CHINA INVESTMENT AND FINANCE GROUP LIMITED
中國投融資集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1226)

Annual Report
2011/12

CONTENTS

CORPORATE INFORMATION

STOCK CODE
1226

BOARD OF DIRECTORS
Executive Directors
Mr. XIE Leshan *(Chairman)*
Mr. CHEN Yiquan *(Vice Chairman)*
Mr. CHAN Cheong Yee
Mr. SEE Lee Seng, Reason

Non-Executive Directors
Mr. LIAO Jintian
Mr. ZHOU Weiquan

Independent Non-Executive Directors
Mr. CHEN Kaizhi *(Honorary Chairman)*
Mr. HA Tak-kong
Mr. LEUNG Kwong Kin
Mr. LO Chi Ming

AUDIT COMMITTEE
Mr. HA Tak-kong *(Chairman)*
Mr. LEUNG Kwong Kin
Mr. LO Chi Ming

NOMINATION COMMITTEE
Mr. HA Tak-kong *(Chairman)*
Mr. LIAO Jintian
Mr. LO Chi Ming

REMUNERATION COMMITTEE
Mr. CHEN Yiquan *(Chairman)*
Mr. HA Tak-kong
Mr. LEUNG Kwong Kin
Mr. LO Chi Ming

REGISTERED OFFICE
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Unit 5801-5802 The Center
99 Queen's Road Central
Hong Kong

AUDITORS
HLM & Co.
Certified Public Accountants
Room 305, 3/F
Arion Commercial Centre
2-12 Queen's Road West, Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG
Tricor Standard Limited
26th Floor, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

PRINCIPAL BANKERS
Bank of China
Standard Chartered Bank

INVESTMENT MANAGER
Success Talent Investment Limited

CUSTODIAN
Get Nice Securities Limited

COMPANY SECRETARY
Mr. TSE Hon Kwan, Max

AUTHORISED REPRESENTATIVE
Mr. CHEN Yiquan
Mr. TSE Hon Kwan, Max

WEBSITE
http://www.chnif.com

STATEMENT FROM THE MANAGEMENT

The board of directors (the "Board") of China Investment and Finance Group Limited (the "Company") and its subsidiaries (collectively, the "Group") is pleased to present the annual results of the Group for the year ended 31 March 2012.

FINANCIAL RESULTS

For the year ended 31 March 2012, the Group recorded an increase in revenue from HK$188,204 to HK$5,410,454, representing an increase of approximately 2,774.78%. The loss attributable to the owners of the Company for the year amounted to HK$278,193 as compared to the loss for last year amounted to HK$8,318,918. The substantial decrease in loss during the year was mainly due to the waiver of shareholder's loan of HK$16,000,000, net foreign exchange gain of HK$4,300,090 and interest income from debt securities HK$4,399,628. The audited consolidated net asset value of the Group as of 31 March 2012 amounted to HK$543,420,552. The net assets per share of the Group was amounted to HK$0.93 (2011: net liabilities per share of HK$0.04).

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Review

As at 31 March 2012, the Group's major investments were as follows:

Investments	Description
Listed equities	HK$6 million of a portfolio of listed shares in sixteen companies
Unlisted debt securities	HK$94 million of bonds issued by five listed companies in Hong Kong
Investment funds	HK$80 million in three investment funds
Convertible bonds	HK$122 million in two unlisted convertible bonds
Direct investment in unlisted equities	HK$171 million in two direct investments in unlisted equities
Total	HK$473 million

The investment portfolio of the Group mainly comprises of unlisted securities and listed securities in Hong Kong and China during the year. The investment portfolio of the Company is of approximately HK$473 million. As a whole, the portfolio was carefully managed and being fully diversified to minimise commercial risk resulting from over concentration of the investment of the Group in any single industry.

Included in the above Group's investment portfolio were certain available-for-sale financial assets of approximately HK$213,400,000, comprising investments in unlisted 30% equity interest in China Clean Sky Resource International Holding Limited ("CCSR") of HK$70,000,000, unlisted 21.66% equity interest in Ka Hang Development Limited of USD13,000,000 (equivalent to approximately HK$101,400,000) ("KHDL") and unlisted debt securities in Mountain Investment Limited ("MIL") of HK$42,000,000 respectively. Due to the lack of sufficient and appropriate audit evidences available up to the date of this report, the auditors had not been able to carry out audit procedures they considered necessary to satisfy themselves as to the accuracy and fair value of these available-for-sale financial assets in the aggregate amount of HK$213,400,000.

Subsequent to the reporting period, on 20 June 2012, the Company and a third party (the "1st Purchaser") entered into a sale and purchase agreement for the disposal of 100% equity interest in Twist Magic Investments Limited at a consideration of HK$70,00,000 for cash, and partial payment of the consideration of HK$25,000,000 had been received up to the date of this report. The Directors considered that the 1st Purchaser has shown its financial standing to secure the balance payment according to the payment term of the sale and purchase agreement.

On 21 June 2012, the Company and another third party (the "2nd Purchaser") entered into a sale and purchase agreement for the disposal of 100% equity interest in Sky Progress Investment Limited at a consideration of HK$42,149,600 for cash, and partial payment of the consideration of HK$15,000,000 had been received up to the date of this report. The balance of the consideration is needed to be settled by the 2nd Purchaser on or before 31 August 2012 according to the payment term. After several negotiations between the Company and the 2nd Purchaser, the 2nd Purchaser has agreed to the Company that the balance payment of HK$27,149,600 will be settled by mid-August 2012.

On 28 June 2012, Winki Limited, a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding with Ka Hang Development Limited ("KHDL") and the other shareholder of KHDL, for the redemption of the entire interest in KHDL held by Winki Limited at cost. The Directors considered that a legally binding agreement will be executed between Winki Limited, KHDL and the other shareholder of KHDL for the redemption of the entire interest in KHDL held by Winki Limited at cost on or before mid-September 2012 upon the funding arrangement for the term of redemption be confirmed by KHDL and the other shareholder of KHDL.

Prospects

We expect the global market will continue to face significant challenge. The US and European debt problems have developed to a complicated situation. However, given a strong growth of the PRC, the Company will still take these opportunities to continue to invest in the PRC.

The Directors will continue to take a prudent approach in managing the Group's investment portfolio and develop the investment strategies. Given the present continuous economic improvement in the PRC, the Group will continue to look for investment opportunities which offer outstanding returns under the acceptable risk in the portfolio of the Group.

The Company would consider investing in certain unlisted securities and listed securities with high potential in order to diversify further market risk.

Dividend

The Board has resolved not to recommend a payment of final dividend.

Liquidity and Financial Resources

As at 31 March 2012, the Group had no borrowing and no credit facilities obtained from financial institutions. The Group had bank balances and cash on hand of HK$37,661,667 (2011: HK$4,684,153), which was mainly placed in bank as deposits.

Gearing Ratio

As at 31 March 2012, there was a gearing ratio of zero (2011: 131%).

Price risk

The Group is exposed to financial assets price risks as investments held by the Group are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss. To manage its price risk arising from investments in financial assets, the Group diversifies its portfolio. If the financial assets price of the respective investments held by the Group as financial assets at fair value through profit or loss were higher or lower by 5% as at 31 March 2012, the Group's loss for the year would increase or decrease by HK$289,499 (2011: HK$341,508).

Employees

During the year ended 31 March 2012, the Group had retained twelve employees (2011: seven employees). Total staff costs of the Group, excluding directors' remuneration, for the year under review amounted to HK$5,765,971 (2011: HK$2,289,998). Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2012, assets of the Group were free from any form of legal charge. In addition, the Group did not have any significant contingent liabilities.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the year ended 31 March 2012, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the consolidated financial statements of the Group for the year ended 31 March 2012, including the accounting principles and accounting practices adopted by the Company, and discussed matters relating to auditing, internal controls, financial reporting, the adequacy of resources, qualification and experience of staff.

The audit committee of the Group consists of 3 independent non-executive directors, namely Mr. HA Tak-kong, Mr. LEUNG Kwong Kin and Mr. LO Chi Ming.

By Order of the Board

China Investment and Finance Group Limited
CHAN Cheong Yee

Hong Kong, 29 June 2012

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. XIE Leshan, aged 43, was appointed as an executive Director on 26 October 2010 and Chairman of the Board on 25 March 2011. He holds a Master Degree in Finance from Sun Yat-sen University, China. He is also a member of the Chinese People's Political Consultative Conference of Foshan City, Guangdong Province. Mr. Xie joined Huading Group in 2003 and currently is the Executive Vice Chairman of Huading Guarantee Co. Ltd., of China. He had 19 years of corporate management and financial experience, specializing in risk management and investment.

Mr. CHEN Yiquan (also known as CHEN Zhiben), aged 39, was appointed as an executive Director, a member of the remuneration committee and an authorised representative pursuant to Rule 3.05 of the Listing Rules with effect from 26 October 2010 and Vice Chairman of the Board on 25 March 2011. Mr. Chen studied in a Master Degree in Executive Business Administration at Sun Yat-sen University of China. He is also a vice president of Guangzhou Young Entrepreneurs Association and a standing committee member of Guangzhou Youth Federation. Mr. Chen is a director of Huading Guarantee Co. Ltd., and has over 5 years of experience in finance and risk management. Mr. Chen was appointed as the Vice Chairman of the Board on 25 March 2011.

Mr. CHAN Cheong Yee, aged 48, was appointed as an executive Director of the Company in March 2011. He is one of the responsible officers of China Everbright Securities (HK) Limited and is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading) and type 9 (asset management) regulated activities under the SFO. Mr. Chan obtained a Bachelor of Science degree from the College of Business Administration of The University of South Florida in the United States of America. Mr. Chan is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules.

Since June 2003, Mr. Chan joined China Innovation Investment Limited ("China Innovation" and stock code: 1217), an investment company listed on the Stock Exchange, as executive director. Mr. Chan was appointed as an independent non-executive director of Bingo Group Holdings Limited (stock code: 8220), a company listed on the Growth Enterprise Market of the Stock Exchange, in August 2007, and was re-designated as an executive director of Bingo Group Holdings Limited in April 2009. Mr. Chan was appointed as an independent non-executive director of Agritrade Resources Limited (stock code: 1131), a company listed on the Stock Exchange, in June 2010. Mr. Chan was also appointed as an executive director of China Investment Development Limited (stock code: 204), an investment company listed on the Stock Exchange, in May 2011.

BIOGRAPHICAL DETAILS OF DIRECTORS

Mr. SEE Lee Seng, Reason, aged 53, Mr. See was the bullion manager and chief dealer of Drexel Burnham Lambert (Hong Kong) Limited, and was responsible for managing high net worth clients' funds on a discretionary basis from 1981 to 1988. Mr. See was the assistant vice-president of Drexel Burnham Lambert Trading Corporation (New Jersey) from 1988 to 1990, during which he was responsible for managing a bullion hedge fund with the size of approximately US$100 million. In 1993, Mr. See took up the position of senior investment consultant in AIM Y. K. Hui Investment Consultants Limited, a registered investment adviser and commodity trading adviser under the former Securities Ordinance. His primary role was to manage a third party fund, namely AIM Leverage Fund, with the size of approximately HK$100 million for Hong Kong investors on a discretionary basis. In 1994, Mr. See founded Keen Shing Investment Consultants Limited ("Keen Shing"), and had been acting as an investment adviser and commodity trading adviser registered with the Securities and Futures Commission of Hong Kong since 1994. As the managing director and chief fund manager of Keen Shing for the period between 1994 and 2005, Mr. See was responsible for managing a third party fund known as Joint China Financial Steady Return Fund with the size of about HK$20 million. As at the date hereof, Mr. See is the chief investment officer and responsible officer of Up Way Asia Fund Management Limited ("Up Way"), which is an investment advisory and asset management company registered with the Securities Futures Commission granted with the type 4, 5 and 9 licenses. Up Way used to be the investment manager of Opes Asia Development Limited ("Opes"), an investment fund listed on The Stock Exchange of Hong Kong Limited (stock code: 810). Mr. See is mainly responsible for portfolio and fund management of the listed investment fund since May 2009 with a net asset value of about HK$94 million as at 30 September 2010.

During the period from June 2000 to February 2002, Mr. See was the executive director of Earnest Investment Holdings Limited (stock code: 339), an investment company whose shares are listed on the Hong Kong Stock Exchange.

