



偉俊集團控股有限公司*
Wai Chun Group Holdings Limited

(incorporated in Bermuda with limited liability)
(Stock code: 1013)

2012
Annual Report

* for identification purpose only

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Lam Ching Kui (*Chairman*)
Lu Jun Wu (*Chief Executive Officer*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ko Ming Tung, Edward
Shaw Lut, Leonardo
To Yan Ming, Edmond

AUTHORISED REPRESENTATIVES

Lam Ching Kui
Lu Jun Wu

COMPANY SECRETARY

Lo Kam Fan

AUDIT COMMITTEE

To Yan Ming, Edmond (*Chairman*)
Ko Ming Tung, Edward
Shaw Lut, Leonardo

REMUNERATION COMMITTEE

Ko Ming Tung, Edward (*Chairman*)
Lam Ching Kui
Shaw Lut, Leonardo
To Yan Ming, Edmond

NOMINATION COMMITTEE

Shaw Lut, Leonardo (*Chairman*)
Ko Ming Tung, Edward
Lam Ching Kui
To Yan Ming, Edmond

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

13/F., Admiralty Centre 2
18 Harcourt Road, Admiralty
Hong Kong

AUDITOR

HLM & Co.
Certified Public Accountants
Room 305
Arion Commercial Centre
2-12 Queen's Road West
Hong Kong

REGISTRAR IN HONG KONG

Union Registrars Limited
18th Floor
Fook Lee Commercial Centre
Town Place
33 Lockhart Road
Wanchai
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong)
Limited

STOCK CODE

1013

COMPANY WEBSITE

www.1013.hk

CHAIRMAN'S STATEMENT



On behalf of the board of directors (the “Board” or “Directors”) of Wai Chun Group Holdings Limited (the “Company”). I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2012.

FINANCIAL REVIEW

Financial Performance

For the year ended 31 March 2012, the Group recorded a turnover of HK\$140,590,000 representing an increase of 58% when compared to 2011. The increase in turnover is attributable to an increase in the sales and integration services contracts during the year. In line with the increase in turnover, gross profit increased to HK\$18,595,000 representing an increase of 36% compared to 2011. The gross profit margin decreased from 15% recorded in 2011 to 13% this year. Selling and distribution expenses increased by 38% when compared to 2011, which is mainly due to the expansion of business by increasing staff members of sales and marketing teams.

Listed securities investments recorded a loss of HK\$7,003,000 during the year, of which mainly mark-to-market adjustment recorded a loss of HK\$6,708,000 and disposal of listed securities investments recorded a loss of HK\$295,000 to the results of the Group. Other income decreased from HK\$3,285,000 to HK\$598,000 which is mainly attributable to a one-off gain on the write-back of over-provided bad and doubtful debts made in previous year of HK\$2,133,000 in 2011.

The Group recorded a loss attributable to shareholders of the Company of HK\$26,975,000 for the year.

Financial Resources and Position

As at 31 March 2012, the Group did not have any external borrowings. Cash and cash equivalents amounted to HK\$23,749,000 as at 31 March 2012 which are mostly denominated in Hong Kong Dollars and Renminbi. As the Group's businesses are conducted in the PRC, the Group does not expect to be exposed to any material foreign exchange risks.

The Group had no assets pledged or any material contingent liabilities as at 31 March 2012. At the end of the year, the current ratio of the Group is 1.22.

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2012.



CHAIRMAN'S STATEMENT

BUSINESS REVIEW

The Group is principally engaged in (i) network and system integration by the production of software and provision of solutions and related services; (ii) trading of communication products; (iii) provision of financial services; (iv) investment holdings; and (v) provision of telecommunications infrastructure solution services. Through the operations of Beijing HollyBridge System Integration Co., Limited ("Beijing HollyBridge"), the major subsidiary of the Group, the Group has provided one stop solution, including hardware and system modification for the customers. The management continued to devote its effort to enhance the operational efficiency of Beijing HollyBridge, and during the year ended 31 March 2012, service contracts entered into with various customers such as banks, governmental agencies and public transportation companies amounted to approximately RMB133 million.

Looking forward, the Management will devote its effort by enhancing operational efficiency, reducing overheads and increasing manpower in sales and marketing teams to turn the Group back to a profitable position. In addition, the Group is monitoring closely the latest trends and the development of the global economy and to take advantage of all business opportunities.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all staff and management team for their contribution during the year. I would also like to express my appreciation to the continuous support of our shareholders and investors.

Lam Ching Kui

Chairman

Hong Kong, 26 June 2012

BIOGRAPHICAL DETAILS OF DIRECTORS



EXECUTIVE DIRECTORS

Mr. Lam Ching Kui, aged 53, has over 20 years of experience in project investments and securities investments. Mr. Lam has been engaged in industrial and residential property development in the PRC and commercial property investment in Hong Kong. He has made investments in listed securities and renewable energy. Mr. Lam is an indirect substantial shareholder of the Company and has been the Chairman and an Executive Director of the Company since August 2008. Mr. Lam is responsible for the overall strategic planning of the Group. Mr. Lam is also the chairman and an executive director of Wai Chun Mining Industry Group Company Limited, a public listed company in Hong Kong.

Mr. Lu Jun Wu, aged 52, graduated from Zhejiang Ocean University in July 1982 and obtained an Executive MBA degree from China Europe International Business School in 2003. Mr. Lu has worked in Vantone Group as the Group President and Vice Director. Vantone Group was principally engaged in real estate business in Beijing. Mr. Lu has substantial experience in investment, business and company administration management. Mr. Lu has been appointed as an Executive Director, the Chief Executive Officer and an Authorised Representative of the Company with effect from 20 June 2011. Mr. Lu did not hold any directorship in any public listed companies in the past three years. Mr. Lu is also an executive director and the chief executive officer of Wai Chun Mining Industry Group Company Limited, a public listed company in Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ko Ming Tung Edward, aged 51, was appointed as an Independent Non-executive Director in August 2008. Mr. Ko obtained an external bachelor of laws degree from the University of London in the United Kingdom in August 1986 and is a member of The Law Society of Hong Kong. Mr. Ko is the principal of Messrs. Edward Ko & Company and has been practising as a solicitor in Hong Kong for more than 20 years. He was appointed as Deputy Presiding Officer of the Labour Tribunal and is presently a member of the Panel of Adjudicators of the Obscene Articles Tribunal, the Solicitors Disciplinary Tribunal Panel, the Disciplinary Panel A of the Hong Kong Institute of Certified Public Accountants and the Employment Law Committee of The Law Society of Hong Kong. Mr. Ko has been appointed as Tribunal Chairman of the Appeal Tribunal Panel under the Buildings Ordinance. He is also a manager of Chiu Chow Association Secondary School.

Other than the directorship in the Company, currently, Mr. Ko is also an independent non-executive director of Sinofert Holdings Limited and Interchina Holdings Company Limited and a non-executive director of Harmonic Strait Financial Holdings Limited (formerly known as Rainbow Brothers Holdings Limited), whose shares are listed on the Main Board of the Stock Exchange. Mr. Ko was previously an independent non-executive director of Kai Yuan Holdings Limited and a non-executive director of New Smart Energy Group Limited, whose shares are listed on the Main Board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. Shaw Lut, Leonardo, aged 46, is the deputy head of 華頓綜合經濟研究所 (Huadun Economic Institute), the director of 行政及公務人員研修基金 (Administrator and Official Study Fund), the vice director of 國務院發展研究中心東方公共管理綜合研究所專家委員會 (the Expert Committee of the Eastern Public Management Institute of the Development Research Centre of State Council). Mr. Shaw graduated from Shanghai Fudan University and was a teacher and researcher at Fudan University. Mr. Shaw is currently a committee member of All-China Youth Federation, the deputy chairman of Beijing United Youth Association and the deputy director of Shanghai Economy Magazine. Mr. Shaw has been an Independent Non-executive Director of the Company since May 2009. Mr. Shaw is also an independent non-executive director of Wai Chun Mining Industry Group Company Limited, a public listed company in Hong Kong.

Mr. To Yan Ming, Edmond, aged 40, holds a bachelor degree in Commerce in Accounting from Curtin University of Technology in Western Australia. Mr. To is a Certified Public Accountant practicing in Hong Kong and a director of Edmond To CPA Limited, Zhonglei (HK) CPA Company Limited and R.C.W. (HK) CPA Limited. Mr. To was formerly a director of Fortitude CPA Limited. Mr. To is a member of both the CPA Australia and Hong Kong Institute of Certified Public Accountants. Mr. To worked for one of the international accounting firms, Deloitte Touche Tohmatsu and has over 10 years of experience in auditing, accounting, floatation and taxation matters. Mr. To is currently an independent non-executive director of China Vanguard Group Limited whose shares are listed on the GEM Board of The Stock Exchange of Hong Kong. Mr. To was an independent non-executive director of Aptus Holding Limited from January 2006 to October 2010. Mr. To is also an independent non-executive director of BEP International Holdings Limited, Theme International Holdings Limited and Bao Yuan Holdings Limited; both of which are companies whose shares are listed on the main board of The Stock Exchange of Hong Kong. Mr. To was previously an independent non-executive director of Century Sunshine Ecological Technology Holdings Limited whose shares are listed on the main board of The Stock Exchange of Hong Kong. Other than disclosed above, Mr. To does not hold or did not hold any other directorships in any listed public companies in the last three years. Mr. To has been an Independent Non-executive Director of the Company since September 2009.

