Annual Report

2012/13

中國投融資集團有限公司

China Investment and Finance Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code:1226)

CONTENTS

CORPORATE INFORMATION

STOCK CODE
1226

BOARD OF DIRECTORS
Executive Director
Mr. CHAN Cheong Yee

Non-Executive Directors
Mr. LIAO Jintian *(Chairman)*
Mr. ZHOU Weiquan

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

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

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

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

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Unit 03&05, 32/F, Sino Plaza
255-257 Gloucester Road
Causeway Bay, Hong Kong

AUDITORS
ELITE PARTNERS CPA LIMITED
Suites 921-921A, 9/F
Star House
3 Salisbury Road, Tsim Sha Tsui
Kowloon, Hong Kong

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

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

INVESTMENT MANAGER
China Everbright Securities (HK) Limited

CUSTODIAN
China Everbright Securities (HK) Limited

COMPANY SECRETARY
Mr. LI Chi Fai

AUTHORISED REPRESENTATIVES
Mr. CHAN Cheong Yee
Mr. LIAO Jintian

WEBSITE
http://www.chnif.com

STATEMENT FROM THE MANAGEMENT

The board of directors (the "Board") of China Investment and Finance Group Limited (the "Company") and its subsidiaries (collectively, the "Group") is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 March 2013, the Group recorded an increase in gross proceeds from disposal of securities from approximately HK$239,268,000 to approximately HK$278,943,000, representing an increase of approximately 16.58%. The Group recorded an increase in revenue from approximately HK$5,411,000 to approximately HK$7,610,000, representing an increase of approximately 40.64%. The loss attributable to the owners of the Company for the year amounted to approximately HK$14,764,000 as compared to the profit for last year amounted to approximately HK$360,000. The substantial increase in loss during the year was mainly due to the waiver of shareholder's loan of HK$16,000,000 during the year ended 31 March 2012. The audited consolidated net assets of the Group as of 31 March 2013 amounted to approximately HK$546,098,000 (2012: approximately HK$544,192,000). The net assets per share of the Group was amounted to approximately HK$0.94 (2012 restated: net assets per share was approximately HK$0.94).

Investment Review

As at 31 March 2013, the Group's major investments were as follows:

Investments	Description
Listed equities	HK$13.5 million of a portfolio of listed shares in eleven companies
Listed debt securities	HK$25.2 million of bonds issued by two listed companies
Investment funds	HK$20.1 million in one investment fund
Convertible bonds	HK$185.1 million in three unlisted convertible bonds securities
Direct investment in unlisted equities	HK$81.9 million in two direct investments in unlisted equities securities
Total	HK$325.8 million

The investment portfolio of the Group mainly comprises of unlisted securities and listed securities in Hong Kong and China during the year. The investment portfolio of the Company is of approximately HK$325.8 million. As a whole, the portfolio was carefully managed and being fully diversified to minimise commercial risk resulting from over concentration of the investment of the Group in any single industry.

Price Risk

The Group is exposed to financial assets price risks as investments held by the Group are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss and AFS financial assets. To manage its price risk arising from investments in financial assets, the Group diversifies its portfolio. If the financial assets price of the respective investments held by the Group as financial assets at fair value through profit or loss were higher or lower by 5% as at 31 March 2013, the Group's loss for the year would decrease or increase by approximately HK$2,420,000 (2012: HK$1,558,000). If the price of the respective investments held by the Group as AFS financial assets were higher or lower by 5% as at 31 March 2013 (2012: 5%), the Group's equity as at 31 March 2013 would increase or decrease by approximately HK$12,610,000 (2012: HK$17,428,000).

Prospects

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

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

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

Dividend

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

Liquidity and Financial Resources

As at 31 March 2013, the Group had no borrowing and no credit facilities obtained from financial institutions. The Group had bank balances and cash on hand of approximately HK$93,282,000 (2012: approximately HK$37,662,000), which was mainly placed in bank and other financial institution as deposits.

Gearing Ratio

As at 31 March 2013, no gearing ratio has been presented as no interest bearing debt existed.

Employees

During the year ended 31 March 2013, the Group had retained seven employees (2012: twelve employees). Total staff costs of the Group, excluding directors' remuneration, for the year under review amounted to HK$4,685,000 (2012: HK$5,766,000). Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

Throughout the year ended 31 March 2013, assets of the Group were free from any form of legal charge. In addition, the Group did not have any significant contingent liabilities.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the year ended 31 March 2013, neither the Group nor its subsidiaries had purchased, sold or redeemed any of the Group's shares.

AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the consolidated results of the Group for the year ended 31 March 2013, including the accounting principles and accounting practices adopted by the Company, and discussed matters relating to auditing, internal controls, financial reporting, the adequacy of resources, qualification and experience of staff.