During the period from October 2002 to October 2008, Mr. See was the executive director and chief investment manager of the listed investment fund, China Financial Leasing Group Limited (formerly known as Golden 21 Holdings Limited) (stock code: 2312) ("China Financial"). He was mainly responsible for the formulation of investment strategies and portfolio management of China Financial.

Mr. See was also the executive director of Terabit Access Technology International Limited (stock code 491) between January 2002 and February 2003 and the independent non-executive director of Massive Resources International Corporation Limited (stock code: 70) between July 2002 and January 2004.

BIOGRAPHICAL DETAILS OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Mr. LIAO Jintian, aged 43, was appointed as a non-executive Director on 23 March 2012, is a council member of the China National Furniture Association (中國家具協會), an executive committee member of Shunde Gong Shan Lian (順德工商聯（總商會）), a vice-president of Shunde Furniture Association (順德家具協會), vice-president of Shunde Longjiang Chamber (順德龍江商會) and a director of the Longjiang Charity Association.

Mr. Liao is also the executive director and legal representative of Guangdong Xie Feng Financial Guarantee Co., Ltd. (廣東協豐融資擔保有限公司), the chairman and legal representative of Guangdong Jingongzi Trading and Economic Development Co., Ltd. (廣東金公子經貿發展有限公司) as well as the chairman of Shunde Furniture International Procurement Centre(順德家具國際採購中心). He has over 10 years of experience in wide scope of businesses including trading, finance, property development and project investment. Mr. Liao does not hold directorship in any listed public companies during the past three years.

Mr. ZHOU Weiquan, aged 47, was appointed as a non-executive Director on 29 March 2012, is now an executive director of China Packaging Federation (中國包裝聯合會); executive director of the Commission of China Metal Container (中國金屬容器委員會); member of the Standing Committee of Foshan City Industrial and Commercial Federation (佛山市工商聯合會); vice-president of Foshan City Enterprises Federation (佛山市企業聯合會); vice-president of Foshan City Entrepreneurs Federation (佛山市企業家協會); He is also awarded for its excellent contractual spirit and credibility by the Guangdong Province Administration for Industry and Commerce Bureau with an "Guangdong Province Zhong He Tong Shou Xin Yong Award"; awarded with Shunde Lunjiao Road's "The 2011 Best Ten Enterprises for Migrant Workers"; Mr. Zhou, is also the Chairman of Dadi Weiye Group of Companies (大地偉業企業集團) Dadi Weiye Group of Companies (大地偉業集團).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Kaizhi, aged 71, was appointed as an independent non-executive Director and honorary chairman with effect from 25 March 2011. Prior to joining the Company, he held various positions in the government of Guangdong province from 1964 to 1998. He was promoted to executive vice mayor of Guangzhou in 1992 and deputy secretary of the Leading Party Group of Guangzhou Municipal Government (廣州市政府黨組副書記) in 1993. From 1998 to 2005, he was the chairman and secretary of the Leading Party Group of Guangzhou Political Consultative Conference (廣州市政協主席及黨組書記). Since his retirement from his positions in the government in 2005, he held the position of vice president of China Foundation for Poverty Alleviation (中國扶貧基金會), a charity organization in the PRC. He obtained a bachelor's degree in political education from South China Normal College (華南師範學院), which is the predecessor of South China Normal University (華南師範大學) in 1964. Mr. Chen is an independent nonexecutive director of BaWang International (Group) Holding Limited (01338).

Mr. HA Tak-kong, aged 43, was appointed as an independent non-executive director of the Group on 3 June 2004. Mr. Ha received a bachelor degree in accounting from the University of Hong Kong and is working as an accounting manager in an import and export trading firm. Mr. Ha is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. LEUNG Kwong Kin, aged 43, was appointed as an independent non-executive Director, audit committee member and remuneration committee member of the Company on 1 December 2010. Mr. Leung, is a fellow member of The Association of Chartered Certified Accountants ("ACCA") and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants ("HKICPA"). He holds (i) a bachelor degree in Commerce Accounting from Curtin University of Technology, Australia; (ii) a bachelor degree in law from Peking University; and (iii) a bachelor degree in English law from Manchester Metropolitan University. Mr. Leung has accumulated over 20 years of experience in auditing and taxation through his previous employments in various international accounting firms. Mr. Leung is now a partner of Fan, Chan & Co., a Certified Public Accountants firm in Hong Kong.

Mr. LO Chi Ming, aged 47, was appointed as an independent non-executive Director and a member of the audit committee with effect from 26 October 2010. He obtained his Bachelor of Social Sciences Degree and Postgraduate Certificate in Laws from The University of Hong Kong and Diploma in Chinese Laws from SouthWest University of Political Science & Law, China. He possessed 6 years of experience in the banking industry and was elected as an Associate of The Chartered Institute of Bankers. He is a solicitor of the High Court of Hong Kong with 16 years of experience in private practice.

The Board presents their annual report and the audited financial statements of the Group for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The Group is principally engaged in investing in listed and unlisted companies in Hong Kong and the PRC.

SEGMENT INFORMATION

During the years ended 31 March 2012 and 2011 respectively, the Group's revenue and net losses were mainly derived from interest income, dividend income and trading gain or loss from investment holdings. The directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses.

MAJOR CUSTOMERS AND SUPPLIERS

As the Group's revenue was mainly derived from interest income, dividend income and trading gain or loss from investment holdings, it is believed that the disclosure of information regarding customers and suppliers would not be meaningful.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2012 and the state of affairs of the Group as at that date are set out in the financial statements on pages 23 to 83. The Directors do not recommend the payment of a dividend for the year ended 31 March 2012 (2011: HK$Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Group during the year are set out in note 22 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 26 of this report and other details of the reserves of the Group is set out in note 24 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, share premium of the Company is distributable to the shareholders of the Company subject to the provisions of the Memorandum and Articles of Association and a statutory solvency test. The Articles of Association provide that an ordinary resolution passed by the shareholders of the Company is required for any distribution out of the share premium account. The Company's reserves available for distribution comprise the share premium, accumulated profits and valuation reserve derived from the available-for-sale financial assets. In the opinion of the Board, the Company's reserves available for distribution to the shareholders at 31 March 2012 were HK$Nil (2011: HK$Nil).

DIRECTORS

The directors of the Group during the year and up to the date of this report are:

Executive Directors
Mr. XIE Leshan
Mr. CHEN Yiquan
Mr. CHAN Cheong Yee
Mr. SEE Lee Seng, Reason
Mr. SUNG Hiu Fai, Ronald (Resigned on 9 August 2011)

Non-Executive Directors
Mr. LIAO Jintian (Appointed on 23 March 2012)
Mr. ZHOU Weiquan (Appointed on 29 March 2012)

Independent Non-Executive Directors
Mr. CHEN Kaizhi
Mr. HA Tak-kong
Mr. LEUNG Kwong Kin
Mr. LO Chi Ming

No director has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with Article 87(3) of the Articles of Association of the Company, Mr. Liao Jintian and Mr. Zhou Weiquan shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

In accordance with Article 88 of the Articles of Association of the Company, Mr. Chan Cheong Yee, Mr. See Lee Seng, Reason, Mr. Leung Kwong Kin and Mr. Lo Chi Ming shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in note 27 to the consolidated financial statements, no other contracts of significance in relation to the Group's business to which the Company or its subsidiary was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 31 March 2012, the interests and short positions of the directors and chief executives in the ordinary shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (including interest which they are deemed or taken to have under such provisions 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 for Securities Transaction by Directors of Listed Issuers (the "Model Code") were as follows:

	Number of shares			Approximate
Name of Directors	**Personal interest**	**Corporate interest**	**Total**	**percentage of shareholding**
Chen Yiquan *(note 1)*	330,000	134,948,060	135,278,060	23.26%
Xie Leshan *(note 2)*	720,000	–	720,000	0.12%
Liao Jintian *(note 3)*	–	170,576,000	170,576,000	29.33%
Zhou Weiquan *(note 4)*	–	170,576,000	170,576,000	29.33%

Notes:

1) Mr. Chen Yiquan, an executive director of the Company, is interested in 330,000 shares as at 31 March 2012. Sky Year Limited is interested in 134,948,060 shares of the Company as at 31 March 2012. Mr. Chen Yiquan beneficially owns 55% of the shareholdings of Sky Year Limited.

2) Mr. Xie Leshan, an executive director or the Company, is interested in 720,000 shares as at 31 March 2012.

3) This represents interests held by Mr. Liao Jintian through Tycor Development Limited ("Tycor"), which holds 170,576,000 shares of the Company. Mr. Liao Jintian has approximately 11.68% interest in Tycor and he is therefore deemed to be interested in 170,576,000 shares of the Company.

4) This represents interests held by Mr. Zhou Weiquan through Tycor Development Limited ("Tycor"), which holds 170,576,000 shares of the Company. Mr. Zhou Weiquan has approximately 10.15% interest in Tycor and he is therefore deemed to be interested in 170,576,000 shares of the Company.

Save as disclosed above, none of the directors and chief executives had any interests in equity or debt securities of the Company or of any of its associated corporations which were required to be notified to the Company and the Stock Exchange as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notifiable to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2012, to the best knowledge of the Board and chief executives of the Company, the following persons (other than any directors or chief executive of the Company) were substantial shareholders of the Company and had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

	Notes	**Number of shares of the Company**	**Approximate percentage of shareholding**
Tycor Development Limited	1	170,576,000	29.33%
Sky Year Limited	2	134,948,060	23.20%
Wei Zhuo Fu	3	35,000,000	6.01%

Notes:

1. Tycor Development Limited is interested in 170,576,000 shares of the Company as at 31 March 2012. Mr. Liao Jintian and Mr. Zhou Weiquan beneficially own approximately 11.68% and 10.15% of the shareholdings of Tycor Development Limited respectively. The interests of Mr. Liao Jintian and Mr. Zhou Weiquan in the Company are stated under the section headed "Directors' and Chief Executives' Interests in Equity or Debt Securities".

2. Sky Year Limited is interested in 134,948,060 shares of the Company as at 31 March 2012. Mr. Chen Yiquan ("Mr. Chen") beneficially owns 55% of the shareholdings of Sky Year Limited. The interests of Mr. Chen in the Company are stated under the section headed "Directors' and Chief Executives' Interests in Equity or Debt Securities".

3. Mr. Wei Zhuo Fu, is interested in 35,000,000 shares as at 31 March 2012. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wei Zhuo Fu has no relationship with any Directors, senior management or other substantial or controlling Shareholders.

Save as disclosed above, the Company had not been notified of any other person (other than directors or chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 March 2012.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors or members of its management to acquire benefits by means of the acquisition of shares in or debt securities (including debentures) of the Company or any other body corporate.

CONNECTED PARTY TRANSACTIONS

During the year ended 31 March 2012 and 2011, the Group had entered into the following significant related party transactions which, in the opinion of the Directors, were carried out on normal commercial terms and in the ordinary course of the Group's business:

	2012	2011
	HK$	HK$
Success Talent Investment Limited	**2,500,000**	170,000

Note: The Company entered into an investment management agreement with Success Talent Investment Limited on 18 January 2011 for the period from 18 January 2011 to 31 May 2011 and renewed the investment management agreement on 27 May 2011 for a period from 1 June 2011 to 31 March 2014 with effect from 1 June 2011. Success Talent Investment Limited was entitled to receive an investment management fee on a monthly basis at HK$250,000. Success Talent Investment Limited was also entitled to receive an incentive fee at a rate of 10% of the surplus net asset of the Company as at the last valuation date in a financial year as a defined in the agreement but the maximum aggregate annual value of the fee shall not be more than HK$6,870,000, HK$9,000,000 and HK$10,000,000 for the financial years ended 31 March 2012, 31 March 2013 and 31 March 2014 respectively.

MANAGEMENT CONTRACTS

Save as disclosed in the paragraph "Connected Party Transactions" in this report, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme are set out in note 28 to the consolidated financial statements.

EVENTS AFTER THE END OF REPORTING PERIOD

Details of events after the end of reporting period are set out in note 31 to the consolidated financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Group and within the knowledge of its directors, the Company has complied with the public float requirement of the Listing Rules for the year ended 31 March 2012.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the year ended 31 March 2012, neither the Group nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Group's Articles of Association, or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

FIVE YEARS FINANCIAL SUMMARY

Details of the five years financial summary in relation to the Group's results and assets and liabilities are set out in page 84. This summary does not form part of the audited consolidated financial statements.

