive director of Great Wall Motor Company Limited (Stock Code: 2333), a Hong Kong-listed company, with effect from 18 May 2010.

* Mr. Chan has been appointed as an independent non-executive director of Trauson Holdings Company Limited ("Trauson") (Stock Code: 325) with effect from 10 June 2010. The shares of Trauson have been listed on the Stock Exchange since 29 June 2010.

Ms. Lam Ching Fun ("Ms. Lam"), aged 43, was appointed as an executive Director on 2 July 2008. She joined the Group in 1992 and is currently the general manager of the Group's chartering and logistics department. She is responsible for logistic systems, charter business management, cargo handling arrangement and the Sino-Thai ports coordination. Ms. Lam has over 15 years of experience in logistics operations in the cassava industry. Over the 15 years with the Group, Ms. Lam's responsibilities included overseeing the Group's logistics system and managing the chartering of vessels.

Directors and Senior Management

Independent non-executive Directors

Professor Fung Kwok Pui ("Professor Fung"), aged 59, was appointed as an independent non-executive Director on 22 January 2009. He is currently the Professor of Biochemistry and Head of the United College at the Chinese University of Hong Kong.

He is also the director of CUCAMed Company Limited (中大中醫藥科技有限公司), a subsidiary of the Chinese University of Hong Kong Foundation Limited and a member of the management board of The Hong Kong Institute of Biotechnology Limited (香港生物科技研究院有限公司), a company wholly controlled by the Council of the Chinese University of Hong Kong. Professor Fung graduated from the Chinese University of Hong Kong in 1973, majoring in Chemistry, and obtained his master degree in Biochemistry in 1975. He later obtained his doctorate degree in Microbiology from the University of Hong Kong in 1978, and has been conducting clinical biochemical research at University of Toronto, Canada for many years.

Professor Fung was a member of the Chinese Medicines Board of the Chinese Medicine Council of Hong Kong from 1999 to 2002, and a member of the Biology and Medicine Panel of the Research Grants Council from 1996 to 2001. He has also been the Hong Kong representative of the Society of Chinese Bioscientists in America for many years, and was presented Distinguished Service Award in 1999.

Mr. Lee Kwan Hung ("Mr. Lee"), aged 44, was appointed as an independent non-executive Director, on 22 January 2009. He is a partner of Woo, Kwan, Lee & Lo and the chief representative of Woo, Kwan, Lee & Lo's Beijing Office. Mr. Lee received his degree of Bachelor of Laws and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and the United Kingdom in 1997. Mr Lee was a Senior Manager of the Listing Division of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") between 1993-94. Mr. Lee is currently an independent non-executive director of GZI REIT Asset Management Limited (being the manager of GZI Real Estate Investment Trust), NetDragon Websoft Inc., Embry Holdings Limited, Futong Technology Development Holdings Limited and New Universe International Group Limited, the shares of these companies are listed on the Stock Exchange. Mr. Lee was also a non-executive director of Mirabell International Holdings Limited and GST Holdings Limited, which listing of their shares on the main board of the Stock Exchange has been withdrawn.

Mr. Yue Man Yiu Matthew ("Mr. Yue"), aged 48, was appointed as an independent non-executive Director on 22 January 2009. He holds a Bachelor's degree in business administration from The Chinese University of Hong Kong. Mr. Yue is a fellow member of Association of Chartered Certified Accountants, fellow member of Hong Kong Institute of Certified Public Accountants and member of Hong Kong Securities Institute. Mr. Yue has extensive experience in the financial control, project analysis and management functions. Presently, Mr. Yue is a director of China-Link Capital Management Ltd. and an independent nonexecutive director of China Financial Leasing Group Ltd., a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Yue has been appointed as the Chief Financial Officer of Ko Shi Wai Holdings Limited with effect from 1 September 2009.

Senior Management

Ms. Ng Nai Nar, aged 47, is the head of administration and human resources of the Group and is responsible for the administration and human resources functions of the Group. She has completed DBA (工商管理博士) course at the Shenzhen Research Institution of the Remin University of China (中國人民大學深圳研究院). She also obtained a Master degree in Business Administration and a Bachelor Degree of Science in Applied Computing from the Open University of Hong Kong, Diploma and Higher certificate in Electronic Engineering from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). Mrs. Chu joined the Group in 1985 and has years of company management experience. She is the spouse of Mr. Chu.

Mr. Shum Shing Kei ("Mr. Shum"), aged 38, is the chief financial officer and company secretary of the Company. He joined the Group in June 2008 and is responsible for the corporate finance function of the Group and oversees matters related to financial administration of the Group. Mr. Shum obtained a master degree in financial management from the University of London, the United Kingdom in 1998 and a Bachelor (Hon) degree in accountancy from Hong Kong Polytechnics in 1993. Prior to joining to the Group, Mr. Shum has over 14 years' working experience in auditing, accounting and financial management. Mr. Shum had worked for China Data Broadcasting Holdings Limited as qualified accountant and company secretary, the shares of which are listed on the Growth Enterprise Market (the "GEM") operated by the Stock Exchange, and an international accounting firm. Mr. Shum is a fellow member of Hong Kong Institute of Certified Public Accountants.

Ms. Chu Ling Ling, Miranda ("Ms. Chu"), aged 57, is a deputy financial controller and is responsible for overall monitoring the accounting department of the Group. She joined the Group in 1997 and has worked for over 10 years in the accounting and financial management division of the Group. Ms. Chu is the elder sister of Mr. Chu and Mr. MK Chu.

Mr. Wong Hoi Pang ("Mr. Wong"), aged 31, is the deputy group financial controller of the Company. Mr. Wong joined the Group in April 2008 and is responsible for the Group's financial reporting and monitoring of the accounting internal controls. Prior to joining the Group, Mr. Wong has over 6 years' experience in accounting, auditing and financial management. Mr. Wong is a member of the Association of Chartered Certified Accountants.

Directors and Senior Management

Mr. Wang Dong Dai ("Mr. Wang"), aged 47, is the general manager of Rizhao Yushun, a subsidiary of the Company. Mr. Wang joined the Group in 2001 and is responsible for monitoring the daily management of Rizhao Yushun and supervising the daily operations and coordination of the business of the Group in Mainland China. Prior to this, he had engaged in the financial and business management sectors for about eight years. Mr. Wang graduated from the Shandong University with major in Law.

Ms. Jiang Ting ("Ms. Jiang"), aged 41, is the deputy general manager of Rizhao Yushun, a subsidiary of the Company. She was employed by the Group in 2008 as part of the reorganisation and is responsible for the analysis of cassava market information and customer relationship of the Group in the PRC. Ms. Jiang has over 5 years' experience in marketing. Ms. Jiang graduated from Weifang Vocational College (濰坊職業大學) with major in international trading.

Mr. Somchai Ngamkasemsuk ("Mr. Ngamkasemsuk"), aged 54, is the assistant general manager of Alush Thailand, a subsidiary of the Company. Mr. Ngamkasemsuk joined the Group in 2004 and is responsible for the warehouse management and quality control and analysis in respect of cassava market in Thailand. Mr. Ngamkasemsuk obtained a bachelor degree in Business Administration from Assumption Business Administration College.

Report of the Directors

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2010.

Principal activities

The principal activity of the Company is investment holding. The Group is principally engaged in the procurement of dried cassava chips in Southeast Asian countries and the sale of dried cassava chips in Mainland China. The activities of the subsidiaries are set out in note 16 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and dividends

The Group's profit for the year ended 31 March 2010 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 34 to 79.

An interim dividend of HK2 cents per ordinary share was paid on 15 January 2010. The directors recommend the payment of a final dividend of HK6 cents per ordinary share in respect of the year to shareholders on the register of members as at 27 August 2010. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the statement of financial position.

Report of the Directors

Use of proceeds from the Company's initial public offering

The proceeds from the Company's issue of new shares at the time of its listing on the Stock Exchange on 23 March 2010, after deduction of related issuance expenses, amounted to approximately HK$59,234,000. The analysis of the planned and actual use of these proceeds is set out below:

Planned application of IPO proceeds	**Planned use of proceeds in accordance with the Prospectus** HK$'000	**Actual use of proceeds up to 31 March 2010** HK$'000
1. the establishment of warehousing facilities and acquisition or leasing of drying yards in Thailand	39,217	12,710
2. the development of the Group's procurement networks and logistics systems beyond Thailand in Southeast Asia including but not limited to Cambodia and Laos	4,073	4,073
3. the expansion of the Group's sales networks by establishing storage facilities and promotion and marketing of the Group's products in the southern, central and south western regions in the Mainland China	7,000	–
4. the development and enhancement of sales network and marketing, including promotion and marketing of its Artwell brand dried cassava chips in the Group's existing network in the north-eastern region in the Mainland China	3,100	–
5. additional general working capital of the Group	5,844	5,844
Total	59,234	22,627

The unused balance of proceeds are placed with reputable banks as bank deposits.

Summary financial information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the Company's listing prospectus dated 26 February 2009 and audited financial statements for the years ended 31 March 2009 and 2010, respectively, and restated/reclassified as appropriate, is set out on page 81. This summary does not form part of the audited financial statements.

Property, plant and equipment and investment properties

Details of movements in the property, plant and equipment, and investment properties of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively. Further details of the Group's investment properties are set out on page 80.

Share capital

Details of movements in the Company's share capital during the year are set out in note 25 to the financial statements.

Pre-emptive rights

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

Purchase, redemption or sale of the company's listed securities

There were no purchases, redemption or sale of the Company's listed securities by the Company or its subsidiaries during the Current Year.