REPORT OF THE DIRECTORS



The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding and the principal activities of its subsidiaries are set out in note 34 to the consolidated financial statements. There were no significant changes in the nature of the Company's and of the Group's principal activities during the year.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2012 and the state of affairs of the Group at that date are set out in the financial statements on pages 28 to 94.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2012 (2011: Nil).

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity set out on page 31 and in note 33 to the consolidated financial statements respectively.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for each of the five financial years ended 31 March 2012 is set out on page 94.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant, equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of the movement in the share capital of the Company during the year are set out in note 25 to the consolidated financial statements.



REPORT OF THE DIRECTORS

DIRECTORS

Executive Directors

Mr. Lam Ching Kui (*Chairman*)

Mr. Lu Jun Wu (*Chief Executive Officer — appointed on 20 June 2011*)

Mr. Guo Qing Hua (*Chief Executive Officer — resigned on 20 June 2011*)

Independent Non-executive Directors

Mr. Ko Ming Tung, Edward

Mr. Shaw Lut, Leonardo

Mr. To Yan Ming, Edmond

The biographical details of the Directors of the Company are set out on page 5 to 6 of this annual report.

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Ko Ming Tung, Edward and Mr. To Yan Ming, Edmond shall retire from office by rotation at the forthcoming AGM and, being eligible, will offer themselves for re-election.

The Company has received an annual confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

Directors' Service Contracts

Each of the Executive Directors has entered into a service agreement with the Company for a term of not more than three years commencing from their date of appointment, which continues thereafter until terminated by either party giving not less than one month notice in writing to the other party.

Each of the two Independent Non-executive Directors, Mr. Shaw Lut, Leonardo and Mr. To Yan Ming, Edmond has entered into a service agreement with the Company for a term of two years from their date of appointment, which can be terminated by either party giving not less than one month notice in writing to the other party. Mr. Ko Ming Tung, Edward has not entered into a service agreement with the Company. Each of the Independent Non-executive Directors is subject to the provisions for retirement by rotation and re-election at the AGM of the Company in accordance with the Company's Bye-laws.

REPORT OF THE DIRECTORS



DIRECTORS *(continued)*

Directors' Service Contracts *(continued)*

Save as disclosed above, no Director proposed for re-election at the forthcoming AGM has a service agreement with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Remuneration

Details of emoluments of the Directors are set out in note 13 to the consolidated financial statements.

The Directors' fees are subject to shareholders' approval at the AGM. Other emoluments are determined by the Company's Board of Directors with reference to the recommendations from the Remuneration Committee taking into account the directors' duties, responsibilities and performance and the results of the Group.

Interests in Contracts

Other than as disclosed in note 30 to the consolidated financial statements, there are no contract of significance to which the Company, its holding company, fellow subsidiaries or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Competing Business

None of the Directors had any interests in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the year and up to the date of this report.



REPORT OF THE DIRECTORS

DIRECTORS (continued)

Directors' Interests or Short Positions in Shares and Underlying Shares

As at 31 March 2012, the interests and short positions of the Directors and chief executive in the shares of the Company (the "Shares") and underlying shares of the Company or any of, its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, were as follows:

Long Positions

Name of Director	Capacity	Number of Shares Held	Approximate percentage of shareholding
Lam Ching Kui	Interests of controlled corporations	35,000,000,000 (Note 1)	649.21% (Note 2)

Notes:

1. The 35,000,000,000 Shares are held by Wai Chun Ventures Limited which represents the aggregate of (i) 4,000,000,000 Shares (ii) HK\$110,000,000 convertible preference shares giving rise to an interest in 11,000,000,000 underlying Shares and (iii) 20,000,000,000 options for subscribing 20,000,000,000 Shares. Mr. Lam Ching Kui is the beneficial owner of Wai Chun Investment Fund which wholly owns Wai Chun Ventures Limited. Details of the convertible preference shares and the 20,000,000,000 options are set out in note 25 to the consolidated financial statements.
2. Based on the issued share capital of the Company of 5,391,162,483 Shares as at 31 March 2012, the 4,000,000,000 Shares and 11,000,000,000 underlying Shares under the HK\$110,000,000 convertible preference shares and 20,000,000,000 Shares under the 20,000,000,000 options held by Wai Chun Ventures Limited represents 74.20% and 204.03% and 370.98% of the existing issued share capital of the Company respectively.

Save as disclosed above, as at 31 March 2012, none of the Directors of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

REPORT OF THE DIRECTORS



DIRECTORS (continued)

Directors' Rights to Acquire Shares

At no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their spouses or children under the age of 18, was granted any right to subscribe for equity or debt securities of the Company, nor had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2012, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following shareholders (other than the Directors or chief executives of the Company as disclosed above) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Number of Shareholder	Capacity	Name of Shares Held	Approximate percentage of shareholding
Wai Chun Ventures Limited	Beneficial owner	35,000,000,000 (Note 1)	649.21% (Note 2)
Wai Chun Investment Fund	Interests of controlled corporations	35,000,000,000 (Note 1)	649.21% (Note 2)

1. The 35,000,000,000 Shares are held by Wai Chun Ventures Limited which represents the aggregate of (i) 4,000,000,000 Shares (ii) HK\$110,000,000 convertible preference shares giving rise to an interest in 11,000,000,000 underlying Shares and (iii) 20,000,000,000 options for subscribing 20,000,000,000 Shares. Mr. Lam Ching Kui is the beneficial owner of Wai Chun Investment Fund which wholly owns Wai Chun Ventures Limited. Details of the convertible preference shares and the 20,000,000,000 options are set out in note 25 to the consolidated financial statements.
2. Based on the issued share capital of the Company of 5,391,162,483 Shares as at 31 March 2012, the 4,000,000,000 Shares and 11,000,000,000 underlying Shares under the HK\$110,000,000 convertible preference shares and 20,000,000,000 Shares under the 20,000,000,000 options held by Wai Chun Ventures Limited represents 74.20% and 204.03% and 370.98% of the existing issued share capital of the Company respectively.



REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS *(continued)*

Save for the shareholders as disclosed herein, the Directors are not aware of any persons who, as at 31 March 2012, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

Short positions in Shares and underlying Shares in the Company

As at 31 March 2012, the Company had not been notified of any short positions being held by any substantial shareholder in the Shares or underlying Shares of the Company.

Other Persons

As at 31 March 2012, the Company had not been notified of any interests or short positions being held by any person (other than the Directors and chief executives and the substantial shareholders as disclosed above) in the share capital of the Company that was required to be disclosed under Division 2 and 3 of Part XV of the SFO and the Listing Rules.

Share Options

Wai Chun Ventures Limited Option

On 20 August 2008, the Company issued 20,000,000 options to Wai Chun Ventures Limited to subscribe for 20,000,000,000 ordinary shares of the Company at HK\$0.01 each (the "Option"). The Option is exercisable in whole or in part at any time for a period of five years commencing 20 August 2008 at an exercise price of HK\$0.01 per share. The Option was issued at a consideration of HK\$20,000,000.



CONNECTED TRANSACTIONS

Tenancy Agreement

A Tenancy Agreement was entered into between Wai Chun Holdings Group Limited as landlord and Wai Chun Strategic Investment Limited, a wholly owned subsidiary of the Company, as tenant on 31 October 2011 in relation to the right portion of 13/F, Admiralty Centre, Tower II, 18 Harcourt Road, Hong Kong, the principal place of business in Hong Kong. The term of the Tenancy Agreement commences from 1 November 2011 and expiring on 31 October 2013, both days inclusive, with a rental of HK\$265,675 per calendar month (equivalent to HK\$3,188,100 per annum), exclusive of management fee, rates and all other outgoing charges per calendar month.

Wai Chun Holdings Group Limited is owned as to 50% by Mr. Lam Ching Kui and as to the remaining 50% by Ms. Chan Oi Mo. Mr. Lam Ching Kui is a controlling shareholder of the Company and is interested in approximately 62.51% of the issued share capital of the Company and Ms. Chan Oi Mo is the spouse of Mr. Lam Ching Kui. Accordingly, Wai Chun Holdings Group Limited is regarded as a connected person of the Company under the Listing Rules. Therefore, the Tenancy Agreement constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

The aggregate rental payable under the Tenancy Agreement per annum, being HK\$3,188,100, represents less than 5% of the applicable percentage ratios (as defined in the Listing Rules) for the Company on an annual basis. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the Tenancy Agreement is subject to reporting, announcement and annual review requirements but no approval of independent shareholders of the Company will be required.

