ARES ASIA
安域亞洲

Ares Asia Limited
安域亞洲有限公司
(Incorporated in Bermuda with limited liability)
Stock Code: 645

Annual Report
2012/2013

CONTENTS

CORPORATE INFORMATION

Ares Asia Limited
(Incorporated in Bermuda with limited liability)

DIRECTORS

Adwin Haryanto SURYOHADIPROJO *(Chairman)*
CHUA Chun Kay
Junaidi YAP
LAM Pun Yuen, Frank[1]
NGAN Hing Hon[1]
YEUNG Kin Bond, Sydney[1]

1 *Independent non-executive directors*

COMPANY SECRETARY

POON Kin Yee

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor Hopewell Centre
183 Queen's Road East
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1602 16/F
LHT Tower
31 Queen's Road Central
Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

AUDITORS

KPMG

LEGAL ADVISER

Conyers, Dill & Pearman

PRINCIPAL BANKERS

Standard Chartered Bank
Industrial and Commercial Bank of China (Asia) Limited

COMPANY WEBSITES

www.aresasialtd.com
www.irasia.com/listco/hk/aresasia

STOCK CODE

645

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, it is my pleasure to report to you the developments of Ares Asia Limited and its subsidiaries (the "Group") for the year ended 31 March 2013, as well as our plan and outlook for the year ending 31 March 2014 and beyond.

Having conducted a thorough business assessment and with concerted management effort, the Group has ceased the footwear manufacturing business during the year.

Moreover, I am proud to acknowledge that the Group has successfully launched its coal trading business during the second half of the Year. Since its commencement, the volume of trade has swiftly surged to a level which is more than meeting management's expectation. With the dedicated expertise of our coal trading team, the strong linkage with well-established coal producers in Indonesia, and given the positive outlook for demand on thermal coal, the Group is confident and well-positioned to further develop the coal trading business.

Moving forward, the Group will continue to seek attractive investment and acquisition opportunities in the mining and resources sectors, so as to enhance profitability and maximize our shareholders' value. We keep an open mind when exploring new opportunities, but will only acquire high potential projects on a selective and prudent basis, without compromising the financial stability of the Group.

Lastly, I would like to take this opportunity to express my heartfelt gratitude to my fellow directors, management and all staff for the hard work and dedication in endorsing the development of the Group, and the shareholders for their continuing support and confidence in the Group.

Adwin Haryanto SURYOHADIPROJO
Chairman

Hong Kong, 21 June 2013

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL HIGHLIGHTS

During the year ended 31 March 2013, the Group discontinued its footwear manufacturing business and its results for the period prior to cessation is reported separately as Discontinued Operation in the consolidated financial statements. The Group commenced its coal trading business in October 2012, which is currently the principal activity of the Group and its results for the year is presented as "Continuing Operation" in the consolidated financial statements.

Analysis on the performance of the Group including revenue and results of Continuing and Discontinued Operations before allocation of the corporate overheads is set out in note 3 "Turnover and Segment Reporting" to the consolidated financial statements.

Overall, the Group doubled its revenue to approximately US$57.7 million for the year ended 31 March 2013, of which US$44.6 million was generated from the Continuing Operation and the remaining US$13.1 million was from the Discontinued Operation. Last year's turnover of approximately US$28.0 million was wholly contributed by the Discontinued Operation.

Loss for the year ended 31 March 2013 was US$4.3 million as compared to loss of US$1.5 million in 2012. The substantial increase in loss was mainly attributable to the loss of US$3.7 million from the Discontinued Operation.

REVIEW OF OPERATIONS

Continuing Operation

Over the years, we have been exploring suitable business opportunities to broaden the revenue base and to diversify the business scope of the Group. We are pleased to report that the Group has successfully launched the coal trading business during the year.

Performance for the coal trading business was satisfactory. It achieved turnover for the Continuing Operation of US$44.6 million since its commencement in October 2012 with gross profit of US$0.8 million or gross profit margin of 1.9%. For the year ended 31 March 2013, the Group sold thermal coal originated from Indonesia to China for a total volume of approximately 940,000 tonnes.

Other revenue from the Continuing Operation mainly represented the one-off reimbursement received from the vendor following the termination of the Group's proposed acquisition of a mining services company during the year.

Selling, general and administrative expenses consisted primarily of employee benefits costs, rental and corporate expenses which totaled US$2.6 million for the current year compared to US$1.5 million in last year. The increase was mainly due to higher employee benefits expenses as a result of the expansion on coal trading business.

Loss from the Continuing Operation was approximately US$0.5 million, significantly narrowed as compared to US$1.5 million in 2012. If excluding the fair value gain of approximately US$1.0 million on the Exchangeable Bond (which is further analysed in "SUBSCRIPTION OF EXCHANGEABLE BOND" below), loss from the Continuing Operation for the year would be almost the same as reported for the last financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS *(Continued)*

Discontinued Operation

The Discontinued Operation faced severe challenges over the past few years. Decreasing sales and rising production costs were the principal factors affecting the operating performance of the Discontinued Operation.

During the year, turnover of the Discontinued Operation decreased by 53% to approximately US$13.1 million. In addition to gross loss of approximately US$1.4 million resulting from the combined effects of lower sales and higher production costs, the Discontinued Operation incurred a restructuring cost of approximately US$2.3 million in streamlining the manufacturing operations in the first half of this financial year, all of which resulted in a substantial loss of US$3.7 million prior to cessation this year.

PROSPECT

Looking ahead, the Group will expand the scale of its coal trading business with the view that coal will continue to be the most economical source of energy in China and other Asian countries. We will keep expanding the network of overseas suppliers to ensure a stable supply of quality coal and developing our customer base in order to achieve a sustainable long term growth in both financial and operating performance of the Group.

In respect of the Discontinued Operation, we will use our best effort to realise the remaining interests in the footwear manufacturing business.

SUBSCRIPTION OF EXCHANGEABLE BOND

As disclosed in the Company's announcements dated 30 May 2012 and 22 March 2013, Able Point Corporation Limited ("Able Point"), an indirectly wholly-owned subsidiary of the Company, entered into a subscription agreement ("Subscription Agreement") and a supplemental agreement ("Supplemental Agreement") on 30 May 2012 and 22 March 2013 respectively with PT Langit Timur Energy ("LTE"), an independent third party and a company established in Indonesia with limited liability, PT Mandiri Arya Persada ("MAP", a non-wholly owned subsidiary of LTE which holds certain coal concessions in Indonesia) and PT Lintas Sanjaya, the non-controlling shareholder of LTE to subscribe for a one year zero coupon secured exchangeable bond in a principal amount of US$5 million issued by LTE ("Exchangeable Bond"). The Exchangeable Bond could be extended for 1 year if mutually agreed by LTE and Able Point.

The refundable deposit of US$5.0 million (the "Refundable Deposit") placed by the Company to LTE for the year ended 31 March 2012 regarding the Company's intention to participate into the tender offer of a coal offtake agreement and acting as a marketing agent of certain coal concessions in Indonesia, as well as the proposed acquisition of certain equity interests in such coal concessions was used to offset against the consideration of the subscription of the Exchangeable Bond.

Subject to certain conditions as stipulated in the Subscription Agreement (as amended and supplemented by the Supplemental Agreement), Able Point can exercise the right to exchange the Exchangeable Bond into the shares of MAP (the "Underlying Shares"). The equity interests of the Underlying Shares in MAP have been increased from 5% to 70% of the total issued and paid up capital of MAP on a fully diluted basis as agreed in the Supplemental Agreement.

SUBSCRIPTION OF EXCHANGEABLE BOND *(Continued)*

LTE can redeem the Exchangeable Bond at any time prior to the maturity and the redemption price is fixed at approximately US$6.1 million, representing a redemption premium of 21.6888% throughout the one-year period. In case of the maturity date being extended for one year, it will be calculated based on a redemption premium of 41% on an accrual basis on the total outstanding principal amount of the Exchangeable Bond, starting from the first anniversary of the date of the issue of the Exchangeable Bond. Unless previously redeemed or converted, LTE shall redeem the Exchangeable Bond at 100% principal amount plus the redemption premium at maturity.

On 29 May 2013, LTE and Able Point agreed to extend the maturity date of the Exchangeable Bond to 29 May 2014 pursuant to the Subscription Agreement (as amended and supplemented by the Supplemental Agreement).

The Group has designated the Exchangeable Bond as financial asset at fair value through profit or loss and a fair value gain of approximately US$1.0 million was recognised for the year ended 31 March 2013.

LIQUIDITY AND FINANCIAL RESOURCES

We continue our conservative positioning in managing the Group's working capital.

The Group's financial and liquidity position continued to be strong, remaining debt-free as at 31 March 2013. The Group has net current assets of US$30.7 million as at 31 March 2013 with cash on hand and at banks amounting to approximately US$25.0 million as compared to US$25.8 million in 2012.

As always, the Group implements tight control on its credit and collection policies. For the coal trading business, deposits are usually required and the remaining balance is payable within 2 days after the customers receive all documents as stipulated in the sale and purchase agreements. There were no outstanding trade receivables and payables from both Continuing Operation and Discontinued Operation as at 31 March 2013 and the Group has not experienced any significant bad debts in the past.

The Group generally relied on its internally generated cash flows and the existing trade facilities to finance its day to day operations. There are no present plans for material capital expenditures and we believe that the Group has adequate liquidity to meet its current and future working capital requirements.

RISK OF CURRENCY FLUCTUATIONS

The Group's assets and liabilities as well as the income and expenses derived from both the Continuing Operation and Discontinued Operation are mainly denominated in Hong Kong Dollars, United States Dollars (i.e. functional currency of the Company and its subsidiaries) and Renminbi.