Reserves

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

Distributable reserves

At 31 March 2010, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to HK$22,539,000, of which HK$21,600,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account and contributed surplus, of HK$224,588,000 in aggregate, may be distributed in the form of fully paid bonus shares.

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for 47% (2009: 58%) of the total sales for the year and sales to the largest customer included therein amounted to 14% (2009: 16%). Purchases from the Group's five largest suppliers accounted for less than 55% (2009: 51%) of the total purchases for the year and purchases to the largest supplier included therein amounted to 22% (2009: 17%).

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

Report of the Directors

Directors

The directors of the Company during the year were:

Executive directors:
Mr. Chu Ming Chuan
Ms. Liu Yuk Ming
Mr. Chu Ming Kin
Mr. Chan Yuk Tong
Ms. Lam Ching Fan

Independent non-executive directors:
Professor Fung Kwok Pui
Mr. Lee Kwan Hung
Mr. Yue Man Yiu Matthew

Subsequent to the end of the reporting period, on 25 April 2010, Mr. Chu Ming Kin resigned as a director of the Company.

According to article 84 of the Company's articles of association, Ms. Liu Yuk Ming, Mr. Chan Yuk Tong ("Mr. Chan") and Ms. Lam Ching Fan will retire by rotation at the forthcoming annual general meeting. Save as Mr. Chan's decision not to offer himself for re-election because he would like to devote more time in pursuing his other personal interests, all the retiring directors will be eligible and offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all the three independent non-executive directors and as at the date of this report still considers them to be independent.

Directors' and senior management's biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 12 to 16 of the annual report.

Directors' service contracts

Each of the executive directors of the Company entered into a service contract with the Company for an initial term of three years commencing from 23 March 2009 and may only be terminated in accordance with the provisions of the service contract by either party giving to the other not less than three months' prior notice in writing at end of the initial term or at any time thereafter.

The Company has issued a letter of appointment to each of the independent non-executive directors of the Company for an initial term of three years commencing from 23 March 2009.

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

Directors' remuneration

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

Directors' interests in contracts

Save as the transactions set out in the section "Continuing connected transactions" and in note 30(a) to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

Directors' interests and short positions in shares and underlying shares

At 31 March 2010, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director	Number of shares held through controlled corporation	Percentage of the Company's issued share capital
Mr. Chu Ming Chuan ("Mr. Chu") (note (a))	225,000,000	62.5%

Report of the Directors

Long positions in shares and underlying shares of an associated corporation:

Name of director	Name of associated corporation	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Chu	Art Rich Management Limited ("AR Management") (note (b))	Directly beneficially owned	97%
		Deemed interest	3%

Notes:

(a) The entire issued share capital of AR management is legally and beneficially owned by Mr. Chu as to 97% and Ms. Ng Nai Nar ("Mrs. Chu") as to 3%. By virtue of the SFO, Mr. Chu is deemed to be interested in the 225,000,000 Shares held by AR Management.

(b) AR Management is a holding company of the Company and is owned as to 97% by Mr. Chu and 3% by Mrs. Chu. Mr. Chu is also deemed to be interested in the shares of AR Management held by Mrs. Chu.

Save as disclosed above, as at 31 March 2010, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' rights to acquire shares

At no time during the year were rights to acquire benefits by means of acquisition of shares in the Company granted to any director or their respective spouses or minor children, or were such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the Scheme are disclosed in note 26 to the financial statements. No share options had been granted under the Scheme since the Scheme became effective.

Substantial shareholders' interests and short positions in shares and underlying shares

At 31 March 2010, the following interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Note	**Capacity and nature of interest**	**Number of ordinary shares held**	**Percentage of the Company's issued share capital**
Long positions:				
AR Management	(a)	Directly beneficially owned	225,000,000	62.5%
Mr. Chu	(a)	Through a controlled corporation	225,000,000	62.5%
Mrs. Chu	(a)	Through a controlled corporation	225,000,000	62.5%
Cheung Wah Fung, Christopher ("Mr. Cheung")	(b)	Directly beneficial owned and through a controlled corporation	26,234,000	7.3%
Christfund Securities Limited	(b)	Directly beneficial owned	20,000,000	5.6%

Notes:

(a) The entire issued share capital of AR Management is legally and beneficially owned by Mr. Chu as to 97% and Mrs. Chu as to 3%. As spouse, Mr. Chu is deemed to be interested in the shares of AR Management which Mrs. Chu is interested in and Mrs. Chu is also deemed to be interested in the shares of AR Management which Mr. Chu is interested in.

(b) By virtue of the SFO, Mr. Cheung is deemed to be interested in the 20,000,000 shares in the Company held by Christfund Securities Limited in which Mr. Cheung has a substantial interest.

Save as disclosed above, as at 31 March 2010, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Continuing connected transactions

During the year, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(a) **Lease from Alther Limited ("Alther") in relation to an office in Hong Kong**

On 15 May 2008, Artwell Enterprises Limited ("Artwell Enterprises"), a subsidiary of the Company, and Alther, a company controlled by Mr. Chu, entered into a lease agreement, pursuant to which Alther (as landlord) agreed to lease a property located at Unit 612, 6th Floor, Houston Centre, 63 Mody Road, Tsimshatsui East, Kowloon, Hong Kong with a total gross floor area of approximately 120 sq. meter to Artwell Enterprises (as tenant), for business use for a period of two years commencing from 1 April 2008 and expired on 31 March 2010, at an annual rental of HK$387,900.

(b) **Lease from Rizhao International Hotel Co. Ltd. ("Rizhao Hotel") in relation to an office in Rizhao, the People's Republic of China (the "PRC")**

On 28 March 2008, Rizhao Yushun Cassava Co., Ltd. ("Rizhao Yushun"), a subsidiary of the Company, and Rizhao Hotel, a related company controlled by Mr. Chu, entered into a lease agreement, pursuant to which Rizhao Hotel (as landlord) agreed to lease a property located at Eastern portion of 4th Floor, Rizhao Hotel, No. 96 Xing Hai Road, Rizhao City, Shangdong Province, the PRC with a total gross floor area of approximately 56 sq. meter to Rizhao Yushun (as tenant) for office and operational uses for a period of three years commencing from 1 April 2008 and expiring on 31 March 2011, at an annual rental of RMB120,000 (equivalent to approximately HK$136,500).

(c) **Lease from Lianyungang Yafa Enterprises Co. Ltd. ("Yafa Enterprise") in relation to an office in Lianyungang, the PRC**

On 28 March 2008, Rizhao Yushun and Yafa Enterprise, a company controlled by Mr. Chu, entered into a lease agreement, pursuant to which Yafa Enterprise (as landlord) agreed to lease a property located at Unit 301, West Wing, No. 5 Xixia Road, Lianyungang District, Lianyungang City, Jiangsu Province, the PRC with a total gross floor area of approximately 57 sq. metre to Rizhao Yushun (as tenant) for office and operational uses for a period of three years commencing from 1 April 2008 and expiring on 31 March 2011, at an annual rental of RMB38,600 (equivalent to approximately HK$43,900).

(d) **Lease from Mr. Chu in relation to staff quarters in Qingdao, the PRC**

On 28 March 2008, Rizhao Yushun and Mr. Chu entered into a lease agreement, pursuant to which Mr. Chu (as landlord) agreed to lease a property located at Unit 3203, 32nd Floor, Block 1, No. 37 Donghai Xi Road, Shinan District, Qingdao City, Shangdong Province, the PRC with a total gross floor area of approximately 114.04 sq. metre to Rizhao Yushun (as tenant) as staff quarters for a period of three years commencing from 1 April 2008 and expiring on 31 March 2011, at an annual rental of RMB120,000 (equivalent to approximately HK$136,500).

(e) Lease by Artwell Enterprise to A-luck Limited ("A-luck")

On 28 June 2007, Artwell Enterprises and A-Luck, a company controlled by Mr. Chu, entered into a lease agreement, pursuant to which Artwell Enterprises (as landlord) agreed to lease a factory complex located at No. 22 Dongshen Road, E-gong Ling, Pinghu Town, Longgang District, Shenzhen City, Guangdong Province, the PRC with a total gross floor area of approximately 1,348.8 sq. metre to A-luck (as tenant), for a period of three years commencing from 1 July 2007 and expired on 30 June 2010, at an annual rental of RMB198,540 (equivalent to approximately HK$225,800).

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and in note 30 (a) to the financial statements and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In addition to the above, on 26 March 2008, Art Rich International Limited ("Art Rich"), a subsidiary of the Group, 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", a subsidiary of the Group) represent 51% of the total issued share capital of Global Property. Art Rich, pursuant to the loan agreement, had lent fund to Mr. Aja. As security for the repayment of his loan owed to Art Rich, Mr. Aja 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 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 registered shares in Global Property, and all distribution of assets made or to be made by Global Property in relation to his registered shares in Global Property, solely to Art Rich.

Mr. Aja also appointed Art Rich as its proxy to receive notice of shareholders' meetings and to vote in all shareholders' meetings of Global Property for any proposed resolution.

Collectively, the loan agreement, the share pledge agreement, the undertaking and the proxy are referred hereinafter as the "Aja-Art Rich Arrangements".

Report of the Directors

The independent non-executive directors have reviewed the Aja-Art Rich Arrangements and confirmed that the Aja-Art Rich Arrangements have remained unchanged and consistent and that no dividends or other distributions have been made by Global Property to Mr. Aja during the year, which are fair and reasonable so far as the Group is concerned and in the interests of the shareholders as a whole.

