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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)

2011 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

– Continued to be the largest procurer and exporter of dried cassava chips in Thailand and the largest supplier of imported dried cassava chips in the PRC, and maintain our market share

– Revenue amounted to approximately HK$2,021.9 million, representing an increase of approximately 1% over the previous year

– Profit for the year amounted to approximately HK$82.7 million, representing a decrease of approximately 18% over the previous year

– Recommend a final dividend of HK$0.04 per share

The Board of Directors (the "Board") of Asia Cassava Resources Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2011 together with the comparative figures in 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
REVENUE	4	**2,021,862**	1,997,132
Cost of sales		**(1,739,214)**	(1,633,136)
Gross profit		**282,648**	363,996
Other income	4	**17,816**	1,711
Fair value gain on investment properties		**8,082**	11,270
Reversal of deficit on revaluation of property, plant and equipment		**–**	2,455
Selling and distribution costs		**(158,046)**	(219,865)
General and administrative expenses		**(50,562)**	(43,215)
Other operating expenses, net		**(3,722)**	–
Finance costs	5	**(3,704)**	(4,023)
PROFIT BEFORE TAX	6	**92,512**	112,329
Income tax expense	7	**(9,807)**	(11,997)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**82,705**	100,332
OTHER COMPREHENSIVE INCOME			
Gain on property revaluation		**2,805**	3,151
Income tax effect		**(408)**	(467)
		2,397	2,684
Exchange differences arising on translation of foreign operations		**390**	671
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**2,787**	3,355
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**85,492**	103,687
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted (HK cents)		**21.9**	31.1

Details of the dividends are disclosed in note 8.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2011

	Notes	**31 March 2011** **HK$'000**	31 March 2010 HK$'000 (Restated)	1 April 2009 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**80,587**	67,739	13,978
Investment properties		**50,692**	42,610	31,340
Deferred tax assets		**–**	–	1,822
Total non-current assets		**131,279**	110,349	47,140
CURRENT ASSETS				
Inventories		**330,366**	162,038	47,632
Trade and bills receivables	*10*	**283,182**	131,856	104,140
Prepayments, deposits and other receivables		**20,729**	68,831	34,711
Cash and cash equivalents		**88,173**	64,005	164,674
Total current assets		**722,450**	426,730	351,157
CURRENT LIABILITIES				
Trade and other payables and accruals	*11*	**164,486**	47,491	77,481
Interest-bearing bank borrowings		**140,556**	91,575	119,881
Finance lease payable		**–**	–	47
Tax payable		**28,545**	22,027	15,661
Total current liabilities		**333,587**	161,093	213,070
NET CURRENT ASSETS		**388,863**	265,637	138,087
TOTAL ASSETS LESS CURRENT LIABILITIES		**520,142**	375,986	185,227
NON-CURRENT LIABILITIES				
Deferred tax liabilities		**5,918**	4,450	2,057
Net assets		**514,224**	371,536	183,170
EQUITY				
Equity attributable to owners of the Company				
Issued share capital		**40,000**	36,000	30,000
Reserves		**458,224**	313,936	138,170
Proposed dividends		**16,000**	21,600	15,000
Total equity		**514,224**	371,536	183,170