There is no significant exposure to the fluctuation of foreign exchange rates, but the Group is closely monitoring the financial market and would consider appropriate measures if required. Currently, the Group has no hedging arrangement for foreign currencies and has not entered into any financial derivatives arrangement.

DIRECTORS' REPORT

DIRECTORS' REPORT

The board (the "Board") of directors (the "Directors") of Ares Asia Limited ("the Company") is pleased to present their report together with the audited consolidated financial statements of the Company and its subsidiaries (together, the "Group") for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. In the period during the year up to 31 January 2013, the Company, through its subsidiaries were principally engaged in coal trading, which has been commenced on 1 October 2012 and the footwear manufacturing business.

Subsequent to the cessation of the footwear manufacturing business on 31 January 2013, the Group's principal activity is coal trading. The activities of its principal subsidiaries are set out in note 13 to the financial statements.

An analysis of the Group's performance by operating segments is set out in note 3 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 28.

The Directors do not recommend any dividend in respect of the year ended 31 March 2013.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 23(b) to the financial statements.

DISTRIBUTABLE RESERVES

Under the Companies Act 1981 of Bermuda (the "Act"), the Company's contributed surplus is distributable to shareholders under certain circumstances as provided in the Act. The reserve of the Company available for distribution to shareholders as calculated under the Act as at 31 March 2013 amounted to US$29,935,000 (2012: US$32,866,000).

Details of the movements in reserves of the Group are set out in the consolidated statement of changes in equity on page 31.

DIRECTORS' REPORT

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda in respect of the Company's share capital.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 82.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

DIRECTORS

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

Executive Directors

Mr. Adwin Haryanto SURYOHADIPROJO *(Chairman)* (appointed on 4 July 2012)
Mr. CHUA Chun Kay
Mr. Junaidi YAP (appointed on 16 May 2012)
Mr. David Michael GORMLEY (retired on 21 September 2012)

Independent non-executive Directors

Mr. LAM Pun Yuen, Frank
Mr. NGAN Hing Hon
Mr. YEUNG Kin Bond, Sydney

In accordance with Bye-law 87 of the Company's Bye-Laws, Mr. LAM Pun Yuen, Frank and Mr. NGAN Hing Hon will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' EMOLUMENTS

The Directors' emoluments for the year ended 31 March 2013 are set out in note 8 to the financial statements.

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 14 to 15 of the annual report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS

Other than as disclosed under the section "Material Related Party Transactions" in note 26 to the financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

SHARE OPTION SCHEME

The Company's share option scheme adopted on 30 August 2002 was expired on 29 August 2012 (the "2002 Scheme"). No share option had been granted under the 2002 Scheme and there was no outstanding share option as at 31 March 2012.

At the special general meeting of the Company held on 21 September 2012, the shareholders of the Company passed a resolution for the adoption of a new share option scheme (the "2012 Scheme") under which the Directors may grant options to eligible persons to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. The Company operates the Scheme for the purpose of providing eligible participants with an opportunity to acquire proprietary interests in the Company, which the Directors believe would help the Company to attract and retain high calibre personnel who have made contributions to the success of the Company, and would also help the building of common objective of the Group and the eligible participants for the betterment of business and profitability of the Group. The detailed disclosures relating to the 2012 Scheme and valuation of options are set out in note 21 to the financial statements.

Details of share options granted to a Director under the 2012 Scheme and the outstanding share options at the end of the year were as follows:

Name of Director	**Grant Date**	**Exercisable Period**	**Exercise price** *(HK$)*	**Number of share options granted and as at 31/3/2013**
Junaidi YAP	25/10/2012	25/10/2012 — 23/10/2015	0.63	1,500,000

The vesting period of the share options granted is determined by Directors at each time when the options are granted. The aforesaid shares options are beneficially owned by the Director concerned and are vested at the date of grant. The closing price of the Company's shares on 25 October 2012, the date of grant was HK$0.63.

SHARE OPTION SCHEME *(Continued)*

As at 31 March 2013, the number of shares in respect of which options had been granted and remained outstanding under the 2012 Scheme was 1,500,000, representing approximately 0.44% of the shares of the Company in issue. No share option was exercised, lapsed or cancelled during the year.

Save as disclosed above, at no time during the year was the Company or its subsidiary companies a party to any arrangement to enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2013, the interests and short positions of each of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Long position in shares of the Company

Name of Director	Capacity	Number of shares held/ interested	Approximate percentage of issued shares
CHUA Chun Kay ("Mr. CHUA")	Beneficial owner and interest of a controlled company *(Note)*	209,707,416	61.57%

Note:

The 209,707,416 shares in the Company are owned by Star Crown Capital Ltd ("Star Crown") and the entire issued share capital of Star Crown is owned by Mr. CHUA.

(ii) Interests in underlying shares

A Director has been granted options under the 2012 Scheme, details of which are set out in the section headed "Share Option Scheme" in the report.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Save as disclosed above, as at 31 March 2013, none of the Directors, chief executives of the Company nor their associates had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2013, the following substantial shareholder, other than Directors and chief executives of the Company, had the interests and short positions in the shares and underlying shares of the Company which have been disclosed to the Company pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO, have been recorded in the register kept by the Company pursuant to section 336 of SFO:

Long position in shares of the Company

Name	Capacity	Number of shares held/interested	Approximate percentage of issued shares
Star Crown Capital Ltd	Corporate *(Note)*	209,707,416	61.57%

Note:

Such interests have been disclosed as interests of Mr. CHUA Chun Kay in the "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.

Save as disclosed above, as at 31 March 2013, no person, other than the Directors or chief executives of the Company, whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered a long or short position in the shares, underlying shares and debentures of the Company that was required to be recorded pursuant to section 336 of the SFO.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentages of the Group's total purchases and sales attributable to the Group's major suppliers and customers are as follows:

Purchases

— the largest supplier	65%
— five largest suppliers in aggregate	94%

Sales

— the largest customer	77%
— five largest customers in aggregate	97%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors, owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2013, the Group had a total of 14 (2012: 1,150) full time employees in Hong Kong and other parts of the People's Republic of China ("PRC"). The Group's emolument policy is to pay wages and salaries that are competitive in the industry in a way that will be motivational, fair and equitable, and that are dependent on individual's and the Group's performance. Apart from salaries, the Group also provides other fringe benefits to employees, which include share option scheme, provident fund schemes and bonus on performance basis. Particulars of the retirement schemes of the Group are set out in note 20 to the financial statements.

The Remuneration Committee reviews the Group's emolument policy and structure for remuneration of the Directors and senior management of the Group, having regards of the Group's operating results, individual performance and comparable market standards.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 March 2013 until the date of this report, there is a sufficiency of public float of the Company's securities as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 16 to 25.

DIRECTORS' REPORT

AUDITORS

On 14 March 2013, Messrs. SHINEWING (HK) CPA Limited resigned as auditors of the Company and KPMG were appointed on 22 March 2013 to fill the casual vacancy by the resignation of SHINEWING, to hold office until the conclusion of the next annual general meeting of the Company.

A resolution will be submitted to the annual general meeting of the Company to re-appoint of KPMG as auditors of the Company.

On behalf of the Board
Adwin Haryanto SURYOHADIPROJO
Chairman

Hong Kong, 21 June 2013

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Mr. Adwin Haryanto SURYOHADIPROJO, aged 55, is the Chairman of the Company and executive Director. He has extensive experience in the coal mining and infrastructure development sector in Indonesia. He is currently the President Director of PT Darma Henwa Tbk, an integrated mining and energy services company listed on the Indonesian Stock Exchange. He holds a Doctorate Degree and Master of Science Degree in Mechanical Engineering from Texas A&M University and also participated in the Program of Senior Executive Management at the Massachusetts Institute of Technology — Sloan School of Management. He joined the Company in 2012.

Mr. CHUA Chun Kay, aged 59, is the executive Director. He is a businessman in Singapore who owns businesses that engage in trading various kinds of commodities, including but not limited to pulp and paper, waste-paper, chemicals and spare-parts. Mr. CHUA is a fellow member of the Chartered Management Institute and holds a master's degree in business administration from the University of Leicester, United Kingdom. He joined the Company in 2011.

Mr. Junaidi YAP, aged 44, is the Chief Executive Officer of the Group and executive Director. He has over 20 years of experience in finance and investment banking industry. He started his career at the Corporate Finance team at KPMG Hong Kong, and subsequently became Director at Citigroup Hong Kong, and Executive Director and Head of Debt Capital Markets for Indonesia at J.P. Morgan Hong Kong. He has worked closely with major Indonesian coal mining companies to manage their capital raising and financing exercises. Mr. YAP graduated with a Bachelor of Business degree in Accounting from Monash University, Australia. He joined the Company in 2012.

Mr. LAM Pun Yuen, Frank, aged 62, is an independent non-executive Director. He has considerable experience in the financial and investment banking industry. He possesses extensive experience in corporate banking and investment banking including loan syndication, initial public offerings, mergers and acquisitions, fund raising and corporate finance advisory. He graduated with a bachelor of science in marketing from Utah State University, Logan, Utah and a master of business administration from Armstrong College, Berkeley, California, USA. He is a registered responsible officer and principal supervisor under the SFO and was a founding committee member and a Vice-Chairman of the Association of Shenzhen Foreign Financial Institutions, China in 1998 and 1999 respectively. He joined the Company in 2011.