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

By Order of the Board

China Investment and Finance Group Limited
CHAN Cheong Yee

Hong Kong, 20 June 2013

EXECUTIVE DIRECTOR

Mr. CHAN Cheong Yee, aged 49, was appointed as an executive Director of the Company in March 2011. He is one of the responsible officers of China Everbright Securities (HK) Limited and is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading) and type 9 (asset management) regulated activities under the SFO. Mr. Chan obtained a Bachelor of Science degree from the College of Business Administration of The University of South Florida in the United States of America. Mr. Chan is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules.

Since June 2003, Mr. Chan joined China Innovation Investment Limited (stock code: 1217), an investment company listed on the Stock Exchange, as executive director. Mr. Chan was appointed as an independent non-executive director of Bingo Group Holdings Limited (stock code: 8220), a company listed on the Growth Enterprise Market of the Stock Exchange, in August 2007, and was re-designated as an executive director of Bingo Group Holdings Limited in April 2009. Mr. Chan was appointed as an independent non-executive director of Agritrade Resources Limited (stock code: 1131), a company listed on the Stock Exchange, in June 2010. Mr. Chan was appointed as an executive director of China Investment Development Limited (stock code: 204), an investment company listed on the Stock Exchange, in May 2012. Mr. Chan was appointed as an executive director of Capital VC Limited (stock code: 2324), an investment company listed on the Stock Exchange in November 2012. Mr. Chan was appointed as an executive director of Shidu Capital Plc, an investment company listed on AIM of London Stock Exchange, in May 2013. Mr. Chan was also appointed as an executive director of China New Economy Fund Limited (stock code: 80), an investment company listed on the Stock Exchange, in June 2013.

NON-EXECUTIVE DIRECTORS

Mr. LIAO Jintian, aged 44, was appointed as a non-executive Director on 23 March 2012, is a council member of the China National Furniture Association (中國家具協會), an executive committee member of Shunde Gong Shan Lian (順德工商聯（總商會）), a vice-president of Shunde Furniture Association (順德家具協會), a vice-president of Shunde Longjiang Chamber (順德龍江商會) and a director of the Longjiang Charity Association.

Mr. Liao is also the executive director and legal representative of Guangdong Xie Feng Financial Guarantee Co., Ltd. (廣東協豐融資擔保有限公司), the chairman and legal representative of Guangdong Jingongzi Trading and Economic Development Co., Ltd. (廣東金公子經貿發展有限公司). Mr. Liao has over 10 years of experience in wide scope of businesses including trading, finance, property development and project investment.

Mr. ZHOU Weiquan, aged 48, was appointed as a non-executive Director on 29 March 2012, is an executive director of China Packaging Federation (中國包裝聯合會); an executive director of the Commission of China Metal Container (中國金屬容器委員會); a member of the Standing Committee of Foshan City Industrial and Commercial Federation (佛山市工商聯合會); a vice-president of Foshan City Enterprises Federation (佛山市企業聯合會); a vice-president of Foshan City Entrepreneurs Federation (佛山市企業家協會); and the chairman of Dadi Weiye Group of Companies (大地偉業企業集團) and Dadi Weiye Group of Companies (大地偉業集團). Mr. Zhou is also awarded for its excellent contractual spirit and credibility by the Guangdong Province Administration for Industry and Commerce Bureau with an "Guangdong Province Zhong He Tong Shou Xin Yong Award"; awarded with Shunde Lunjiao Road's "The 2011 Best Ten Enterprises for Migrant Workers".

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Kaizhi, aged 72, was appointed as an independent non-executive Director and honorary chairman on 25 March 2011. Prior to joining the Company, Mr. Chen held various positions in the government of Guangdong province from 1964 to 1998. Mr. Chen was promoted to executive vice mayor of Guangzhou in 1992 and deputy secretary of the Leading Party Group of Guangzhou Municipal Government (廣州市政府黨組副書記) in 1993. From 1998 to 2005, Mr. Chen was the chairman and secretary of the Leading Party Group of Guangzhou Political Consultative Conference (廣州市政協主席及黨組書記). Since his retirement from his positions in the government in 2005, Mr. Chen held the position of vice president of China Foundation for Poverty Alleviation (中國扶貧基金會), a charity organization in the PRC. Mr. Chen obtained a bachelor's degree in political education from South China Normal College (華南師範學院), which is the predecessor of South China Normal University (華南師範大學) in 1964. Mr. Chen was appointed as an independent non-executive director of BaWang International (Group) Holding Limited (stock code: 1338), a company listed on the Stock Exchange.

Mr. HA Tak-kong, aged 44, was appointed as an independent non-executive Director of the Group on 3 June 2004. Mr. Ha obtained a bachelor degree in accounting from the University of Hong Kong and is working as an accounting manager in an import and export trading firm. Mr. Ha is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. LEUNG Kwong Kin, aged 44, was appointed as an independent non-executive Director of the Company on 1 December 2010. Mr. Leung is a fellow member of The Association of Chartered Certified Accountants ("ACCA") and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Mr. Leung holds a Bachelor Degree in Commerce Accounting from Curtin University of Technology, Australia; a Bachelor Degree in law from Peking University; and a Bachelor Degree in English Law from Manchester Metropolitan University. Mr. Leung has accumulated over 20 years of experience in auditing and taxation through his previous employments in various international accounting firms. Mr. Leung is a partner of Fan, Chan & Co., a Certified Public Accountants firm in Hong Kong.