The Company's independent auditors have reviewed the transactions carried out pursuant to the Aja-Art Rich Arrangements and confirmed that the economic interest generated by Global Property flowed to the Group is in accordance with the criteria and principles set out under the Aja-Art Rich Arrangements and was properly approved by the directors of Global Property and that no dividends or other distributions have been made by Global Property save as to the Group.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report, being the latest practical date prior to the date of this report.

Competing business

None of the directors of the Company have an interest in a business which competes or may compete with the business of the Group.

Code of conduct regarding securities transactions by directors

During the year ended 31 March 2010, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with he required standard of dealings and its code of conduct regarding securities transactions by directors.

Corporate governance

To the knowledge of the Board, the Company has complied with all the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules for the year ended 31 March 2010.

Audit committee

The Company has set up an audit committee (the "Audit Committee") for the purposes of reviewing and providing supervision over financial reporting process and internal controls of the Group. The Audit Committee comprises three independent non-executive directors of the Company. The Audit Committee held a meeting on 23 July 2010 to consider and review the annual report and annual financial statements of the Group and to give their opinion and recommendations to the Board. The Audit Committee considers that the annual report and the annual financial statements of the Company have complied with the applicable accounting standards and the Company has made appropriate disclosure thereof.

Non-competition undertaking

Mr. Chu and AR Management, as covenantors (collectively, the "Covenantors"), have entered into a deed of non-competition in favour of the Company on 18 February 2009 (the "Non-competition Deed"), pursuant to which each of the Covenantors has irrevocably and unconditionally undertaken to and covenanted with the Company (for itself and for the benefit of the members of the Group) that during the continuation of the Non-competition Deed that each of the Covenantors shall not, and shall procure each of his/its associates and/or companies controlled by he/it, whether on his/its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, which carries on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by the Group (including but not limited to the import and export, distribution and marketing of cassava and business ancillary to any of the foregoing in each case, to be more particularly described or contemplated herein) in Thailand, Hong Kong, Mainland China, Macau, Cambodia and any other country or jurisdiction to which the Group markets, sells, distributes, supplies or otherwise provides such products and/or in which any member of the Group carries on business mentioned above from time to time.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chu Ming Chuan
Chairman
Hong Kong
26 July 2010

Corporate Governance Report

Corporate governance practices

The Company is committed to pursuing and maintaining good corporate governance practices to protect the interests of the Company's shareholders.

Throughout the year, the Company has adopted the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' securities transactions

The Company has adopted a code of conduct (the "Model Code") no less strict than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by the Directors.

Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 March 2010.

Board of Directors

The Board is responsible for formulating the overall business strategies, monitoring the performance of the management, and overseeing the internal control of the Group. The management is responsible for the daily operations of the Group.

1. Board Meetings

During the year ended 31 March 2010 and up to the date of this annual report, the Board of Directors has held four regular meetings up to the date of this annual report with all Directors attended in person or through other electronic means of communications. Notice of at least 14 days has been sent to all Directors for this regular board meeting.

Under provision A.1.1 of the CG Code, the Company will adopt the practice of holding board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc board meetings may also be held in addition to regular meetings when necessary. Notice of at least 14 days will be sent to all Directors of a regular board meeting. Reasonable notices will be given to all Directors for ad-hoc board meetings. Directors may participate either in person or through other electronic means of communications.

The Company has also adopted the practice that enables all Directors the opportunity to include matters in the agenda for regular board meetings. All Directors will be provided in advance with relevant materials relating to the agenda of the board meeting. All Directors, upon reasonable request, will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses, and will be provided sufficient resources to discharge their duties.

2. **Composition of the Board**

The Board currently comprises a combination of executive Director and independent non-executive Directors. In compliance with Rule 3.10(1) of the Listing Rules, the Board has three independent non-executive Directors. The Board considers that all the independent non-executive Directors play an important role in the Board, with their appropriate and extensive academic and professional expertise, to provide the Board with professional advice as well as to protect the interests of shareholders of the Company.

The Company has received a written annual confirmation from each of the independent non-executive Directors of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence criteria set out in Rule 3.13 of the Listing Rules.

As at 31 March 2010, the Board was consisted of the following eight directors:

Executive Directors:
Mr. Chu Ming Chuan *(Chairman)*
Ms. Liu Yuk Ming
Mr. Chu Ming Kin
Mr. Chan Yuk Tong
Ms. Lam Ching Fun

Independent non-executive Directors:
Professor Fung Kwok Pui
Mr. Lee Kwan Hung
Mr. Yue Man Yiu Matthew

Subsequent to year end date, Mr. Chu Ming Kin resigned as the Director of the Company with effect from 25 April 2010.

The biographical details of the Directors and relationship between members of the Board are set out in the Directors and Senior Management section on pages 12 to 16 of this annual report.

3. **Chairman and Chief Executive Officer**

Under provision A.2.1 of the CG Code, the role of the Chairman and the Chief Executive Officer should be performed by separate individuals. Mr. Chu Ming Chuan is the Chairman who provides leadership for the Board. According to A.2.2 and A.2.3 of the CG Code, Mr. Chu Ming Chuan as the Chairman ensures that all directors are properly briefed on issues arising at board meetings, and receive adequate information, both complete and reliable, in a timely manner. The executive Directors of the Company collectively oversee the overall management of the Group in each of their specialised executive fields, which fulfils the function of Chief Executive Officer in substance. Therefore, the Company currently has not appointed its Chief Executive Officer to avoid the duplication of duties.

Corporate
Governance Report

4. **Appointments, Re-election and Removal of Directors**

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 23 March 2009. All of their appointments are subject to retirement and re-election in accordance with the Articles of Association of the Company.

All of the independent non-executive Directors were appointed for an initial term of three years from 23 March 2009, and are subject to retirement and re-election in accordance with the Articles of Association of the Company.

Board committees

The Board has established three board committees, namely Audit Committee, Remuneration Committee, and Nomination Committee.

1. **Audit Committee**

The Company has established the Audit Committee on 18 February 2009 in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group.

The Audit Committee currently has three members, namely Professor Fung Kwok Pui, Mr. Lee Kwan Hung and Mr. Yue Man Yiu Matthew, all being independent non-executive Directors. Mr. Yue Man Yiu Matthew is the chairman of the Audit Committee.

The Audit Committee has held three meeting during the year and up to the date of this annual report with all members of the committee attended. At the meetings, the committee has , inter alia, reviewed the consolidated financial statements of the Group for the six months ended 30 September 2009 and for the years ended 31 March 2009 and 31 March 2010, respectively, together with the Group's accounting policies and practices as well as the effectiveness of the Group's internal control systems.

2. **Remuneration Committee**

The Company has established the Remuneration Committee on 18 February 2009 in compliance with the Listing Rules. The primary duties of the Remuneration Committee are, amongst other things, to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and to make recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management.

The Remuneration Committee currently has three members, namely Professor Fung Kwok Pui, Mr. Lee Kwan Hung and Mr. Yue Man Yiu Matthew, all being independent non-executive Directors. Mr. Lee Kwan Hung is the chairman of the Remuneration Committee.

During the year ended 31 March 2010 and up to the date of this annual report, there was no meeting held by the Remuneration Committee.

3. **Nomination Committee**

The Company has established the Nomination Committee on 18 February 2009 in compliance with the Listing Rules. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and succession planning for Directors. The Nomination Committee currently has three members, namely Professor Fung Kwok Pui, Mr. Lee Kwan Hung and Mr. Yue Man Yiu Matthew, all being independent non-executive Directors. Professor Fung Kwok Pui is the chairman of the Nomination Committee.

During the year ended 31 March 2010 and up to the date of this annual report, there was no meeting held by the Nomination Committee.

Financial reporting and internal control

1. **Financial Reporting**

The Board acknowledges its responsibility for the preparation of the financial statements of the Company and the Group. The chief financial officer and the finance department of the Group provide the explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions.

In the preparation of financial statements, Hong Kong Financial Reporting Standards have been adopted and the appropriate accounting policies and statutory requirements have been consistently applied.

2. **External Auditors**

For the year ended 31 March 2010, the total fee paid/payable to the external auditor of the Company, Ernst & Young, in respect of audit and non-audit services is set out below:

	For the year ended 31 March 2010 HK$'000
Audit services	
Annual audit services	900
Non-audit services	
Agreed-upon procedures regarding financial information for the six months ended 30 September 2009	80

The Audit Committee is responsible to recommend to the Board on matters related to the appointment, re-appointment and removal of the external auditors, which is subject to the approval from the Board and the shareholder at the general meetings of the Company.

Corporate Governance Report

Internal control

The Board is responsible to maintain sound internal control system and review its effectiveness in the Company. The internal control procedures and practices have been designed to safeguard the assets of the Company, ensure maintenance of proper accounting records, and ensure compliance with applicable laws, rules and regulations.

For the year ended 31 March 2010, the Board has conducted annual review of (i) all material controls of the Company, including financial, operational and compliance controls and risk management functions; and (ii) the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget. Therefore the Board considers that the Company's internal control system is adequate and effective to provide reasonable assurance against misstatements or losses, and is in accordance with the code provisions on internal control of the CG Code.