On 23 January 2009, the Group entered into a tenancy agreement (the "Tenancy Agreement") with Ms. Chan Oi Mo ("Ms. Chan"), pursuant to which the Group agreed to pay Ms. Chan the rental charge of the Premises located in Unit 1L and 1K of Block A6, Xili Residences, Tang Lang Village, Nam Shan District, Shenzhen, PRC. The lease term lasts for 14 months commencing from 1 February 2009. Prior to the expiry of the Tenancy Agreement on 31 March 2010, on 22 March 2010, the Company has entered into a new tenancy agreement with Ms. Chan to renew the term of the Tenancy Agreement for three years from 1 April 2010 to 31 March 2013 (both days inclusive) subject to the terms and conditions of the new tenancy agreement.



REPORT OF THE DIRECTORS

CONNECTED TRANSACTIONS *(continued)*

Tenancy Agreement *(continued)*

Ms. Chan is the wife of Mr. Lam Ching Kui who is director and indirectly owns approximately 74.2% of the issued capital of the Company. Mr. Lam Ching Kui, being a director and the ultimate controlling shareholder (as defined in the Listing Rules) of the Company and therefore, the entering into the Tenancy Agreement between Ms. Chan and the Company constitutes a continuing connected transaction for the Company which is subject to the reporting and announcement requirements but is exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

During the year ended 31 March 2012, the Company paid total rental charges of HK\$3,600,000 to Ms. Chan.

Annual Review

Pursuant to Rule 14A.37 of the Listing Rules, the Independent Non-executive Directors of the Company have reviewed the above continuing connected transactions and in their opinion, the transactions are:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board has also confirmed that a letter pursuant to Rule 14A.38 of the Listing Rules has been issued to the Board by the auditor of the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

REPORT OF THE DIRECTORS



MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for approximately 91% of total turnover and sales to the largest customer accounted for approximately 52%. The five largest suppliers of the Group in aggregate accounted for about 85% of its total purchase costs for the year. Purchases from the largest supplier accounted for about 63% of its total purchase costs. None of the Directors, their associates, or any shareholder (who to the knowledge of the Directors owned more than 5% of the Company's Share capital) had any interest in the Group's five largest customers or suppliers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws of the Company or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2012.

EMOLUMENT POLICY

As at 31 March 2012, the Group had a total of 95 employees, the majority of whom are situated in the PRC. In addition to offering competitive remuneration packages to employee, discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

The Group also encourages its employees to pursue a balanced lifestyle and provides a good working environment for its employees to maximise their potential and contribution to the Group.

The remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics, decides the emoluments of the Directors. No Director, or any of his associates, and executive, is involved in dealing in his own remuneration.



REPORT OF THE DIRECTORS

EMOLUMENT POLICY *(continued)*

The Company has adopted share option schemes as an incentive to Directors and eligible employees, details of the schemes is set out under the heading “Share Option Scheme” in this report.

CORPORATE GOVERNANCE

Details of the corporate governance of the Group are set out in the section headed “Corporate Governance Report” in this annual report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 March 2012 have been audited by Messrs. HLM & Co., Certified Public Accountants. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Lam Ching Kui

Chairman

Hong Kong, 26 June 2012

CORPORATE GOVERNANCE REPORT



The Directors and other members of the management team of the Company are dedicated to maintain high standards of corporate governance. They will continue to exercise leadership, enterprise, integrity and judgment so as to achieve continuing prosperity and to act in the best interests of the Company and its shareholders in a transparent and responsible manner. Strategic development with prudence and adherence to ethical principles form the cores of the Company's corporate governance practices.

The Company continues to devote efforts on promoting good corporate governance so as to ensure its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholders' value.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2012, the Company complied with the code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except code provision A4.1.

Code A4.1 stipulates that Non-executive Directors should be appointed for a specific term and subject to re-election. The Company has not fixed the term of appointment of Mr. Ko Ming Tung, Edward as the Independent Non-executive Director, however, all Independent Non-executive Directors are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company pursuant to the Company's bye-laws. As such, the Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting those in the Code.



CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Composition of the Board

As at the date of this annual report, the Board comprises five members as follows:

Executive Directors

Mr. Lam Ching Kui (*Chairman*)

Mr. Lu Jun Wu (*Chief Executive Officer – appointed on 20 June 2011*)

Mr. Guo Qing Hua (*Chief Executive Officer – resigned on 20 June 2011*)

Independent Non-executive Directors

Mr. Ko Ming Tung, Edward

Mr. Shaw Lut, Leonardo

Mr. To Yan Ming, Edmond

Responsibilities

The Board has a balance of skill and experience and a balanced composition of Executives and Non-Executive Directors and is responsible for oversight of the management of the Company's business and affairs. The Board has delegated the day-to-day responsibility to the Executive Directors and senior management of the Company.

The Board, headed by the Chairman, is responsible for formulation and approval of the Group's development, business strategies, policies, annual budgets and business plans, recommendation of any dividend and supervision of management.

With the support of the Chief Executive Officer and the management team, the Chairman seeks to ensure that all Directors are properly briefed on issues brought up at Board meetings and receive adequate and reliable information in relation to matters discussed at Board meetings and also other affairs of the Group on a timely basis.

The Chief Executive Officer is responsible for day-to-day management of the Company's operations, financial management and the effective implementation of the overall strategies and initiatives adopted by the Board.

The Company considers that internal control system and risk management function are essential, and the Board plays an important role in implementing and monitoring internal control system and risk management function.

CORPORATE GOVERNANCE REPORT



BOARD OF DIRECTORS *(continued)*

Responsibilities *(continued)*

During the year ended 31 March 2012, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

Each Independent Non-executive Director has confirmed, in accordance with the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules that he is independent of the Company and the Company also considers that they are independent.

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include:

- attending regular Board meetings focusing on business strategy, operational issues and financial performance;
- active participation on the boards of subsidiaries and associated companies;
- approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;
- monitoring the quality, timeliness, relevance and reliability of internal and external reporting;
- monitoring and managing potential conflicts of interest of the Board, senior management and shareholders;
- consideration of misuse of corporate assets and abuse in related party transactions; and
- ensuring processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

To enable the Directors to meet their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.



CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS *(continued)*

Appointment/re-election of removal of Directors

The appointment of all the Directors, including Independent Non-executive Directors, is for a specific term of not more than three years from date of appointment. The Company's Bye-laws provide for the retirement of Directors by rotation and any new Director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting following the appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Company's Bye-laws. The Board is responsible for the reviewing the Board composition, monitoring the appointment of Directors and assessing the independence of the Independent Non-executive Directors.

Board Process

During the year ended 31 March 2012, the Board held four regular board meetings. In addition board meetings are convened when necessary to deal with everyday matters that require the Board's prompt decision, and are usually attended by executive directors only. The Directors participated in person or through electronic means of communication. The attendance of each Director is set out as follows:

Name of Director	Number of meeting attended/held
Executive Directors	
Mr. Lam Ching Kui (<i>Chairman</i>)	4/4
Mr. Lu Jun Wu (<i>Chief Executive Officer — appointed on 20 June 2011</i>)	3/4
Mr. Guo Qing Hua (<i>Chief Executive Officer — resigned on 20 June 2011</i>)	0/0
Independent Non-executive Directors	
Mr. Ko Ming Tung, Edward	4/4
Mr. Shaw Lut, Leonardo	4/4
Mr. To Yan Ming, Edmond	4/4

CORPORATE GOVERNANCE REPORT



BOARD OF DIRECTORS *(continued)*

Board Process *(continued)*

Directors are provided with relevant information to make informed decisions. The Board and each director have separate and independent access to the Company's senior management for information and making enquires if necessary. In addition, Directors may seek independent professional advice in appropriate circumstances at the Company's expenses.

Every Director is entitled to have access to the advice and services of the Company Secretary with a view to ensure that the Board procedures, and all applicable rules and regulations, are complied with. All minutes are kept by the Company Secretary and are opened for inspections by any Director during normal office hours by giving reasonable advance notice.

If a substantial shareholder or a Director has a conflict of interest in a matter before the Board, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent board committee will be set up to deal with the matter.

BOARD COMMITTEES

The Company has set up a number of committees of the Board, including the Remuneration Committee, the Audit Committee and Nomination Committee, with specific terms of reference relating to their authority and duties, which strengthen the Board's functions and enhance its expertise.

Remuneration Committee

The Remuneration Committee comprises one Executive Director and three Independent Non-executive Directors. Mr. Ko Ming Tung, Edward is the Chairman of the Remuneration Committee.

The primary function of the Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management. The Company's emolument policy is to ensure that the remuneration offered to employees including executive Directors and senior management is based on the skills, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages are also determined by reference to the Company's performance and profitability, remuneration level in the industry and the prevailing market conditions. The emolument policy for Non-executive Directors, mainly comprising directors' fees, is subject to annual assessment with reference to the market standard. Individual Director and senior management would not be involved in deciding their own remuneration.



CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES *(continued)*

Remuneration Committee *(continued)*

During the year ended 31 March 2012, the Remuneration Committee held two meetings, with attendance record as follows:

Name of Director	Number of meetings attended/held
Mr. Ko Ming Tung, Edward <i>(Chairman)</i>	2/2
Mr. Lam Ching Kui	2/2
Mr. Shaw Lut, Leonardo	2/2
Mr. To Yan Ming, Edmond	2/2

During the year under review, the Remuneration Committee reviewed matters relating to remuneration packages of directors and senior management.