Mr. NGAN Hing Hon, aged 56, is an independent non-executive Director. He is currently the audit associate director of World Link CPA Limited. Mr. NGAN graduated from the Chinese University of Hong Kong with a bachelor of business administration. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Mr. NGAN had worked in two international audit firms for approximately 4 years, and was then employed by several listed and private companies in Hong Kong as financial controller. Mr. NGAN has extensive experience in auditing, accounting and corporate finance. He was the chief financial officer of a listed company in Singapore for the period from May 2004 to September 2007. He joined the Company in 2011.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS *(Continued)*

Mr. YEUNG Kin Bond, Sydney, aged 39, is an independent non-executive Director. He started his career at Morgan Stanley in 1996 in New York. He then worked at Van der Moolen, a US securities specialist firm then listed on the New York Stock Exchange, as the director of international trading. Mr. YEUNG is one of the founders of Verde Asia Fund LLC and the managing director of Pioneer Capital Mgmt, Inc. He is also the director and member of Global Strategic Events Pte Ltd, a media company which is engaged in sponsoring and the coordination of Asia's most prolific business forums and television programs. He is currently the director of Roots Capital Asia Limited which engages in advisory services. He joined the Company in 2011.

SENIOR MANAGEMENT

Mr. TSOI Lai Man, Raymond, aged 46, is the Chief Financial Officer and Chief Operating Officer of the Group. He is a qualified accountant with the Hong Kong Institute of Certified Public Accountants and has 20 years of accounting and auditing experience. Prior to joining the Company, he was an Audit Partner with KPMG Hong Kong and then joined the Dickson Concepts International Group as their Group General Manager, responsible for the management of both front line operation and back-office supporting infrastructure. Mr. TSOI graduated with a Bachelor of Commerce Degree, majoring in Accountancy, from the University of Western Australia. He joined the Group in 2013.

Mr. DAHLAN, aged 45, is the director of coal trading operations. He has over 20 years of wide-ranging commercial experience with regional and multinational corporations operating in Asia's resources sector. Prior to joining the Company, he held various positions in strategic planning, corporate finance and corporate control with a multinational company in Hong Kong and a diversified regional business group. Mr. DAHLAN holds an MBA from the National University of Singapore and was awarded the ASEAN Postgraduate Scholarship. He joined the Group in 2012.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report in the annual report of the Company for the year ended 31 March 2013.

The Board is dedicated to sound governance practices and strives to meet the standard at all levels of the organisation. The Board recognises the vital importance of trust in relationship with our shareholders and investors and solid corporate governance practices ensure the alignment of corporate behaviours with shareholder interests by promoting the principles of transparency, accountability and independence in the Group's business activities and decision making processes.

The Company has applied the principles of, and complied with the applicable code provisions of the Corporate Governance Code ("CG Code") and Corporate Governance Report (previously known as Code on Corporate Governance Practices) as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2013, except for the deviation from code provision A.4.1 on the service terms of non-executive Directors disclosed herein.

THE BOARD

Board composition and role

The Board is responsible for overseeing our management and business affairs as well as approving strategic plans and major policy decisions for the Group with the objectives of enhancing shareholders value.

The Board consisted of six members as at 31 March 2013, including three executive Directors and three independent non-executive Directors. The list of Directors and their respective biographies are set out on pages 14 to 15 to this annual report.

Changes in members of the Board during the year ended 31 March 2013 and up to the date of this annual report are set out below:

- Mr. Junaidi YAP was appointed as an Executive Director on 16 May 2012 and has become the Chief Executive Officer of the Company since 13 June 2012;

- Mr. David Michael GORMLEY ceased to be the Company's Chief Executive Officer on 13 June 2012 and retired as an executive Director on 21 September 2012;

- Mr. CHUA Chun Kay resigned as Chairman of the Company on 4 July 2012 but remains as an executive Director; and

- Mr. Adwin Haryanto SURYOHADIPROJO was appointed as an executive Director and Chairman of the Company with effect from 4 July 2012.

An updated list of Directors and their respective roles and functions have been maintained in the website of the Company at www.aresasialtd.com, irasia.com at www.irasia.com/listco/hk/aresasia and the designated website of the Stock Exchange.

CORPORATE GOVERNANCE REPORT

THE BOARD *(Continued)*

Board composition and role *(Continued)*

The Board has delegated the day-to-day responsibility to the executive Directors and senior management who perform their duties under the leadership of the Company's Chief Executive Officer. The role of Chairman and the Chief Eexecutive Officer is separate and performed by two Directors. Mr. Adwin Haryanto SURYOHADIPROJO, who is the executive Chairman of the Company, is responsible for the overall formulation of business strategies and market development of the Group. Mr. Junaidi YAP, who is the Chief Executive Officer of the Company in place of Mr. David Michael GORMLEY since 13 June 2012, is delegated with the authority and responsibility to run the Group's business and day-to-day operation, and implement the Group's strategy with respect to the achievement of its business objectives with the assistance of the executive Directors and senior management.

During the year ended 31 March 2013, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, all of them possess appropriate professional qualifications, or accounting or related financial management expertise. In addition, the Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all of them are independent to the Company.

The Directors are kept abreast of their responsibilities as a director of a listed company and of the conduct, business activities and development of the Group. Management provides appropriate and sufficient information to Directors and the Board committee members in a timely manner to keep them apprised of the latest development of the Group. The Board and each Director also have separate and independent access to the senior management whenever necessary.

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the businesses of the Group.

Board meetings

The Board is expected to meet regularly and at least four times a year with at least 14 days' notice and additional meetings with reasonable notice will be held as and when the Board considers appropriate. Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. In addition to the Board meetings, the Directors dealt with matters by way of circulation during the year ended 31 March 2013.

During the year ended 31 March 2013, the Board had held four regular Board meetings. Out of the four Board meetings, two of them were held to discuss and/or approve the annual and the interim financial performance/results of the Group while two of them were held to discuss, among other things, various projects contemplated by the Group.

THE BOARD *(Continued)*

Board meetings *(Continued)*

During the year ended 31 March 2013, the composition of the Board and the respective attendances of the members are presented as follows:

Name of Directors	Number of board meetings attended
Executive Directors	
Mr. Adwin Haryanto SURYOHADIPROJO *(Chairman)* (appointed on 4 July 2012)	4/4
Mr. CHUA Chun Kay	3/4
Mr. Junaidi YAP (appointed on 16 May 2012)	4/4
Mr. David Michael GORMLEY (retired on 21 September 2012)	2/4
Independent non-executive Directors	
Mr. LAM Pun Yuen, Frank	4/4
Mr. NGAN Hing Hon	4/4
Mr. YEUNG Kin Bond, Sydney	4/4

The Company Secretary of the Company is responsible to take and keep minutes of all Board meetings and committee meetings and all Directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

The Company engaged an external service provider as its Company Secretary until 22 March 2013 and for the year ended 31 March 2013, the former Company Secretary has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training. The current Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. All Directors have access to the advice and services of the Company Secretary with a view to ensuring that the Board procedures, and all applicable rules and regulations, are followed.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Bye-laws also contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

During the year ended 31 March 2013, none of the Directors above has or maintained any financial, business, family or other material/relevant relationship with any of the other Directors.

CORPORATE GOVERNANCE REPORT

THE BOARD *(Continued)*

Directors' securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions. All the members of the Board have confirmed that, following specific enquiries made by the Company, they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2013.

Directors' continuous professional development

The Directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual Director in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2013 is recorded in the table below.

	Types of Continuous Professional Development	
Name of Directors	**Reading regulatory updates or information**	**Attending external seminar(s)/ programme(s)**
Executive Directors		
Mr. Adwin Haryanto SURYOHADIPROJO *(Chairman)* (appointed on 4 July 2012)	✓	—
Mr. CHUA Chun Kay	✓	—
Mr. Junaidi YAP (appointed on 16 May 2012)	✓	✓
Mr. David Michael GORMLEY (retired on 21 September 2012)	✓	—
Independent non-executive Directors		—
Mr. LAM Pun Yuen, Frank	✓	—
Mr. NGAN Hing Hon	✓	—
Mr. YEUNG Kin Bond, Sydney	✓	—

The Company Secretary updates Directors on the latest developments and changes to the Listing Rules and the applicable legal and regulatory requirements regarding subjects necessary in the discharge of their duties.

THE BOARD *(Continued)*

Appointment, re-election and removal of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Bye-laws. The Board as a whole is responsible for reviewing the Board composition. Review of the Board composition is made regularly to ensure that it has a balance of expertise, skill and experience appropriate for the requirement of the business of the Company.

In accordance with the Company's Bye-laws, all Directors of the Company are subject to retirement by rotation at least once every three years. Any new Director so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Code provision A.4.1 specifies that the non-executive directors should be appointed for a specific term, subject to re-election. The term of the independent non-executive Directors is not fixed but they are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company.

Corporate governance functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees written guidelines, and the Company's compliance with the CG Code and disclosures in this Corporate Governance Report.

BOARD COMMITTEES

The Company has maintained the Nomination Committee, the Remuneration Committee and the Audit Committee throughout the year to oversee particular aspects of the Group's affairs. Each of these committees has specific written terms of reference, which deal clearly with their authorities and duties.

NOMINATION COMMITTEE

The Nomination Committee is composed of three independent non-executive Directors and chaired by Mr. YEUNG Kin Bond, Sydney. The Nomination Committee is responsible for making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. The terms of reference of the Nomination Committee are available and accessible on the Company's website at www.aresasialtd.com and irasia.com at www.irasia.com/listco/hk/aresasia.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE *(Continued)*

During the year ended 31 March 2013, the Nomination Committee held one meeting and the attendance of each member is presented as follows

Committee members	Attendance/Number of meeting held
Independent non-executive Directors	
Mr. YEUNG Kin Bond, Sydney *(Chairman)*	1/1
Mr. LAM Pun Yuen, Frank	1/1
Mr. NGAN Hing Hon	1/1

In addition to the committee meeting, the Nomination Committee dealt with matters by way of circulation during the year ended 31 March 2013. The duties of Nomination Committee performed mainly covered the review of the structure, size and composition of the Board and the change in directorships during the year.