Mr. LO Chi Ming, aged 48, was appointed as an independent non-executive Director of the Company on 26 October 2010. Mr. Lo obtained his Bachelor of Social Sciences Degree and Postgraduate Certificate in Laws from The University of Hong Kong and Diploma in Chinese Laws from SouthWest University of Political Science & Law, China. Mr. Lo possessed 7 years of experience in the banking industry and was elected as an Associate of The Chartered Institute of Bankers. Mr. Lo is a solicitor of the High Court of Hong Kong with 17 years of experience in private practice.

The Board presents their annual report and the audited financial statements of the Group for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of subsidiaries are securities trading, investment holding and rendering of consultancy service.

SEGMENT INFORMATION

For the year ended 31 March 2013 and 2012, the Group's turnover and results were mainly derived from the interest income and dividend income from investment holding. The directors consider that these activities constitute one and the only business segment since these transactions are subject to common risks and returns. The management monitors the operating results of its business for the purpose of making decision about resource allocation and performance assessment. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses. Details of the segment information are set out in note 8 to the consolidated financial statement.

MAJOR CUSTOMERS AND SUPPLIERS

As the Group's operation is investment holding, there was no information regarding major customers and suppliers as determined by the Group.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2013 and the state of affairs of the Group as at that date are set out in the financial statements on pages 22 to 87. The Directors do not recommend the payment of a dividend for the year ended 31 March 2013 (2012: HK$Nil).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the share capital of the Group during the year are set out in note 23 to the consolidated financial statements.

RESERVES

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

DISTRIBUTABLE RESERVES

Under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, share premium of the Company is distributable to the shareholders of the Company subject to the provisions of the Memorandum and Articles of Association and a statutory solvency test. The Articles of Association provide that an ordinary resolution passed by the shareholders of the Company is required for any distribution out of the share premium account. The Company's reserves available for distribution comprise the share premium, accumulated profits and valuation reserve derived from the available-for-sale financial assets. In the opinion of the Board, the Company's reserves available for distribution to the shareholders at 31 March 2013 were HK$Nil (2012: HK$Nil).

DIRECTORS

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

Executive Directors
Mr. XIE Leshan (Removed on 14 September 2012)
Mr. CHEN Yiquan (Removed on 14 September 2012)
Mr. CHAN Cheong Yee
Mr. SEE Lee Seng, Reason (Resigned on 31 August 2012)

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

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

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

In accordance with Article 88 of the Articles of Association of the Company, Mr. CHEN Kaizhi and Mr. HA Tak-kong shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in note 14 to the consolidated financial statements, no other contracts of significance in relation to the Group's business to which the Company or its subsidiary was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

As at 31 March 2013, the interests and short positions of the directors and chief executives in the ordinary shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (including interest which they are deemed or taken to have under such provisions of the SFO)), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") were as follows:

	Number of shares			Approximate
Name of Directors	**Personal interest**	**Corporate interest**	**Total**	**percentage of shareholding**
Liao Jintian *(note 1)*	–	170,576,000	170,576,000	29.33%
Zhou Weiquan *(note 2)*	–	170,576,000	170,576,000	29.33%

Notes:

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

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

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

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2013, to the best knowledge of the Board and chief executives of the Company, the following persons (other than any directors or chief executive of the Company) were substantial shareholders of the Company and had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

	Notes	**Number of shares of the Company**	**Approximate percentage of shareholding**
Tycor Development Limited	1	170,576,000	29.33%
Wei Zhuo Fu	2	35,000,000	6.01%

Notes:

(1) Tycor Development Limited is interested in 170,576,000 shares of the Company as at 31 March 2013. Mr. Liao Jintian and Mr. Zhou Weiquan beneficially own approximately 11.68% and 10.15% of the shareholdings of Tycor Development Limited respectively. The interests of Mr. Liao Jintian and Mr. Zhou Weiquan in the Company are stated under the section headed "Directors' and Chief Executives' Interests in Equity or Debt Securities".

(2) Mr. Wei Zhuo Fu, is interested in 35,000,000 shares as at 31 March 2013. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wei Zhuo Fu has no relationship with any Directors, senior management or other substantial or controlling Shareholders.

Save as disclosed above, the Company had not been notified of any other person (other than directors or chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 March 2013.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Details of the connected and continuing connected transactions are set out in note 26 to the consolidated financial statements.

MANAGEMENT CONTRACTS

Save as disclosed in note 14 and 26 to the consolidated financial statements, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme are set out in note 27 to the consolidated financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Group and within the knowledge of its directors, the Company has complied with the public float requirement of the Listing Rules for the year ended 31 March 2013.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the year ended 31 March 2013, neither the Group nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

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

FIVE YEARS FINANCIAL SUMMARY

Details of the five years financial summary in relation to the Group's results and assets and liabilities are set out in page 88. This summary does not form part of the audited consolidated financial statements.