Audit Committee

The Audit Committee comprises Mr. Ko Ming Tung, Edward, Mr. Shaw Lut, Leonardo and Mr. To Yan Ming, Edmond, all of whom are Independent Non-executive Directors. Mr. To Yan Ming, Edmond is the Chairman of the Audit Committee.

The Audit Committee reports directly to the Board and reviews financial statements and internal control, to protect the interests of the Company's shareholders.

The Audit Committee meets regularly with the Company's external auditor to discuss various accounting issues, and reviews the effectiveness of internal controls. Written terms of reference, which describe the authority and duties of the Audit Committee are regularly reviewed and updated by the Board.

During the year ended 31 March 2012, the Audit Committee held two meetings, with attendance record as follows:

Name of Director	Number of meetings attended/held
Mr. To Yan Ming, Edmond <i>(Chairman)</i>	2/2
Mr. Ko Ming Tung, Edward	2/2
Mr. Shaw Lut, Leonardo	2/2

CORPORATE GOVERNANCE REPORT



BOARD COMMITTEES *(continued)*

Audit Committee *(continued)*

At the meetings, the Audit Committee reviewed the audited financial statements for the year ended 31 March 2012 and the interim report for the six months ended 30 September 2011 respectively. The Audit Committee has also reviewed the Group accounting principles and practices, Listing Rules and statutory compliance, internal controls and financial reporting matters. The Committee is satisfied with their review of the independence of the Auditors and their audit process for the year ended 31 March 2012 audit.

The Group's results and consolidated financial statements for the year ended 31 March 2012 have been reviewed by the Audit Committee.

Nomination Committee

The Nomination Committee comprises one Executive Director and three Independent Non-executive Directors. Mr. Shaw Lut, Leonardo is the Chairman of the Nomination Committee.

The primary function of the Nomination Committee is to make recommendations to the Board on new appointment and re-appointment of Directors and Senior Management. New directors are sought mainly through referrals and internal promotions. In evaluating whether an appointee is suitable to act as a director, the Board will review the independence, experience and skills of the appointee as well as personal ethics, integrity and time commitment of the appointee.

During the Corporate Governance Report period, the Nomination Committee held two meetings, with attendance record as follows:

Name of Director	Number of meetings attended/held
Mr. Shaw Lut, Leonardo (<i>Chairman</i>)	2/2
Mr. Ko Ming Tung, Edward	2/2
Mr. Lam Ching Kui	2/2
Mr. To Yan Ming, Edmond	2/2



CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code of conduct regarding securities transactions by the Directors. All directors have confirmed, following specific enquiries by the Company that they have complied with the required standards set out in the Model Code throughout the year ended 31 March 2012.

EXTERNAL AUDITORS AND THEIR REMUNERATION

HLM & Co. retire and, being eligible, offer themselves for re-appointment. A resolution for the reappointment of HLM & Co. as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

The external auditors of the Company is HLM & Co. who provided services in respect of the audit of Company’s financial statements which were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) for the year ended 31 March 2012. HLM & Co. also reviewed the 2011 unaudited interim financial information of the Company, which was prepared in accordance with HKFRSs.

The total fees charged by HLM & Co. in respect of audit services for the year ended 31 March 2012 amounted to HK\$500,000.

Description of non-audit services performed by HLM & Co.	Fee Paid <i>HK\$</i>
(1) Interim review of financial statements of the Company and its subsidiaries for the six months ended 30 September 2011	128,000

DIRECTORS’ RESPONSIBILITY IN PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge that their responsibilities for preparing the consolidated financial statements and ensuring that the preparation of the accounts is in accordance with statutory requirements and applicable accounting standards.

The statement of the Auditors of the Company regarding their reporting responsibilities for the consolidated financial statements is set out in the Independent Auditors’ Report on pages 26 to 27 of this Annual Report.

GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.



INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control system of the group. The system includes a defined management structure with limits of authority, safeguards its assets against unauthorized use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliances with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage the risks of failure in the Group's operational systems and in the achievement of the Group's objectives.

The Directors acknowledge their responsibilities to ensure a sound and effective internal control system designed to facilitate efficient operations and to provide reasonable assurance in the financial reporting and compliance with applicable laws and regulations.

During the internal control system review performed, the Board, through the Audit Committee, has reviewed the effectiveness of the Group's internal control system covering all material controls, including financial, operational and compliance controls and risk management function. There are no material internal controls deficiencies that may affect the shareholders of the Company have come to the attention of the Audit Committee or the Board. They considered that the system had effectively safeguarded the assets of the Group. The Group will continue to enhance the system to cope with the changes in the business environment.

SHAREHOLDERS COMMUNICATION

The Directors are aware of the importance of maintaining good relations and communications with shareholders. The Company uses a range of communication tools, such as the Annual General Meeting (the "AGM"), the annual report, the interim report, various notices and announcements and circulars to ensure its shareholders are kept well informed of key business imperatives. The AGM allows the Directors to meet and communicate with shareholders. The Company's financial statements and each of the required disclosure of information are dispatched within the prescribed period imposed by laws and regulations.

To further promote effective communication, the corporate website is maintained to disseminate Company's announcements and other relevant financial and non-financial information electronically on a timely basis through the website of the Company, www.1013.hk and the Stock Exchange, www.hkex.com.hk.



INDEPENDENT AUDITORS' REPORT

恒健會計師行

HLM & Co.

Certified Public Accountants

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TO THE SHAREHOLDERS OF WAI CHUN GROUP HOLDINGS LIMITED

偉俊集團控股有限公司

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wai Chun Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 94, which comprise the consolidated statement of financial position as at 31 March 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 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 about whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT



AUDITORS' RESPONSIBILITY *(continued)*

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 March 2012, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLM & Co.

Certified Public Accountants

Hong Kong

26 June 2012



CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Notes	2012 HK\$'000	2011 HK\$'000
Turnover	7	140,590	88,876
Cost of sales		(121,995)	(75,233)
Gross profit		18,595	13,643
Other income	8	598	3,285
Net realised gain on disposal of available-for-sale investments		—	5,319
Net loss arising on revaluation of available-for-sale investments		—	(778)
Net realised loss on disposal of held for trading investments		(295)	(1,330)
Net unrealised loss on held for trading investments		(6,708)	(150)
Selling and distribution expenses		(13,732)	(9,948)
Administrative expenses		(25,094)	(25,082)
Finance costs	10	(485)	(80)
Loss before taxation		(27,121)	(15,121)
Taxation	11	(129)	—
Loss for the year	12	(27,250)	(15,121)
Loss attributable to:			
— Shareholders of the Company		(26,975)	(15,121)
— Non-controlling interests		(275)	—
		(27,250)	(15,121)
Loss per share	15	HK cents	HK cents
— Basic		(0.50)	(0.28)
— Diluted		(0.50)	(0.28)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012



	2012 HK\$'000	2011 HK\$'000
Loss for the year	(27,250)	(15,121)
Other comprehensive expenses:		
Exchange differences arising on translation	(488)	(1,539)
Loss arising on revaluation of available-for-sale investments	—	(904)
Reclassification adjustments relating to available-for-sale investments disposed of during the year	—	(7,430)
Other comprehensive expenses for the year	(488)	(9,873)
Total comprehensive expenses for the year	(27,738)	(24,994)
Total comprehensive expenses attributable to:		
— Shareholders of the Company	(27,463)	(24,994)
— Non-controlling interests	(275)	—
	(27,738)	(24,994)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	Notes	2012 HK\$'000	2011 HK\$'000
Non-current assets			
Property, plant and equipment	16	13,821	13,274
Intangible asset	17	—	454
Available-for-sale investments	18	—	23,936
		13,821	37,664
Current assets			
Inventories	19	24,887	30,658
Trade and other receivables, prepayments and deposits	20	16,149	19,822
Amount due from a related company	30	—	900
Held for trading investments	21	15,615	1,630
Fixed deposits	22	300	300
Bank balances and cash	23	23,749	11,775
		80,700	65,085
Current liabilities			
Trade and other payables	24	66,359	59,408
		14,341	5,677
Net current assets			
		12,903	40,641
Non-current liability			
Loan from the ultimate holding company	30	15,259	2,700
		12,903	40,641
Net assets			
Capital and reserves			
Share capital	25	53,912	53,912
Reserves		(40,734)	(13,271)
Equity attributable to shareholders of the Company		13,178	40,641
Non-controlling interests	26	(275)	—
		12,903	40,641

The consolidated financial statements on pages 28 to 94 were approved and authorised for issue by the Board of Directors on 26 June 2012 and are signed on its behalf by:

Lam Ching Kui
Director

Lu Jun Wu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012



	Share capital	Convertible preference shares	Convertible share option reserve	Investment revaluation reserve	Translation reserve	Accumulated losses	Attributable to shareholders of the Company	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 March 2010	53,912	110,000	20,000	8,334	(3,464)	(123,147)	65,635	–	65,635
Loss for the year	–	–	–	–	–	(15,121)	(15,121)	–	(15,121)
Other comprehensive expenses for the year	–	–	–	(8,334)	(1,539)	–	(9,873)	–	(9,873)
Total comprehensive expenses for the year	–	–	–	(8,334)	(1,539)	(15,121)	(24,994)	–	(24,994)
At 31 March 2011 and 1 April 2011	53,912	110,000	20,000	–	(5,003)	(138,268)	40,641	–	40,641
Loss for the year	–	–	–	–	–	(26,975)	(26,975)	(275)	(27,250)
Other comprehensive expenses for the year	–	–	–	–	(488)	–	(488)	–	(488)
Total comprehensive expenses for the year	–	–	–	–	(488)	(26,975)	(27,463)	(275)	(27,738)
At 31 March 2012	53,912	110,000	20,000	–	(5,491)	(165,243)	13,178	(275)	12,903



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

	2012 HK\$'000	2011 HK\$'000
Operating activities		
Loss before taxation	(27,121)	(15,121)
Adjustments for:		
Interest expenses	485	80
Amortisation of intangible asset	37	55
Depreciation on property, plant and equipment	624	254
Dividend income from available-for-sale investments	—	(485)
Dividend income from held for trading investments	(111)	(255)
Interest income	(25)	(31)
Gain on disposal of intangible asset	(255)	—
Loss on disposal of property, plant and equipment	—	392
Allowance (over-provision of allowance) for bad and doubtful debts	708	(2,133)
Net realised gain on disposal of available-for-sale investments	—	(5,319)
Net loss arising on revaluation of available-for-sale investments	—	778
Net realised loss on disposal of held for trading investments	295	1,330
Net unrealised loss on held for trading investments	6,708	150
Operating cash flows before movements in working capital	(18,655)	(20,305)
Decrease (increase) in inventories	4,693	(24,363)
Decrease in trade and other receivables, prepayments and deposits	2,480	13,749
Decrease in amount due from a related company	900	1,129
Increase in trade and other payables	9,201	11,781
Cash used in operations	(1,381)	(18,009)
Interest paid	(485)	(80)
Tax paid	(129)	—
Net cash used in operating activities	(1,995)	(18,089)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012



	2012 HK\$'000	2011 HK\$'000
Investing activities		
Purchase of available-for-sale investments	—	(19,080)
Purchase of property, plant and equipment	(1,166)	(11,917)
Proceeds from disposal of intangible asset	672	—
Proceeds from disposal of property, plant and equipment	—	80
Proceeds from disposals of held for trading investments	2,948	9,830
Proceeds from disposals of available-for-sale investments	—	40,236
Dividend received	111	740
Interest received	25	31
Net cash generated from investing activities	2,590	19,920
Financing activity		
Loan from the ultimate holding company	12,559	2,700
Net cash generated from financing activity	12,559	2,700
Net increase in cash and cash equivalents	13,154	4,531
Effects of foreign exchange rate changes	(1,180)	(2,088)
Cash and cash equivalents at the beginning of the year	12,075	9,632
Cash and cash equivalents at the end of the year	24,049	12,075
Analysis of the balances of cash and cash equivalents:		
Fixed deposits	300	300
Bank balances and cash	23,749	11,775
	24,049	12,075



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the directors, its ultimate holding company is Wai Chun Investment Fund, a private limited company incorporated in the Cayman Islands.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 34.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The following new and revised standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) have been applied by the Group in the current year and have affected the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements. The impact of the application of the new and revised standards and interpretations is discussed below.

Application of new and revised standards and interpretations

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (the “new and revised HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning on 1 April 2011.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
Amendments to HKFRS 1	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters
HKAS 24 (as revised in 2009)	Related party disclosures
Amendments to HK(IFRIC) – INT 14	Prepayments of a minimum funding requirement
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments

The application of the new and revised HKFRSs in the current year has no material effect on the amounts reported in these financial statements and/or disclosures set out in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



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

New and revised HKFRSs in issue but not yet effective

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle ⁴
Amendments to HKFRS 1	Severe hyperinflation and removal of fixed dates for first-time adopters ¹
Amendments to HKFRS 1	Government loans ⁴
Amendments to HKFRS 7	Disclosures – Transfers of financial assets ¹
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities ⁴
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date of HKFRS 9 and transition disclosures ⁶
HKFRS 9	Financial instruments ⁶
HKFRS 10	Consolidated financial statements ⁴
HKFRS 11	Joint arrangements ⁴
HKFRS 12	Disclosures of interests in other entities ⁴
HKFRS 13	Fair value measurement ⁴
Amendments to HKAS 1	Presentation of items of other comprehensive income ³
Amendments to HKAS 12	Deferred tax: Recovery of underlying assets ²
HKAS 19 (as revised in 2011)	Employee benefits ⁴
HKAS 27 (as revised in 2011)	Separate financial statements ⁴
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ⁴
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ⁵
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine ⁴

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2012

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2013

⁵ Effective for annual periods beginning on or after 1 January 2014

⁶ Effective for annual periods beginning on or after 1 January 2015



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

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

New and revised HKFRSs in issue but not yet effective *(continued)*

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. The amendments made in 2010 include the requirements for the classification and measurement of financial liabilities and for derecognition.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC) – Int 12 Consolidation – Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



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

New and revised HKFRSs in issue but not yet effective *(continued)*

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to the proportion of the total cost of providing the servicing for the product sold.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange difference arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in the foreign currency translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and state-managed retirement benefit scheme are charged as an expense when employees have rendered services entitling them to the contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits or losses.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary difference associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful life, using the straight-line method. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leasehold improvements	20% or over the terms of the lease, if higher
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible assets other than goodwill

At the end of each of reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of tangible assets other than goodwill *(continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimated of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss” (FVTPL), “available-for-sale” (AFS) financial assets and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Financial assets at FVTPL (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earning on the financial asset and is included in the “other gains and losses” line item in the consolidated income statement. Fair value is determined in the manner described in note 6.

Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables or (b) financial assets at FVTPL.

AFS financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Where the financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. (see the accounting policy in respect of impairment loss on financial assets below).

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period. (see the accounting policy in respect of impairment loss on financial assets below).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, deposits, prepayments and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

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

When an AFS financial asset is considered to be impaired, cumulated gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Other financial liabilities

Other financial liabilities (including accruals, deposit received and other payables) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derecognition *(continued)*

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

The following are 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.

Depreciation of property, plant and equipment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



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

Key sources of estimation uncertainty *(continued)*

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment of intangible assets

The management of the Group reviews its intangible assets at the end of each reporting period for any indication that the intangible assets may be impaired if its carrying amount may be in excess of the greater of its net selling price and its value in use. The value in use means the discontinued present value of the future cash flows expected to arise from the continuing use of the intangible assets and from its disposal at the end of its useful life.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The Directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Financial assets		
Loans and receivables (including cash and cash equivalents)	40,198	32,797
Held for trading investments	15,615	1,630
Available-for-sale investments	—	23,936
Financial liabilities		
Other financial liabilities	81,618	62,108

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, held for trading investments, bank balances and cash, trade payables, accruals and other payables, amount due from a related company and loan from the ultimate holding company. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (currency risk, interest rate risk and equity price risk) and liquidity risk.

The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



6. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk

As at 31 March 2012, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised trade receivables as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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

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

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

6. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Foreign currency risk

The Group's foreign currency assets, liabilities and transactions are principally denominated in Renminbi ("RMB"). These currencies are not the functional currencies of the Group entities to which these balances relate.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
RMB	30,633	20,744	64,573	57,654

The Group currently does not have a foreign currency hedging policy. However, the management will closely monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



6. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Foreign currency risk *(continued)*

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in RMB.

The following table details the Group's sensitivity to a 5% (2011: 5%) increase or decrease in HKD against RMB. 5% (2011: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. A positive number below indicates an increase in post-tax loss with a 5% weakening of HKD (2011: 5%) against RMB. For a 5% (2011: 5%) strengthening of HKD against RMB, there would be an equal and opposite impact on the post-tax loss, and the balances below would be negative.

	2012 HK\$'000	2011 <i>HK\$'000</i>
Loss for the year	1,697	1,846

The Group's sensitivity to RMB has decreased during the current year mainly due to the decrease in RMB denominated receivables as at 31 March 2012.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure at the end of the reporting period does not reflect the exposure during the year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

6. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings from a financial institution.

The Group is also exposed to fair value interest rate risk in relation to loan from the ultimate holding company and amount due to a related company. The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for derivatives and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2011: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2011: 100 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2012 would increase/decrease by approximately HK\$88,000 (2011: approximately HK\$121,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



6. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Other price risk

The Group is exposed to equity price risk mainly through its investments in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 10% higher/lower (2011: 10% higher/lower):

- post-tax loss for the year ended 31 March 2012 would decrease/increase by HK\$1,562,000 (2011: decrease/increase by HK\$163,000). This is mainly due to the changes in fair value of held for trading investment; and
- other comprehensive expense would decrease/increase by HK\$Nil (2011: decrease/increase by HK\$2,394,000) as a result of the changes in fair value of available-for-sale investments.

Liquidity risk

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

The Group had net current assets and equity attributable to shareholders of the Company of approximately HK\$14,341,000 and HK\$13,178,000 respectively as at 31 March 2012.