Independent Auditors' Report

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To the shareholders of Asia Cassava Resources Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Asia Cassava Resources Holdings Limited set out on pages 34 to 79, which comprise the consolidated and company statements of financial position as at 31 March 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the Group's profit and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
Hong Kong
26 July 2010

Consolidated Statement of Comprehensive Income

Year ended 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
REVENUE	5	**1,997,132**	919,250
Cost of sales		**(1,633,136)**	(730,547)
Gross profit		**363,996**	188,703
Other income	5	**1,711**	11,233
Fair value gain/(loss) on investment properties	15	**11,270**	(16,859)
Reversal of deficit/(deficit) on revaluation of an own-used property	14	**2,455**	(2,455)
Selling and distribution costs		**(219,865)**	(95,398)
Administrative expenses		**(43,215)**	(22,611)
Finance costs	6	**(4,023)**	(10,532)
PROFIT BEFORE TAX	7	**112,329**	52,081
Income tax expense	10	**(11,997)**	(2,074)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	11	**100,332**	50,007
OTHER COMPREHENSIVE INCOME/(LOSS)			
Gains/(losses) on property revaluation		**3,151**	(4,659)
Income tax effect		**(467)**	868
		2,684	(3,791)
Exchange differences on translation of foreign operations		**671**	194
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**3,355**	(3,597)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**103,687**	46,410
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	13		
Basic (HK cents)		**31.1**	22.1
Diluted (HK cents)		**31.1**	22.1

Details of the dividends payable and proposed for the year are disclosed in note 12 to the financial statements.

Consolidated Statement of Financial Position

31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**67,739**	13,978
Investment properties	15	**42,610**	31,340
Deferred tax assets	24	**–**	1,822
Total non-current assets		**110,349**	47,140
CURRENT ASSETS			
Inventories	17	**162,038**	47,632
Trade and bills receivables	18	**131,856**	104,140
Prepayments, deposits and other receivables	19	**68,831**	34,711
Cash and cash equivalents	20	**64,005**	164,674
Total current assets		**426,730**	351,157
CURRENT LIABILITIES			
Trade and other payables and accruals	21	**47,491**	77,481
Interest-bearing bank borrowings	22	**86,544**	112,914
Finance lease payable	23	**–**	47
Tax payable		**22,027**	15,661
Total current liabilities		**156,062**	206,103
NET CURRENT ASSETS		**270,668**	145,054
TOTAL ASSETS LESS CURRENT LIABILITIES		**381,017**	192,194
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	22	**5,031**	6,967
Deferred tax liabilities	24	**4,450**	2,057
Total non-current liabilities		**9,481**	9,024
Net assets		**371,536**	183,170
EQUITY			
Equity attributable to owners of the Company			
Issued capital	25	**36,000**	30,000
Reserves	27(a)	**313,936**	138,170
Proposed dividends	12	**21,600**	15,000
Total equity		**371,536**	183,170

CHU MING CHUAN
Director

LIU YUK MING
Director

Consolidated Statement Of Changes In Equity

Year ended 31 March 2010

		Attributable to owners of the Company									
	Notes	Issued capital HK$'000	Share premium* HK$'000	Contributed surplus* HK$'000	Merger reserve* HK$'000 (note (i))	Legal reserve* HK$'000 (note (ii))	Asset revaluation reserve* HK$'000	Exchange fluctuation reserve* HK$'000	Retained profits* HK$'000	Proposed dividends HK$'000	Total equity HK$'000
At 1 April 2008		–	–	18,229	(9,773)	46	8,243	1,216	59,565	–	77,526
Total comprehensive income for the year		–	–	–	–	–	(3,791)	194	50,007	–	46,410
Capitalisation issue of shares	25	12,500	(12,500)	–	–	–	–	–	–	–	–
Issuance of shares	25	7,500	69,000	–	–	–	–	–	–	–	76,500
Share issue expenses	27(b)	–	(17,266)	–	–	–	–	–	–	–	(17,266)
Acquisition of subsidiaries pursuant to the Group Reorganisation	25	10,000	–	(10,000)	–	–	–	–	–	–	–
Proposed 2009 final dividend	12	–	–	–	–	–	–	–	(6,000)	6,000	–
Proposed 2009 special dividend	12	–	–	–	–	–	–	–	(9,000)	9,000	–
At 31 March 2009 and 1 April 2009		30,000	39,234	8,229	(9,773)	46	4,452	1,410	94,572	15,000	183,170
Total comprehensive income for the year		–	–	–	–	–	2,684	671	100,332	–	103,687
Issuance of shares	25	6,000	106,800	–	–	–	–	–	–	–	112,800
Share issue expenses	27(b)	–	(5,921)	–	–	–	–	–	–	–	(5,921)
2009 final dividend declared	12	–	–	–	–	–	–	–	–	(6,000)	(6,000)
2009 special dividend declared	12	–	–	–	–	–	–	–	–	(9,000)	(9,000)
2010 interim dividend declared	12	–	–	–	–	–	–	–	(7,200)	–	(7,200)
Proposed 2010 final dividend	12	–	–	–	–	–	–	–	(21,600)	21,600	–
At 31 March 2010		36,000	140,113	8,229	(9,773)	46	7,136	2,081	166,104	21,600	371,536

Notes:

(i) The merger reserve represents the excess of the consideration paid over the net asset value of the subsidiaries acquired pursuant to the group reorganisation in the prior year 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 consolidated reserves of HK$313,936,000 (2009: HK$138,170,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**112,329**	52,081
Adjustments for:			
Interest income	5	**(51)**	(92)
Changes in fair value of investment properties	15	**(11,270)**	16,859
Deficit/(reversal of deficit) on revaluation of an own-used property	14	**(2,455)**	2,455
Finance costs	6	**4,023**	10,532
Depreciation	7	**719**	708
		103,295	82,543
Decrease/(increase) in inventories		**(114,406)**	11,891
Increase in trade and bills receivables		**(27,716)**	(76,342)
Increase in prepayments, deposits and other receivables		**(34,120)**	(21,872)
Increase/(decrease) in trade and other payables and accruals		**(29,990)**	64,978
Cash generated from/(used in) operations		**(102,937)**	61,198
Interest received		**51**	92
Interest paid		**(4,023)**	(10,532)
Dividends paid		**(22,200)**	–
Hong Kong profits taxes paid		**(1,649)**	(6,159)
Overseas taxes paid		**(234)**	(5,956)
Net cash flows from/(used in) operating activities		**(130,992)**	38,643
CASH FLOWS FROM AN INVESTING ACTIVITY			
Purchases of items of property, plant and equipment and net cash flows used in an investing activity	14	**(48,789)**	(61)

Consolidated Statement of Cash Flows *(Continued)*

Year ended 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	25	**112,800**	76,500
Share issue expenses	27(b)	**(5,921)**	(17,266)
Payment of amounts due to related companies		**–**	(20,604)
Receipt of amounts due from related companies		**–**	63,825
Receipt of an amount due from a director		**–**	56,510
Payment of an amount due to a director		**–**	(88,119)
New bank loans		**240,325**	248,023
Repayment of bank loans		**(268,631)**	(238,261)
Capital element of finance lease rental payments		**(47)**	(121)
Net cash flows from financing activities		**78,526**	80,487
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(101,255)**	119,069
Cash and cash equivalents at beginning of year		**164,674**	45,340
Effect of foreign exchange rate changes, net		**586**	265
CASH AND CASH EQUIVALENTS AT END OF YEAR		**64,005**	164,674
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	**64,005**	144,658
Non-pledged time deposits with original maturity of less than three months when acquired		**–**	20,016
		64,005	164,674

Statement of Financial Position

31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	16	**94,475**	94,475
CURRENT ASSETS			
Amount due from subsidiaries	16	**186,217**	20,000
Prepayments, deposits and other receivables	19	**3,439**	16,082
Cash and cash equivalents	20	**3,449**	58,355
Total current assets		**193,105**	94,437
CURRENT LIABILITIES			
Amount due to subsidiaries	16	**3,859**	3,860
Accruals and other payables	21	**594**	13,002
Total current liabilities		**4,453**	16,862
NET CURRENT ASSETS		**188,652**	77,575
Net assets		**283,127**	172,050
EQUITY			
Issued capital	25	**36,000**	30,000
Reserves	27(b)	**225,527**	127,050
Proposed dividends	12	**21,600**	15,000
Total equity		**283,127**	172,050

CHU MING CHUAN
Director

LIU YUK MING
Director

Notes to Financial Statements

31 March 2010

1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 8 May 2008. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Pursuant to a group reorganisation (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the initial public offering of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company has become the holding company of the subsidiaries now comprising the Group since 18 February 2009. Further details of the Group Reorganisation are set forth in the Company's listing prospectus dated 26 February 2009.

The ordinary shares of the Company had been listed on the Stock Exchange since 23 March 2009.

The principal activities of the Group are the procurement of dried cassava chips in Southeast Asian countries and the sales of dried cassava chips in Mainland China.

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

2.1 Basis of Presentation and Consolidation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain land and buildings, which have been measured at fair value. These financial statements are presented in Hong Kong dollar and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The consolidated financial statements for the year ended 31 March 2009 had been prepared in accordance with the principles of merger accounting as set out in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, as a result of the Group Reorganisation. On this basis, the Company has been treated as the holding company of its subsidiaries for the financial year presented rather than from the date of their acquisition. Accordingly, the consolidated results of the Group for the year ended 31 March 2009 included the results of the Company and its subsidiaries with effect from 1 April 2008 or since their respective dates of incorporation, where this is a shorter period. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group were eliminated on consolidation in full.

In the opinion of the directors, the consolidated financial statements prepared on the above basis presented more fairly the results and state of affairs of the Group as a whole.

2.2 Changes in Accounting Policy and Disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	*Borrowing Costs*
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*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009)

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*, which are effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised) and HKFRS 8, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

(a) HKAS 1 (Revised) Presentation of Financial Statements

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 includes 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 has elected to present one single statement.

2.2 Changes in Accounting Policy and Disclosures *(Continued)*

(b) HKFRS 8 Operating Segments

HKFRS 8, which replaces 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 concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures are shown in note 4 to the financial statements.