CONFIRMATION OF INDEPENDENCE

The company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

AUDITORS

The Group's financial statements for the years ended 31 March 2012 and 2011 were audited by Messrs. HLM & Co.. A resolution will be proposed in the forthcoming annual general meeting to re-appoint Messrs. HLM & Co. as the auditors of the Group.

By Order of the Board

CHAN Cheong Yee
Executive Director

Hong Kong, 29 June 2012

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on corporate governance practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Code") throughout the year ended 31 March 2012, with deviations from code provisions A.4.1 of the Code that non-executive directors should be appointed for a specific term, subject to re-election.

None of the non-executive directors of the Company were appointed for a specific term. Since all the directors of the Company are subject to retirement by rotation according to the provisions under article 88 of the Articles of Association of the Company, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code for securities transactions by directors of the Group. Having made specific enquiry of all directors, the Group confirmed that all directors have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

Composition

The Board of Directors (the "Board") of the Group is collectively responsible for overseeing the management of the business and affairs of the Group with the objective of enhancing shareholders value. The Board comprises a total of ten directors, with four executive directors, two non-executive directors and four independent non-executive directors. Two of the independent non-executive directors, Mr. HA Tak-kong and Mr. LEUNG Kwong Kin, have appropriate professional qualifications in accounting pursuant to Rule 3.10 of the Listing Rules. Each of the independent non-executive directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Group is of the view that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. All directors have access to the Group secretary for advise on the board procedures and regulatory matters. Any director and member of audit committee of the Group may take independent professional advice if they so wish at the expense of the Group, as arranged by the Group secretary.

Function

In view of the simple structure of the Group, all significant decision making is carried out by the executive directors of the Group while the day-to-day investment decision is based on the professional recommendation of the investment manager. This constitutes a deviation from the code provision A.2.1 of the Code. However, the Board considers that this structure will not impair the balance of power and authority between the management of the Board and the management of its business.

None of the existing non-executive directors of the Group is appointed for a specific term. This constitutes a deviation from the code provision A.4.1 of the Code. However, one-third of the directors of the Group (both executive and non-executive) are subject to retirement by rotation at each annual general meeting under the articles of association of the Group. As such, the Group considers that sufficient measures have been taken to ensure that the Group's corporate governance practices are similar to those in the Code. Under the articles of association of the Group, the chairman of the Board and/or the managing director and/or the deputy managing director of the Group are not subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. This constitutes a deviation from the code provision A.4.2 of the Code.

All executive directors have made full and active contribution to the affairs of the Board and the Board always acts in the best interests of the Group. During the year ended 31 March 2012, the Board convened a total of 32 meetings. The directors can attend meetings in persons or through other means of electronic communication in accordance with the articles of association of the Group.

Name of directors	Attendance
Executive Directors	
Mr. XIE Leshan	16/32
Mr. CHEN Yiquan	20/32
Mr. CHAN Cheong Yee	27/32
Mr. SEE Lee Seng, Reason	29/32
Mr. SUNG Hiu Fai, Ronald	3/12
Non-executive Directors	
Mr. LIAO Jintian	3/3
Mr. ZHOU Weiquan	0/0
Independent Non-executive Directors	
Mr. CHEN Kaizhi	0/32
Mr. HA Tak-kong	17/32
Mr. LEUNG Kwong Kin	14/32
Mr. LO Chi Ming	7/32

To the best knowledge of the Board, there is no financial, business or family relationship among the members of the Board as at 31 March 2012. All of them are free to exercise their individual judgments.

REMUNERATION COMMITTEE

The Company has a remuneration committee for determining the remuneration of Directors. The members of the remuneration committee are: Mr. HA Tak-kong, Mr. CHEN Yiquan and Mr. LEUNG Kwong Kin. During the financial year ended 31 March 2012, the committee held 1 meeting to discuss remuneration related matters. The individual attendance of each member is as follows:

	Attendance
Mr. CHEN Yiquan	1/1
Mr. HA Tak-kong	1/1
Mr. LEUNG Kwong Kin	1/1

Mr. CHEN Yiquan is the chairman of the remuneration committee. The remuneration committee is responsible for the following functions: determining the policy for remuneration of directors and senior management, assessing performance of executive directors, as well as determining the emolument policy of the Company. No director or any of his associated director, and executive is involved in deciding his own remuneration.

NOMINATION OF DIRECTORS

The Nomination Committee comprises of three directors including Mr. HA Tak-kong, Mr. LO Chi Ming, all of them are independent non-executive directors, Mr. LIAO Jintian, a non-executive director and Mr. HA Tak-kong is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to review the structure, size and composition of the Board annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy.

It is a newly formed committee with effect from 30 March 2012 and no meeting has been held during the year ended 31 March 2012.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors and Mr. HA Tak-kong serves as the chairman of the audit committee. No member of the audit committee is a member of the former or existing auditor of the Company. During the year ended 31 March 2012, the audit committee had held 3 committee meetings. The attendance of each of the members at such meetings is as follows:

	Attendance
Mr. HA Tak-kong	3/3
Mr. LEUNG Kwong Kin	3/3
Mr. LO Chi Ming	3/3

Responsibilities of the audit committee include:

(1) to be in charge of the appointment of external auditors, auditing expenses and any matters regarding the resignation or dismissal of the external auditors;

(2) to discuss with the external auditors on the nature and scope of audit prior to the commencement of the auditing procedures; and

(3) to review the interim and annual accounts. The audit committee has reviewed the auditing performance, the internal controls and the audited financial statements of the Company for the year ended 31 March 2012.

AUDITORS' REMUNERATION

For the year ended 31 March 2012, services provided to the Group by its external auditors, HLM & Co., and the respective fees paid/payable are set out as follows:

	HK$
HLM & Co.	
– Audit services	583,000
– Special audit	160,000
	743,000

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Group and ensures that they are prepared in accordance with statutory requirements and applicable accounting standards. The directors also ensure the timely publication of such consolidated financial statements. The statement of the external auditors of the Group, Messrs. HLM & Co., with regard to their reporting responsibilities on the Group's consolidated financial statements is set out in the Independent Auditors' Report on pages 21 to 22.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board, recognising its overall responsibility in ensuring the system of internal controls of the Group and for reviewing its effectiveness, is committed to implementing an effective and sound internal control system to safeguard the interests of shareholders and the assets of the Group. Procedures have been designed to safeguard assets against unauthorised used or disposition, to ensure the sufficient allocation of resources and manpower and the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with applicable law, rules and regulations. The procedures provide a reasonable but not absolute assurance and prevention of material untrue statements or losses, as well as management on the interruption of the Group's management system and risks existing in the course of arriving at the Group's objectives.

The management of the Group has conducted a review on the Group's internal control and risk management system for the year ended 31 March 2012 with no material weakness found. The management will continue to improve and strengthen its control in order to enhance the corporate governance and safeguard the interest of its shareholders.

COMMUNICATIONS WITH SHAREHOLDERS

The Code requires the Company to have a dialogue with shareholders and it is the responsibility of the Board as a whole to ensure that satisfactory dialogue does take place. The primary communication channel between the Company and its shareholders is through the publication of its interim and annual reports. The Company's Registrars serve the shareholders with respect to all share registration matters. The Company's annual general meeting provides a useful forum for shareholders to exchange views with the Board. The directors and management of the Company are available to answer shareholders' questions. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual director. Details of the poll voting procedures and rights of shareholders to demand a poll are included in the circular to shareholders dispatched together with the annual report. The circular also includes details of the procedures and the timetable of proposing appropriate candidates to stand for election as directors at annual general meetings, and relevant details of proposed resolutions, including biographies of each candidate standing for re-election and whether such candidates are considered to be independent.

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

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TO THE SHAREHOLDERS OF CHINA INVESTMENT AND FINANCE GROUP LIMITED (FORMERLY KNOWN AS "GARRON INTERNATIONAL LIMITED")
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Investment and Finance Group Limited, formerly known as "Garron International Limited" (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 23 to 83, which comprise the consolidated statement of financial position as at 31 March 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory 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 agreed term of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except as described in the basis for qualified opinion paragraph. 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.

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' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

BASIS FOR QUALIFIED OPINION

During the course of our audit of the Group for the year ended 31 March 2012, we encountered significant limitation of audit scope in respect of certain available-for-sale financial assets as set out below:

(a) Included in the consolidated statement of financial position were investments in unlisted equity investment of HK$70,000,000 and unlisted debt securities of HK$42,000,000 respectively. Subsequent to the reporting period, the Company entered into two sale and purchase agreements with two third parties respectively to dispose of these investment at an aggregate consideration of HK$112,000,000 for cash, and partial payment of the consideration of HK$40,000,000 had been received as at the date of this report. Due to the lack of sufficient and appropriate audit evidences available to us as at the date of this report, we have not been able to carry out audit procedures we considered necessary to satisfy ourselves as to the collectability of the balance payment of HK$72,000,000.

(b) In addition, there was also an unlisted equity investments of HK$101,400,000, and subsequent to the reporting period, the Company had entered into a memorandum of understanding with the investee company and the other shareholder of the investee company for the redemption of the Group's investment at cost. We have not been able to carry out audit procedures we considered necessary to satisfy ourselves as to the ability of the counterparties to execute the redemption.

Due to the lack of sufficient and appropriate audit evidences available to us, we have not been able to carry out audit procedures we considered necessary to satisfy ourselves as to the fair value of the abovementioned available-for-sale financial assets in the aggregate amount of HK$213,400,000 and whether any adjustment to the carrying value is required. We have not been able to perform alternative audit procedures we considered necessary to satisfy ourselves as to whether the carrying amounts of these available-for-sale financial asset were fairly stated. Any adjustment to the carrying amounts of these available-for-sale financial assets found to be necessary would affect the Group's net assets as at 31 March 2012, and the comprehensive expenses for the year and the related disclosure thereof in the financial statements.

QUALIFIED OPINION ARISING FROM LIMITATION OF AUDIT SCOPE

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to carrying value of the available-for-sale financial assets, the financial statements give a true and fair view of the state of the company's 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, 29 June 2012

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Notes	2012 HK$	2011 HK$
Gross proceeds from disposal of securities		**239,268,008**	1,929,609
Revenue	7	**5,410,454**	188,204
Net realised gain on disposal of financial assets at fair value through profit or loss		**1,513,350**	321,092
Net unrealised (loss) gain on financial assets at fair value through profit or loss		**(1,048,465)**	591,196
Other income	7	**20,308,982**	947,424
Administrative expenses		**(26,212,824)**	(10,261,425)
Finance costs	8	**(8)**	(105,409)
Loss before tax	10	**(28,511)**	(8,318,918)
Income tax expense	11	**(249,682)**	–
Loss attributable to shareholders of the Company		**(278,193)**	(8,318,918)
Loss per share	13		
– Basic (HK cents)		**(0.05)**	(9.95)
– Diluted (HK cents)		**(0.05)**	(9.95)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	2012	2011
	HK$	HK$
Loss attributable to shareholders of the Company	**(278,193)**	(8,318,918)
Other comprehensive expenses:		
Exchange loss on translating available-for-sale financial assets	**(241,581)**	–
Exchange loss on translation foreign operations	**(269,911)**	–
Net loss arising on revaluation of available-for-sale financial assets during the year	**(5,738,136)**	–
Other comprehensive expenses for the year, net of tax	**(6,249,628)**	–
Total comprehensive expenses attributable to the shareholders of the Company	**(6,527,821)**	(8,318,918)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	Notes	2012 HK$	2011 HK$
Non-current assets			
Property, plant and equipment	15	**31,261,004**	651,712
Available-for-sale financial assets	16	**467,036,021**	–
		498,297,025	651,712
Current assets			
Financial assets at fair value through profit or loss	17	**5,789,973**	6,830,168
Other receivables, prepayments and deposits	18	**3,586,665**	43,513
Cash and cash equivalents	19	**37,661,667**	4,684,153
		47,038,305	11,557,834
Current liabilities			
Other payables and accruals	20	**1,665,096**	160,300
Current tax liabilities		**249,682**	–
		1,914,778	160,300
Net current assets		**45,123,527**	11,397,534
Non-current liability			
Amount due to a shareholder	21	**–**	16,000,000
		–	16,000,000
Net assets (liabilities)		**543,420,552**	(3,950,754)
Capital and reserves			
Share capital	22	**116,316,000**	17,956,000
Reserves	24	**427,104,552**	(21,906,754)
Total equity (capital deficiency)		**543,420,552**	(3,950,754)
Net assets (liabilities) value per share	26	**0.93**	(0.04)