CONFIRMATION OF INDEPENDENCE

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

AUDITORS

Messrs. HLM & Co. was auditors of the Company for the year ended 31 March 2012 and resigned as auditors of the Company on 28 December 2012. Elite Partners CPA Limited ("Elite Partners") was appointed as auditors of the Company on 7 January 2013 and the consolidated financial statements for the year ended 31 March 2013 was audited by Elite Partners.

A resolution for the re-appointment of Elite Partners as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board

CHAN Cheong Yee
Executive Director

Hong Kong, 20 June 2013

The Company recognises that good corporate governance standards maintained throughout the Group serve as an effective risk management tool for the Company. The board of Directors of the Company (the "Board") is committed to lead the Group growing in an efficient manner followed by corporate missions in terms of business strategies and improved operational planning and procedures which are enforced under high corporate governance standard.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Code") throughout the year ended 31 March 2013, with deviations from code provisions A.4.1 of the Code that non-executive directors should be appointed for a specific term, subject to re-election.

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

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

Composition

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

Function

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

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

All Directors have made full and active contribution to the affairs of the Board and the Board always acts in the best interests of the Group. During the year ended 31 March 2013, the Board convened a total of 41 meetings. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the articles of association of the Group. The individual attendance of each director is as follows:

Name of directors	**Attendance**
Executive Directors	
Mr. CHAN Cheong Yee	32/41
Mr. SEE Lee Seng, Reason (Resigned on 30 August 2012)	5/41
Mr. CHEN Yiquan (Removed on 14 September 2012)	0/41
Mr. XIE Leshan (Removed on 14 September 2012)	0/41
Non-executive Directors	
Mr. LIAO Jintian	38/41
Mr. ZHOU Weiquan	3/41
Independent Non-executive Directors	
Mr. CHEN Kaizhi	0/41
Mr. HA Tak-kong	24/41
Mr. LEUNG Kwong Kin	16/41
Mr. LO Chi Ming	18/41

To the best knowledge of the Board, there is no financial, business or family relationship among the members of the Board as at 31 March 2013. All of them are free to exercise their individual judgments.

COMPANY SECRETARY

Mr. Li Chi Fai was appointed as the Company Secretary of the Company on 1 April 2013 and has day-to-day knowledge of the Group's affairs. In response to specific enquiries made, the Company Secretary confirmed that he has complied with all the required qualifications, experience and training requirements of the Listing Rules.

REMUNERATION COMMITTEE

The Company has a remuneration committee for determining the remuneration of the Directors. The members of the remuneration committee are: Mr. HA Tak-kong, Mr. LIAO Jintian, Mr. LEUNG Kwong Kin and Mr. LO Chi Ming. During the financial year ended 31 March 2013, the committee held 1 meeting to discuss remuneration related matters. The individual attendance of each member is as follows:

	Attendance
Mr. HA Tak-kong	1/1
Mr. LIAO Jintian	1/1
Mr. LEUNG Kwong Kin	1/1
Mr. LO Chi Ming	1/1

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

NOMINATION OF DIRECTORS

The Nomination Committee was set up in March 2012 and it comprises of two independent non-executive Directors including Mr. HA Tak-kong and Mr. LO Chi Ming, and one non-executive Director, Mr. LIAO Jintian. Mr. HA Tak-kong is the chairman of the Nomination Committee. During the financial year ended 31 March 2013, the committee held 1 meeting to discuss nomination related matters. The Individual attendance of each member is as follows:

	Attendance
Mr. HA Tak-kong	1/1
Mr. LIAO Jintian	1/1
Mr. LO Chi Ming	1/1

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

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors and Mr. HA Tak-kong serves as the chairman of the audit committee. No member of the audit committee is a member of the former or existing auditor of the Company. During the year ended 31 March 2013, the audit committee held 3 committee meetings. The attendance of each of the members is as follows:

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

Responsibilities of the audit committee include:

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

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

(3) to review the interim and annual accounts. The audit committee has reviewed the auditing performance, the internal controls and the audited financial statements of the Company for the year ended 31 March 2013.

AUDITORS' REMUNERATION

For the year ended 31 March 2013, services provided to the Group by its external auditors, Elite Partners CPA Limited, and the respective fees paid/payable are set out as follows:

	HK$
Elite Partners CPA Limited	
– Audit services	290,000
	290,000

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Group and ensures that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such consolidated financial statements. The statement of the external auditors of the Group, Elite Partners CPA Limited, with regard to their reporting responsibilities on the Group's consolidated financial statements is set out in the Independent Auditors' Report on pages 20 to 21.

INTERNAL CONTROL AND RISK MANAGEMENT

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

The management of the Group has conducted a review on the Group's internal control and risk management system for the year ended 31 March 2013 with no material weakness found. The management will continue to improve and strengthen its control in order to enhance the corporate governance and safeguard the interest of its shareholders.