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2011

	Attributable to owners of the Company									
	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 2009	30,000	39,234	8,229	(9,773)	46	4,452	1,410	94,572	15,000	183,170
Profit for the year	–	–	–	–	–	–	–	100,332	–	100,332
Other comprehensive income for the year:										
Gain on property revaluation, net of tax	–	–	–	–	–	2,684	–	–	–	2,684
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	671	–	–	671
Total comprehensive income for the year	–	–	–	–	–	2,684	671	100,332	–	103,687
Issuance of shares	6,000	106,800	–	–	–	–	–	–	–	112,800
Share issue expenses	–	(5,921)	–	–	–	–	–	–	–	(5,921)
2009 final dividend declared	–	–	–	–	–	–	–	–	(6,000)	(6,000)
2009 special dividend declared	–	–	–	–	–	–	–	–	(9,000)	(9,000)
2010 interim dividend declared	–	–	–	–	–	–	–	(7,200)	–	(7,200)
Proposed 2010 final dividend	–	–	–	–	–	–	–	(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
At 1 April 2010	36,000	140,113	8,229	(9,773)	46	7,136	2,081	166,104	21,600	371,536
Profit for the year	–	–	–	–	–	–	–	82,705	–	82,705
Other comprehensive income for the year:										
Gain on property revaluation, net of tax	–	–	–	–	–	2,397	–	–	–	2,397
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	390	–	–	390
Total comprehensive income for the year	–	–	–	–	–	2,397	390	82,705	–	85,492
Transfer	–	–	–	–	–	(329)	–	329	–	–
Issuance of shares	4,000	88,000	–	–	–	–	–	–	–	92,000
Share issue expenses	–	(4,404)	–	–	–	–	–	–	–	(4,404)
2010 final dividend declared	–	–	–	–	–	–	–	–	(21,600)	(21,600)
2011 interim dividend declared	–	–	–	–	–	–	–	(8,800)	–	(8,800)
Proposed 2011 final dividend	–	–	–	–	–	–	–	(16,000)	16,000	–
At 31 March 2011	40,000	223,709	8,229	(9,773)	46	9,204	2,471	224,338	16,000	514,224

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 a 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$458,224,000 (2010: HK$313,936,000) in the consolidated statement of financial position.*

Notes:

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 shares of the Company have 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 information 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. 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 information are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

Basis of consolidation from 1 April 2010

The consolidated financial information include the financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2011. The financial information of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. 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 intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Basis of consolidation prior to 1 April 2010:

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests (formerly known as minority interests), prior to 1 April 2010, were accounted for using the parent entity extension method, whereby the differences between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 April 2010 were not reallocated between non-controlling interest and the parent shareholders.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 April 2010 has not been restated.

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 information.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards –Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Right Issues*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments 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*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009*, HK Interpretation 4 (Revised in December 2009) and HK Interpretation 5, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial information.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 April 2010.

(b) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

- HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

  Amendment to HK Interpretation 4 Leases – *Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases included in Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

  The Group has reassessed its leases in Hong Kong and Mainland China, previously classified as finance leases, upon the adoption of the amendments. The classification of leases in Hong Kong and Mainland China remained as finance leases as substantially all the risks and rewards associated with the leases in Hong Kong and Mainland China have been transferred to the Group.

(c) HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The interpretation requires a term loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement. Prior to the adoption of this interpretation, certain of the Group's term loans and obligations under finance leases were classified in the consolidated statement of financial position as non-current liabilities based on the maturity date of repayment. The interpretation has been applied by the Group retrospectively and comparative amounts have been restated. In addition, as a result of this change and as required by HKAS 1 Presentation of Financial Statements, these financial information also include a consolidated statement of financial position as at 1 April 2009. The above change has had no effect on the profit or loss.

The effect on the consolidated statement of financial position is summarised as follows:

	31 March 2011	31 March 2010	1 April 2009
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
CURRENT LIABILITIES			
Increase in interest-bearing bank borrowings	–	5,031	6,967
NON-CURRENT LIABILITIES			
Decrease in interest-bearing bank borrowings	–	5,031	6,967

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 information.

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* [1]
HKFRS 1 Amendments	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [3]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [3]
HKFRS 9	*Financial Instruments* [5]
HKAS 12 (Amendments)	*Deferred Tax: Recovery of underlying assets* [4]
HKAS 24 (Revised)	*Related Party Disclosures* [2]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [2]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [1]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. 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.

[1] Effective for annual periods beginning on or after 1 July 2010
[2] Effective for annual periods beginning on or after 1 January 2011
[3] Effective for annual periods beginning on or after 1 July 2011
[4] Effective for annual periods beginning on or after 1 January 2012
[5] Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

3. 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 property investment segment invests in office space and industrial properties for its rental income potential; and

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

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.