REMUNERATION COMMITTEE

The Remuneration Committee is composed of three independent non-executive Directors and chaired by Mr. LAM Pun Yuen, Frank. The Remuneration Committee is responsible for reviewing and determining the remuneration, compensation and benefits of Directors and senior management. The terms of reference of the Remuneration Committee are available and accessible on the Company's website at www.aresasialtd.com and irasia.com at www.irasia.com/listco/hk/aresasia.

During the year ended 31 March 2013, the Remuneration Committee had held one meeting and the attendance of each member is presented as follows:

Committee members	Attendance/Number of meetings held
Independent non-executive Directors	
Mr. LAM Pun Yuen, Frank *(Chairman)*	1/1
Mr. NGAN Hing Hon	1/1
Mr. YEUNG Kin Bond, Sydney	1/1

In addition to the committee meeting, the Remuneration Committee dealt with matters by way of circulation during the year ended 31 March 2013. The duties of Remuneration Committee performed mainly covered the review of the policy and structure for the remuneration of Directors and senior management, the review and recommendation for Board approval of the adoption of new share option scheme and the review of the remuneration and service contract (if applicable) of the Directors appointed during the year.

Particulars of Directors' emoluments for the year ended 31 March 2013 are set out in note 8 to the financial statements.

REMUNERATION COMMITTEE *(Continued)*

Pursuant to code provision B.1.5 of the CG Code, details of the annual remuneration of the member of the senior management by band for the year ended 31 March 2013 is as follows:

	Number of employee(s)
HK$Nil to HK$1,000,000	1
HK$1,000,001 to HK$2,000,000	1

AUDIT COMMITTEE

The Audit Committee is composed of three independent non-executive Directors and chaired by Mr. NGAN Hing Hon. The Audit Committee is responsible for considering the appointment of external auditor, review the interim and annual financial statements before submission to the Board and the Group's internal control systems. The terms of reference of the Audit Committee are available and accessible on the Company's website at www.aresasialtd.com and irasia.com at www.irasia.com/listco/hk/aresasia.

During the year ended 31 March 2013, the Audit Committee held three meetings for the purpose of considering and reviewing the annual and interim results of the Group, the internal control system of Group as well as approving the change of auditors during the year. The attendance of each member is presented as follows:

Committee members	Attendance/Number of meetings held
Independent non-executive Directors	
Mr. NGAN Hing Hon *(Chairman)*	3/3
Mr. LAM Pun Yuen, Frank	3/3
Mr. YEUNG Kin Bond, Sydney	2/3

At the Audit Committee meeting on 21 June 2013, the Audit Committee reviewed the Group's consolidated financial statements for the year ended 31 March 2013 and the annual results announcement with a recommendation to the Board for approval.

The Audit Committee recommended the re-appointment of KPMG as the external auditor of the Group for 2013/2014 and that the relevant resolution shall be put forth for the consideration of the shareholders of the Company and their approval at the 2013 annual general meeting of the Company.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility for preparing all information and representations contained in the annual report for the year under review. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and those relevant statutory requirements and applicable accounting standards are complied with. The management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

The final and interim results of the Company are announced in a timely manner within the limits of three months and two months respectively after the end of the relevant year or period.

Similar to last year, in preparing the accounts for the six months ended 30 September 2012 and for the year ended 31 March 2013, the Directors have adopted suitable accounting policies and applied them consistently, made judgements and estimates that are prudent and reasonable, and ensured the financial statements are prepared on a going concern basis.

The statement of the external auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 26 to 27.

AUDITORS' REMUNERATION

SHINEWING (HK) CPA LIMITED who acted as auditors for last year resigned on 14 March 2013 and KPMG was appointed as the auditors of the Company on 22 March 2013 to fill the casual vacancy following the resignation of SHINEWING (HK) CPA LIMITED.

The fee paid and payable to the independent auditors of the Company in respect of audit and non-audit services provided to the Group for the year ended 31 March 2013 amounted to approximately US$123,000 (2012: US$44,000) and approximately US$45,000 (2012: US$9,100) respectively.

INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective internal control system of the Group.

The Group's system of internal control comprises a defined management structure with limits of authority, is designed for (i) safeguarding the interests of the Shareholders; (ii) safeguarding assets of the Group against misappropriation; (iii) ensuring proper maintenance of accounting records for the provision of reliable financial information; and (iv) ensuring compliance with relevant legislation and regulations. Such system of internal control is aimed at mitigating the risks faced by the Group to an acceptable level but not at eliminating all the risks. Hence, such system can only provide reasonable but not absolute assurance that there will not be any material misstatement in the financial information and there will not be any financial loss or fraud.

The Board has conducted reviews of the effectiveness of the internal control system for the year ended 31 March 2013 covering all material controls, including financial, operational and compliance controls and risk management functions by considering reviews performed by senior management, the Group's external auditors and the Audit Committee. Areas for improvement have been identified and appropriate measures taken so as to safeguard the shareholders' investments and the Company assets.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company endeavors to maintain a high level of transparency in communicating with shareholders and investors.

The Board and the Company maintain an on-going dialogue with the Company's shareholders and the investment community mainly through the Company's financial reports, annual general meeting and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website.

Shareholders may at any time send their enquiries to the Board in writing to the Company Secretarial Department with the contact details set out below:

Address:	Unit 1602, 16/F, LHT Tower, 31 Queen's Road Central, Central, Hong Kong
E-mail:	cs@aresasialtd.com/ir@aresasialtd.com

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2013, there had been no significant change in the Company's constitutional documents.

SHAREHOLDER RIGHTS

To safeguard the shareholders' rights and interests, separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by way of a poll pursuant to the Listing Rules and poll results will be posted on the website of the Stock Exchange and the Company on the business day following the general meeting.

Procedures for shareholders convening general meetings

The Company holds a general meeting as its annual general meeting every year. Each general meeting, other than annual general meeting, shall be called a special general meeting ("SGM").

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS *(Continued)*

Procedures for shareholders convening general meetings *(Continued)*

Pursuant to Section 74 of the Bermuda Companies Act 1981, shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a special general meeting ("SGM") to be called by the Board. The written requisition (i) must state the purposes of the SGM, and (ii) must be signed by the requisitionists and deposited at the registered office of the Company for attention of the Company Secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them may convene a SGM, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. A SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

Procedures for shareholders putting forward proposals

Pursuant to Sections 79 and 80 of the Bermuda Companies Act 1981, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Procedures for shareholders to propose a person for election as a Director

The Company's procedures for shareholders to propose a person for election as a Director are available on the Company's website.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ARES ASIA LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Ares Asia Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 28 to 81, which comprise the consolidated and company statements of financial position as at 31 March 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITY *(Continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013 and of the Group's 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.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

21 June 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013
(Expressed in United States dollars)

	Note	2013 *$'000*	2012 *$'000* (restated *(note 7)*)
Continuing operation			
Turnover	*3*	**44,639**	—
Cost of sales		**(43,801)**	—
Gross profit		**838**	—
Other revenue	*4*	**122**	—
Other net income	*4*	**1,125**	15
Selling and distribution expenses		**(186)**	—
Administrative expenses		**(2,446)**	(1,500)
Loss before taxation	*5*	**(547)**	(1,485)
Income tax	*6(a)*	**—**	—
Loss from continuing operation		**(547)**	(1,485)
Discontinued operation			
Loss from discontinued operation	*7*	**(3,709)**	(58)
Loss and total comprehensive income for the year		**(4,256)**	(1,543)
Loss per share	*11*		
Basic and diluted			
— Continuing operation		**(0.16) cent**	(0.43) cent
— Discontinued operation		**(1.09) cent**	(0.02) cent
		(1.25) cent	(0.45) cent

The notes on pages 33 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013
(Expressed in United States dollars)

	Note	2013 $'000	2012 $'000
Non-current asset			
Property, plant and equipment	12	**296**	581
Current assets			
Financial asset designated at fair value through profit or loss	14	**6,014**	—
Inventories	15	**—**	4,153
Trade and other receivables	16	**693**	8,632
Cash and cash equivalents	18	**25,047**	25,826
		31,754	38,611
Current liabilities			
Trade and other payables	19	**1,041**	3,978
Current taxation	22(a)	**48**	48
		1,089	4,026
Net current assets		**30,665**	34,585
NET ASSETS		**30,961**	35,166
CAPITAL AND RESERVES			
Share capital	23(b)	**440**	440
Reserves		**30,521**	34,726
TOTAL EQUITY		**30,961**	35,166

Approved and authorised for issue by the board of directors on 21 June 2013:

Adwin Haryanto SURYOHADIPROJO
Chairman

Junaidi YAP
Director

The notes on pages 33 to 81 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 March 2013

(Expressed in United States dollars)

	Note	2013 $'000	2012 $'000
Non-current asset			
Investments in subsidiaries	13	**1**	1
Current assets			
Deposits	16	**—**	5,000
Amounts due from subsidiaries	17	**30,486**	4,577
Cash and cash equivalents	18	**40**	23,975
		30,526	33,552
Current liabilities			
Other payables and accrued expenses	19	**101**	247
Net current assets		**30,425**	33,305
NET ASSETS		**30,426**	33,306
CAPITAL AND RESERVES	23(a)		
Share capital		**440**	440
Reserves		**29,986**	32,866
TOTAL EQUITY		**30,426**	33,306