The management will closely monitor the cash flow generated from operations and the Group's needs for different types of external financing and will negotiate for proper facilities and consider proper means of equity financing as appropriate.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Liquidity tables

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contracted undiscounted payments, was as follows:

	0 to 180 days HK\$'000	181 to 365 days HK\$'000	Over 1 year HK\$'000	Carrying value HK\$'000
2012				
Non-derivative financial liabilities				
Trade payables	2,470	40,962	19,420	62,852
Accruals and other payables	3,507	—	—	3,507
Loan from the ultimate holding company	—	—	15,259	15,259
	5,977	40,962	34,679	81,618

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity tables (continued)

	0 to 180 days HK\$'000	181 to 365 days HK\$'000	Over 1 year HK\$'000	Carrying value HK\$'000
2011				
Non-derivative financial liabilities				
Trade payables	24,475	12,593	19,370	56,438
Accruals and other payables	2,970	—	—	2,970
Loan from the ultimate holding company	—	—	2,700	2,700
	27,445	12,593	22,070	62,108

Financial instruments carried at fair value

The carrying value of financial instruments measured at fair value at 31 March 2012 across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

6. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Financial instruments carried at fair value (continued)

At 31 March 2012, the available-for-sale investments of HK\$Nil (2011: HK\$23,936,000) and the held for trading investments of HK\$15,615,000 (2011: HK\$1,630,000) of the Group are grouped into Level 1.

During the year ended 31 March 2012, there were no transfers between financial instruments in Level 1 and 2.

Fair values of financial instruments carried at other than fair value

At 31 March 2012, the Group did not have any financial instruments with fair value calculated based on Level 3 of the fair value hierarchy.

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

- The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted active bid prices and ask prices respectively; and
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



7. TURNOVER AND SEGMENT INFORMATION

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the executive directors of the Company, being the Chief Operating Decision Maker (the “CODM”) of the Group.

Business Segment

The CODM regularly reviews revenue and operating results derived from three operating divisions – sales and integration service, services income and contract income. These divisions are the basis on which the Group reports its primary segment information. Principal activities are as follows:

Sales and integration services:	Income from sales and services provision of integration services of computer and communication systems
Services income:	Income from design, consultation and production of information system software and management training services
Contract income:	Income in connection with the sale of communication systems equipment for intelligent buildings and provision of installation services



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

7. TURNOVER AND SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 March 2012

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Total HK\$'000
TURNOVER				
External sales	116,971	23,619	—	140,590
SEGMENT RESULTS	(9,398)	7,892	—	(1,506)
Unallocated corporate income				598
Unallocated corporate expenses				(25,728)
Finance costs				(485)
Loss before taxation				(27,121)
Taxation				(129)
Loss for the year				(27,250)

For the year ended 31 March 2011

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Total HK\$'000
TURNOVER				
External sales	78,115	10,722	39	88,876
SEGMENT RESULTS	(1,367)	418	(1)	(950)
Unallocated corporate income				8,604
Unallocated corporate expenses				(22,695)
Finance costs				(80)
Loss before taxation				(15,121)
Taxation				—
Loss for the year				(15,121)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



7. TURNOVER AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 31 March 2012

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Total HK\$'000
Segment assets	42,661	8,615	—	51,276
Unallocated assets				43,245
Consolidated assets				94,521
Segment liabilities	53,304	10,764	—	64,068
Unallocated liabilities				17,550
Consolidated liabilities				81,618

At 31 March 2011

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Total HK\$'000
Segment assets	39,854	5,470	20	45,344
Unallocated assets				57,405
Consolidated assets				102,749
Segment liabilities	50,249	6,897	25	57,171
Unallocated liabilities				4,937
Consolidated liabilities				62,108



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

7. TURNOVER AND SEGMENT INFORMATION (continued)

Other information

For the year ended 31 March 2012

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Others HK\$'000	Total HK\$'000
Amortisation of intangible asset	—	—	—	37	37
Additions to property, plant and equipment	80	16	—	1,070	1,166
Depreciation of property, plant and equipment	63	13	—	548	624
Allowance for bad and doubtful debts	589	119	—	—	708

For the year ended 31 March 2011

	Sales and integration services HK\$'000	Services income HK\$'000	Contract income HK\$'000	Others HK\$'000	Total HK\$'000
Amortisation of intangible asset	—	—	—	55	55
Additions to property, plant and equipment	71	10	—	11,836	11,917
Depreciation of property, plant and equipment	37	5	—	212	254
Over-provision of allowance for bad and doubtful debts	1,875	257	1	—	2,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



7. TURNOVER AND SEGMENT INFORMATION (continued)

Geographical segments

No geographical segment analysis on turnover is provided as substantially all of the Group's revenue and contribution to results were derived from the People's Republic of China (the "PRC").

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment	
	31.3.2012 HK\$'000	31.3.2011 HK\$'000	31.3.2012 HK\$'000	31.3.2011 HK\$'000
Hong Kong	41,688	55,542	1,069	2,144
PRC, excluding Hong Kong	52,833	47,207	97	9,773
	94,521	102,749	1,166	11,917

Information on major customers

Included in turnover arising from sales and integration services of HK\$116,971,000 (2011: HK\$78,115,000) are turnover of approximately HK\$93,516,000 (2011: HK\$66,975,000) which arose from sales to the Group's two (2011: three) major customers and each customers accounted for more than 10% of the Group's total turnover.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

8. OTHER INCOME

	2012	2011
	HK\$'000	HK\$'000
Bank interest income	25	31
Consultancy income	141	—
Dividend income from held for trading investments	111	255
Dividend income from available-for-sale investments	—	485
Gain on disposal of intangible asset	255	—
Over-provision of allowance for bad and doubtful debts	—	2,133
Sundry income	66	381
	598	3,285

9. GAIN ON DISPOSAL OF SUBSIDIARIES

On 30 September 2010, the Group disposed of its entire interests in Chun Tai (BVI) Limited, Chun Tai Novelty Company Limited, Chun Tai Printing Limited, Zhongshan Modern Color Printing and Packaging Products Factory Company Limited, Full Hope Enterprises Limited, Telecom Plus Technology Limited, Allnet Company Limited, Telecom Plus Investment Limited, Plus Investment & Management Consulting Company and Up Hill Investments Limited. The total consideration was settled in cash approximately HK\$19. The gain on disposal of subsidiaries was approximately HK\$19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



10. FINANCE COSTS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interests paid to:		
– the ultimate holding company	397	61
– a related company	–	19
– others	88	–
	485	80

11. TAXATION

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current tax:		
– Hong Kong	–	–
– PRC Enterprise Income tax	5	–
	5	–
Under-provision in prior year:		
– Hong Kong	–	–
– PRC Enterprise Income Tax	124	–
	124	–
Total income tax recognised in profit and loss	129	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2011: 25%).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

11. TAXATION (continued)

The taxation for the years can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2012 HK\$'000	2011 HK\$'000
Loss before taxation	(27,121)	(15,121)
Tax at the applicable income tax rate of 16.5%	(4,475)	(2,495)
Tax effect of expenses not deductible for tax purpose	4,299	10,158
Tax effect of income not taxable for tax purpose	(728)	(8,404)
Tax effect of deductible temporary differences not recognised	19	(124)
Tax effect of tax losses not recognised	888	865
Effect of different tax rates of subsidiaries operating in other jurisdiction	2	—
Under-provision for previous year in PRC	124	—
Taxation for the year	129	—

At 31 March 2012, the Group has unused tax losses of approximately HK\$18,680,000 (2011: approximately HK\$13,316,000) available to offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



12. LOSS FOR THE YEAR

	2012 HK\$'000	2011 HK\$'000
Loss for the year has been arrived at after charging:		
Auditors' remuneration	500	500
Amortisation of intangible asset	37	55
Depreciation on property, plant and equipment	624	254
Loss on disposal of property, plant and equipment	—	392
Allowance for bad and doubtful debts	708	—
Staff costs (including directors' emoluments)		
— salaries and allowance	16,521	13,006
— director's quarter	22	94
— provident fund contributions	46	91
And after crediting:		
Interest income	25	31
Gain on disposal of intangible asset	255	—
Over-provision of allowance for bad and doubtful debts	—	2,133

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

- (a) The aggregate amounts of emoluments payable to directors of the Company during the year were as follows:

	2012 HK\$'000	2011 HK\$'000
Fees	480	480
Other emoluments:		
Basic salaries, other allowance and benefits in kind	3,214	3,084
Retirement benefit costs		
— Defined contribution retirement plans	15	24
	3,229	3,108
Total emoluments	3,709	3,588



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Directors' emoluments

The emoluments paid or payable to each of the 6 (2011: 5) directors were as follows:

Year 2012

	Other emoluments			2012 Total emoluments HK\$'000
	Directors' fees HK\$'000	Basic salaries, other allowance and benefits in kind HK\$'000	Defined contribution retirement plans HK\$'000	
Executive Directors				
Lam Ching Kui	—	2,800	12	2,812
Guo Qing Hua ¹	—	107	3	110
Lu Jun Wu ²	—	307	—	307
	—	3,214	15	3,229
Independent Non-executive Directors				
Ko Ming Tung Edward	240	—	—	240
Shaw Lut Leonardo	120	—	—	120
To Yan Ming Edmond	120	—	—	120
	480	—	—	480
Total	480	3,214	15	3,709