SHAREHOLDERS' RIGHTS

Procedures for convening an extraordinary general meeting and putting forward proposals at shareholders' meeting

The Company may also communicate with its Shareholders through extraordinary general meetings, if and when appropriate.

Pursuant to Article 58 of the articles of association of the Company, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of 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 at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Pursuant to Article 89 of the articles of association of the Company, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting.

Procedures for Shareholders Putting Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the registered office of the Company in Hong Kong.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

COMMUNICATIONS WITH SHAREHOLDERS

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

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

To the shareholders of
China Investment and Finance Group Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Investment and Finance Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 22 to 87, which comprise the consolidated and company statements of financial position as at 31 March 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of financial statements that gives 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 and to report our opinion solely to you, as a body, in accordance with agreed term of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 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.

Elite Partners CPA Limited
Certified Public Accountants
Hong Kong, 20 June 2013

Yip Kai Yin
Practising Certificate Number P05131

Suites 921-921A, 9/F., Star House,
3 Salisbury Road, Tsimshatsui,
Hong Kong

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	Note	2013 HK$'000	2012 HK$'000 (Restated)
Gross proceeds from disposal of securities		**278,943**	239,268
Revenue	7(a)	**7,610**	5,411
Net realised gain on disposal of financial assets at fair value through profit or loss		**1,086**	1,513
Net realised gain on disposal of available-for-sale financial assets		**6,039**	–
Net unrealised loss on financial assets at fair value through profit or loss		**(1,408)**	(1,048)
Net unrealised (loss)/gain on derivative financial instruments		**(4,898)**	639
Other income	7(b)	**664**	20,309
Administrative expenses		**(23,688)**	(26,214)
(Loss)/Profit from operations	9	**(14,595)**	610
Finance costs		**–**	–
(Loss)/Profit before tax		**(14,595)**	610
Income tax expense	10	**(169)**	(250)
(Loss)/Profit for the year		**(14,764)**	360
(Loss)/Profit attributable to shareholders of the Company	11	**(14,764)**	360
– Dividend	12	**–**	–
(Loss)/Earnings per share			
– Basic, HK cents	13	**(2.54)**	0.07
– Diluted, HK cents	13	**(2.54)**	0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	2013 HK$'000	2012 HK$'000 (Restated)
(Loss)/Profit for the year	**(14,764)**	360
Other comprehensive income:		
Exchange loss on translating available-for-sale financial assets	**–**	(241)
Release of exchange reserve upon disposal of available-for-sale financial assets	**241**	–
Exchange gain/(loss) on translation of foreign operations	**882**	(270)
	1,123	(511)
Net gain/(loss) arising on revaluation of available-for-sale financial assets	**9,850**	(5,606)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	**5,697**	–
	15,547	(5,606)
Other comprehensive income/(expense) for the year, net of tax	**16,670**	(6,117)
Total comprehensive income/(expense) for the year	**1,906**	(5,757)
Total comprehensive income/(expense) attributable to shareholders of the Company	**1,906**	(5,757)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Note	**31 March 2013 HK$'000**	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment	15	**32,588**	31,261	652
Available-for-sale financial assets	17	**277,473**	442,445	–
		310,061	473,706	652
Current assets				
Derivative financial instruments	18	**34,943**	25,362	–
Financial assets at fair value through profit or loss	19	**13,461**	5,790	6,830
Prepayments, deposits and other receivables	20	**95,358**	3,587	44
Cash and cash equivalents	22	**93,282**	37,662	4,684
		237,044	72,401	11,558
Current liabilities				
Accruals		**588**	1,665	160
Current tax liabilities		**419**	250	–
		1,007	1,915	160
Net current assets		**236,037**	70,486	11,398
Non-current liability				
Amount due to a shareholder		**–**	–	16,000
		–	–	16,000
Net assets/(liabilities)		**546,098**	544,192	(3,950)
Capital and reserves				
Share capital	23	**116,316**	116,316	17,956
Reserves	24	**429,782**	427,876	(21,906)
Total equity/(Capital deficiency)		**546,098**	544,192	(3,950)
Net assets/(liabilities) value per share (in HK$)	25	**0.94**	0.94	(0.04)

Approved and authorised for issue by the board of directors on 20 June 2013

Chan, Cheong Yee
Director

Liao Jintian
Director

STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Note	31 March 2013 HK$'000	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment	15	**1,023**	26	652
Investment in subsidiaries	16	**1**	1	1
		1,024	27	653
Current assets				
Prepayments, deposits and other receivables	20	**2,435**	1,780	44
Amounts due from subsidiaries	21	**487,631**	520,998	3,660
Cash and cash equivalents	22	**35,490**	22,459	4,635
		525,556	545,237	8,339
Current liabilities				
Accruals		**588**	1,478	160
Amounts due to subsidiaries	21	**4,202**	2,132	–
		4,790	3,610	160
Net current assets		**520,766**	541,627	8,179
Non-current liability				
Amount due to a shareholder		**–**	–	16,000
		–	–	16,000
Net assets/(liabilities)		**521,790**	541,654	(7,168)
Capital and reserves				
Share capital	23	**116,316**	116,316	17,956
Reserves	24	**405,474**	425,338	(25,124)
Total equity/(Capital deficiency)		**521,790**	541,654	(7,168)