Approved and authorised for issue by the board of directors on 21 June 2013:

Adwin Haryanto SURYOHADIPROJO
Chairman

Junaidi YAP
Director

The notes on pages 33 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013
(Expressed in United States dollars)

	Share capital *$'000*	Contributed surplus *$'000*	Share option reserve *$'000*	Retained profits *$'000*	Total equity *$'000*
Balance at 1 April 2011	440	15,088	—	21,181	36,709
Change in equity for the year ended 31 March 2012:					
Loss and total comprehensive income for the year	—	—	—	(1,543)	(1,543)
Balance at 31 March 2012 and 1 April 2012	440	15,088	—	19,638	35,166
Changes in equity for the year ended 31 March 2013:					
Loss and total comprehensive income for the year	—	—	—	(4,256)	(4,256)
Equity settled share-based transactions *(note 21)*	—	—	51	—	51
Balance at 31 March 2013	440	15,088	51	15,382	30,961

The notes on pages 33 to 81 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2013
(Expressed in United States dollars)

	Note	2013 $'000	2012 $'000
Operating activities			
Loss before taxation		**(4,256)**	(1,543)
Adjustments for:			
Depreciation	5(b)	**158**	114
Interest income	4	**(14)**	(2)
Net unrealised gain on financial asset designated at fair value through profit or loss	4	**(1,014)**	—
Gain on disposal of property, plant and equipment	4	**(464)**	—
Equity settled share-based payment expenses	5(a)	**51**	—
Changes in working capital:			
Decrease in inventories		**4,153**	1,153
Decrease in trade and other receivables		**2,939**	603
Decrease in trade and other payables		**(2,937)**	(506)
Net cash used in operating activities		**(1,384)**	(181)
Investing activities			
Payment for the purchase of property, plant and equipment		**(160)**	(267)
Proceeds from sale of property, plant and equipment		**751**	—
Deposit paid for proposed investment	14	**—**	(5,000)
Interest received		**14**	2
Net cash generated from/(used in) investing activities		**605**	(5,265)
Net decrease in cash and cash equivalents		**(779)**	(5,446)
Cash and cash equivalents at beginning of the year		**25,826**	31,272
Cash and cash equivalents at end of the year	18	**25,047**	25,826

MAJOR NON-CASH TRANSACTION

As stated in note 14 to the financial statements, the deposit of $5,000,000 paid for a proposed investment in Indonesia during the year ended 31 March 2012 was used to offset against the consideration for the subscription of the Exchangeable Bond (as defined in note 14) in the current year.

The notes on pages 33 to 81 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2013 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical costs basis except for financial assets designated at fair value through profit or loss which are stated at fair value as explained in the accounting policy set out in note 1(e).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Major sources of estimation uncertainty in the application of HKFRSs that have significant effect on the financial statements are discussed in note 2.

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Change in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. These amendments have no significant impact on the Group's financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(h)), unless the investment is classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Financial assets designated at fair value through profit or loss

The Group has designated financial assets at fair value through profit or loss in either of the following circumstances:

— The assets are managed, evaluated and reported internally on a fair value basis.

— The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

— The asset contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Investments in debt and equity securities under this category are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. These investments are subsequently accounted for at fair value and are not generally allowed to be reclassified into or out of this category while held or issued. Changes in the fair value are included in profit or loss in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in profit or loss.

Investments are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investments or they expire.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(h)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

— Leasehold improvements	4 years or over the remaining term of the lease, if shorter
— Plant and machinery	4 — 10 years
— Furniture, fixtures and equipment	4 years
— Motor vehicles	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Operating leases charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becomes probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in subsidiaries, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(h)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(h)(ii).

— For trade and other receivables carried at amortised cost, the impairment loss is measured as 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 (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

1. **SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

(h) **Impairment of assets** *(Continued)*

(i) Impairment of investments in equity securities and other receivables *(Continued)*

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Impairment of assets *(Continued)*

(ii) Impairment of other assets (Continued)

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(h)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(k) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(m) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Employee benefits *(Continued)*

(ii) Share-based payments *(Continued)*

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits.)

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Income tax *(Continued)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax assets can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Income tax *(Continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either;

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. 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 recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when the customer has accepted the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(q) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States dollars, which is both the Company's presentation currency and functional currency.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of entities with functional currency other than United States dollars are translated into United States dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statements of financial position items are translated into United States dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an entity with functional currency other than United States dollars, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of comprehensive income, which comprises:

— the post-tax profit or loss of the discontinued operation; and

— the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal groups constituting the discontinued operation.

(s) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

1. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(s) Related parties *(Continued)*

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

2. ACCOUNTING ESTIMATES

Key sources of estimation uncertainty

Notes 21 and 24 contain information about the assumptions and their risk factors relating to fair value of share options granted and financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for the property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the assets of similar nature and functions and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(ii) Impairment losses for bad and doubtful debts

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the customers to make the required payments. The Group bases the estimates on the ageing of the receivables, customer credit-worthiness, and historical write-off experience. If the financial conditions of customers were to deteriorate, actual write-offs would be higher than estimated.

(iii) Unlisted investments

The fair value of financial asset designated at fair value through profit or loss is significantly affected by the combination of valuation methodologies employed, the parameters used and, if required, the underlying sample chosen. The valuation methodologies and the source of parameters adopted by the Group are discussed in note 24(g).

(iv) Other impairment losses

If circumstances indicate that the carrying value of property, plant and equipment may not be recoverable, these assets may be considered impaired, and an impairment loss may be recognised in accordance with HKAS 36, *Impairment of assets*. The carrying amounts of these assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amount may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs to sell and the value in use. It is difficult to estimate precisely fair values because quoted market prices for the Group's assets are not readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs.

2. ACCOUNTING ESTIMATES *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(v) Net realisable value of inventories

Inventories are reviewed periodically to assess whether any write-down or reversal of write-down of inventories is required. The estimate is based primarily on latest invoice prices and current market conditions. This is reviewed regularly and adjusted if necessary.

(vi) Income taxes

Determining income tax provisions involves judgment on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations.

3. TURNOVER AND SEGMENT REPORTING

(a) Turnover

The Group is principally engaged in the coal trading business.

The Group was also engaged in the manufacturing and sale of footwear products, which have been classified as discontinued operation (see note 7). Turnover represents the sales value of goods sold less returns, discounts and value added taxes and other sales taxes. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2013	2012
	$'000	*$'000*
		(restated)
Continuing operation		
Sale of coal	**44,639**	—
Discontinued operation		
Sale of footwear products	**13,112**	27,967
	57,751	27,967

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(a) Turnover *(Continued)*

Revenue from customers contributing over 10% of the Group's revenue are as follows:

	Coal trading *$'000*	Footwear business *$'000*
2013		
Customer A	**44,639**	**—**
Customer B	**—**	**7,096**
2012		
Customer B	—	11,570
Customer C	—	5,438

Details of concentrations of credit risk arising from these customers are set out in Note 24(a).

Further details regarding the Group's principal activities are disclosed below.

(b) Segment reporting

In the prior year, the Group had one operating and reportable segment as the Group's revenue and contribution to results were primarily attributable to the manufacturing and sale of footwear products. The primary segment information was analysed on the basis of geographical segments by location of customers. During the current year, the Group discontinued the footwear business in January 2013. Further, the Group commenced the coal trading business in October 2012.

Since the commencement of the Group's coal trading business, the Group manages its business by divisions, which are organised by business lines and focus more specifically on the operation efficiency by each operation unit. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group had two reportable business segments for the year ended 31 March 2013 — coal trading and footwear business, which are classified as continuing operation and discontinued operation (see note 7) respectively. No operating segments have been aggregated to form the reporting segments. Amounts reported for the prior year have been restated to reflect the change in basis of presentation.

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

Continuing operation:

— Coal trading : Sale of coal

Discontinued operation:

— Footwear business : Manufacturing and sale of footwear products

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of investment in financial asset, intercompany receivables and other corporate assets. Segment liabilities include current taxation, creditors, other payables and accrued expenses attributable to the activities of the individual segments, with the exception of intercompany payables.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The measure used for reporting segment profit is "EBIT" i.e. "adjusted earnings before interest and taxes" of individual segment. To arrive at EBIT the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue, depreciation and impairment losses and additions to non-current segment assets used by the segments in their operations.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(i) ***Segment results, assets and liabilities*** *(Continued)*

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the years ended 31 March 2013 and 2012 is set out below.

	2013			2012		
	Continuing operation	Discontinued operation	Total	Continuing operation	Discontinued operation	Total
	Coal trading $'000	Footwear business $'000	$'000	Coal trading $'000	Footwear business $'000	$'000
Revenue						
Reportable segment revenue	44,639	13,112	57,751	—	27,967	27,967
Results						
Reportable segment results (EBIT)	(26)	(3,709)	(3,735)	—	(58)	(58)
Net unrealised gain on financial asset designated at fair value through profit or loss			1,014			—
Unallocated head office and corporate expenses			(1,535)			(1,485)
Consolidated loss for the year			(4,256)			(1,543)
Additions to non-current segment assets during the year	160	—	160	—	9	9
Depreciation for the year	95	63	158	—	90	90
Assets						
Segment assets	25,462	533	25,995	—	9,725	9,725
Financial asset designated at fair value through profit or loss			6,014			—
Deposit			—			5,000
Unallocated head office and corporate assets			41			24,467
Consolidated total assets			32,050			39,192
Liabilities						
Segment liabilities	794	176	970	—	3,675	3,675
Unallocated head office and corporate liabilities			119			351
Consolidated total liabilities			1,089			4,026

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment. The geographical location of customers is based on the location at which the goods delivered. The geographical location of the property, plant and equipment is based on the physical location of the asset.