	Procurement and sales of dried cassava chips *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Year ended 31 March 2011			
Segment revenue:			
Sales to external customers	2,021,862	–	2,021,862
Gross rental income	–	1,333	1,333
Total	2,021,862	1,333	2,023,195
Segment results	79,860	8,383	88,243
Interest and unallocated gains			16,483
Corporate and other unallocated expenses			(8,510)
Finance costs			(3,704)
Profit before tax			92,512
Segment assets	681,133	72,967	754,100
Corporate and other unallocated assets			99,629
Total assets			853,729
Segment liabilities	160,271	371	160,642
Corporate and other unallocated liabilities			178,863
Total liabilities			339,505
Other segment information:			
Depreciation	2,671	–	2,671
Capital expenditure	13,357	–	13,357
Fair value gain on investment properties	–	8,082	8,082

	Procurement and sales of dried cassava chips *HK$'000*	Property investment *HK$'000*	Total *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 property, plant and equipment	–	2,455	2,455

Geographical information

(a) Revenue from external customers

	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**1,333**	1,362
Mainland China	**2,021,862**	1,997,132
	2,023,195	1,998,494

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

(b) Non-current assets

	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**62,190**	53,436
Mainland China	**11,105**	7,980
Thailand	**1,198**	1,709
Unallocated	**56,786**	47,224
	131,279	110,349

The vessel (included in property, plant and equipment) is primarily utilised across geographical markets for shipment of dried cassava chips throughout the world. Accordingly, it is impractical to present the locations of the vessel by geographical areas and thus the vessel is presented as unallocated non-current assets.

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

Information about a major customer

Revenue of approximately HK$343,875,000 (2010: HK$269,989,000) was derived from sales by the procurement and sales of the dried cassava chips segment to a single customer.

4. 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:

	2011	2010
	HK$'000	*HK$'000*
Other income		
Bank interest income	**211**	51
Gross rental income	**1,333**	1,362
Rental income from vessel	**13,022**	–
Compensation from a supplier	**2,730**	–
Others	**520**	298
	17,816	1,711

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts wholly repayable within five years	**3,704**	3,962
Interest on bank loans wholly repayable after five years	**–**	60
Interest on finance leases	**–**	1
	3,704	4,023

6. PROFIT BEFORE TAX

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

	2011	2010
	HK$'000	*HK$'000*
Cost of inventories sold	**1,739,214**	1,633,136
Depreciation	**3,420**	719
Auditors' remuneration	**1,000**	1,047
Employee benefit expenses (including directors' remuneration		
Wages and salaries	**12,871**	13,298
Pension scheme contributions*	**413**	521
	13,284	13,819
Rental income on investment properties less direct operating expense of HK$5,000 (2010: HK$4,000)	**(1,328)**	(1,358)
Minimum lease payments under operating leases in respect of storage facilities and office premises	**3,808**	2,717
Contingent rent under operating leases in respect of storage facilities	**1,030**	2,376
Foreign exchange differences, net	**7,661**	9,081

* As at 31 March 2011, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2010: Nil).

7. INCOME TAX

Hong Kong profits tax has been provided at the rates of 16.5% (2010: 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.

	2011	2010
	HK$'000	*HK$'000*
Current – Hong Kong	**6,194**	11,839
Current – Elsewhere		
Charge for the year	**2,553**	1,593
Overprovision in prior years	**–**	(5,183)
Deferred	**1,060**	3,748
Total tax charge for the year	**9,807**	11,997

8. DIVIDENDS

	2011	2010
	HK$'000	*HK$'000*
Interim – HK2.2 cents (2010: HK2 cents) per ordinary share	**8,800**	7,200
Proposed final – HK4 cents (2010: HK6 cents) per ordinary share	**16,000**	21,600
	24,800	28,800

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

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS 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 378,520,548 (2010: 323,013,699) ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2011 and 2010 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

10. 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:

	2011	2010
	HK$'000	*HK$'000*
Within 30 days	**282,769**	131,856
30 – 60 days	**413**	–
	283,182	131,856

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

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	2011	2010
	HK$'000	*HK$'000*
Trade and other payables	**149,673**	33,806
Accrued liabilities	**14,441**	13,364
Rental deposits received	**372**	321
	164,486	47,491

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

12. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties 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 2011, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**1,008**	1,069
In the second to fifth years, inclusive	**308**	307
	1,316	1,376

(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 2011, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**2,664**	3,050

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 the 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.