The consolidated financial statements on pages 23 to 83 were approved and authorised for issue by the Board of Directors on 29 June 2012 and are signed on its behalf by:

Chan Cheong Yee	**See Lee Seng, Reason**
DIRECTOR	*DIRECTOR*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012

	Share capital HK$	Share premium HK$	Share option reserve HK$	Investment revaluation reserve	Exchange reserve	Warrant reserve HK$	Accumulated losses HK$	Total HK$
At 1 April 2010	14,130,000	25,759,973	1,384,719	–	–	1,270,000	(46,184,745)	(3,640,053)
Reversal of unlisted warrants	–	–	–	–	–	(1,270,000)	1,270,000	–
Issue of shares under placement of shares	2,826,000	2,373,840	–	–	–	–	–	5,199,840
Recognition of share-based payments	–	–	1,312,758	–	–	–	–	1,312,758
Reversal of share-based payments	–	–	(680,338)	–	–	–	680,338	–
Written back from cancellation of share-based payments	–	–	(704,381)	–	–	–	–	(704,381)
Exercise of share options	1,000,000	2,512,758	(1,312,758)	–	–	–	–	2,200,000
Total comprehensive expenses for the year	–	–	–	–	–	–	(8,318,918)	(8,318,918)
At 31 March 2011 and 1 April 2011	17,956,000	30,646,571	–	–	–	–	(52,553,325)	(3,950,754)
Issue of shares under placement of shares	75,752,000	359,822,000	–	–	–	–	–	435,574,000
Issue of shares under subscription of shares	22,608,000	107,388,000	–	–	–	–	–	129,996,000
Share issue expenses	–	(11,670,873)	–	–	–	–	–	(11,670,873)
Total comprehensive expenses for the year	–	–	–	(5,738,136)	(511,492)	–	(278,193)	(6,527,821)
At 31 March 2012	116,316,000	486,185,698	–	(5,738,136)	(511,492)	–	(52,831,518)	543,420,552

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

	2012 HK$	2011 HK$
Operating activities		
Loss before tax	**(28,511)**	(8,318,918)
Adjustments for:		
Depreciation	**1,687,562**	38,999
Interest income	**(5,230,665)**	(35)
Dividend income	**(179,789)**	(188,169)
Expenses recognised in respect of equity-settled share-based payments	**–**	1,312,758
Interest expenses	**8**	105,409
Gain on disposal of property, plant and equipment, net	**–**	(2,183)
Written back from cancellation of share-based payments	**–**	(704,381)
Waive of shareholder's current account	**(16,000,000)**	–
Net realised gain on financial assets at fair value through profit or loss	**(1,513,350)**	(321,092)
Net unrealised loss (gain) on financial assets at fair value through profit or loss	**1,048,465**	(591,196)
Operating loss before working capital changes	**(20,216,280)**	(8,668,808)
Purchase of financial assets at fair value through profit or loss	**(237,754,658)**	–
Purchase of available-for-sale financial assets	**(473,015,738)**	–
Proceeds from disposal of financial assets at fair value through profit or loss	**239,268,008**	1,773,510
(Increase) decrease in other receivables, prepayments and deposits	**(950,505)**	930,937
Increase (decrease) in other payables and accruals	**1,504,796**	(4,467,460)
Cash used in operations	**(491,164,377)**	(10,431,821)
Interest paid	**(8)**	(105,409)
Net cash used in operating activities	**(491,164,385)**	(10,537,230)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

	2012 HK$	2011 HK$
Investing activities		
Interest received	**2,638,018**	35
Dividend received from financial asses at fair value through profit or loss	**171,519**	188,169
Purchase of property, plant and equipment	**(32,879,302)**	(686,627)
Proceeds from disposal of property, plant and equipment	**570,173**	20,000
Net cash used in investing activities	**(29,499,592)**	(478,423)
Financing activities		
Decrease in amount due to a director	**–**	(8,132,005)
Increase in amount due to a shareholder	**–**	16,000,000
Share issue expenses	**(11,670,873)**	–
Proceeds from exercise of share options	**–**	2,200,000
Proceeds from issuing of shares	**565,570,000**	5,199,840
Net cash generated from financing activities	**553,899,127**	15,267,835
Net increase in cash and cash equivalents	**33,235,150**	4,252,182
Cash and cash equivalents at beginning of year	**4,684,153**	431,971
Effects of exchange rate changes on the balances of cash held in foreign currencies	**(257,636)**	–
Cash and cash equivalents at end of year	**37,661,667**	4,684,153
Analysis of the balance of cash and cash equivalents		
Bank and cash balances	**37,661,667**	4,684,153

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability on 26 April 2002. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 19 September 2002. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal office in Hong Kong is at Units 5801-02, 58/F, The Center, 99 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 29 to the consolidated financial statements.

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

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

The following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group in the current year and have no material effect on the amounts reported in these financial statements and/or disclosures set out in these financial statements

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 ("new and revised HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2011.

HKAS 1 (Amendments)	Presentation of Financial Statements – Improvements to HKFRSs
HKAS 12 (Amendments)	Income Taxes – Amendments
HKAS 24 (Revised)	Related Party Disclosures
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 3 (Amendments)	Business Combination (2008) – Improvements to HKFRSs (2010)
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 7 and HKAS 1
HK (IFRIC) – Int 13 (Amendments)	Customer Loyalty Programmes – Improvements to HKFRSs (2010)
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

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

Application of new and revised standards and interpretations (Continued)

The amendments to HKAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present such an analysis in the notes to the consolidated financial statements, with a single-line presentation of other comprehensive income in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these consolidated financial statements have been modified to reflect the change.

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects: (a) HKAS 24 (as revised in 2009) has changed the definition of a related party and (b) HKAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The application of the revised definition of related party set out in HKAS 24 (as revised in 2009) in the current year has resulted in the identification of related parties that were not identified as related parties under the previous Standard. Specifically, associates of the ultimate holding company of the Company are treated as related parties of the Group under the revised Standard whilst such entities were not treated as related parties of the Group under the previous Standard. The related party disclosures set out in note 27 to the consolidated financial statements have been changed to reflect the application of the revised Standard. Changes have been applied retrospectively.

Amendments to HKFRS 3 Business Combination

As part of Improvements to HKFRSs issued in 2010, HKFRS 3 was amended to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards. In addition, HKFRS 3 was amended to provide more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with HKFRS 2 Share-based Payment at the acquisition date ("market-based measure").

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

New and revised Standards and Interpretations issued but not yet effective

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

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
	Government Loan[4]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
	Disclosures – Transfers of Financial Assets[1]
HKFRS 7 and HKFRS 9 (Amendments)	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]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]
HKAS 12 (Amendments)	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]
HKAS 32 (Amendments)	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.

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial assets is transferred but the transferor retains some level of continuing exposure in the assets. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The Directors anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

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

New and revised Standards and Interpretations issued but not yet effective (Continued)

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as a fair value through profit and loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In June 2011, a package of five standards on consolidated, 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).

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

New and revised Standards and Interpretations issued but not yet effective (Continued)

Key requirements of these five standards are described below.

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 investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC) – Int 13 Jointly Controlled Entities – Non-Monetary Contributions by Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

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.

The Directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated. In addition, the application of HKFRS 11 may result in changes in the accounting of the Group's jointly controlled entities that are currently accounted for using proportionate consolidation. Under HKFRS 11, those jointly controlled entities will be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and have not yet quantified the extent if the impact.

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

New and revised Standards and Interpretations issued 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 measurement, 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: Disclosure will be extended by HKFRS 13 to cover all assets and liabilities with its scope.

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

The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

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 amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property are presumed to be recovered through sale for the purpose of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

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

New and revised Standards and Interpretations issued but not yet effective (Continued)

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The Directors anticipate that the application of the amendments to HKAS 12 in future reporting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale. However, the Directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plane assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The Directors anticipate that the amendments to HKAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the amendments to HKAS 19 may have impact on amounts reported in respect of the Group's defined benefit plans. However, the Directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. 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 disposal of during the year are included in the consolidated statement of comprehensive income 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.

Investment in subsidiaries

A subsidiary is a company that is controlled by the Company, where the Company has the power to govern the financial and operating policies of such company so as to obtain benefits from its activities. Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Revenue recognition

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

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

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest applicable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

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

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

Motor vehicle	30%
Leasehold improvement	50%
Office equipment	20%
Building	5%

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 derecognition of the asset (calculated as the difference between the sales proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. When 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. When 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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "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 on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount of initial recognition.

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

Financial assets at FVTPL

Financial assets are classified as at FYTPL when the financial assets are 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 term; or
- on initial recognition it is a 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets at FVTPL (Continued)

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.

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 earned on the financial asset and is included in the "revenue" line item in the consolidated income statement. Fair value is determined in the manner described in note 6.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment (see the accounting policy in respect of impairment losses on financial assets below).

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, (b) held-to-maturity investments or (c) financial assets at FVTPL.

AFS financial assets are measured at fair value at the end of the each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of investments 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).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity 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).

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 prepayments, deposits and other receivables, cash and cash equivalents) 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 costs 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

For certain categories of financial asset, such as prepayments, deposits 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, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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 revered 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; 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 liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities at FVTPL (Continued)

Financial liabilities 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 interest paid on the financial liability and is included in the "other gain and losses" line item in the consolidated income statement.

Other financial liabilities

Other financial liabilities (including other payables and others) 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 other than financial liabilities classified as at FVTPL.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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 continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. 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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, 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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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.

Current and deferred tax are 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 are 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.

Related parties

For the purposes of the consolidated financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

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

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement benefits scheme are charged as expenses as they fall due. The Group's obligations under state-managed retirement benefits schemes are equivalent to those arising in a defined contribution retirement benefits scheme.

Share-based payment transaction

The Company issues equity-settled share-based payments to eligible employees including Directors of the Company and its subsidiaries, and other persons including consultants, advisors, agents, customers, suppliers etc. to subscribe for shares in the Company. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effort of non market-based vesting conditions.

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

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the 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 losses.

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 lease, 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions (Continued)

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.

Contingent liabilities and contingent assets

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity at acquisition. For the purpose of the consolidated statement of cash flows, bank overdrafts and bank loans, if any, which are repayable on demand and form an integral part of an enterprise's cash managements are also included as component of cash and cash equivalents.

4. 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 and amortisation

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

Allowance for bad and doubtful debts

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

Valuation of financial instruments

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 6, 16 and 17 provide detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

The Directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

5. CAPITAL RISK MANAGEMENT

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

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

The Directors review the capital structure by considering the cost of capital and the risks associated with capital. In view of this, the Group will balance its overall capital structure through new shares issues as well as the issue of new debt. The Group's overall strategy remains unchanged throughout the year.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Foreign currency risk

The Group has following foreign currency asset which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider the hedging significant foreign currency exposure should the need arises.

	AFS financial assets 2012 HK$	**Cash and cash equivalents 2012 HK$**	AFS financial assets 2011 HK$	Cash and cash equivalents 2011 HK$
RMB	**93,876,623**	**9,351,688**	–	–
USD	**181,159,398**	**7,527,565**	–	–
	275,036,021	**16,879,253**	–	–

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in RMB and USD. For the foreign currency risk of the Group's financial assets, the exposure is mainly in HKD against USD.

The following table shows the sensitivity analysis of a 5% increase/decrease in RMB and USD against the HKD, the effect in the loss for the year is as follows:

	Impact of RMB 2012 HK$	**Impact of USD 2012 HK$**
Decrease/increase in loss for the year	**5,161,416**	**9,434,348**

Interest rate risk

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

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Sensitivity analysis

Assuming the balance at 31 March 2012 was the amount for the whole year, if the interest rate was 50 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 31 March 2012 would increase or decrease by HK$166,490 (loss for the year ended 31 March 2011: increase or decrease by HK$23,337).

Equity Price risk

The Group is exposed to financial assets price risks as investments held by the Group are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss and AFS financial assets. To manage its price risk arising from investments in financial assets, the Group diversifies its portfolio.

Sensitivity analysis

If the price of the respective investments held by the Group as financial assets at fair value through profit or loss were higher or lower by 5% as at 31 March 2012 (for the year ended 31 March 2011: 5%), the Group's loss for the year ended 31 March 2012 would increase or decrease by HK$289,499 (loss for the year ended 31 March 2011: increase or decrease by HK$341,508).