	Revenue from external customers		**Property, plant and equipment**	
	2013	2012	**2013**	2012
	$'000	*$'000*	***$'000***	*$'000*
		(restated)		(restated)
Continuing operation				
The People's Republic of China ("PRC")	**44,639**	—	**296**	236
Discontinued operation				
The PRC	**12,901**	26,858	**—**	345
Asia (other than the PRC)	**211**	1,109	**—**	—
	13,112	27,967	**—**	345
	57,751	27,967	**296**	581

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

4. OTHER REVENUE AND NET INCOME

	2013	2012
	$'000	*$'000*
		(restated)
Other revenue		
Continuing operation		
— Bank interest income	**13**	—
— Others	**109**	—
	122	—
Discontinued operation		
— Bank interest income	**1**	2
— Others	**39**	5
	40	7
	162	7
Other net income		
Continuing operation		
— Net foreign exchange gain	**111**	15
— Net unrealised gain on financial asset designated at fair value through profit or loss *(note 14)*	**1,014**	—
	1,125	15
Discontinued operation		
— Net foreign exchange loss	**(68)**	(234)
— Scrap sales	**399**	307
— Gain on disposal of property, plant and equipment	**464**	—
	795	73
	1,920	88

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2013	2012
	$'000	*$'000*
		(restated)
(a) Staff costs		
Continuing operation		
Contributions to defined contribution retirement plans	**14**	3
Equity settled share-based payment expenses *(note 21)*	**51**	—
Salaries, wages and other benefits	**1,586**	543
	1,651	546
Discontinued operation		
Contributions to defined contribution retirement plans	**66**	74
Salaries, wages and other benefits	**3,536**	6,627
Termination benefits	**2,135**	—
	5,737	6,701
	7,388	7,247
(b) Other items		
Continuing operation		
Auditors' remuneration — audit services	**91**	50
Depreciation	**95**	24
Operating lease charges in respect of properties	**288**	118
Cost of inventories	**43,801**	—
Discontinued operation		
Auditors' remuneration		
— audit services	**32**	—
— non-audit services	**45**	—
Depreciation	**63**	90
Cost of inventories*	**14,468**	26,330

* Cost of inventories include $2,965,000 (2012: $5,812,000) relating to staff costs and depreciation, which amounts are also included in the respective total amounts disclosed separately above or in note 5(a) for each of these types of expenses.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(a) No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2013 and 2012 as the Group's operations in Hong Kong sustained a loss for Hong Kong Profits Tax purpose. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2013	2012
	$'000	*$'000*
Loss before taxation from		
— continuing operation	**(547)**	(1,485)
— discontinued operation	**(3,709)**	(58)
	(4,256)	(1,543)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the jurisdictions concerned	**(701)**	(255)
Tax effect of non-taxable income	**(205)**	(2)
Tax effect of non-deductible expenses	**884**	197
Tax effect of tax losses not recognised	**22**	60
Actual tax expense	**—**	—

7. DISCONTINUED OPERATION

During the year ended 31 March 2013, the Group ceased the operation of its footwear business. Accordingly, the operating results of the footwear business for the year ended 31 March 2013 are presented as discontinued operation in the financial statements. The presentation of comparative information in respect of the year ended 31 March 2012 has been reclassified to conform to the current year's presentation.

(a) Results of the discontinued operation:

	2013 ***$'000***	2012 *$'000*
Revenue	**13,112**	27,967
Cost of sales	**(14,468)**	(26,330)
Other revenue	**40**	7
Other net income	**795**	73
Selling and distribution expenses	**(109)**	(200)
Administrative expenses	**(829)**	(1,575)
Restructuring costs	**(2,250)**	—
Loss before taxation	**(3,709)**	(58)
Income tax	**—**	—
Loss for the year	**(3,709)**	(58)

(b) Cash flows of the discontinued operation:

	2013 ***$'000***	2012 *$'000*
Net cash (used in)/generated from operating activities	**(177)**	1,056
Net cash generated from/(used in) investing activities	**752**	(7)
Net cash inflow from discontinued operation	**575**	1,049

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	Directors' fees	Salaries, allowances and benefits in kinds	Retirement scheme contributions	Sub-total	Share-based payment *(Note)*	2013 Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Executive directors						
Adwin Haryanto SURYOHADIPROJO (appointed on 4 July 2012)	—	44	—	44	—	44
CHUA Chun Kay	120	—	—	120	—	120
Junaidi YAP (appointed on 16 May 2012)	—	443	2	445	51	496
David Michael GORMLEY (retired on 21 September 2012)	—	200	—	200	—	200
Independent non-executive directors						
LAM Pun Yuen, Frank	15	—	—	15	—	15
NGAN Hing Hon	15	—	—	15	—	15
YEUNG Kin Bond, Sydney	15	—	—	15	—	15
Total	165	687	2	854	51	905

8. DIRECTORS' REMUNERATION *(Continued)*

	Directors' fees	Salaries, allowances and benefits in kinds	Retirement scheme contributions	Sub-total	Share-based payment	2012 Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Executive directors						
CHUA Chun Kay	60	—	—	60	—	60
David Michael GORMLEY	—	211	—	211	—	211
Independent non-executive directors						
LAM Pun Yuen, Frank	15	—	—	15	—	15
NGAN Hing Hon	15	—	—	15	—	15
YEUNG Kin Bond, Sydney	15	—	—	15	—	15
Total	105	211	—	316	—	316

Note: This represents the estimated value of share options granted to a director under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(m)(ii).

The details of the share options are disclosed under the paragraph "Share option scheme" in the report of the directors and note 21.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2012: two) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other three (2012: three) individuals are as follows:

	2013	2012
	$'000	*$'000*
Salaries and other emoluments	**1,115**	1,100
Retirement scheme contributions	**6**	2
	1,121	1,102

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS *(Continued)*

The emoluments of the three (2012: three) individuals with the highest emoluments are within the following bands:

	2013 Number of individuals	2012 Number of Individuals
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**—**	1
HK$3,000,001 to HK$3,500,000	**1**	—
HK$4,000,001 to HK$4,500,000	**1**	—
HK$5,000,001 to HK$5,500,000	**—**	1
	3	3

10. LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company includes a loss of $2,931,000 (2012: $1,143,000) which has been dealt with in the financial statements of the Company.

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of $4,256,000 (2012: $1,543,000) and the weighted average of 340,616,934 ordinary shares (2012: 340,616,934 ordinary shares) in issue during the year.

(b) Diluted loss per share

The calculation of diluted loss per share is the same as basic loss per share for the years ended 31 March 2013 and 2012 as there were no dilutive potential ordinary shares during that year.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

12. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements $'000	Plant and machinery $'000	Furniture, fixtures and equipment $'000	Motor vehicles $'000	Total $'000
Cost:					
At 1 April 2011	—	842	18	131	991
Additions	125	9	133	—	267
Disposals	—	—	(13)	(131)	(144)
At 31 March 2012	125	851	138	—	1,114
Accumulated depreciation:					
At 1 April 2011	—	423	12	128	563
Charge for the year	14	85	12	3	114
Written back on disposals	—	—	(13)	(131)	(144)
At 31 March 2012	14	508	11	—	533
Net book value:					
At 31 March 2012	111	343	127	—	581

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group *(Continued)*

	Leasehold improvements *$'000*	Plant and machinery *$'000*	Furniture, fixtures and equipment *$'000*	Motor vehicles *$'000*	Total *$'000*
Cost:					
At 1 April 2012	125	851	138	—	1,114
Additions	29	—	33	98	160
Disposals	—	(851)	(11)	—	(862)
At 31 March 2013	154	—	160	98	412
Accumulated depreciation:					
At 1 April 2012	14	508	11	—	533
Charge for the year	44	62	38	14	158
Written back on disposals	—	(570)	(5)	—	(575)
At 31 March 2013	58	—	44	14	116
Net book value:					
At 31 March 2013	96	—	116	84	296

13. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2013	2012
	$'000	*$'000*
Unlisted shares, at cost	**1**	1

13. INVESTMENTS IN SUBSIDIARIES *(Continued)*

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name	Place of incorporation and operations	Particulars of issued and paid up share capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activity
Able Point Corporation Limited	Hong Kong	1,000,000 ordinary shares of HK$1 each	100%	—	100%	Investment holding
Ares Repco Limited (previously known as Able Diamond Limited)	Hong Kong	2,000,000 ordinary shares of HK$1 each	100%	—	100%	Coal trading
Brave Win Industries Limited	Hong Kong	21,000,000 ordinary shares of HK$1 each and 9,000,000 non-voting deferred shares of HK$l each	100%	—	100%	Manufacturing of sole units

14. FINANCIAL ASSET DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013	2012
	$'000	*$'000*
At fair value:		
Overseas unlisted exchangeable bond	**6,014**	—

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

14. FINANCIAL ASSET DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

During the year ended 31 March 2012, a refundable deposit of $5,000,000 (the "Refundable Deposit") was placed by the Company to PT Langit Timur Energy ("LTE"), an independent third party and a company established in Indonesia with limited liability, regarding the Company's intention to participate in the tender offer of a coal offtake agreement and to act as a marketing agency of certain coal concessions in Indonesia, as well as the proposed acquisition of certain equity interests in such coal concessions.