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 cassava chips.

The Group's revenue amounted to approximately HK$2,021.9 million for the year ended 31 March 2011 (the "Current Year"), representing an increase of approximately 1% from approximately HK$1,997.1 million for the previous year. The Group had maintained its leading position in the PRC as the largest supplier of imported dried cassava chips and maintain our market share for the Current Year.

The Group's profit for the Current Year amounted to approximately HK$82.7 million, representing a 18% decrease from approximately HK$100.3 million for the previous year.

Revenue

Revenue of the Group increased by approximately HK$24.7 million or approximately 1% from approximately HK$1,997.1 million to approximately HK$2,021.9 million in the Current Year. It was mainly attributable to the persistent high demand in dried cassava chips from the Group's PRC customers, including those engaging in production of ethanol fuel, during the Current Year.

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

Gross profit and gross profit margin

Cost of sales of the Group, representing the cost of dried cassava chips, increased by approximately HK$106.1 million, or approximately 6%, from approximately HK$1,633.1 million for the previous year to approximately HK$1,739.2 million in the Current Year, mainly due to the increase in average unit cost of dried cassava chips in the Current Year.

Gross profit of the Group decreased by approximately HK$81.3 million, or approximately 22%, from approximately HK$364.0 million for the previous year to approximately HK$282.6 million for the Current Year, mainly due to a decrease in gross profit margin.

The Group's gross profit margin for the Current Year decreased by approximately 4.2 percentage points to approximately 14.0% from approximately 18.2% for the previous year. During the year, the CPI index in Mainland China was increased sharply which arouse concern from the officials of the PRC government. The PRC government had taken certain measures to control price adjustment on commodities including corns and the Group was not able to set price determination with reference to the international dried cassava chips price. As a result, the Group was not able to fully pass on the rise in procurement cost of dried cassava chips to its customers as usual. Hence, the gross profit margin was decreased.

Fair value gain on investment properties and reversal of deficit on revaluation of own-used properties

During the Current Year, the Group had a fair value gain on investment properties of approximately HK$8.1 million (2010: approximately HK$11.3 million). Last year, there was also a reversal of deficit on revaluation of own-used properties 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$158.0 million (2010: approximately HK$219.9 million), which comprised mainly ocean freight costs of approximately HK$120.0 million (2010: approximately HK$158.9 million) and warehouse, handling and inland transportation expenses of approximately HK$38.0 million (2010: approximately HK$61.0 million),

The selling and distribution expenses of the Group represented 7.8% of the total sales revenue for the Current Year, compared to that of 11.0% for the previous year, mainly due to (i) the usage of owned vessel and (ii) the Group's ability to negotiating for favourable terms for vessel hiring.

Administrative expenses

Administrative expenses of the Group increased by approximately HK$7.4 million, or approximately 17%, from approximately HK$43.2 million in the previous year to approximately HK$50.6 million in the Current Year, mainly due to increase in salaries and wages as a result of annual payroll adjustment and increase in other administrative expenses.

Finance costs

Finance expenses of the Group decreased by approximately 8% from approximately HK$4.0 million for the previous year to approximately HK$3.7 million for the Current Year due to the reduction of the average bank borrowing balance by the application of the strong cashflows generated by the Group's operations and the proceeds of share placement during the Current Year.

Taxation

For each of the years ended 31 March 2011 and 2010, the Group's taxations were approximately HK$9.8 million and HK$12.0 million, respectively. The effective tax rate of the Group for the Current Year was approximately 10.6% (2010: 10.7%).

Profit for the year

The Group's profit for the Current Year amounted to approximately HK$82.7 million (2010: approximately HK$100.3 million).