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Directors' emoluments (continued)

Year 2011

	Other emoluments			2011 Total emoluments HK\$'000
	Directors' fees HK\$'000	Basic salaries, other allowance and benefits in kind HK\$'000	Defined contribution retirement plans HK\$'000	
Executive				
Directors				
Lam Ching Kui	—	2,600	12	2,612
Guo Qing Hua ¹	—	484	12	496
	—	3,084	24	3,108
Independent				
Non-executive				
Directors				
Ko Ming Tung				
Edward	240	—	—	240
Shaw Lut				
Leonardo	120	—	—	120
To Yan Ming				
Edmond	120	—	—	120
	480	—	—	480
Total	480	3,084	24	3,588

1. Resigned on 20 June 2011

2. Appointed on 20 June 2011

No director waived or agreed to waive any emoluments during the two years ended 31 March 2012 and 2011.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

- (c) Of the five individuals with the highest emoluments in the Group, two (2011: two) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining three (2011: three) individuals were as follows:

	2012 HK\$'000	2011 HK\$'000
Basic salaries, other allowance and benefits in kind	1,496	1,323
Retirement benefit costs		
— Defined contribution retirement plans	24	30
	1,520	1,353
	2012	2011
Their emoluments were within the following band:		
HK\$1,000,000 or above	1	1

No emoluments were paid to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during each of the two years ended 31 March 2012 and 2011.

14. DIVIDEND

No dividend was paid or proposed during 2012, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

15. LOSS PER SHARE

The calculation of basic loss per share was based on the Group's loss attributable to shareholders of the Company of approximately HK\$26,975,000 (2011: approximately HK\$15,121,000) and the number of ordinary shares of 5,391,162,483 (2011: 5,391,162,483) in issue at the end of the reporting period.

Diluted loss per share is calculated by adjusting the number of ordinary shares outstanding due to the effect of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible preference shares and convertible share options.

The calculation of diluted loss per share for the year ended 31 March 2012 and 31 March 2011 does not assume the conversion of the convertible preference shares and the exercise of the share options since their exercise would result in a decrease in loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST				
At 1 April 2010	1,259	1,272	835	3,366
Additions	9,690	145	2,082	11,917
Disposals	—	—	(576)	(576)
Effect of foreign currency exchange differences	—	147	—	147
At 31 March 2011	10,949	1,564	2,341	14,854
Additions	778	388	—	1,166
Disposals	—	(9)	—	(9)
Effect of foreign currency exchange differences	—	55	—	55
At 31 March 2012	11,727	1,998	2,341	16,066
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 1 April 2010	—	1,084	204	1,288
Charge for the year	—	76	178	254
Disposals	—	—	(104)	(104)
Effect of foreign currency exchange differences	—	142	—	142
At 31 March 2011	—	1,302	278	1,580
Charge for the year	59	149	416	624
Disposals	—	(9)	—	(9)
Effect of foreign currency exchange differences	—	50	—	50
At 31 March 2012	59	1,492	694	2,245
NET CARRYING VALUES				
At 31 March 2012	11,668	506	1,647	13,821
At 31 March 2011	10,949	262	2,063	13,274



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

17. INTANGIBLE ASSET

	Vehicle license <i>HK\$'000</i>
COST	
At 1 April 2010	550
Addition	—
At 31 March 2011	550
Disposal	(550)
At 31 March 2012	—
AMORTISATION	
At 1 April 2010	41
Charge for the year	55
At 31 March 2011	96
Charge for the year	37
Disposal	(133)
At 31 March 2012	—
CARRYING VALUE	
At 31 March 2012	—
At 31 March 2011	454

18. AVAILABLE-FOR-SALE INVESTMENTS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
LISTED INVESTMENTS		
Equity shares, listed in Hong Kong	—	23,936

Equity securities amounting to approximately HK\$14,700,000 were transferred from available-for-sale investments to held for trading investments on 1 April 2011 and remaining equity securities were disposed in the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



19. INVENTORIES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Work in progress	21,599	27,650
Other consumables	3,288	3,008
	24,887	30,658

No inventories of the Group were carried at net realisable value (2011: HK\$Nil) at the end of the reporting period.

20. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

According to the contracts entered into with trade customers, an average of the contracts revenue is normally collected within 90 days from the date of receipt of customers' acceptance, whereas the remaining trade receivables represent retentions held by customers which are normally due one year after completion of the project. The following is an aging analysis of trade receivables included in trade and other receivables at the end of the reporting period:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade receivables	32,452	34,186
Less: Allowance for bad and doubtful debts	(27,333)	(26,625)
	5,119	7,561
Other receivables, prepayments and deposits	11,030	12,261
Total trade and other receivables, prepayments and deposits	16,149	19,822

Other receivables, prepayments and deposits mainly consist of approximately HK\$5,791,000 for the purchase of inventories — other consumables and approximately HK\$531,000 for the rental deposits.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

20. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

The following is an aging analysis of trade receivables net of allowance for bad and doubtful debts at the end of the reporting period:

	2012 HK\$'000	2011 HK\$'000
0-30 days	3,799	2,833
31-90 days	55	—
Over 90 days	1,265	4,728
Total	5,119	7,561

Movement in the allowance for bad and doubtful debts:

	2012 HK\$'000	2011 HK\$'000
Balance at beginning of the year	26,625	28,758
Allowance recognised on receivables	708	—
Over-provision of previous years	—	(2,133)
Balance at end of the year	27,333	26,625

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

21. HELD FOR TRADING INVESTMENTS

Held for trading investments comprises:

	2012 HK\$'000	2011 HK\$'000
Equity securities listed in Hong Kong, at fair value	15,615	1,630

The fair values of the above listed securities are determined based on the quoted market bid prices available on The Hong Kong Stock Exchange. Equity securities amounting to approximately HK\$14,700,000 were transferred from available-for-sale investments to held for trading investments on 1 April 2011.

22. FIXED DEPOSITS

Fixed deposits carry interest at market rates of 0.01% (2011: 0.01%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



23. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 0.09% (2011: 0.01% to 0.09%) per annum.

24. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables included in trade and other payables at the end of the reporting period:

	2012 HK\$'000	2011 HK\$'000
Trade payables		
0-90 days	39,513	24,475
91-180 days	1,449	—
Over 180 days	21,890	31,963
	62,852	56,438
Other payables	3,507	2,970
Total trade and other payables	66,359	59,408

25. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$ 0.01 each at 1 April 2010, 31 March 2011 and 31 March 2012	100,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK\$ 0.01 each at 1 April 2010, 31 March 2011 and 31 March 2012	5,391,163	53,912
Issued and fully paid convertible preference shares:		
Convertible preference shares of HK\$ 0.01 each at 1 April 2010, 31 March 2011 and 31 March 2012	11,000,000	110,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

25. SHARE CAPITAL (continued)

Note:

- a) The convertible preference shares were issued at a total consideration of HK\$11,000,000. Their rights, privileges and restrictions are set out below:

Maturity Date: Five years from the date of issue of the relevant Convertible Preference Shares.

Conversion period: During the period beginning on the date of the Date of Issue and ending at close of business in Hong Kong on the fifth anniversary of the Date of Issue (the "Maturity Date") (both dates inclusive), each holder of Convertible Preference Shares shall have the right at any time and from time to time to convert all or part (any conversion in part being in amounts or integral multiples of 2,000 Ordinary Shares or such other number as many for the time being a board lot of Ordinary Shares on The Stock Exchange of Hong Kong Limited or such other stock exchange which in the opinion of the board of the Company is the principal stock exchange on which the Ordinary Shares are listed or traded) of his holding of such Convertible Preferences Shares into fully paid Ordinary Shares (subject as provided below) in accordance with the conversion price set out in paragraph below).