Such Refundable Deposit was included in "Trade and other receivables" at 31 March 2012 as set out in note 16.

As disclosed in the Company's announcements dated 30 May 2012 and 22 March 2013, Able Point Corporation Limited ("Able Point"), an indirectly wholly-owned subsidiary of the Company, entered into a subscription agreement ("Subscription Agreement") and a supplemental agreement ("Supplemental Agreement") on 30 May 2012 and 22 March 2013 respectively with LTE, PT Mandiri Arya Persada ("MAP", a non-wholly owned subsidiary of LTE which holds certain coal concessions in Indonesia) and PT Lintas Sanjaya, the non-controlling shareholder of LTE, to subscribe for a one year zero coupon secured exchangeable bond in a principal amount of $5,000,000 issued by LTE ("Exchangeable Bond"). The Exchangeable Bond could be extended for one year if mutually agreed by LTE and Able Point.

The Refundable Deposit was used to offset against the consideration for the subscription of the Exchangeable Bond.

Subject to certain conditions as stipulated in the Subscription Agreement (as amended and supplemented by the Supplemental Agreement), Able Point can exercise the right to exchange the Exchangeable Bond into shares of MAP (the "Underlying Shares"). The equity interests of the Underlying Shares in MAP have been increased from 5% to 70% of the total issued and paid up capital of MAP on a fully diluted basis as agreed in the Supplemental Agreement.

LTE can redeem the Exchangeable Bond at any time prior to the maturity and the redemption price is fixed at approximately $6,084,000, representing a redemption premium of 21.6888% throughout the one-year period. In the case of the maturity date being extended for one year, the redemption price will be calculated based on a redemption premium of 41% on an accrual basis on the total outstanding principal amount of the Exchangeable Bond, starting from the first anniversary of the date of the issue of the Exchangeable Bond. Unless previously redeemed or converted, LTE shall redeem the Exchangeable Bond at 100% principal amount plus the redemption premium at maturity.

On 29 May 2013, LTE and Able Point agreed to extend the maturity date of the Exchangeable Bond to 29 May 2014 pursuant to the Subscription Agreement (as amended and supplemented by the Supplemental Agreement).

The Group has designated the Exchangeable Bond as a financial asset at fair value through profit or loss upon initial recognition and a fair value gain of $1,014,000 was recognised during the year ended 31 March 2013. The valuation was carried out by an independent valuer, Greater China Appraisal Limited.

15. INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	The Group	
	2013	2012
	$'000	*$'000*
Raw materials	—	1,613
Work in progress	—	957
Finished goods	—	1,583
	—	4,153

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	The Group	
	2013	2012
	$'000	*$'000*
Carrying amount of inventories sold	**58,215**	26,330
Write-down of inventories	**54**	—
	58,269	26,330

16. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	*$'000*	***$'000***	*$'000*
Trade debtors	—	3,318	—	—
Deposits *(note 14)*	—	5,000	—	5,000
Other receivables	**693**	314	—	—
	693	8,632	—	5,000

All of the Group's and the Company's deposits and other receivables are expected to be recovered or recognised as an expense within one year as at 31 March 2013 and 2012.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

16. TRADE AND OTHER RECEIVABLES *(Continued)*

Included in "Trade and other receivables" are trade debtors with the following ageing analysis, based on the invoice date, as of the end of the reporting period:

	The Group	
	2013	2012
	$'000	*$'000*
Within 30 days	—	1,747
More than 30 days but within 60 days	—	1,554
More than 90 days	—	17
	—	3,318

The credit terms offered by the Group to its customers differ with each business line. The credit terms offered to customers of coal trading business are negotiated on a case-by-case basis. Deposits are usually required and the remaining balance is payable within 2 days after the customers receive all the documents as stipulated in the sales agreements. The credit terms offered to customers of footwear business are normally 30 to 90 days from the date of billing. Further details on the Group's credit policy are set out in note 24(a).

The ageing analysis of trade debtors based on the past due status as of the end of the reporting period is as follows:

	The Group	
	2013	2012
	$'000	*$'000*
Neither past due nor impaired	—	3,168
Within 30 days past due	—	133
More than 90 days past due	—	17
Amounts past due	—	150
	—	3,318

Trade debtors relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances. No impairment loss was recognised by the Group at 31 March 2012.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

17. AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

18. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	*$'000*	***$'000***	*$'000*
Deposits with banks	**5,004**	15,000	**—**	15,000
Cash at bank and in hand	**20,043**	10,826	**40**	8,975
	25,047	25,826	**40**	23,975

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	*$'000*	***$'000***	*$'000*
Trade creditors	**—**	1,208	**—**	—
Other payables and accrued expenses	**1,041**	2,770	**101**	247
	1,041	3,978	**101**	247

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade creditors, based on invoice date, is as follows:

	The Group	
	2013	2012
	$'000	*$'000*
Within 30 days	**—**	563
More than 30 days but within 60 days	**—**	638
More than 90 days	**—**	7
	—	1,208

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(Expressed in United States dollars unless otherwise indicated)

20. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in a defined contribution retirement benefit scheme (the "Scheme") organised by the PRC municipal government in the Guangdong Province whereby the Group is required to make contributions to the Scheme at certain percentage of the eligible employees' relevant salaries. The local government authority is responsible for the entire pension obligations payable to retired employees.

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of $25,000 ($20,000 prior to June 2012). Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of pension benefits associated with the Scheme and the MPF scheme beyond the annual contributions described above.

21. EQUITY SETTLED SHARE-BASED TRANSACTIONS

Share option scheme

The Company's share option scheme adopted on 30 August 2002 ("the 2002 Scheme") expired on 29 August 2012 and no share options were granted under the 2002 Scheme since its adoption.

At a special general meeting of the Company held on 21 September 2012, the shareholders of the Company approved the adoption of a new share option scheme ("the 2012 Scheme"), pursuant to which the Company's directors may grant options to the employees of the Group, including the Company's directors, and any other persons who the Company's directors consider to have contributed to the Group. The 2012 Scheme was adopted on 21 September 2012 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

The number of share options which may be granted under the 2012 Scheme shall not exceed 10% of the issued share capital of the Company as at the date of shareholders' approval. The maximum number of unexercised share options under the 2012 Scheme and any other share option schemes shall not exceed 30% of the issued share capital of the Company at any time. The maximum number of options issued to each participant under the 2012 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of options in excess of the limit is subject to the shareholders' approval in general meeting with such participant and his associates abstaining from voting.

21. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

Share option scheme *(Continued)*

The exercise price must be at least the higher of: (a) the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (b) the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for five business days immediately preceding the date of grant; and (c) the nominal value of the Company's shares.

A nominal consideration of HK$1 is payable by the grantee upon acceptance of an option.

An option may be exercised in accordance with the terms of the 2012 Scheme at any time during a period to be determined and notified by the Company's directors to each grantee of the option, which period may commence on a day after the date upon which the option is granted but shall and in any event be not later than ten years from the date of grant of the option. The Company's directors may at their sole discretion determine the minimum period for which the option has to be held or other restrictions before the exercise of the option.

During the year ended 31 March 2013, 1,500,000 share options were granted under the 2012 Scheme, neither of them was lapsed nor exercised.

(i) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to director:			
— on 25 October 2012	1,500,000	Vested immediately	3 years

NOTES TO THE FINANCIAL STATEMENTS

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21. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

Share option scheme *(Continued)*

(ii) The number and weighted average exercise prices of share options are as follows:

	2013 Weighted average exercise price	2013 Number of options
Outstanding at the beginning of the year	—	—
Granted during the year	**HK$0.63**	**1,500,000**
Outstanding at the end of the year	**HK$0.63**	**1,500,000**
Exercisable at the end of the year	**HK$0.63**	**1,500,000**

The options outstanding at 31 March 2013 had an exercise price of HK$0.63 and a remaining contractual life of 2.6 years.

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Black-Scholes Option Pricing Model. The contractual life of the share option is used as an input into this model.

	25 October 2012
Fair value of share options and assumptions	
Fair value on the grant date	HK$0.27
Closing share price on the grant date	HK$0.63
Exercise price	HK$0.63
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes Option Pricing Model)	64.46%
Option life (expressed as weighted average life used in the modelling under Black-Scholes Option Pricing Model)	3 years
Expected dividend yield	0%
Risk-free interest rate (based on Exchange Fund Notes)	0.23%

21. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

Share option scheme *(Continued)*

(iii) Fair value of share options and assumptions *(Continued)*

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on public available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

There were no service conditions or market conditions associated with the share options granted.

22. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	The Group	
	2013	2012
	$'000	*$'000*
Balance of income tax provision relating to prior years	**48**	48

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(n), the Group has not recognised deferred tax assets in respect of cumulative tax losses of $497,000 (2012: $365,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under the current tax legislation.

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23. CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital *$'000*	Contributed surplus *$'000*	Share option reserve *$'000*	Retained profits *$'000*	Total *$'000*
Balance at 1 April 2011	440	15,088	—	18,921	34,449
Change in equity for the year ended 31 March 2012:					
Loss and total comprehensive income for the year	—	—	—	(1,143)	(1,143)
Balance at 31 March 2012 and 1 April 2012	440	15,088	—	17,778	33,306
Changes in equity for the year ended 31 March 2013:					
Loss and total comprehensive income for the year	—	—	—	(2,931)	(2,931)
Equity settled share-based transactions *(note 21)*	—	—	51	—	51
Balance at 31 March 2013	440	15,088	51	14,847	30,426

23. CAPITAL AND RESERVES *(Continued)*

(b) Share capital

(i) *Authorised and issued share capital*

	2013 Number of shares	2013 Amount $'000	2012 Number of shares	2012 Amount $'000
Authorised:				
Ordinary shares of HK$0.01 each	**36,000,000,000**	**46,452**	36,000,000,000	46,452
Ordinary shares, issued and fully paid:				
At 1 April 2011, 31 March 2012, 1 April 2012 and 31 March 2013	**340,616,934**	**440**	340,616,934	440

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) *Terms of unexpired and unexercised share options at the end of the reporting period*

Exercise period	Exercise price	2013 Number	2012 Number
25 October 2012 to 23 October 2015	HK$0.63	**1,500,000**	—

(c) Nature and purpose of reserves

(i) *Contributed surplus*

Contributed surplus arose from the group reorganisation in prior years.