Financial resources and liquidity

As at 31 March 2011, the net assets amounted to approximately HK$514.2 million, representing an increase of approximately HK$142.7 million from approximately HK$371.5 million as at 31 March 2010 due to the proceeds from share placement received during the Current Year, the profit for the Current Year and surplus on revaluation of own used properties less the payment of dividends.

Current assets amounted to approximately HK$722.5 million (2010: HK$426.7 million), including cash and cash equivalents of approximately HK$88.2 million (2010: HK$64.0 million), trade and bills receivables of approximately HK$283.2 million (2010: HK$131.9 million) and inventories of approximately HK$330.4 million (2010: HK$162.0 million). The Group had non-current assets of HK$131.3 million (2010: HK$110.3 million) which represent mainly a vessel purchased 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$333.6 million (2010: HK$161.1 million), which comprised mainly trade and other payables and accruals of approximately HK$164.5 million (2010: HK$47.5 million) and bank borrowings of approximately HK$140.6 million (2010: HK$91.6 million). The Group's non-current liabilities included deferred tax liabilities of approximately HK$5.9 million (2010: HK$4.5 million).

The Group expresses its gearing ratio as a percentage of borrowings over total assets. As at 31 March 2011, the Group had a gearing ratio of 16.5%, representing an improvement of 0.6 percentage points from 17.1% as at 31 March 2010. 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 37.5 days as at 31 March 2011, representing an increase of 15.9 days from 21.6 days as at 31 March 2010. Such increase is mainly because the Group had several shipments of dried cassava chips near 31 March 2011 and the related bills receivables had not been discounted, as usual, before 31 March 2011 due to time constraint.

The Group's inventory turnover period is 51.7 days as at 31 March 2011, representing an increase of 28.3 days from 23.4 days as at 31 March 2010. Such increase is mainly attributable to persistent increase in cost of dried tapioca chips during the Current Year.

Employment and remuneration policy

As at 31 March 2011, the total number of the Group's staff was approximately 80. The total staff costs (including directors' remuneration) amounted to approximately HK$13.3 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 2011, the Group's land and buildings and investment properties situated in Hong Kong with aggregate carrying values of HK$10,670,000 (2010: HK$18,300,000) and HK$29,210,000 (2010: HK$34,810,000), 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

As 31 March 2011, the Group did not have any material contingent liabilities.

Prospect

The Group's unique and integrated business model combines the procurement, processing, warehousing, logistics and sale of cassava chips. This year, the Group had set up six procurement and warehouse centres strategically located in Thailand and Cambodia with a total capacity of approximately 230,000 tonnes. Looking ahead, the Group plan to establish more procurement and warehouse centres in Cambodia, Laos and elsewhere in order to replicate the proven business model in Thailand. Riding on our broad procurement channels and network together with the warehouse facilities, optimised logistics capabilities and the widespread sales network in the PRC, the Group will continue to strive to enhance our market coverage and maximise returns for our shareholders.

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 2009, 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$'000*	**Actual use of proceeds up to 31 March 2011** *HK$'000*
1.	the establishment of warehousing facilities and acquisition of leasing of drying yards in Thailand	39,217	22,342
2.	the development of the Group's procurement networks and logistics system 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
		59,234	32,259

The unused balance of the proceeds are placed with reputable banks as the Group's bank deposits.

DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS

An interim dividend of HK2.2 cents per share was paid on 16 December 2010. The Board recommends the payment of a final dividend of HK4 cents per share for the year ended 31 March 2011. The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Further details of dividends, closure of the register of members and the date of the Company's annual general meeting will be disclosed later in a separate announcement.

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.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 March 2011, 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 2011.

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 29 June 2011 to consider and review the annual report and annual financial information 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 information of the Company have complied with the applicable accounting standards and the Company has made appropriate disclosure thereof.

By order of the Board
Chu Ming Chuan
Chairman

Hong Kong, 30 June 2011

As at the date of this announcement, the executive directors of the Company are Mr. Chu Ming Chuan, Ms. Liu Yuk Ming and Ms. Lam Ching Fun; the independent non-executive directors of the Company are Mr. Lee Kwan Hung, Professor Fung Kwok Pui and Mr. Yue Man Yiu Matthew.