Approved and authorised for issue by the board of directors on 20 June 2013

Chan Cheong Yee	**Liao Jintian**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

	Share capital HK$'000	Share premium HK$'000	Available-for-sale investment revaluation reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2011 (restated)	17,956	30,647	–	–	(52,553)	(3,950)
Issue of shares under placement of share	75,752	359,822	–	–	–	435,574
Issue of shares under subscription of share	22,608	107,388	–	–	–	129,996
Share issue expenses	–	(11,671)	–	–	–	(11,671)
Total comprehensive expenses for the year	–	–	(5,606)	(511)	360	(5,757)
At 31 March 2012 and 1 April 2012 (restated)	116,316	486,186	(5,606)	(511)	(52,193)	544,192
Total comprehensive income for the year	–	–	15,547	1,123	(14,764)	1,906
At 31 March 2013	116,316	486,186	9,941	612	(66,957)	546,098

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2013

	2013 HK$'000	2012 HK$'000 (Restated)
Cash flows from operating activities		
(Loss)/Profit before tax	**(14,595)**	610
Adjustments for:		
Depreciation	**1,969**	1,688
Interest income	**(7,411)**	(5,231)
Dividend income	**(199)**	(180)
Loss from disposal of subsidiaries	**1**	–
Waive of shareholder's current account	**–**	(16,000)
Net realised gain on disposal of available-for-sale financial assets	**(6,039)**	–
Net realised gain on financial assets at fair value through profit or loss	**(1,086)**	(1,513)
Net unrealised loss on financial assets at fair value through profit or loss	**1,408**	1,048
Net unrealised loss/(gain) on derivative financial instruments	**4,898**	(639)
Operating loss before working capital changes	**(21,054)**	(20,217)
Purchase of financial assets at fair value through profit or loss	**(121,281)**	(237,755)
Purchase of available-for-sale financial assets	**(206,734)**	(473,016)
Proceeds from disposal of financial assets at fair value through profit or loss	**113,289**	239,268
Proceeds from disposal of available-for-sale financial assets	**267,054**	–
Increase in other receivables, prepayments and deposits	**(92,056)**	(951)
(Decrease)/Increase in accruals	**(1,077)**	1,505
Net cash used in operating activities	**(61,859)**	(491,166)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
Cash flows from investing activities			
Interest received		**7,695**	2,640
Dividend received from financial assets at fair value through profit or loss		**199**	172
Purchase of property, plant and equipment		**(2,526)**	(32,879)
Proceeds from disposal of property, plant and equipment		**–**	570
Net cash flow from disposal of subsidiaries	28	**111,999**	–
Net cash generated from/(used in) investing activities		**117,367**	(29,497)
Cash flows from financing activities			
Proceeds from issuing of shares		**–**	565,570
Share issue expenses		**–**	(11,671)
Net cash generated from financing activities		**–**	553,899
Net increase in cash and cash equivalents		**55,508**	33,236
Cash and cash equivalents at 1 April		**37,662**	4,684
Effect of foreign exchange rate changes, net		**112**	(258)
Cash and cash equivalents at 31 March		**93,282**	37,662
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**93,282**	37,662

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 April 2002. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 19 September 2002. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal office in Hong Kong is located at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 16 to the consolidated financial statements.

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

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

Application of new and revised standards and interpretations

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2012.

HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendments)	Income Taxes – Deferred Tax: Recovery of Underlying Assets

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

The new and revised HKFRSs have no material effect on the amounts reported in these financial statements and/or disclosures set out in these financial statements.

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

New and revised Standards and Interpretations issued but not yet effective

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

HKFRS 1 (Amendments)	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans[2]
HKFRS 7 (Amendments)	Amendments to HKFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – Transition Guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities[3]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Amendments to HKAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (2011)	Employee Benefits[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012[2]

1 effective for annual periods beginning on or after 1 July 2012

2 effective for annual periods beginning on or after 1 January 2013

3 effective for annual periods beginning on or after 1 January 2014

4 effective for annual periods beginning on or after 1 January 2015

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

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

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

Key requirements of HKFRS 9 are described as follows:

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

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

In December 2011, HKFRS 9 was amended to defer its mandatory effective date from 1 January 2013 to 1 January 2015. The amendments also provide relief from the requirement to restate comparative financial statements for the effect of applying HKFRS 9.

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

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

Key requirements of these five standards are described below.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

Investment in subsidiaries

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

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

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

Property, plant and equipment

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

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

Building	5%
Motor vehicle	30%
Leasehold improvement	12.5%
Office equipment	20%
Furniture and fittings	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the sales proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Impairment of tangible and intangible assets other than goodwill

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

Recoverable amount is the higher of fair value less costs to sell and value in use. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets other than goodwill (Continued)

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

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

Foreign currency

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

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

Financial assets

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

Effective interest method

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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

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

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

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

Loans and receivables

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

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

Impairment of financial assets

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities and equity instruments

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

Equity instruments

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities at FVTPL (Continued)

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other gain and losses" line item in the consolidated income statement.