Conversion of the Convertible Preferences Shares may be effected in such manner as the board of Directors shall from time to time determine (subject to the applicable laws and regulations). The company shall have the right to defer the issue and allotment of the Ordinary Shares arising under the exercise of the conversion rights attaching to the Convertible Preference Shares or mandatory conversion of the outstanding Convertible Preferences Shares to a date falling ninety days after conversion or such longer period as the board of Directors may consider appropriate and necessary in the event of a conversion will result in the failure by the Company to comply with the level of public float as prescribed under the Listing Rules from time to time. The Company shall be entitled to defer the issue and allotment of the Ordinary Shares until the proposal by the holder of the Convertible Preference Shares to restore the public float is implemented to its satisfaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



25. SHARE CAPITAL (continued)

Note: (continued)

a) (continued)

Conversion price:	One Convertible Preference Share shall be convertible into one Ordinary Share at the par value of an Ordinary Share, subject to adjustments in the customary manner such as share consolidations, share subdivisions, capitalisation issues, capital distributions, right issues and issues of other securities for cash or otherwise.
Rights to income, capital and voting:	<ul style="list-style-type: none">i) The Convertible Preference Shares shall carry the right to receive income and dividend;ii) On a return of capital on liquidation, the assets of the Company available for distribution among the members shall be applied in repaying the holders of the Convertible Preference Shares and the issued value thereof (being the par value of HK\$0.01 per Convertible Preference Shares). The Convertible Preference Shares shall rank for return of capital on liquidation in priority to all other shares in the capital of the Company for the time being in issue;iii) Holder(s) of Convertible Preference Shares shall not be entitled to vote at general meeting of the holders of the Ordinary Share.
Transferability:	The Convertible Preference Shares are freely transferable provided that the Convertible Preference Shares cannot be transferred to connected persons of the Company (within the meaning of the Listing Rules). Once a conversion notice is served by the holder of the Convertible Preference Shares, the Convertible Preference Shares subject to the conversion notice shall not be transferable except where such conversion will result in the Company failing to comply with the public float requirement, in which case, the holder of the Convertible Preference Shares may still transfer the Convertible Preference Shares subject to the conversion notice.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

25. SHARE CAPITAL (continued)

Note: (continued)

- b) The liability component of the Preference Shares recognised in the statement of financial position is calculated as follows:

	HK\$'000
Proceeds from issue of the Convertible Preference Shares	110,000
Equity component at date of issue	(110,000)
Liability component at 31 March 2012 and 31 March 2011	—

26. NON-CONTROLLING INTERESTS

	2012 HK\$'000	2011 HK\$'000
Balance at beginning of the year	—	—
Share of loss for the year	(275)	—
Balance at end of the year	(275)	—

27. SHARE OPTIONS

Wai Chun Ventures Limited Option

On 20 August 2008, the Company issued 20,000,000,000 options to Wai Chun Ventures Limited to subscribe for 20,000,000,000 ordinary shares of the Company at HK\$0.01 each (the "Option"). The Option is exercisable in whole or in part at any time for a period of five years commencing 20 August 2008 at an exercise price of HK\$0.01 per share. The Option was issued at a consideration of HK\$20,000,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



28. RETIREMENT BENEFITS OBLIGATIONS

Defined contribution retirement plans

The employees of the Group in the PRC are members of defined contribution plans organised by the relevant local government authorities in the PRC. The subsidiary is required to make monthly contributions to these plans at a fixed percentage of the employee's basic salary. The only obligation of the Group with respect to the retirement benefit scheme in the PRC is to make the required contributions under the scheme.

The Group participates in a retirement benefit scheme, which was registered under the Mandatory Provident Fund Scheme Ordinance (the "MPF Ordinance"), for all its employees in Hong Kong. The scheme is a defined contribution scheme effective from December 2000 and is funded by contributions from employer and employees according to the provisions of the MPF Ordinance. The employer's contributions vested fully with the employees when contributed into the scheme. The only obligation of the Group with respect to the scheme is to make the specified contributions.

The total expense recognised in the consolidated income statement of approximately HK\$1,776,000 (2011: approximately HK\$1,452,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

29. COMMITMENTS

(i) Operating lease commitments

The Group as lessee

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Minimum lease payments in respect of rented premises paid under operating leases during the year	7,713	7,166

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Within one year	4,360	1,506
In the second to fifth year inclusive	1,859	—
	6,219	1,506

Operating lease payments represent rentals payable by the Group for certain of its office premises in Hong Kong and PRC. Leases and rentals are negotiated and fixed respectively for an average term of two years.

(ii) Capital commitments

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Contracted but not provided in the financial statements in respect of property, plant and equipment	3,702	3,984

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



30. RELATED PARTIES TRANSACTIONS AND BALANCES

During the year, the Group had the following transactions with related parties in the normal course of business:

	2012 HK\$'000	2011 HK\$'000
Rental expenses paid to:		
Ms. Chan Oi Mo (<i>Note i</i>)	3,600	3,600
Wai Chun Holdings Group Limited (<i>Note ii</i>)	1,328	—
Interest expense paid to:		
Wai Chun Investment Fund (<i>Note iii</i>)	397	61
Wai Chun Mining Industry Group Company Limited (<i>Note iv</i>)	—	19
Interest income received from:		
Wai Chun Mining Industry Group Company Limited (<i>Note iv</i>)	—	9
Administrative service fees paid to:		
Wai Chun Mining Industry Group Company Limited (<i>Note iv</i>)	—	600

Notes:

- (i) Ms. Chan Oi Mo is the wife of Mr. Lam Ching Kui, a director of the Company.
- (ii) Wai Chun Holdings Group Limited is owned as to 50% by Mr. Lam Ching Kui, a director of the Company, and as to 50% by Ms. Chan Oi Mo, the wife of Mr. Lam Ching Kui.
- (iii) Wai Chun Investment Fund is the ultimate holding company of the Company.
- (iv) Mr. Lam Ching Kui, a director of the Company, is also a director and ultimate controlling shareholder of Wai Chun Mining Industry Group Company Limited.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

30. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

	2012 HK\$'000	2011 HK\$'000
Amount due from a related company		
Wai Chun Mining Industry Group Company Limited	—	900

The amounts due are unsecured, interest-bearing and repayable on demand.

	2012 HK\$'000	2011 HK\$'000
Loan from the ultimate holding company		
Wai Chun Investment Fund	15,259	2,700

The amounts due are unsecured, interest-bearing and not repayable within one year.

Save as disclosed in the consolidated financial statements, there were no other significant related party transactions.

31. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



32. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2012 HK\$'000	2011 HK\$'000
Non-current assets			
Property, plant and equipment		11,134	10,949
Interests in subsidiaries		1	1
		11,135	10,950
Current assets			
Inventories		3,288	3,009
Other receivables, prepayments and deposits		5,809	6,973
Amounts due from subsidiaries		7,914	20,529
Amount due from a related company		—	900
Held for trading investments		915	1,630
Cash at bank		175	—
		18,101	33,041
Current liabilities			
Other payables and accruals		620	621
Net current assets		17,481	32,420
Non-current liability			
Loan from the ultimate holding company		15,713	2,729
Net assets		12,903	40,641
Capital and reserves			
Share capital	25	53,912	53,912
Reserves		(41,009)	(13,271)
Total equity		12,903	40,641



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

33. RESERVES

The Company

	Share capital HK\$'000	Convertible preference shares HK\$'000	Convertible share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2010	53,912	110,000	20,000	(91,488)	92,424
Total comprehensive expenses for the year	—	—	—	(51,783)	(51,783)
At 31 March 2011	53,912	110,000	20,000	(143,271)	40,641
Total comprehensive expenses for the year	—	—	—	(27,738)	(27,738)
At 31 March 2012	53,912	110,000	20,000	(171,009)	12,903

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012



34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of company	Place of incorporation/ operation	Class of shares held	Issued share capital	Proportion of ownership interest held by the Company				Principal activities
				Directly		Indirectly		
				2012	2011	2012	2011	
Beijing Holly Bridge System Integration Company Limited <i>(Note i)</i>	PRC	Ordinary	Ordinary share of RMB20,000,000	–	–	51%	51%	Provide solutions, software and service
Holy (Hong Kong) Universal Limited	Hong Kong	Ordinary	Ordinary shares of HK\$300,000	–	–	100%	100%	Investment holding
Plus Financial Distribution Holdings Limited	Hong Kong	Ordinary	Ordinary share of HK\$2	100%	100%	–	–	Investment holding
Plus Financial Management Services Limited	PRC	Ordinary	Ordinary share of USD900,000	–	–	100%	100%	Consultancy service
Profit Choice (HK) Limited	Hong Kong	Ordinary	Ordinary share of HK\$1,000	–	–	100%	100%	Investment holding
Telecom Plus Technology Holdings Limited	Hong Kong	Ordinary	Ordinary share of HK\$2	100%	100%	–	–	Investment holding
Wai Chun Strategic Investment Limited	Hong Kong	Ordinary	Ordinary share of HK\$1,000	100%	100%	–	–	Investment holding

To the best of the knowledge of the Directors, none of the subsidiaries had any debt securities in issue at the end of the reporting period.

Note (i): The English name is directly translated from the Chinese name shown in the PRC business license.



FIVE YEARS FINANCIAL SUMMARY

RESULTS

	Year ended 31 March				
	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover	140,590	88,876	83,206	152,859	65,605
(Loss) profit before taxation	(27,121)	(15,121)	(24,272)	22,979	(27,693)
Taxation	(129)	—	—	(373)	(81)
(Loss) profit for the year	(27,250)	(15,121)	(24,272)	22,606	(27,774)
Non-controlling interests	275	—	—	—	—
(Loss) profit for the year attributable to shareholders of the Company	(26,975)	(15,121)	(24,272)	22,606	(27,774)

ASSETS AND LIABILITIES

	As at 31 March				
	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000	2009 HK\$'000	2008 HK\$'000
Total Assets	94,521	102,749	115,169	134,959	96,313
Total Liabilities	(81,618)	(62,108)	(49,534)	(51,461)	(206,942)
Non-controlling interests	12,903	40,641	65,635	83,498	(110,629)
Equity (capital deficiency) attributable to shareholders of the Company	13,178	40,641	65,635	83,498	(110,629)