If the price of the respective investments held by the Group as AFS financial assets were higher or lower by 5% as at 31 March 2012, the investment revaluation reserve would increase or decrease by HK$23,351,801. No AFS financial assets held by the Group for the year ended 31 March 2011.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

The Group's and the Company's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated and the Company's statement of financial position, which is net of any allowances for losses.

Although the bank balances are concentrated on certain counterparties, the credit risk on liquid funds is limited because the counterparties are banks with good credit ratings assigned by international credit rating agencies. In this regards, the Directors consider that the Group's and the Company's credit risk on such authorised institutions is low.

Liquidity risk

Liquidity risk is the risk that the Group are unable to meet their payment obligations associated with its financial liabilities when they fall due. The Group manages liquidity risk by maintaining adequate reserves, as well as continuously monitoring forecast and actual cash flows.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. With regard to 2012 and thereafter, the liquidity of the Group is primarily dependent on its ability to maintain adequate cash flow from operations and to raise funds through issue and allotment of new shares to meet its debt obligations as they fall due.

The maturity profile of the Group's financial liabilities as at the end of reporting period is as follows:

	Weighted average effective interest rate %	Less than 1 year HK$	More than 1 year HK$	Total undiscounted cash flows HK$	Carrying amount at 31.3.2012 HK$
2012					
Other payables and accruals	**N/A**	**1,655,096**	**–**	**–**	**1,655,096**

	Weighted average effective interest rate %	Less than 1 year HK$	More than 1 year HK$	Total undiscounted cash flows HK$	Carrying amount at 31.3.2011 HK$
2011					
Other payables and accruals	N/A	160,300	–	160,300	160,300
Amount due to a shareholder	N/A	–	16,000,000	16,000,000	16,000,000
		160,300	16,000,000	16,160,300	16,160,300

Fair values

As at 31 March 2012, the carrying amount of cash and cash equivalents, equity investment, other receivables, prepayments and deposits, other payables and accruals approximated their fair values due to the short-term maturities of these assets and liabilities. The Group considers that financial assets at fair value through profit or loss are included in the consolidated statement of financial position at amounts approximating to their fair values.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair values on financial instruments

(i) Financial instruments carried at fair value

The following table presents 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 entirely based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

– Level 1 (highest level): fair value measurements are those derived from quoted price (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 (lowest level): fair values 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).

At 31 March 2012, the Group and the Company had following financial instruments carried at fair value all of which are based on the Level 1, Level 2 and Level 3 of the fair value hierarchy:

	The Group		The Company	
	2012	2011	**2012**	2011
	HK$	HK$	**HK$**	HK$
Level 1:				
Financial assets at fair value through profit or loss – listed securities	**5,789,973**	6,830,168	**–**	–
Level 2:				
AFS financial assets – Equity securities	**79,759,398**	–	**–**	–
Debt securities	**93,876,623**	–	**–**	–
Level 3:				
AFS financial assets – Equity securities	**171,400,000**	–	**–**	–
Debt securities	**122,000,000**	–	**–**	–
	472,825,994	6,830,168	**–**	–

There were no transfers among all Levels in both years.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair values on financial instruments (Continued)

(i) Financial instruments carried at fair value (Continued)

Level 3 movement tables

Financial assets	**Available-for-sale financial assets**	
	Unquoted equity securities	**Debt securities**
	HK$	HK$
At 1 April 2011	–	–
Purchases	171,400,000	122,000,000
At 31 March 2012	171,400,000	122,000,000
Total gain recognised in the consolidated income statement relating to assets held at 31 March 2012	–	–

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2012 and 2011 due to their short-term maturities.

	2012		2011	
	Carrying Amount	**Fair value**	Carrying Amount	Fair value
	HK$	**HK$**	HK$	HK$
The Group				
Cash and cash equivalents	**37,661,667**	**37,661,667**	4,684,153	4,684,153
Other receivables, prepayments and deposits	**3,586,665**	**3,586,665**	43,513	43,513
Other payables and accruals	**(1,665,096)**	**(1,665,096)**	(160,300)	(160,300)
Amount due to a shareholder	**–**	**–**	(16,000,000)	(16,000,000)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Classification and fair value of financial assets and liabilities

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	Financial assets at FVTPL HK$	Loan and receivables HK$	AFS financial assets HK$	Other financial liabilities HK$	Total HK$
2012					
AFS financial assets	**–**	**–**	**467,036,021**	**–**	**467,036,021**
Financial assets at FVTPL	**5,789,973**	**–**	**–**	**–**	**5,789,973**
Other receivables, prepayments and deposits	**–**	**3,586,665**	**–**	**–**	**3,586,665**
Cash and cash equivalents	**–**	**37,661,667**	**–**	**–**	**37,661,667**
	5,789,973	**41,248,332**	**467,036,021**	**–**	**514,074,326**
Other payables and accruals	**–**	**–**	**–**	**1,665,096**	**1,665,096**

	Financial assets at FVTPL HK$	Loan and receivables HK$	AFS financial Assets HK$	Other financial liabilities HK$	Total HK$
2011					
Financial assets at FVTPL	6,830,168	–	–	–	6,830,168
Other receivables, prepayments and deposits	–	43,513	–	–	43,513
Cash and cash equivalents	–	4,684,153	–	–	4,684,153
	6,830,168	4,727,666	–	–	11,557,834
Other payables and accruals	–	–	–	160,300	160,300
Amount due to a shareholder	–	–	–	16,000,000	16,000,000
	–	–	–	16,160,300	16,160,300

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Estimation of fair value

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Change in assumption could significantly affect the estimates.

7. REVENUE AND OTHER INCOME

An analysis of Group's revenue and other income are as follows:

	2012	2011
	HK$	HK$
Revenue:		
Dividend income from financial assets at fair value through profit or loss	**179,789**	188,169
Interest income from debt securities	**4,399,628**	–
Interest income from brokers' accounts	**11,187**	–
Interest income on bank deposits	**819,850**	35
	5,410,454	188,204
Other income:		
Written back from cancellation of share-based payments	**–**	704,381
Bad debts recovered	**–**	30,000
Gain on disposal of property, plant and equipment	**–**	2,183
Net foreign exchange gain	**4,300,090**	–
Waive of shareholder's current account	**16,000,000**	–
Sundry income	**8,892**	210,860
	20,308,982	947,424
	25,719,436	1,135,628

8. FINANCE COSTS

	2012	2011
	HK$	HK$
Margin financing interest wholly repayable within one year	**8**	104,220
Bank overdraft interest	**–**	1,189
	8	105,409

9. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure Standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach. In the past, the Group's primary reporting segment was business segments. The adoption of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

For the year ended 31 March 2012 and 2011, the Group's turnover and net losses were mainly derived from the interest income and dividend income from investment holding. The Directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses.

All activities of the Group are based in Hong Kong and all of the Group's revenue is derived from Hong Kong. Accordingly, no analysis by geographical segment is presented.

10. LOSS BEFORE TAX

	2012 **HK$**	2011 HK$
Loss before tax has been arrived at after charging:		
Directors' remunerations		
Fees	**520,000**	620,610
Other remunerations	**3,851,726**	680,645
Provident fund contributions	**–**	7,237
Equity settled share-based payments	**–**	1,312,758
Total directors' remunerations	**4,371,726**	2,621,250
Staff costs		
Salaries	**5,687,658**	2,245,395
Provident fund contributions	**78,313**	44,603
Total staff costs (excluding directors' remunerations)	**5,765,971**	2,289,998
Auditors' remuneration	**743,000**	160,000
Depreciation	**1,687,562**	38,999
Investment manager fee	**2,500,000**	170,000
Rent and rates	**4,489,653**	2,139,443

11. INCOME TAX EXPENSE

	2012 HK$	2011 HK$
Hong Kong Profits Tax		
– current year	249,682	–

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

	2012 HK$	2011 HK$
Loss before tax	(28,511)	(8,318,918)
Tax at the domestic income tax rate of 16.5% (2011: 16.5%)	(4,704)	(1,372,621)
Tax effect of expenses that are not deductible in determining taxable profit, net	204,931	28,222
Tax effect of non-taxable revenues	(4,229,425)	(306,317)
Tax effect on temporary differences not recognised	72,823	(112,310)
Effect of different tax rates of subsidiaries operating in other jurisdiction	(156,215)	–
Tax effect of tax losses not recognised	4,362,272	1,763,026
Tax charge for the year	249,682	–

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%).

Deferred tax assets are not recognised for tax losses carry forward due to uncertainty of realisation of the related tax benefit through the future taxable profits.

12. DIVIDENDS

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

13. LOSS PER SHARE

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

	2012 HK$	2011 HK$
Loss for the purposes of basic loss per share	(278,193)	(8,318,918)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	518,425,356	83,591,315

13. LOSS PER SHARE (Continued)

There were no potential dilutive shares for both years, therefore the basic and diluted loss per share is the same.

14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(a) Directors

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

	2012	2011
	HK$	HK$
Fees		
Executive directors	**–**	441,336
Independent non-executive directors	**520,000**	179,274
	520,000	620,610
Other emoluments		
Basic salaries and other benefits	**3,851,726**	680,645
Retirement scheme contributions	**–**	7,237
Equity settled share-based payment	**–**	1,312,758
	4,371,726	2,621,250

No Directors waived any emoluments and no emoluments were paid to the Directors as inducement to join or upon joining the Group or as compensation for loss of office during the year (2011: nil).

14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

(a) Directors (Continued)

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

	Fees		Remuneration	2012	2011
	Executive Directors HK$	Independent non-executive directors HK$	Management remuneration HK$	Total emoluments HK$	Total emoluments HK$
Executive directors					
Mr. XIE Leshan	–	–	1,774,400	1,774,400	103,871
Mr. CHEN Yiquan	–	–	1,471,520	1,471,520	103,871
Mr. SEE Lee Seng, Reason	–	–	260,000	260,000	80,000
Mr. SUNG Hiu Fai, Ronald (Note 1)	–	–	85,806	85,806	20,000
Mr. CHAN Cheong Yee	–	–	260,000	260,000	15,484
Ms. ZHONG Hui	–	–	–	–	1,312,758
Mr. POON Ho-man	–	–	–	–	687,882
Mr. CHIOU Jerry	–	–	–	–	118,110
Sub-total	–	–	3,851,726	3,851,726	2,441,976
Independent non-executive directors					
Mr. HA Tak-kong	–	130,000	–	130,000	60,000
Mr. LO Chi Ming	–	130,000	–	130,000	42,984
Mr. LEUNG Kwong Kin	–	130,000	–	130,000	40,000
Mr. CHEN Kai Zhi	–	130,000	–	130,000	2,258
Mr. PENG Feng	–	–	–	–	17,016
Mr. TONG I Tony	–	–	–	–	17,016
Sub-total	–	520,000	–	520,000	179,274
Non-executive directors					
Mr. Liao Jin Tian (Note 2)	–	–	–	–	–
Mr. Zhou Weiquan (Note 3)	–	–	–	–	–
Sub-total	–	–	–	–	–
Total	–	520,000	3,851,726	4,371,726	2,621,250

14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

(a) Directors (Continued)

Notes:

1. Resigned on 9 August 2011
2. Appointed on 23 March 2012
3. Appointed on 29 March 2012

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2011: two) directors whose emoluments are reflected in the analysis presented above.

The aggregate amounts of emoluments payable to the five highest paid individuals including two directors of the Group for the year are as follows:

	2012	2011
	HK$	HK$
Basic salaries and other benefits	**6,466,920**	2,117,097
Contributions to retirement benefits scheme	**24,000**	24,237
Equity settled share-based payments	**–**	1,312,758
	6,490,920	3,454,092

The number of the highest paid individuals whose remuneration fell within the following band is as follows:

	2012	2011
HK$nil to HK$1,000,000	**1**	4
HK$1,000,001 to HK$3,000,000	**4**	1

No emoluments were paid to these individuals as inducement to join or upon joining the Group as compensation for loss of office for the year (2011: nil).