Other financial liabilities

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

Effective interest method

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

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Derivative financial instruments

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Embedded derivatives

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

Derecognition

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

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

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

For the purposes of these financial statements, related parties include a person and entity as defined below:

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

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

(b) has significant influence over the Group;

(c) is a member of the key management personnel of the Group or of a parent of the Group;

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

(a) 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);

(b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member);

(c) both entities are joint ventures of a third entity;

(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;

(f) the entity is controlled or jointly controlled by a person identified in (i);

(g) a person identified in (i)(a) 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).

Retirement benefit costs

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transaction

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

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

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

Leasing

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

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

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

Provisions

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions (Continued)

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

Contingent liabilities and contingent assets

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

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

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

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

Cash and cash equivalents

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation and amortisation

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

Allowance for bad and doubtful debts

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

Valuation of financial instruments

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 6, 17, 18 and 19 provide detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

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

5. CAPITAL RISK MANAGEMENT

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

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

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

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Foreign currency risk

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

	2013			2012		
	AFS financial assets HK$'000	**Other receivables HK$'000**	**Cash and cash equivalents HK$'000**	AFS financial assets HK$'000	Other receivables HK$'000	Cash and cash equivalents HK$'000
RMB	**–**	**–**	**25,158**	93,877	–	9,352
USD	**45,400**	**91,400**	**33,458**	181,159	–	7,528
	45,400	**91,400**	**58,616**	275,036	–	16,880

Sensitivity analysis

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

The following table shows the sensitivity analysis of a 5% increase/decrease in RMB and USD against the HKD. A positive number below indicates an increase in profit or loss and equity where the HKD weakens 5% (2012: 5%) against RMB and USD. For a 5% (2012: 5%) strengthening of HKD against RMB and USD, an equal a opposite impact would exist on profit or loss and equity.

	2013		2012	
	Impact of RMB HK$'000	**Impact of USD HK$'000**	Impact of RMB HK$'000	Impact of USD HK$'000
Profit or loss	**1,258**	**6,243**	468	376
Equity	**1,258**	**8,513**	5,161	9,434

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's fair value interest rate risk relates to debt investment carried at fixed rate included in AFS financial assets.

The Group's cash flow interest rate risk is mainly concentrated on the bank balances carried at floating interest rate.

The Group currently does not have a hedge policy against the interest rate exposure. However, the management monitors interest rate exposure and will consider the hedging significant interest rate exposure as needed.

Sensitivity analysis

Assuming the bank balance and debt securities at 31 March 2013 was outstanding for the whole year, if the interest rate was 50 basis points higher or lower and all other variables were held constant, the Group's:

(i) loss for the year ended 31 March 2013 would decrease or increase approximately HK$466,000 (2012: profit would increase or decrease approximately HK$166,000). This is mainly attributable to the Group's exposure to floating interest rate on its bank balance; and,

(ii) other comprehensive income for the year ended 31 March 2013 would decrease or increase by approximately HK$2,312,000 and HK$2,358,000 respectively (2012: approximately HK$2,035,000 and HK$1,536,000. This is mainly as a result of the changes in the fair value of fixed rate debt instruments.

Equity price risk

The Group's equity price risk relates to equity price changes arising from listed securities held for trading stated in financial assets at FVTPL, unlisted equity securities included in AFS financial assets and unlisted convertible debt securities of which debt components included in AFS financial assets and embedded derivatives included in derivative financial instruments.

The Group's listed securities are listed on the Stock Exchange of Hong Kong. Decisions to buy and sell listed securities are rested with assigned investment managers and governed by specific investment guidelines.

The Group's unlisted securities are held for long term strategic purposes. Their performance is assessed periodically together with a review from the Group's investment manager.

Sensitivity analysis

(i) If the price of the respective investments held by the Group as financial assets at FVTPL were higher or lower by 5% as at 31 March 2013 (2012: 5%), the Group's loss for the year ended 31 March 2013 would decrease or increase by approximately HK$2,420,000 (2012: profit increase or decrease by approximately HK$1,558,000).

(ii) If the price of the respective investments held by the Group as AFS financial assets were higher or lower by 5% as at 31 March 2013 (2012: 5%), the Group's other comprehensive income for the year ended 31 March 2013 would increase or decrease by approximately HK$12,610,000 (2012: other comprehensive expenses decrease or increase approximately HK$17,428,000).

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

As at 31 March 2013, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Cash and bank deposits are placed with financial institutions with sound credit ratings. Listed securities stated in financial assets at FVTPL are placed with custodian, which management believes its of higher credit quality. Given their high credit ratings, management does not expect any counterparty failing to meet its obligations.

The Group does not provide any financial guarantees which would expose the Group to credit risk.