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(Expressed in United States dollars unless otherwise indicated)

23. CAPITAL AND RESERVES *(Continued)*

(c) Nature and purpose of reserves *(Continued)*

(ii) Share option reserve

The share option reserve comprises the grant date fair value of unexercised share options granted to employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(m)(ii).

(d) Distributability of reserves

In addition to retained profits, under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is also available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(i) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

At 31 March 2013, the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to $29,935,000 (2012: $32,866,000).

(e) Dividends

The directors do not recommend the payment of any dividend for the year ended 31 March 2013 (2012: Nil).

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as including all components of equity. On this basis the amount of capital employed at 31 March 2013 was $30,961,000 (2012: $35,166,000).

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group reviews the capital structure on a regular basis and considers the cost of capital and the associated risks. Based on recommendations of the board of directors, the Group will balance its overall capital structure through adjusting the amount of dividends paid to shareholders, new shares issues or new debt financing. No changes were made in the objectives, policies or processes during the years ended 31 March 2013 and 2012.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate, and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its investment in exchangeable bond.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and financial asset designated at fair value through profit or loss. Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Credit terms offered by the Group to its customers are set out in note 16 to the financial statements.

For investments in debt instruments, the evaluations are performed based on the credit ratings of the issuers as well as the underlying value of the assets attached to the debt instruments.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. There was no trade receivable for the Group as at 31 March 2013. At 31 March 2012, 49% and 92% of the total trade receivable was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 16.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowing exceeds certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

All financial liabilities are carried at amounts not materially different from their contractual undiscounted cash flow as all the financial liabilities are with maturities within one year or repayable on demand at the end of the reporting period.

(c) Interest rate risk

The Group's interest rate risk arises primarily from the Group's financial asset designated at fair value through profit or loss with fixed rates, which expose the Group to fair value interest rate risk. However, the directors of the Company consider the Group's exposure to fair value interest rate risk is not significant as the Group's financial asset designated at fair value through profit or loss with fixed rates is within short maturity period.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars ("HKD") and Renminbi ("RMB"). The Group considers the risk of movements in exchange rates between the HKD and the United States dollars ("USD") to be insignificant as the HKD is pegged to the USD.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(d) Currency risk *(Continued)*

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in USD, translated using the spot rate at the year end date.

The Group

	Exposure to foreign currencies (expressed in USD)			
	2013		2012	
	HKD	**RMB**	HKD	RMB
	$'000	***$'000***	*$'000*	*$'000*
Trade and other receivables	**94**	**—**	1,744	—
Cash and cash equivalents	**1,252**	**11**	9,317	63
Trade and other payables	**(271)**	**(47)**	(322)	(1,962)
	1,075	**(36)**	10,739	(1,899)

The Company

	Exposure to foreign currencies (expressed in USD)			
	2013		2012	
	HKD	**RMB**	HKD	RMB
	$'000	***$'000***	*$'000*	*$'000*
Cash and cash equivalents	**40**	**—**	8,974	—
Trade and other payables	**(101)**	**—**	(247)	—
	(61)	**—**	8,727	—

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(d) Currency risk *(Continued)*

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variable remained constant. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies.

	2013		2012	
	Increase/ (decrease) in foreign exchange rate	**Increase/ (decrease) in loss after tax and decrease/ (increase) in retained profits**	Increase/ (decrease) in foreign exchange rate	Increase/ (decrease) in loss after tax and decrease/ (increase) in retained profits
		$'000		*$'000*
Renminbi	**5%**	**2**	5%	95
	(5)%	**(2)**	(5)%	(95)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and retained profits measured in the respective functional currencies, translated into USD at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2012.

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(e) Equity price risk

The Group is exposed to equity price changes arising from the underlying shares attached to the unlisted Exchangeable Bond which is classified as financial asset designated at fair value through profit or loss (see note 14), and is held for strategic purposes. The management monitors regularly the performance of the Exchangeable Bond against expectation, together with an assessment of its relevance to the Group's strategic plans.

At 31 March 2013, it is estimated that a general increase of 20% in the relevant equity price risk variable associated with the underlying exchangeable equity interests of the Exchangeable Bond would decrease the Group's loss after tax and increase the Group's retained profits by approximately $707,000, whereas a general decrease of 20% in the such relevant equity price variable would increase the Group's loss after tax and decrease the Group's retained profits by approximately $112,000, with all other variables held constant.

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax and retained profits in response to reasonable change in the value of the unlisted underlying exchangeable equity interest of the Exchangeable Bond.

(f) Fair values

(i) Financial instruments carried at fair value

HKFRS 7, *Financial instruments: Disclosures* requires disclosures relating to fair value measurements of financial instruments across three levels of a "fair value hierarchy". The fair value of each financial instrument is categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

— Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

— Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market date.

— Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

At 31 March 2013, the Group's financial asset designated at fair value through profit or loss of $6,014,000 (2012: $Nil) falls into Level 3 of the fair value hierarchy described above.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(f) Fair values *(Continued)*

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

The movement during the year in the balance of Level 3 financial instruments is as follows:

The Group

	Financial asset designated at fair value through profit or loss *$'000*
At 1 April 2011, 31 March 2012 and 1 April 2012	—
Purchases	5,000
Gain on fair value change recognised in profit or loss	1,014
At 31 March 2013	6,014

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

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2013 and 2012 because of the immediate or short term maturity of the financial instruments.

(g) Estimation of fair values

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. In the absence of an organised secondary market, the unlisted exchangeable bond where direct market prices are not available, the fair value of which is calculated on the basis of well-established valuation techniques using current market parameters. In particular, the fair value is a theoretical value applicable at a given reporting date, and hence can only be used as an indicator of value realisable in a future sale.

These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of the exchangeable bond, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair value. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realised in an immediate sale of the instruments.

The fair value of the Group's unlisted Exchangeable Bond is estimated using an appropriate combination of (1) effective interest method; (2) Black-Scholes model with Trinomial Tree method; and (3) open market value by reference to comparable market transactions adjusted to reflect the specific circumstances of the underlying exchangeable equity interests of the bond.

25. OPERATING LEASE COMMITMENT

At 31 March 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group	
	2013	2012
	$'000	*$'000*
Within 1 year	**290**	307
After 1 year but within 5 years	**181**	499
	471	806

The Group is the lessee in respect of its office premise held under operating lease. The lease runs for an initial period of three years with options to renew the lease when all terms are renegotiated. The lease does not include contingent rentals.

26. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed in elsewhere in the consolidated financial statements, the Group entered into the following related party transactions.

Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2013	2012
	$'000	*$'000*
Salaries and other short-term employee benefits	**2,237**	1,416
Share-based payments	**51**	—
Retirement scheme contributions	**10**	2
	2,298	1,418

Total remuneration is disclosed in "staff costs" (see note 5(a)).

27. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 March 2013, the directors consider the immediate parent and ultimate controlling party of the Group to be Star Crown Capital Ltd, which is incorporated in the British Virgin Islands. The entity does not produce financial statements available for public use.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

28. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2013

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2013 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*	1 July 2012
HKFRS 10, *Consolidated financial statements*	1 January 2013
HKFRS 12, *Disclosure of interests in other entities*	1 January 2013
HKFRS 13, *Fair value measurement*	1 January 2013
HKAS 27, *Separate financial statements* (2011)	1 January 2013
Revised HKAS 19, *Employee benefits*	1 January 2013
Annual improvements to HKFRSs 2009-2011 Cycle	1 January 2013
Amendments to HKFRS 7, *Financial instruments: Disclosures — Disclosures — Offsetting financial assets and financial liabilities*	1 January 2013
Amendments to HKAS 32, *Financial instruments: Presentation — Offsetting financial assets and financial liabilities*	1 January 2014
HKFRS 9, *Financial instruments*	1 January 2015

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application but is not yet in a position to state whether these amendments and new standards would have a significant impact on the consolidated financial statements.

FIVE YEARS FINANCIAL SUMMARY

(Expressed in United States dollars)

RESULTS

	Year ended 31 March				
	2013	2012	2011	2010	2009
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Turnover					
Continuing operation	**44,639**	—	—	—	—
Discontiued operation	**13,112**	27,967	29,099	18,082	64,275
	57,751	27,967	29,099	18,082	64,275
(Loss)/profit before taxation from continuing and discontinued operations	**(4,256)**	(1,543)	845	2,295	3,271
Income tax from continuing and discontinued operations	**—**	—	(48)	—	(3,009)
(Loss)/profit for the year attributable to shareholders from continuing and discontinued operations	**(4,256)**	(1,543)	797	2,295	262

ASSETS AND LIABILITIES

	As at 31 March				
	2013	2012	2011	2010	2009
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Total assets	**32,050**	39,192	41,241	38,086	53,133
Total liabilities	**(1,089)**	(4,026)	(4,532)	(2,166)	(6,411)
	30,961	35,166	36,709	35,920	46,722