2.3 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 these financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards* [1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters* [2]
HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [4]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions* [2]
HKFRS 3 (Revised)	*Business Combinations* [1]
HKFRS 9	*Financial Instruments* [6]
HKAS 24 (Revised)	*Related Party Disclosures* [5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements* [1]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [3]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* [1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [5]
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners* [1]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [4]
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary* [1]
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* [2]
Improvements to HKFRSs (May 2009)	Amendments to a number of HKFRSs [7]
Improvements to HKFRSs (May 2010)	Amendments to a number of HKFRSs [8]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation. For *Improvements to HKFRSs 2010* issued in May 2010, the amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010 whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards *(Continued)*

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2010
[3] Effective for annual periods beginning on or after 1 February 2010
[4] Effective for annual periods beginning on or after 1 July 2010
[5] Effective for annual periods beginning on or after 1 January 2011
[6] Effective for annual periods beginning on or after 1 January 2013
[7] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
[8] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 Summary of Significant Accounting Policies

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.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

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 profit or loss 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 the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset 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 an impairment loss is credited to profit or loss 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.

2.4 Summary of Significant Accounting Policies *(Continued)*

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 profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

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 profit or loss. Any subsequent revaluation surplus is credited to profit or loss 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 $33\frac{1}{3}$%
Leasehold improvements	Shorter of lease terms and 20%
Machinery and equipment	10% to 25%
Motor vehicles	20% to 25%
Vessel	10%

2.4 Summary of Significant Accounting Policies *(Continued)*

Property, plant and equipment and depreciation *(Continued)*

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 least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised 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 profit or loss 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 end of the reporting period.

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

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss 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 profit or loss 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 profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases, net of any incentives received from the lessor, are charged to profit or loss 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.

2.4 Summary of Significant Accounting Policies *(Continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales 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 sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include trade and bills receivables, deposits and other receivables, and cash and cash equivalents, which are classified as loans and receivables.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in profit or loss.

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 when:

- the rights to receive cash flows from the asset have expired; and

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, 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. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 Summary of Significant Accounting Policies *(Continued)*

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. 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 estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

2.4 Summary of Significant Accounting Policies *(Continued)*

Financial liabilities *(Continued)*

The Group's financial liabilities include trade and other payables, interest-bearing borrowings and a finance lease payable, which are classified as loans and borrowings.

Subsequent measurement

After initial recognition, trade and other payables, interest-bearing borrowings and a finance lease payable are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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 consolidated statement of cash flows, 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 statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

2.4 Summary of Significant Accounting Policies *(Continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or 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, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period 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 the end of each reporting period 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. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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 by the end of the reporting period.

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.

2.4 Summary of Significant Accounting Policies *(Continued)*

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; and

(c) 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.

Employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss 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 scheme for those employees in Thailand who are eligible and have elected to participate in the scheme. Contributions are made based on a percentage of the participating employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. When an employee leaves the scheme 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 profit or loss 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. The Group's subsidiary which operates in Macau is required to contribute a fixed amount of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 Summary of Significant Accounting Policies *(Continued)*

Dividends

Final and special dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, 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 directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. 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 recorded by the entities in the Group are initially recorded using their respective 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 end of the reporting period. All differences are taken to profit or loss. 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 end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, and their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, 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.

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3. 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 end of the reporting period. 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, based on an evaluation of the terms and conditions of the arrangements, 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 material 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 end of the reporting period, 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-strategy assets that havebeen abandoned or sold. The carrying amount of property, plant and equipment at 31 March 2010 was HK$67,739,000 (2009: HK$13,978,000).

3. Significant Accounting Judgements and Estimates *(Continued)*

Estimation uncertainty *(Continued)*

(ii) Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs. The carrying amount of investment properties at 31 March 2010 was HK$42,610,000 (2009: HK$31,340,000).

(iii) 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. The carrying value of deferred tax assets relating to recognised tax losses at 31 March 2010 was HK$27,000 (2009: HK$1,866,000). The amount of unrecognised tax losses at 31 March 2010 was HK$414,000 (2009: HK$414,000).

4. Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the sale of dried cassava chips segment engages in the procurement and sale of dried cassava chips; and

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

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, cash and cash equivalents, other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate assets as these liabilities are managed on a group basis.

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4. Segment Information *(Continued)*

	Procurement and sale of dried cassava chips HK$'000	Property investment HK$'000	Combined HK$'000
Year ended 31 March 2010			
Segment revenue:			
Sales to external customers	1,997,132	–	1,997,132
Gross rental income	–	1,362	1,362
Total	1,997,132	1,362	1,998,494
Segment results	105,126	14,769	119,895
Interest and unallocated gains			349
Corporate and other unallocated expenses			(3,892)
Finance costs			(4,023)
Profit before tax			112,329
Segment assets	403,966	42,796	446,762
Corporate and other unallocated assets			90,317
Total assets			537,079
Segment liabilities	46,522	376	46,898
Corporate and other unallocated liabilities			118,645
Total liabilities			165,543
Other segment information:			
Depreciation	320	–	320
Capital expenditure	48,789	–	48,789
Fair value gain on investment properties	–	(11,270)	(11,270)
Reversal of deficit on revaluation of an own-used property	–	(2,455)	(2,455)

4. Segment Information *(Continued)*

	Procurement and sale of dried cassava chips HK$'000	Property investment HK$'000	Combined HK$'000
Year ended 31 March 2009			
Segment revenue:			
Sales to external customers	919,250	–	919,250
Gross rental income	–	1,524	1,524
Total	919,250	1,524	920,774
Segment results	102,665	(15,380)	87,285
Interest and unallocated gains			349
Corporate and other unallocated expenses			(25,021)
Finance costs			(10,532)
Profit before tax			52,081
Segment assets	276,218	31,757	307,975
Corporate and other unallocated assets			90,322
Total assets			398,297
Segment liabilities	64,054	389	64,443
Corporate and other unallocated liabilities			150,684
Total liabilities			215,127
Other segment information:			
Depreciation	338	–	338
Capital expenditure	61	–	61
Fair value loss on investment properties	–	16,859	16,859
Deficit on revaluation of an own-used property	–	2,455	2,455

Notes to Financial Statements

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4. Segment Information *(Continued)*

Geographical information

(a) Revenue from external customers

	2010 HK$'000	2009 HK$'000
Hong Kong	1,362	1,524
Mainland China	1,997,132	919,250
	1,998,494	920,774

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2010 HK$'000	2009 HK$'000
Hong Kong	53,436	36,970
Mainland China	7,980	7,546
Thailand	1,709	802
Unallocated	47,224	–
	110,349	45,318

The vessel (included in property, plant and equipment) is primarily utilised for shipment of dried cassava chips across various countries. Accordingly, it is impractical to present the location of the vessel by geographical areas and thus the vessel is presented as an unallocated non-current asset.

The information of the remaining non-current assets above is based on the location of assets and excludes deferred tax assets.

Information about a major customer

Revenue of approximately HK$269,989,000 (2009: HK$144,739,000) was derived from sales by the procurement and sales of dried cassava chips segment to a single customer.

5. Revenue and Other Income

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 other income is as follows:

	2010 HK$'000	2009 HK$'000
Other income		
Bank interest income	51	92
Gross rental income	1,362	1,524
Compensation from a supplier	–	9,360
Others	298	257
	1,711	11,233

6. Finance Costs

An analysis of finance costs is as follows:

	2010 HK$'000	2009 HK$'000
Interest on bank loans and overdrafts wholly repayable within five years	3,962	10,294
Interest on bank loans wholly repayable after five years	60	218
Interest on finance leases	1	20
	4,023	10,532

Notes to Financial Statements

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7. Profit Before Tax

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

	2010 HK$'000	2009 HK$'000
Cost of inventories sold	**1,633,136**	730,547
Depreciation (note 14)	**719**	708
Auditors' remuneration	**1,047**	999
Employee benefit expenses (including directors' remuneration (note 8)):		
Wages and salaries	**13,298**	8,972
Pension scheme contributions*	**521**	390
	13,819	9,362
Rental income on investment properties less direct operating expense of HK$4,000 (2009: HK$45,000)	**(1,358)**	(1,479)
Minimum lease payments under operating leases in respect of storage facilities and office premises	**2,717**	2,683
Contingent rent under operating leases in respect of storage facilities	**2,376**	307
Foreign exchange differences, net	**9,081**	3,510

* As at 31 March 2010, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2009: Nil).

8. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2010 HK$'000	2009 HK$'000
Fees	**468**	10
Other emoluments:		
Salaries, allowances and benefits in kind	**2,691**	1,857
Pension scheme contributions	**60**	48
	2,751	1,905
	3,219	1,915

8. Directors' Remuneration *(Continued)*

Year ended 31 March 2010

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Executive directors:				
Chu Ming Chuan	–	494	12	506
Chu Ming Kin	–	781	12	793
Liu Yuk Ming	–	390	12	402
Lam Ching Fan	–	371	12	383
Chan Yuk Tong	–	655	12	667
	–	2,691	60	2,751
Independent non-executive directors:				
Lee Kwan Hung	180	–	–	180
Yue Man Yiu Matthew	144	–	–	144
Fung Kwok Pui	144	–	–	144
	468	–	–	468
	468	2,691	60	3,219

Year ended 31 March 2009

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Executive directors:				
Chu Ming Chuan	–	494	12	506
Chu Ming Kin	–	779	12	791
Liu Yuk Ming	–	254	12	266
Lam Ching Fan	–	306	12	318
Chan Yuk Tong	–	24	–	24
	–	1,857	48	1,905
Independent non-executive directors:				
Lee Kwan Hung	4	–	–	4
Yue Man Yiu Matthew	3	–	–	3
Fung Kwok Pui	3	–	–	3
	10	–	–	10
	10	1,857	48	1,915

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2009: Nil).