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK$	Office equipment HK$	Buildings HK$	Motor vehicle HK$	Total HK$
COST					
At 31 March 2010 and 1 April 2010	247,685	40,840	–	384,864	673,389
Additions	–	35,000	–	651,627	686,627
Disposals	(247,685)	(40,840)	–	(384,864)	(673,389)
At 31 March 2011 and 1 April 2011	–	35,000	–	651,627	686,627
Additions	–	–	32,633,794	–	32,633,794
Disposals	–	–	–	(651,627)	(651,627)
Effect of foreign currency exchange differences	–	–	245,508	–	245,508
At 31 March 2012	–	35,000	32,879,302	–	32,914,302
DEPRECIATION AND IMPAIRMENT					
At 1 April 2010	247,685	18,939	–	384,864	651,488
Charge for the year	–	6,417	–	32,582	38,999
Eliminated upon disposals	(247,685)	(23,023)	–	(384,864)	(655,572)
At 31 March 2011 and 1 April 2011	–	2,333	–	32,582	34,915
Charge for the year	–	7,000	1,631,690	48,872	1,687,562
Effect of foreign currency exchange differences	–	–	12,275	–	12,275
Eliminated upon disposal	–	–		(81,454)	(81,454)
At 31 March 2012	–	9,333	1,643,965	–	1,653,298
NET BOOK VALUE					
At 31 March 2012	–	25,667	31,235,337	–	31,261,004
At 31 March 2011	–	32,667	–	619,045	651,712

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale investments comprise:

	2012 HK$	2011 HK$
Unlisted equity securities (note 1)	251,478,720	–
Less: fair value adjustments	(319,322)	–
	251,159,398	–
Unlisted debt securities (note 2)	221,537,018	–
Less: fair value adjustments	(5,660,395)	–
	215,876,623	–
Total	467,036,021	–

Note 1:

Unlisted equity securities

Name of investee companies	Place of incorporation/ establishment	Percentage of effective interest held	At cost 2012 HK$	At cost 2011 HK$	Fair value adjustment 2012 HK$	Fair value adjustment 2011 HK$	Carrying value 2012 HK$	Carrying value 2011 HK$
China Clean Sky Resource International Holding Limited (note a)	Hong Kong	30.00%	70,000,000	–	-	–	70,000,000	-
Ka Hang Development Limited (note b)	Hong Kong	21.66%	101,400,000	–	-	–	101,400,000	-
Profit Win Fund Ltd. (note c)	Bermuda	N/A (note c)	20,000,000	–	(42,088)	–	19,957,912	-
Enterprise Emerging Markets Fund (38,462 shares of Class I) (note d)	Curacao	0.13%	30,078,360	–	(177,617)	–	29,900,743	-
Cistenique Investment Fund (38,462 shares of Class Z) (note e)	Curacao	3.6%	30,000,360	–	(99,617)	–	29,900,743	-
			251,478,720	–	(319,322)	–	251,159,398	-

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Note 2:

Unlisted debt securities

Name of investee companies	Place of incorporation/ establishment	At cost 2012 HK$	At cost 2011 HK$	Fair value adjustment 2012 HK$	Fair value adjustment 2011 HK$	Carrying value 2012 HK$	Carrying value 2011 HK$
Double Sky Holdings Limited (note f)	Hong Kong	80,000,000	–	–	–	80,000,000	–
Mountain Investment Limited (note g)	Cayman Islands	42,000,000	–	–	–	42,000,000	–
Galaxy Entertainment Group Limited (note h)	Hong Kong	20,109,464	–	(145,330)	–	19,964,134	–
Evergrande Real Estate Group Limited (note i)	Cayman Islands	21,935,381	–	(911,937)	–	21,023,444	–
China SCE Property Holdings Limited (note j)	Cayman Islands	9,882,134	–	(1,098,500)	–	8,783,634	–
BYD Company Limited (note k)	PRC	19,995,211	–	(1,281,707)	–	18,713,504	–
Road King Infrastructure Limited (note l)	Bermuda	27,614,828	–	(2,222,921)	–	25,391,907	–
		221,537,018	–	(5,660,395)	–	215,876,623	–
Total		473,015,738	–	(5,979,717)	–	467,036,021	–

Note:

(a) In 2011, the Group acquired unlisted equity securities being 30% equity interest in China Clean Sky Resource International Holding Limited ("CCSR") for a consideration of HK$70,000,000, which is principally engaged in trading of timber in Republic of Mozambique and the People's Republic of China ("PRC"). In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of CCSR. Accordingly, CCSR has been accounted for as an available for-sale financial asset. The market for these financial assets are not active, the Group establishes the value by references provided by the independent professional valuer. On 20 June 2012, the Company entered into a sales and purchase agreement with a third party for the disposal of the entire interest in the subsidiary, Twist Magic Investments Limited which holds the equity interest in CCSR at a cash consideration of HK$70,000,000. An amount of HK$25,000,000 has been received at the reporting date.

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Notes: (Continued)

(b) In 2011, the Group acquired unlisted equity securities being 21.66% equity interest in Ka Hang Development Limited ("KHDL") for a consideration of USD13,000,000, approximately HK$101,400,000, which is principally engaged in manufacturing and trading of aluminium. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of KHDL. Accordingly, KHDL has been accounted for as an available-for-sale financial asset. On 28 June 2012, the Company entered into a memorandum of understanding with KHDL for the redemption of the entire interest in KHDL at a cash consideration of USD13,000,000.

(c) In 2012, the Group entered into a subscription agreement with Profit Win Investment Management Limited ("PWF") to purchase 25,764 non-voting, profit-sharing shares of PWF for a consideration of USD2,567,231 (approximately HK$20,000,000). PWF is a closed-ended fund seeking US$100,000,000 from subscribers and the closing date for the subscription is 31 December 2012. The primary objective of the fund is to generate capital appreciation through a diversified portfolio of investments in Greater China through the acquisition of equity or debt instruments in public or private companies involved in consumption, cultural business and property. During the offering period, the percentage of effective interest for the non-voting, profit sharing shares held by the Group in PWF as at 31 March 2012 is irrelevant and not representative.

(d) In 2011, the Group entered into a subscription agreement with Enterprise Emerging Markets Fund B.V. to purchase 38,462 shares of Class I of Enterprise Emerging Markets Fund ("EEMF") for a consideration of USD3,846,200 (approximately HK$30,078,360). EEMF is an investment fund, which offers a variety of investment profiles including various levels of volatility and investment diversification, while bearing no or little correlation to equity or fixed income market. In view of making the realization of profit in the amount of approximately HK$109,000, on 21 June 2012, the Company applied the redemption of the investment in EEMF in the amount of USD3,870,225 (approximately HK$30,187,755).

(e) In 2011, the Group entered into a subscription agreement with Cistenique Investment Fund B.V. to purchase 38,462 shares of Class Z of Cistenique Investment Fund ("CIF") for a consideration of USD3,846,200 (approximately HK$30,000,360). CIF is an investment fund, which offers a variety of investment profiles including various levels of volatility and investment diversification, while bearing no or little correlation to equity or fixed income market.

(f) In 2011, the Group acquired 5 years convertible bond in Double Sky Holdings Limited ("DSHL") at HK$80,000,000. DSHL is a company incorporated on 28 October 2011. Subject to the bondholder's right to redeem the convertible bond at a price equal to outstanding principle amount of the convertible bond, plus an amount equal to 10% of the outstanding principle amount. The Group shall have the right to convert the whole or part of the principal amount of the convertible bonds into shares at any time and from time to time before the maturity date. Upon receipt of the written conversion notice from the bondholder, DSHL should complete the conversion process within 60 days. If the Group holds over 30% of shareholding of DSHL after the execution in conversion process, the voting right of these shareholding will be limited to 30%. The interest rate of the convertible bond is at 0.5% fixed rate on the principal amount, paid semi-annually to the registered holder and 10% floating rate on the earnings before interest and tax of DSHL according to the audited financial statement of DSHL for the corresponding year ended 31 March, paid semi-annually to the registered holder. Bond interest income was HK$133,333 during the year (2011: HK$nil). The convertible bond is stated at fair value because the market for this financial asset is not active, the Group establishes the value by references provided by the independent professional valuer.

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Notes: (Continued)

(g) In 2011, the Group acquired 5 years convertible bond in Mountain Investment Limited ("MIL") at HK$42,000,000. MIL is a company incorporated on 7 June 2011. Subject to the bondholder's right to redeem the convertible bond at a price equal to outstanding principle amount of the convertible bond, plus an amount equal to 8% of the outstanding principle amount. The Group shall have the right to convert the whole or part of the principal amount of the convertible bonds into shares at any time and from time to time before the maturity date. Upon receipt of the written conversion notice from the bondholder, MIL should complete the conversion process within 60 days. If the Group holds over 30% of shareholding of MIL after the execution in conversion process, the voting right of these shareholding will be limited to 30%. The interest rate of the convertible debenture is at 1% fixed rate on the principal amount, paid semi-annually to the registered holder and 8% floating rate on the earnings before interest and tax of MIL according to the audited financial statement of MIL for the corresponding year ended 31 March, paid semi-annually to the registered holder. Bond interest income was HK$140,000 during the year (2011: HK$nil). The convertible bond is stated at fair value because the market for this financial asset is not active, the Group establishes the value by references provided by the independent professional valuer. On 21 June 2012, the Company entered into a sales and purchase agreement with a third party, for the disposal of the entire interest in a subsidiary, Sky Progress Investments Limited, which holds the 5 years convertible bond in MIL at a cash consideration of HK$42,149,600. The total cash consideration of HK$15,000,000 has been received at the reporting date.

(h) The Group holds Galaxy Entertainment's debt securities at HK$19,964,134 with fixed coupon rate 4.63% and mature on 16 December 2013. The debt securities are issued by listed companies in Hong Kong. Bond interest income was approximately HK$538,608 (2011: HK$nil).

(i) The Group holds Evergrande's debt securities at HK$21,023,444 with fixed coupon rate 9.25% and mature on 19 January 2016. The debt securities are issued by listed companies in Hong Kong. Bond interest income was approximately HK$1,332,987 (2011: HK$nil).

(j) The Group holds China SCE Property's debt securities at HK$8,783,634 with fixed coupon rate 10.5% and mature on 14 January 2016. The debt securities are issued by listed companies in Hong Kong. Bond interest income was approximately HK$696,608 (2011: HK$nil).

(k) The Group holds BYD Company's debt securities at HK$18,713,504 with fixed coupon rate 4.5% and mature on 28 April 2014. The debt securities are issued by listed companies in Hong Kong. Bond interest income was approximately HK$551,207 (2011: HK$nil).

(l) The Group holds Road King Infrastructure Limited's debt securities at HK$25,391,907 with fixed coupon rate 6% and mature on 25 April 2014. The debt securities are issued by listed companies in Hong Kong. Bond interest income was approximately HK$1,006,885 (2011: HK$nil).

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012 HK$	2011 HK$
Financial assets at fair value through profit or loss:		
Listed securities in Hong Kong, at market value	**5,789,973**	6,830,168

The fair values of these listed securities are determined based on the quoted market bid prices at the reporting date.

Particulars of the 10 largest investments as at 31 March 2012 are as follows:

Name of Investee company	Place of incorporation	Number of shares held	Percentage of interest held	Cost HK$	Accumulated unrealised gain/(loss) HK$	Market value HK$	Net assets attributable to the investments HK$
China Shenhua Energy Company Limited ("China Shenhua") (note a)	The People's Republic of China	30,000	Less than 0.01%	1,222,000	(239,500)	982,500	2,843,416
PetroChina Company Limited ("Petro China") (note b)	The People's Republic of China	80,000	Less than 0.01%	794,800	83,600	878,400	5,002,434
China Construction Bank Corporation ("CCB") (note c)	The People's Republic of China	100,000	Less than 0.01%	531,000	69,000	600,000	413,974
Sinopec Shanghai Petrochemical Company Limited ("Shanghai Petrochem") (note d)	The People's Republic of China	200,000	Less than 0.01%	1,134,000	(572,000)	562,000	1,903,473
Hong Kong Exchanges and Clearing Limited ("HKEX") (note e)	Hong Kong	5,000	Less than 0.01%	734,000	(81,500)	652,500	42,469
China CITIC Bank Corporation Limited ("CITIC Bank") (note f)	The People's Republic of China	120,000	Less than 0.01%	761,400	(201,000)	560,400	1,756,845

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Name of Investee company	Place of incorporation	Number of shares held	Percentage of interest held	Cost	Accumulated unrealised gain/(loss)	Market value	Net assets attributable to the investments
				HK$	HK$	HK$	HK$
HSBC Holdings plc. ("HSBC") (note g)	England	8,565	Less than 0.01%	910,600	(317,047)	593,553	617,271
Yuexiu Property Company Limited ("Yuexiu Property") (note h)	Hong Kong	260,000	Less than 0.01%	556,000	(155,600)	400,400	328,538
China Life Insurance Company Limited ("China Life") (note i)	The People's Republic of China	10,000	Less than 0.01%	204,300	(2,800)	201,500	316,727
China Communications Construction Company Limited ("China Communications Construction") (note j)	The People's Republic of China	30,000	Less than 0.01%	391,200	(157,500)	233,700	668,420

Notes:

A brief description of the business and financial information of the listed investee companies, based on their latest published annual report are as follows:

(a) China Shenhua is principally engaged in the development of coal, railway, port and power businesses. The audited consolidated profit attributable to shareholders of China Shenhua for the year ended 31 December 2011 was approximately RMB45,677 million (2010: approximately RMB38,834 million). At 31 December 2011 the audited consolidated net asset value of China Shenhua was approximately RMB264,314 million (2010: approximately RMB228,788 million). Dividend received during the year was HK$24,141 (2011: HK$16,324).