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9. Five Highest Paid Employees

The five highest paid employees during the year included three (2009: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2009: three) non-director, highest paid employees for the year are as follows:

	2010 HK$'000	2009 HK$'000
Salaries, allowances and benefits in kind	1,354	1,377
Pension scheme contributions	24	35
	1,378	1,412

The remuneration of all non-directors, highest paid employees is within HK$1,000,000.

10. Income Tax

Hong Kong profits tax has been provided at the rates of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2010 HK$'000	2009 HK$'000
Current – Hong Kong	11,839	5,164
Current – Elsewhere		
Charge for the year	1,593	1,355
Overprovision in prior years	(5,183)	(5,623)
Deferred (note 24)	3,748	1,178
Total tax charge for the year	11,997	2,074

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled to the tax charge for the year is as follows:

	2010 HK$'000	2009 HK$'000
Profit before tax	112,329	52,081
Tax at the statutory tax rate	16,815	10,016
Effect of opening deferred tax of decrease in tax rate	–	(213)
Adjustments in respect of current tax of previous periods	(5,183)	(5,623)
Income not subject to tax	(9,367)	(7,213)
Expenses not deductible for tax	10,740	4,500
Tax loss utilised from previous periods	(28)	(18)
Others	(980)	625
Tax charge for the year	11,997	2,074

11. Profit Attributable to Owners of the Company

The consolidated profit attributable to owners of the Company for the year ended 31 March 2010 includes a profit of HK$26,398,000 (2009: HK$18,341,000) which has been dealt with in the financial statements of the Company (note 27(b)).

12. Dividends

	2010 HK$'000	2009 HK$'000
Interim – HK2 cents (2009: Nil) per ordinary share	7,200	–
Proposed final – HK6 cents (2009: HK2 cents) per ordinary share	21,600	6,000
Proposed special – Nil (2009: HK3 cents) per ordinary share	–	9,000
	28,800	15,000

The proposed final dividend for the current year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. Earnings Per Share Attributable to Ordinary Equity Owners of the Company

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of 323,013,699 (2009: 226,648,252) ordinary shares in issue during the year.

The weighted average number of shares used to calculate the basic earnings per share for the year ended 31 March 2009 included the weighted average of 1,648,252 shares issued upon the listing of the Company's shares on the Stock Exchange on 23 March 2009 in addition to the pro forma issued share capital of the Company of 225,000,000 shares, comprising:

(i) the 1 share of the Company allotted and issued at nil paid on 8 May 2008 (note 25(a));

(ii) the 99,999,999 shares issued as consideration for the acquisition of a subsidiary pursuant to the Group Reorganisation on 18 February 2009 (note 25(b)(i)); and

(iii) the capitalisation issue of 125,000,000 shares (note 25(c)).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2010 and 2009 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

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14. Property, Plant and Equipment

Group

	Leasehold land and buildings HK$'000	Furniture, fixtures and leasehold improvements HK$'000	Machinery and equipment HK$'000	Vessel and motor vehicles HK$'000	Total HK$'000
31 March 2010					
At 1 April 2009:					
Cost or valuation	12,900	787	1,191	2,446	17,324
Accumulated depreciation	–	(591)	(479)	(2,276)	(3,346)
Net carrying amount	12,900	196	712	170	13,978
At 1 April 2009, net of accumulated depreciation	12,900	196	712	170	13,978
Additions	–	–	273	48,516	48,789
Depreciation provided during the year	(206)	(8)	(308)	(197)	(719)
Revaluation	5,606	–	–	–	5,606
Exchange realignment	–	–	79	6	85
At 31 March 2010, net of accumulated depreciation	18,300	188	756	48,495	67,739
At 31 March 2010:					
Cost or valuation	18,300	787	1,571	51,030	71,688
Accumulated depreciation	–	(599)	(815)	(2,535)	(3,949)
Net carrying amount	18,300	188	756	48,495	67,739
Analysis of cost or valuation:					
At cost	–	188	756	48,495	49,439
At 31 March 2010 valuation	18,300	–	–	–	18,300
	18,300	188	756	48,495	67,739

14. Property, Plant and Equipment *(Continued)*

Group

	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 2009					
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	–	–	61	–	61
Depreciation provided during the year	(206)	(97)	(189)	(216)	(708)
Revaluation	(7,114)	–	–	–	(7,114)
Exchange realignment	–	(42)	(9)	(20)	(71)
At 31 March 2009, net of accumulated depreciation	12,900	196	712	170	13,978
At 31 March 2009:					
Cost or valuation	12,900	787	1,191	2,446	17,324
Accumulated depreciation	–	(591)	(479)	(2,276)	(3,346)
Net carrying amount	12,900	196	712	170	13,978
Analysis of cost or valuation:					
At cost	–	196	712	170	1,078
At 31 March 2009 valuation	12,900	–	–	–	12,900
	12,900	196	712	170	13,978

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

At 31 March 2009, the net book value of the Group's property, plant and equipment held under finance leases included in the total amount of motor vehicles amounted HK$43,000.

The Group's leasehold land and buildings were revalued individually at 31 March 2010 by Asset Appraisal Limited, independent professionally qualified valuers at an aggregate open market value of HK$18,300,000 (2009: HK$12,900,000) based on their existing use, resulting in a revaluation surplus of HK$5,606,000 (2009: revaluation deficit of HK$7,114,000), of which a revaluation surplus of HK$3,151,000 (2009: revaluation deficit of HK$4,659,000 was charged to the asset revaluation reserve) was credited to the asset revaluation reserve whereas the remaining reversal of deficit of HK$2,455,000 (2009: revaluation deficit of HK$2,455,000 was charged to profit or loss) was credited to profit or loss.

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14. Property, Plant and Equipment *(Continued)*

Had the Group's leasehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK$9,842,000 (2009: HK$10,048,000).

As at 31 March 2010, the Group's leasehold land and buildings with a carrying value of approximately HK$18,300,000 (2009: HK$12,900,000) were pledged to secure bank loans granted to the Group (note 22 (i)).

15. Investment Properties

Group

	2010 HK$'000	2009 HK$'000
Carrying amount at 1 April	**31,340**	48,199
Net profit/(loss) on a fair value adjustment	**11,270**	(16,859)
Carrying amount at 31 March	**42,610**	31,340

The Group's investment properties are held under the following lease terms:

	2010 HK$'000	2009 HK$'000
Long term leases in Hong Kong	**34,810**	23,900
Medium term leases in Mainland China	**7,800**	7,440
	42,610	31,340

The Group's investment properties were revalued on 31 March 2010 by Asset Appraisal Limited, independent professionally qualified valuers, at HK$42,610,000 (2009: HK$31,340,000) on an open market, existing use basis. Except for the Group's investment property in Mainland China, which is leased to a related company (note 30(a)(i)), the investment properties are leased to third parties under operating leases, further summary details of which are included in note 28(a) to the financial statements.

At 31 March 2010, the Group's investment properties with a carrying value of HK$34,810,000 (2009: HK$23,900,000) were pledged to secure bank loans granted to the Group (note 22(ii)).

16. Interests in Subsidiaries

	Company	
	2010 HK$'000	2009 HK$'000
Unlisted shares, at cost	**94,475**	94,475

The amounts due from and to subsidiaries included in the Company's current assets and current liabilities are unsecured, interest-free and repayable on demand or within one year.

16. Interests in Subsidiaries *(Continued)*

Particulars of the subsidiaries are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Artwell Tapioca Limited#	Hong Kong	HK$10,000	–	100	Trading of dried cassava chips
Artsun International Macao Limited#	Macau	MOP100,000	–	100	Trading of dried cassava chips
Rizhao Yushun Cassava. Co. Ltd.#*	People's Republic of China/ Mainland China	US$1,260,000	–	100	Trading of dried cassava chips
Alush (Thailand) Co. Ltd.#	Thailand	THB15,000,000	–	100	Procurement and sale of dried cassava chips
Global Property Connection Co. Ltd.#	Thailand	THB250,000	–	100	Procurement and sale of dried cassava chips
Artwell Group (Cambodia) Limited#	Cambodia	Riel20,000,000	–	100	Procurement of fresh dried cassava roots and procurement and sale of dried cassava chips
Art Ocean Development Limited#	British Virgin Islands/ Hong Kong	US$1	–	100	Holding of a trademark
Art Rich International Limited#	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
All High Holding Limited#	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding and provision of shipping agency service
Alternative View Investments Limited#	British Virgin Islands/ Hong Kong	US$100	100	–	Investment holding and property investment
Artwell Enterprises Limited#	Hong Kong	HK$15,000,000	–	100	Investment holding and property investment
Art Well Properties Limited#	Hong Kong	HK$100	–	100	Property investment

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16. Interests in Subsidiaries *(Continued)*

Company name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Fine Success Enterprise Limited#	Hong Kong	HK$10	–	100	Property investment
Wide Triumph Investment Limited#	Hong Kong	HK$10,000	–	100	Property investment
All Praise Limited#	Hong Kong	HK$1	–	100	Tendering of Dried cassava Chips
Winsure International Investment Limited#	Hong Kong	HK$2	–	100	Tendering of Dried cassava Chips
Global Shipping Limited#	Hong Kong	HK$1	–	100	Holding of a vessel

Not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network.

* Rizhao Yushun Cassava. Co. Ltd is registered as a wholly-foreign-owned enterprise under PRC law.

17. Inventories

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

18. Trade and Bills Receivables

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 days 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 trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	Group 2010 HK$'000	Group 2009 HK$'000
Within 30 days	**131,856**	103,961
30–60 days	**–**	179
	131,856	104,140

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

19. Prepayments, Deposits and Other Receivables

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Prepayments	**8,538**	3,223	**3,434**	–
Deposits and other receivables	**60,293**	31,488	**5**	16,082
	68,831	34,711	**3,439**	16,082

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 is no recent history of default.

20. Cash and Cash Equivalents

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash and bank balances	**64,005**	144,658	**3,449**	58,355
Time deposits	**–**	20,016	**–**	–
Cash and cash equivalents	**64,005**	164,674	**3,449**	58,355

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to HK$10,438,000 (2009: HK$42,593,000). 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 and Other Payables and Accruals

	Group		Company	
	2010	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade and other payables	**33,806**	55,020	**92**	–
Accruals	**13,364**	22,091	**502**	13,002
Rental deposits received	**321**	345	**–**	–
Sales receipts in advance	**–**	25	**–**	–
	47,491	77,481	**594**	13,002

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

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22. Interest-Bearing Bank Borrowings

Group

	Effective interest rate (%)	Maturity	2010 HK$'000	Effective interest rate (%)	Maturity	2009 HK$'000
Current						
Bank loans – secured	**1.75 – 3.62**	**Within 1 year**	**85,635**	2.63-9.11	Within 1 year	111,872
Current portion of long term bank loans – secured	**1.05 – 1.35**	**2016-2018**	**909**	0.90-5.08	2016-2018	1,042
			86,544			112,914
Non-current						
Long term bank loans – secured	**1.05 – 1.35**	**2016-2018**	**5,031**	0.90-5.08	2016-2018	6,967
			91,575			119,881

	Group 2010 HK$'000	Group 2009 HK$'000
Analysed into bank borrowings repayable:		
Within one year or on demand	**86,544**	112,914
In the second year	**905**	1,055
In the third to fifth years, inclusive	**1,851**	3,235
Beyond five years	**2,275**	2,677
	91,575	119,881

Notes:

The Group's bank borrowings are secured by:

(i) mortgages over the Group's land and buildings situated in Hong Kong with a carrying value of HK$18,300,000 (2009: HK$12,900,000) (note 14); and

(ii) mortgages over the Group's investment properties situated in Hong Kong with a carrying value of HK$34,810,000 (2009: HK$23,900,000) (note 15).

As at 31 March 2009, the Group's bank borrowings are also secured by:

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

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

22. Interest-Bearing Bank Borrowings *(Continued)*

The Group's bank borrowings as at the end of the reporting period are denominated in the following currencies:

	2010 HK$'000	2009 HK$'000
United States dollar	62,700	73,127
Hong Kong dollar	10,488	8,009
Thai Baht ("THB")	15,539	21,795
RMB	2,848	16,950
	91,575	119,881

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 leased one of its motor vehicles under a finance lease agreement. The lease was classified as a finance lease repayable by 36 monthly instalments and had been fully repaid as at 31 March 2010.

At 31 March 2010, the total future minimum lease payments under a finance lease and their present values were as follows:

	Minimum lease payments		Present value of minimum lease payments	
Group	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000
Amounts payable:				
Within one year	–	47	–	46
Total minimum finance lease payments	–	47	–	46
Future finance charges	–	(1)		
Total net finance lease payables	–	46		
Portion classified as current liabilities	–	(46)		
Non-current portion	–	–		

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24. Deferred Tax Assets/Liabilities

Deferred tax liabilities

Group	Revaluation of properties HK$'000	Depreciation allowance in excess of related depreciation HK$'000	Losses available for offsetting against future taxable profits HK$'000	Total HK$'000
At 1 April 2008	5,155	426	(51)	5,530
Deferred tax charged/(credited) to profit or loss during the year (note 10)	(2,516)	(96)	7	(2,605)
Deferred tax credited to equity asset revaluation reserve during the year	(868)	–	–	(868)
At 31 March 2009 and 1 April 2009	1,771	330	(44)	2,057
Deferred tax charged to profit or loss during the year (note 10)	1,864	45	17	1,926
Deferred tax charged to equity asset revaluation reserve during the year	467	–	–	467
At 31 March 2010	**4,102**	**375**	**(27)**	**4,450**

Deferred tax assets

	Available losses for offsetting against future taxable profits HK$'000
At 1 April 2008	(5,605)
Deferred tax charged to profit or loss during the year (note 10)	3,783
At 31 March 2009 and 1 April 2009	(1,822)
Deferred tax charged to profit or loss during the year (note 10)	1,822
At 31 March 2010	**–**

24. Deferred Tax Assets/Liabilities *(Continued)*

The group has tax losses arising in Hong Kong of HK$414,000 (2009: HK$414,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 March 2010, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in Mainland China. In the opinion of the directors, it is not probable that the subsidiary will distribute such earnings in the foreseeable future. At 31 March 2010, there was no significant unrecognised deferred tax liability (2009: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiary as the Group has no liability to additional tax should such amounts be remitted.

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

25. Share Capital

	2010	2009
	HK$'000	HK$'000
Authorised:		
2,000,000,000 ordinary shares of HK$0.1 each	**200,000**	200,000
Issued and fully paid:		
360,000,000 (2009: 300,000,000) ordinary shares of HK$0.1 each	**36,000**	30,000

During the year, the movements in share capital were as follows:

	Notes	**Number of ordinary shares of HK$0.1 each**	**Nominal value of ordinary shares** HK$'000
As at 8 May 2008 (date of incorporation)		–	–
Allotted and issued at nil paid	(a)	1	–
On acquisition of a subsidiary			
– consideration shares issued	(b)(i)	99,999,999	9,999
– nil paid share credited as fully paid	(b)(ii)	–	1
Capitalisation issue credited as fully paid conditional on the share premium account of the Company being credited as a result of the issue of the new shares to the public	(c)	125,000,000	12,500
New issue of shares	(d)	75,000,000	7,500
As at 31 March 2009 and 1 April 2009		300,000,000	30,000
Issue of shares	(e)	60,000,000	6,000
As at 31 March 2010		**360,000,000**	**36,000**

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25. Share Capital *(Continued)*

Notes:

(a) On 8 May 2008, 1 share of HK$0.1 each was allotted and issued at nil paid. The share was subsequently credited as fully paid as described in (b)(ii) below.

(b) Pursuant to the resolutions of the sole shareholder passed on 18 February 2009 and the Group Reorganisation,

(i) 99,999,999 shares of HK$0.1 each were allotted and issued, credited as fully paid at par, as consideration for the acquisition of the entire issued capital of a subsidiary; and

(ii) 1 share of HK$0.1 allotted and issued at nil paid on 8 May 2008 as set out in (a) above was credited as fully paid at par.

(c) Pursuant to the resolutions of the sole shareholder passed on 18 February 2009, an aggregate of 125,000,000 shares of HK$0.1 each in the Company were allotted and issued, credited as fully paid at par, by way of capitalisation of the sum of HK$12,500,000 from the share premium account, to the then sole shareholder of the Company, whose name appeared in the register of the Company on 18 February 2009, such allotment and capitalisation were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in (d) below.

(d) In connection with the Company's initial public offering, 75,000,000 shares of HK$0.1 each were issued at a price of HK$1.02 per share for a total cash consideration, before expenses, of HK$76,500,000. Dealings in these shares on the Stock Exchange commenced on 23 March 2009.

(e) Pursuant to a placing agreement dated 31 October 2009 entered into among Art Rich as the controlling shareholder of the Company, the Company and the placing agent, the placing agent placed 60,000,000 ordinary shares in the Company held by Art Rich to an independent third party at HK$1.88 per share.

Pursuant to a subscription agreement dated 31 October 2009 entered into between Art Rich and the Company, Art Rich subscribed for 60,000,000 ordinary shares at HK$1.88 per share, for a consideration, before expenses, of HK$112,800,000, capitalising a sum of HK$6,000,000 to the share capital account and HK$106,800,000 to the share premium account.

26. Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contributes to the success of the Group's operations. Eligible participants of the Scheme included the Company's directors, employees of the Group and other individuals as determined by the directors on the basis of their contribution to the success of the development and growth of the Group. The Scheme became effective on 23 March 2009 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than 10 years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share.

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

No share options have been granted since the adoption of the Scheme.

27. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 36 of the financial statements.

The Group's contributed surplus represents the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the Group Reorganisation prior to the listing of the Company's shares, over the nominal value of the Company's shares issued in exchange therefor.

(b) Company

	Notes	Share premium account HK$'000	Contributed surplus HK$'000	Proposed dividends HK$'000	Retained profits HK$'000	Total HK$'000
At date of incorporation		–	–	–	–	–
Arising on Group Reorganisation		–	84,475	–	–	84,475
Capitalisation issue	25(c)	(12,500)	–	–	–	(12,500)
Issue of share	25(d)	69,000	–	–	–	69,000
Share issue expenses		(17,266)	–	–	–	(17,266)
Profit for the period		–	–	–	18,341	18,341
Proposed 2009 final dividend	12	–	–	6,000	(6,000)	–
Proposed 2009 special dividend	12	–	–	9,000	(9,000)	–
At 31 March 2009 and 1 April 2009		39,234	84,475	15,000	3,341	142,050
Issue of shares	25(e)	106,800	–	–	–	106,800
Share issue expenses		(5,921)	–	–	–	(5,921)
Profit for the year		–	–	–	26,398	26,398
2009 final dividend declared		–	–	(15,000)	–	(15,000)
2010 interim dividend declared		–	–	–	(7,200)	(7,200)
Proposed 2010 final dividend	12	–	–	21,600	(21,600)	–
At 31 March 2010		**140,113**	**84,475**	**21,600**	**939**	**247,127**

The Company's contributed surplus represents the excess of the fair value of the net assets of the subsidiaries acquired by the Company pursuant to the Group Reorganisation prior to the listing of the Company's shares, over the nominal value of the Company's shares issued in exchange therefor.