(b) PetroChina is principally engaged in the exploration, development and production of crude oil and natural gas; refining, transportation, storage, and marketing of crude oil and petroleum products; production and sale of chemicals; transmission, marketing and sale of natural gas. The audited consolidated profit attributable to shareholders of PetroChina for the year ended 31 December 2011 was approximately RMB132,984 million (2010: approximately RMB139,871 million). At 31 December 2011 the audited consolidated net asset value of the PetroChina was approximately RMB1,082,566 million (2010: approximately RMB1,010,101 million). Dividend received during the year was HK$29,840 (2011: HK$24,020).

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

(c) CCB is principally engaged in the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing and other financial services. The audited consolidated profit attributable to shareholders of CCB for the year ended 31 December 2011 was approximately RMB169,258 million (2010: approximately RMB134,844 million). At 31 December 2011 the audited consolidated net asset value of the CCB was approximately RMB816,661 million (2010: approximately RMB700,905 million). Dividend received during the year was HK$22,833 (2011: HK$20,765).

(d) Shanghai Petrochem is principally engaged in the processing crude oil into synthetic fibres, resins and plastics, intermediate petrochemicals and petroleum products. The audited consolidated profit attributable to shareholders of Shanghai Petrochem for the year ended 31 December 2010 was approximately RMB956 million (2010: approximately RMB2,769 million). At 31 December 2011 the audited consolidated net asset value of the Shanghai Petrochem was approximately RMB18,196 million (2010: approximately RMB17,949 million). Dividend received during the year was HK$21,385 (2010: HK$6,154).

(e) HKEX is principally engaged in operating the stock exchange and futures exchange in Hong Kong and their related clearing houses. The audited consolidated profit attributable to shareholders of HKEX for the year ended 31 December 2011 was approximately HK$5,093 million (2010: approximately HK$5,037 million). At 31 December 2011 the audited consolidated net asset value of the HKEX was approximately HK$9,159 million (2010: approximately HK$8,677 million). Dividend received during the year was HK$22,161 (2011: HK$19,900).

(f) CITIC Bank is principally engaged in the provision of corporate and personal banking services, conducting treasury business and corresponding banking businesses, and the provision of asset management, entrusted lending and custodian services. The audited consolidated profit attributable to shareholders of CITIC Bank for the year ended 31 December 2011 was approximately RMB30,819 million (2010: approximately RMB21,509 million). At 31 December 2011 the audited consolidated net asset value of the CITIC Bank was approximately RMB178,781 million (2010: approximately RMB124,538 million). Dividend received during the year was HK$7,219 (2011: HK$10,845).

(g) HSBC is principally engaged in the provision of a comprehensive range of banking and related financial services through an international network in the Asia-Pacific region, Europe, the Americas, the Middle East and Africa. The audited consolidated profit attributable to shareholders of HSBC for the year ended 31 December 2011 was approximately USD16,797 million (2010: approximately USD13,159 million). At 31 December 2011 the audited consolidated net asset value of the HSBC was approximately USD166,093 million (2010: approximately USD154,915 million). Dividend received during the year was HK$26,355 (2011: HK$22,561).

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

(h) Yuexiu Property is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties, holding of investment properties and manufacturing and trading of newsprint. The audited consolidated profit attributable to shareholders of Yuexiu Property for the year ended 31 December 2011 was approximately RMB5,137 million (2010: loss attributable to shareholders approximately RMB919 million). At 31 December 2011 the audited consolidated net asset value of the Yuexiu Property was approximately RMB20,737 million (2010: approximately RMB16,346 million). Dividend received during the year was HK$10,098 (2011: HK$51,900).

(i) China Life is principally engaged in the provision of life, annuities, accident and health insurance business. The audited consolidated profit attributable to shareholders of China Life for the year ended 31 December 2010 was approximately RMB18,331 million (2010: approximately RMB33,626 million). At 31 December 2011 the audited consolidated net asset value of the China Life was approximately RMB193,388 million (2010: approximately RMB210,475 million). Dividend received during the year was HK$4,278. (2011: HK$7,188).

(j) China Communications Constructions is principally engaged in the provision of infrastructure construction business. The audited consolidated profit attributable to shareholders of China Communications Construction for the year ended 31 December 2011 was approximately RMB11,767 million (2010: approximately RMB9,599 million). At 31 December 2011 the audited consolidated net asset value of the China Communications Construction was approximately RMB80,945 million (2010: approximately RMB73,921 million). Dividend received during the year was HK$5,114 (2011: HK$3,576).

18. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2012 HK$	2011 HK$
Interest receivable from debt securities	1,806,980	–
Prepayments	–	17,745
Other receivables and deposits paid	1,779,685	25,768
	3,586,665	43,513

19. CASH AND CASH EQUIVALENTS

	2012 HK$	2011 HK$
Cash and bank balances	33,391,918	4,684,153
Deposits at other financial institution	4,269,749	–
	37,661,667	4,684,153

The effective interest rate of the deposits range from 0.01% to 0.5% (2011: 0.01% to 0.02%) per annum and all of them have a maturity within three months from initial inception.

20. OTHER PAYABLES AND ACCRUALS

	2012 HK$	2011 HK$
Accrued expenses	1,665,096	160,000
Other payable – broker	–	300
	1,665,096	160,300

Other payable due to the broker represents the amount due to broker under securities margin account. Under the terms of the margin agreement with the broker, if the Company commits a default in payment on demand of the deposits or margins or any other sums payable to the broker thereunder, on the due date thereof, or otherwise fails to comply with any of the terms therein contained, the broker shall have the right to close the margin account and to dispose of any or all the Companies' securities held by the broker.

21. AMOUNT DUE TO A SHAREHOLDER

The amount is unsecured and interest-free and has no fixed repayment term.

22. SHARE CAPITAL

	Number of ordinary shares of HK$0.20 each	HK$
Authorised:		
At 1 April 2010	100,000,000	20,000,000
Increased in authorised share capital (note a)	5,900,000,000	1,180,000,000
At 31 March 2011, 1 April 2011 and 31 March 2012	6,000,000,000	1,200,000,000
Issued and fully paid:		
At 1 April 2010	70,650,000	14,130,000
Issue of shares under placement of shares (note b)	14,130,000	2,826,000
Exercise of share options (note 23)	5,000,000	1,000,000
At 31 March 2011 and 1 April 2011	89,780,000	17,956,000
Issue of shares under placement of shares (note c)	378,760,000	75,752,000
Issue of shares under subscription of shares (note c)	113,040,000	22,608,000
At 31 March 2012	581,580,000	116,316,000

(a) On 20 September 2010, the authorised share capital of the Company was increased from HK$20,000,000 divided into 100,000,000 shares to HK$1,200,000,000 divided into 6,000,000,000 shares by the creation of an additional 5,900,000,000 shares which was approved by shareholders in the annual general meeting ("AGM").

(b) On 9 July 2010, the Company entered into a placing agreement with Friedmann Pacific Securities Limited to place a total of 14,130,000 shares of HK$0.20 each in the share capital of the Company to not less than six independent investors at a price of HK$0.368.

(c) On 18 May 2011, the Company entered into a placing agreement with Hooray Securities Limited to place a total of 378,760,000 shares of HK$0.20 each in the share capital of the Company to not less than six independent investors at a price of HK$1.15. On the same date, the Company entered into a subscription agreement to subscribe a total of 113,040,000 shares of HK$0.20 each in the share capital of the Company to Sky Year Limited at a price of HK$1.15.

23. SHARE OPTIONS SCHEME

The Company's share option scheme ("Share Option Scheme") was adopted by an ordinary resolution of the Company on 31 August 2002 for the primary purpose of providing incentives to directors, eligible employees, advisers, consultants and business affiliates.

No share options were granted, lapsed or cancelled during the year ended 31 March 2012.

The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price of the shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares.

Details of the Company's Share Option Scheme are summarised as follow:

Date of grant	Outstanding at 1/4/2010	During the year Granted	During the year exercised	During the year Cancelled	During the year Lapsed	Outstanding at 31/3/2011 and 31/3/2012	Exercisable period	Exercise price per share
Category I: Directors								
5/11/2007	210,000	–	–	–	(210,000)	–	6/11/2007-5/11/2010	HK$1.24
22/11/2007	7,000,000	–	–	(7,000,000)	–	–	22/11/2007-21/11/2017	HK$1.082
3/8/2010 (Note a)	–	5,000,000	(5,000,000)	–	–	–	3/8/2010–2/8/2012	HK$0.44
Category II: Employees								
5/11/2007	1,490,000	–	–	–	(1,490,000)	–	6/11/2007-5/11/2010	HK$1.24
Category III: Consultant								
5/11/2007	300,000	–	–	–	(300,000)	–	6/11/2007-5/11/2010	HK$1.24
	9,000,000	5,000,000	(5,000,000)	(7,000,000)	(2,000,000)	–		

Note:

(a) At the AGM on 20 September 2010, the resolutions to grant of 5,000,000 share options to Ms. Zhong Hui under the share option scheme of the Company had been approved by the shareholders of the Company.

23. SHARE OPTIONS SCHEME (Continued)

The Group issues equity-settled share-based payments to certain employees and consultant. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually be vested and adjusted for the effect of non market-based vesting conditions.

Based on the Black Scholes option pricing model, the fair value of the Options granted on 5 November 2007, 22 November 2007 and 20 September 2010 are HK$1.02, HK$1.01 and HK$0.26 respectively, calculated from the data of the share prices for not less than one year. The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

1. an expected volatility range of 79 to 156 per cent;

2. expected annual dividend yield range equal to zero;

3. the estimated expected life of the options granted during the year is 2 years; and

4. the quoted interest rate for the Exchange Fund Notes with maturity in 2012 was 0.446 per cent which is adopted to calculate the fair value of options granted on 3 August 2010.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. As changes in subjective input assumptions can materially affect the fair value estimated, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

The assumptions used are as follows:

	5/11/2007	**22/11/2007**	**20/9/2011**
Risk Free Interest Rate	3.95%	4.85%	0.446%
Expected life	3	10	2
Standard Deviation	152%	151%	150%
Annualized Dividend Yield	0	0	0

23. SHARE OPTIONS SCHEME (Continued)

Particulars of share options:

Date of grant	Exercisable period	Exercise price per share HK$
5/11/2007	6/11/2007 – 5/11/2010	1.24
22/11/2007	22/11/2007 – 21/11/2017	1.082
3/8/2010	3/8/2010 – 2/8/2012	0.44

The following table summarised movements in the Company's share options during the year ended 31 March 2011:

There is no movement during the year ended 31 March 2012.