Under Companies Law of the Cayman Islands, a company may make distributions to its shareholders out of the contributed surplus in certain circumstances.

28. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties (note 15 to the financial statements) 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 2010, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2010 **HK$'000**	2009 HK$'000
Within one year	**1,069**	918
In the second to fifth years, inclusive	**307**	680
	1,376	1,598

(b) As lessee

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 31 March 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2010 **HK$'000**	2009 HK$'000
Within one year	**3,050**	2,677
In the second to fifth years, inclusive	**–**	2,388
	3,050	5,065

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.

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29. Commitments

At the end of the reporting period, neither the Group nor the Company had any significant commitments.

30. Related Party Transactions

(a) In addition to the transactions detailed elsewhere is this financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2010 HK$'000	2009 HK$'000
Rental income received from a related company*	(i)	**226**	224
Rental expenses paid to related companies*	(ii)	**568**	567
Rental expenses paid to a director	(ii)	**137**	136

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

Notes:

(i) The rental income received was charged based on prevailing market rent.

(ii) The rental expenses were determined based on prevailing market rent.

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

	2010 HK$'000	2009 HK$'000
Short term employee benefits	**2,691**	1,857
Post-employment benefits	**60**	48
Total compensation paid to key management personnel	**2,751**	1,905

31. Financial Instruments by Category

Financial assets

All the Group's financial assets as at 31 March 2009 and 2010, including trade and bills receivables, deposits and other receivables and cash and cash equivalents are categorised as loans and receivables.

Financial liabilities

All the Group's financial liabilities as at 31 March 2009 and 2010, including trade and other payables, a finance lease payable and interest-bearing bank borrowings are categorised as financial liabilities at amortised cost.

32. 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 other financial assets and liabilities such as bills receivable and trade payables, which arise directly from its operations.

It is, and has been, throughout the year, 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 Dollar ("US$"), Thai Baht ("THB") and Renminbi ("RMB"). The Group is exposed to the foreign exchange risk arising from changes in the exchange rate of HK$ 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 end of the reporting period 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) RMB rate	Increase/ (decease) in profit before tax	Increase/ (decrease) in equity*
	%	HK$'000	HK$'000
Year ended 31 March 2010			
If Hong Kong dollar weakens against RMB	**(1%)**	**93**	**134**
If Hong Kong dollar strengthens against RMB	**1%**	**(93)**	**(134)**
If Hong Kong dollar weakens against THB	**(1%)**	**(123)**	**–**
If Hong Kong dollar strengthens against THB	**1%**	**123**	**–**
Year ended 31 March 2009			
If Hong Kong dollar weakens against RMB	(1%)	89	101
If Hong Kong dollar strengthens against RMB	1%	(89)	(101)
If Hong Kong dollar weakens against THB	(1%)	(115)	–
If Hong Kong dollar strengthens against THB	1%	115	–

* Excluding retained profits

32. Financial Risk Management Objectives and Policies *(Continued)*

(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, deposits and other receivables, 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 arises.

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
Year ended 31 March 2010			
US Dollar	**1%**	**(627)**	**–**
US Dollar	**(1%)**	**627**	**–**
THB	**1%**	**(155)**	**–**
THB	**(1%)**	**155**	**–**
Year ended 31 March 2009			
US Dollar	1%	(731)	–
US Dollar	(1%)	731	–
THB	1%	(217)	–
THB	(1%)	217	–

* Excluding retained profits

32. Financial Risk Management Objectives and Policies *(Continued)*

(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 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 the end of the reporting period based on contractual undiscounted payments.

31 March 2010	**On demand HK$'000**	**Less than 3 months HK$'000**	**3 to 12 months HK$'000**	**1 to 5 years HK$'000**	**Beyond 5 years HK$'000**	**Total HK$'000**
Interest-bearing bank borrowings	**–**	**85,785**	**750**	**3,829**	**1,293**	**91,657**
Trade and other payables	**–**	**33,806**	**–**	**–**	**–**	**33,806**
	–	**119,591**	**750**	**3,829**	**1,293**	**125,463**

31 March 2009	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	1 to 5 years HK$'000	Beyond 5 years HK$'000	Total HK$'000
Finance lease payable	47	–	–	–	–	47
Interest-bearing bank borrowings	–	113,914	1,055	3,235	2,677	120,881
Trade and other payables	–	55,020	–	–	–	55,020
	47	168,934	1,055	3,235	2,677	175,948

(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 year.

The Group monitors capital on the basis of the net debt-to-equity ratio. Net debt includes interest-bearing bank borrowings, less cash and cash equivalents. The debt-to-equity ratios as at the end of the reporting period were as follows:

	2010 HK$'000	2009 HK$'000
Interest-bearing bank borrowings	**91,575**	119,881
Less: Cash and cash equivalents	**(64,005)**	(164,674)
Net debt	**27,570**	(44,793)
Total equity	**371,536**	183,170
Debt-to-equity ratio	**7%**	N/A

33. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 26 July 2010.

Particulars of Investment Properties

31 March 2010

Location	Use	Tenure	Attributable interest of the Group
Unit No. 1 on 7th Floor Houston Centre, 63 Mody Road, Kowloon, Hong Kong	Office building	Long term lease	100%
Unit No. 2 on 7th Floor Houston Centre, 63 Mody Road, Kowloon, Hong Kong	Office building	Long term lease	100%
Unit 12 on 12th Floor Seapower Tower, Concordia Plaza No.1 Science Museum Road, Kowloon, Hong Kong	Office building	Medium term lease	100%
Unit 2 on 5th Floor Tower A, Mandarin Plaza No.14 Science Museum Road, Kowloon, Hong Kong	Office building	Long term lease	100%
A factory complex (exclude Unit 1, 2nd Floor, Block 1) No.22 Dongshen Road, E-gong Ling, Pinghu Town, Longgang District, Shenzhen City, Guangdong Province, PRC	Industrial	Medium term lease	100%

Summary of Financial Information

Summary of the published results and assets and liabilities of the Group for the last five financial years, prepared on the basis as set out herein, is set out below:

RESULTS

	Year ended 31 March 2010 HK$'000	Year ended 31 March 2009 HK$'000	Year ended 31 March 2008 HK$'000	Year ended 31 March 2007 HK$'000	Year ended 31 March 2006 HK$'000
Revenue	**1,997,132**	919,250	903,560	818,303	740,850
PROFIT BEFORE TAX	**112,329**	52,081	116,074	44,145	25,289
Tax	**(11,997)**	(2,074)	(14,215)	(10,075)	(10,008)
Profit for the year	**100,332**	50,007	101,859	34,070	15,281

ASSETS AND LIABILITIES

	Year ended 31 March 2010 HK$'000	Year ended 31 March 2009 HK$'000	Year ended 31 March 2008 HK$'000	Year ended 31 March 2007 HK$'000	Year ended 31 March 2006 HK$'000
Total assets	**537,079**	398,297	265,075	400,887	370,957
Total liabilities	**(165,543)**	(215,127)	(187,549)	(356,717)	(339,779)
	371,536	183,170	77,526	44,170	31,178

The summary of the consolidation results of the Group for each of the three years ended 31 March 2006, 2007 and 2008 and of the assets and liabilities as at 31 March 2006, 2007 and 2008 have been extracted from the Prospectus. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in note 2.1 to the financial statements. The consolidated results of the Group for the two years ended 31 March 2009 and 2010 and the consolidated assets and liabilities of the Group as at 31 March 2009 and 2010 are those set out in the audited financial statements.

The summary above does not form part of the audited financial statements.

Corporate Information

Directors

Executive Directors

Mr. Chu Ming Chuan
Ms. Liu Yuk Ming
Mr. Chu Ming Kin (Resigned on 25 April 2010)
Mr. Chan Yuk Tong
Ms. Lam Ching Fun

Independent Non-executive Directors

Professor Fung Kwok Pui
Mr. Lee Kwan Hung
Mr. Yue Man Yiu Matthew

Authorised Representatives

Mr. Chu Ming Chuan
Mr. Chan Yuk Tong

Company Secretary

Mr. Shum Shing Kei

Audit Committee

Mr. Yue Man Yiu, Matthew (Chairman)
Professor Fung Kwok Pui
Mr. Lee Kwan Hung

Remuneration Committee

Mr. Lee Kwan Hung (Chairman)
Professor Fung Kwok Pui
Mr. Yue Man Yiu, Matthew

Nomination Committee

Professor Fung Kwok Pui (Chairman)
Mr. Lee Kwan Hung
Mr. Yue Man Yiu, Matthew

Website Address

www.asiacassava.com

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Ltd.
Bank of China Macau Branch
Standard Chartered Bank
Chiyu Banking Corporation Ltd.
Fortis Bank, Hong Kong Branch
Citibank, N.A.
Bank of China Bangkok Branch
Bangkok Bank Public Company Ltd.
Agricultural Bank of China Limited, Rizhao Branch
Bank of China Limited, Rizhao Branch

Principal Share Registrar and Transfer Office in Cayman Islands

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Registered Office

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Kowloon
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Stock Code

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