	Outstanding at 1/4/2010	During the year Granted	Exercised	Cancelled	Lapsed	Outstanding at 31/3/2011 and 31/3/2012
Directors						
POON Ho-man	7,000,000	–	–	(7,000,000)	–	–
HA Tak-kong	70,000	–	–	–	(70,000)	–
TONG, I Tony	70,000	–	–	–	(70,000)	–
PENG Feng	70,000	–	–	–	(70,000)	–
ZHONG Hui	–	5,000,000	(5,000,000)	–	–	–
Directors' total	7,210,000	5,000,000	(5,000,000)	(7,000,000)	(210,000)	–
Consultant	300,000	–	–	–	(300,000)	–
Employees	1,490,000	–	–	–	(1,490,000)	–
Grand total	9,000,000	5,000,000	(5,000,000)	(7,000,000)	(2,000,000)	–

24. RESERVES

	Share premium HK$	Share option reserve HK$	Investment revaluation reserve HK$	Exchange reserve HK$	Warrant reserve HK$	Accumulated losses HK$	Total HK$
At 1 April 2010	25,759,973	1,384,719	–	–	1,270,000	(46,184,745)	(17,770,053)
Reversal of unlisted warrants	–	–	–	–	(1,270,000)	1,270,000	–
Issue of shares under placement of shares	2,373,840	–	–	–	–	–	2,373,840
Recognition of share-based payments	–	1,312,758	–	–	–	–	1,312,758
Reversal of share-based payments	–	(680,338)	–	–	–	680,338	–
Written back from cancellation of share-based payments	–	(704,381)	–	–	–	–	(704,381)
Exercise of share options	2,512,758	(1,312,758)	–	–	–	–	1,200,000
Total comprehensive expenses for the year	–	–	–	–	–	(8,318,918)	(8,318,918)
At 31 March 2011 and 1 April 2011	30,646,571	–	–	–	–	(52,553,325)	(21,906,754)
Issue of shares under placement of shares	359,822,000	–	–	—	–	–	359,822,000
Issue of shares under subscription of shares	107,388,000	–	–	–	–	–	107,388,000
Share issue expenses	(11,670,873)	–	–	–	–	–	(11,670,873)
Total comprehensive expenses for the year	–	–	(5,738,136)	(511,492)	–	(278,193)	(6,527,821)
At 31 March 2012	486,185,698	–	(5,738,136)	(511,492)	–	(52,831,518)	427,104,552

25. WARRANTS

The Company has no warrants outstanding at 31 March 2012 and 2011 and its movements are as follows:

Date of grant	Outstanding at 1/4/2010	Issued during the year	lapsed during the year	Outstanding at 31/3/2011 and 31/3/2012	Exercisable period	Exercise price per share
27 September 2007	4,300,000	–	(4,300,000)	–	27/9/2007 – 26/9/2010	HK$0.70
30 April 2008	5,600,000	–	(5,600,000)	–	30/4/2008 – 29/4/2010	HK$0.60
	9,900,000	–	(9,900,000)	–		

26. NET ASSETS/LIABILITIES VALUE PER SHARE

Net assets/liabilities value per share is calculated by dividing the net assets/liabilities included in the consolidated statement of financial position of net assets of HK$543,420,552 (2011: net liabilities of HK$3,950,754) by the number of shares in issue as at 31 March 2012, being 581,580,000 (2011: 89,780,000).

27. CONNECTED PARTY TRANSACTIONS

During the year ended 31 March 2012 and 2011, the group had entered into the following significant related party transactions which, in the opinion of the Directors, were carried out on normal commercial terms and in the ordinary course of the Group's business:

	2012 HK$	2011 HK$
Investment manager's fee paid to:		
Success Talent Investment Limited (note a)	**2,500,000**	170,000

Notes:

(a) The Company entered into an investment management agreement with Success Talent Investment Limited on 18 January 2011 for the period from 18 January 2011 to 31 May 2011 and renewed the investment management agreement on 27 May 2011 for a period from 1 June 2011 to 31 March 2014 with effect from 1 June 2011. Success Talent Investment Limited was entitled to receive an investment management fee on a monthly basis at HK$250,000.

Success Talent Investment Limited was also entitled to receive an incentive fee at a rate of 10% of the surplus net asset of the Company as at the last valuation date in a financial year as a defined in the agreement but the maximum aggregate annual value of the fee shall not be more than HK$6,870,000, HK$9,000,000 and HK$10,000,000 for the financial years ended 31 March 2012, 31 March 2013 and 31 March 2014 respectively.

27. CONNECTED PARTY TRANSACTIONS (Continued)

Remuneration for key management personnel, including amounts paid to the Company's Directors and certain of the highest paid employees as disclosed in note 14, is as follows:

	2012	2011
	HK$	HK$
Directors' fee	**520,000**	620,610
Salaries, allowance and benefits in kind	**3,851,726**	680,645
Contribution to retirement benefits scheme	**–**	7,237
Equity settled share-based payments	**–**	1,312,758
	4,371,726	2,621,250

28. RETIREMENT BENEFITS SCHEME

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

The total contributions charged to the consolidated income statement for the year ended 31 March 2012 amounted to HK$78,313 (2011: HK$51,840), representing contributions payable to the Scheme by the Group in respect of the year ended 31 March 2012.

29. FINANCIAL INFORMATION OF THE COMPANY

	2012 HK$	2011 HK$
Non-current assets		
Property, plant and equipment	**25,667**	651,712
Investment in subsidiaries (note a)	**1,106**	1,081
	26,773	652,793
Current assets		
Other receivables and prepayments	**1,779,685**	43,513
Amount due from subsidiaries	**520,997,528**	3,660,266
Cash and cash equivalents	**22,458,756**	4,634,803
	545,235,969	8,338,582
Current liabilities		
Other payables and accruals	**1,478,222**	160,000
Amount due to subsidiaries	**2,131,745**	–
	3,609,967	160,000
Net current assets	**541,626,002**	8,178,582
Non-current liability		
Amount due to a shareholder	**–**	16,000,000
	–	16,000,000
Net assets (liabilities)	**541,652,775**	(7,168,625)
Capital and reserves		
Share capital	**116,316,000**	17,956,000
Reserves (note b)	**425,336,775**	(25,124,625)
Total equity (capital deficiency)	**541,652,775**	(7,168,625)

29. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Notes:

(a) Subsidiaries

	THE COMPANY	
	2012	2011
	HK$	HK$
Unlisted shares, at cost	**1,106**	1,081

Details of the subsidiaries at 31 March 2012 are as follows:

Name of subsidiary	Place of incorporation	Particulars of issued share capital	Interest held		Principal activities
Directly hold:			**2012**	2011	
Garron International (HK) Limited	Hong Kong	HK$100	**100%**	100%	Investment holding
Novel Epoch Investments Limited	The British Virgin Islands	US$100	**100%**	100%	Trading of security
Garron Investment Limited	Hong Kong	HK$100	**100%**	100%	Investment holding
Garron International Strategic Limited	Hong Kong	HK$100	**100%**	100%	Investment holding
Garron Consultancy Limited	Hong Kong	HK$1	**100%**	100%	Investment holding
Eagle Gain Investments Limited	Hong Kong	HK$1	**100%**	–	Trading of security
China Investment and Finance (Hong Kong) Limited (Formerly known as "China Investments and Finance Group Limited")	Hong Kong	HK$1	**100%**	–	Investment holding
Golden Joyful Investment Development Limited	Hong Kong	HK$2	**100%**	–	Investment holding
Colin Investment Limited	Hong Kong	HK$2	**100%**	–	Investment holding
Twist Magic Investments Limited	Hong Kong	HK$2	**100%**	–	Investment holding
Winki Limited	Hong Kong	HK$2	**100%**	–	Investment holding
Mass Advance Investments Limited	Hong Kong	HK$2	**100%**	–	Investment holding
Advance Plus International Development Limited	Hong Kong	HK$2	**100%**	–	Investment holding

29. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(a) Subsidiaries (Continued)

Name of subsidiary	Place of incorporation	Particulars of issued share capital	Interest held 2012	Interest held 2011	Principal activities
Directly hold:					
China Investment and Financing Limited	Hong Kong	HK$1	100%	–	Trading of security
World Fame Investment Limited	Hong Kong	HK$1	100%	–	Investment holding
Sky Progress Investment Limited	Hong Kong	HK$1	100%	–	Investment holding
Great Prospect Investment Development Limited	Hong Kong	HK$1	100%	–	Investment holding
Goodyear International Limited	Hong Kong	HK$1	100%	–	Investment holding
View Prospect International Limited	Hong Kong	HK$1	100%	–	Investment holding
Art World Investment Limited	Hong Kong	HK$1	100%	–	Investment holding
Top Gain International Investment Limited	Hong Kong	HK$1	100%	–	Investment holding
Skyfull International Investment Limited	Hong Kong	HK$1	100%	–	Investment holding
Rich Fortune Investment Limited	Hong Kong	HK$1	100%	–	Investment holding
Indirectly hold:					
Norton Investment Limited	Hong Kong	HK$2	100%	–	Investment holding
Magee International Investment Limited	Hong Kong	HK$2	100%	–	Investment holding
Mass Magic International Limited	Cayman Islands	US$1	100%	–	Investment holding
Plus Benefits Investment Limited	Cayman Islands	US$1	100%	–	Investment holding
Great Advance Investment Limited	Cayman Islands	US$1	100%	–	Investment holding
廣州凱潤企業管理服務有限公司	The People's Republic of China	USD$5,000,000	100%	–	Investment holding

29. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Notes: (Continued)

(b) Reserves

	Share premium HK$	Share option reserve HK$	Warrant reserve HK$	Accumulated Losses HK$	Total HK$
At 1 April 2010	25,759,973	1,384,719	1,270,000	(48,646,585)	(20,231,893)
Reversal of unlisted warrants	–	–	(1,270,000)	1,270,000	–
Issue of shares under placement of shares	2,373,840	–	–	–	2,373,840
Recognition of share-based payments	–	1,312,758	–	–	1,312,758
Reversal of share-based payments	–	(680,338)	–	680,338	–
Written back from cancellation of share-based payments	–	(704,381)	–	–	(704,381)
Exercise of share options	2,512,758	(1,312,758)	–	–	1,200,000
Total comprehensive expenses for the year	–	–	–	(9,074,949)	(9,074,949)
At 31 March 2011 and 1 April 2011	30,646,571	–	–	(55,771,196)	(25,124,625)
Issue of share under placement of shares	359,822,000	–	–	–	359,822,000
Issue of share under subscription of shares	107,388,000	–	–	–	107,388,000
Share issue expenses	(11,670,873)	–	–	–	(11,670,873)
Total comprehensive expenses for the year	–	–	–	(5,077,727)	(5,077,727)
At 31 March 2012	486,185,698	–	–	(60,848,923)	425,336,775

30. COMMITMENTS

At the end of reporting period, the Group had minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2012 HK$	2011 HK$
Within one year	**5,491,200**	1,589,902
In more than one year but not exceeding five years	**915,200**	–
	6,406,400	1,589,902

Operating leases are negotiated and payments are fixed for an average of 2 years.

31. EVENTS AFTER THE REPORTING PERIOD

On 20 June 2012, the Company entered into a sales and purchase agreement with a third party for the disposal of the entire interest in the subsidiary, Twist Magic Investments Limited which holds the 30% equity interest in China Clean Sky Resource International Holding Limited at a cash consideration of HK$70,000,000. An amount of HK$25,000,000 has been received as at the date of this report.

On 21 June 2012, the Company entered into a sales and purchase agreement with a third party, for the disposal of the entire interest in a subsidiary, Sky Progress Investments Limited, which holds the 5 years convertible bond in Mountain Investment Limited at a cash consideration of HK$42,149,600. The total cash consideration of HK$15,000,000 has been received as at date of this report.

On 21 June 2012, the Company applied the redemption of the investment in Enterprise Emerging Markets Fund. in the amount of USD3,870,225 (approximately HK$30,187,755) making the realisation of profit in the amount of approximately HK$109,000.

On 28 June 2012, Winki Limited, a wholly-owned subsidiary of the Company, entered into a memorandum of understanding with Ka Hang Development Limited for the redemption of the entire interest in Ka Hang Development Limited at an aggregate consideration of USD13,000,000.

FIVE YEARS FINANCIAL SUMMARY

Year ended 31 March 2012

	Year ended 31 March				
	2012	2011	2010	2009	2008
	HK$	HK$	HK$	HK$	HK$
RESULTS					
Revenue	**5,410,454**	188,204	123,707	201,539	280,698
Loss before tax	**(28,511)**	(8,318,918)	(4,796,486)	(11,119,668)	(5,439,605)
Income tax expense	**(249,682)**	–	–	–	–
Loss attributable to shareholders of the Company	**(6,527,821)**	(8,318,918)	(4,796,486)	(11,119,668)	(5,439,605)
Loss per share – Basic and diluted (HK cents)	**(0.05)**	(9.95)	(6.79)	(15.74)	(7.74)

	At 31 March				
	2012	2011	2010	2009	2008
	HK$	HK$	HK$	HK$	HK$
ASSETS AND LIABILITIES					
Non-current assets	**498,297,025**	651,712	21,901	4,131,176	82,522,526
Current assets	**47,038,305**	11,557,834	9,097,811	6,339,091	10,967,469
Current liabilities	**(1,914,778)**	(160,300)	(4,627,760)	(1,353,306)	(3,910,014)
Non-current liabilities	**–**	(16,000,000)	(8,132,005)	(7,960,528)	–
Shareholders' funds/ (Capital deficiency)	**543,420,552**	(3,950,754)	(3,640,053)	1,156,433	89,579,981