In order to minimise the credit risk, the Group reviews the recoverable amount of each prepayment, deposit and other receivable and debt investment included in AFS financial assets at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except for other receivables as disclosed in note 20. Credit risks associated with the other receivables are mitigated because the other receivables are secured by a forestry ownership certificate and personally guaranteed by three independent third parties. The carrying amount of the other receivables as at 31 March 2013 amounted to approximately HK$91,400,000 (2012: nil). The Group is not permitted to sell or repledge the collateral in the absence of default by the counterparties.

In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

Liquidity risk

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

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents that is adequate in management discretion. In formulating their strategy, management would consider the financing of the Group's operations and the effects of fluctuation in operating and investing cash flows. As at 31 March 2013, the liquidity of the Group is primarily dependent on its ability to maintain adequate cash flows from operations and to raise funds through issue and allotment of new shares to meet its debt obligations and investment project opportunities as they fall due or arise.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

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

	Weighted average effective interest rate	**Less than 1 year**	**More than 1 year**	**Total undiscounted cash flows**	**Carrying amount at 31.3.2013**
	%	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
2013					
Accruals	**N/A**	**588**	**–**	**588**	**588**

	Weighted average effective interest rate	Less than 1 year	More than 1 year	Total undiscounted cash flows	Carrying amount at 31.3.2012
	%	HK$'000	HK$'000	HK$'000	HK$'000
2012					
Accruals	N/A	1,665	–	1,665	1,665

Fair values on financial instruments

(i) Financial instruments carried at fair value

The following table presents the carrying amount of financial instruments measured at fair value at 31 March 2013 across the three levels of the fair value hierarchy defined in HKFRS 7 Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirely based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

– Level 1 (highest level): fair value measurements are those derived from quoted price (unadjusted) in active markets for identical assets or liabilities;

– Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

– Level 3 (lowest level): fair values measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair values on financial instruments (Continued)

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

At 31 March 2013, the Group and the Company had following financial instruments carried at fair value all of which are based on the Level 1, Level 2 and Level 3 of the fair value hierarchy:

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
		(Restated)		(Restated)
Level 1:				
Financial assets at FVTPL				
– Listed securities	**13,461**	5,790	**–**	–
Level 2:				
AFS financial assets				
– Equity securities	**20,124**	79,759	**–**	–
– Debt securities	**25,276**	93,877	**–**	–
Level 3:				
Financial assets at FVTPL				
– Derivative financial instruments	**34,943**	25,362	**–**	–
AFS financial assets				
– Equity securities	**81,919**	171,400	**–**	–
– Debt securities	**150,154**	97,409	**–**	–
	325,877	473,597	**–**	–

There were no transfers among all Levels in both years.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair values on financial instruments (Continued)

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

Level 3 movement tables

2013

Financial assets	**Derivative financial instruments**	**Available-for-sale financial assets**	
	Embedded derivative HK$'000	**Equity securities HK$'000**	**Debt securities HK$'000**
At 1 April 2012	**25,362**	**171,400**	**97,409**
Total gains or losses			
in profit or loss	**(4,898)**	**–**	**–**
in other comprehensive income	**–**	**2,119**	**9,224**
Purchase	**14,479**	**79,800**	**85,521**
Disposal	**–**	**(171,400)**	**(42,000)**
At 31 March 2013	**34,943**	**81,919**	**150,154**
Total loss recognised in the consolidated income statement relating to assets held at 31 March 2013	**(4,898)**	**–**	**–**

2012

Financial assets	Derivative financial instruments	Available-for-sale financial assets	
	Embedded derivative HK$'000 (restated)	Equity securities HK$'000 (restated)	Debt securities HK$'000 (restated)
At 1 April 2011	–	–	–
Total gains or losses			
in profit or loss	639	–	–
in other comprehensive income	–	–	132
Purchase	24,723	171,400	97,277
At 31 March 2012	25,362	171,400	97,409
Total gains recognised in the consolidated income statement relating to assets held at 31 March 2012	639	–	–

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair values on financial instruments (Continued)

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

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

	2013 Carrying amount HK'000	**2013** Fair value HK'000	2012 Carrying amount HK'000	2012 Fair value HK'000
The Group				
Bank and cash balances	**93,282**	**93,282**	37,662	37,662
Other receivables and deposits	**95,181**	**95,181**	3,587	3,587
Accruals	**(588)**	**(588)**	(1,665)	(1,665)

Classification and fair value of financial assets and liabilities

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

	Financial assets at FVTPL HK'000	**Loan and receivables HK'000**	**AFS financial assets HK'000**	**Other financial liabilities HK'000**	**Total HK'000**
2013					
AFS financial assets	**–**	**–**	**277,473**	**–**	**277,473**
Financial assets at FVTPL	**13,461**	**–**	**–**	**–**	**13,461**
Derivative financial instruments	**34,943**	**–**	**–**	**–**	**34,943**
Other receivables, and deposits	**–**	**95,181**	**–**	**–**	**95,181**
Bank and cash balances	**–**	**93,282**	**–**	**–**	**93,282**
	48,404	**188,463**	**277,473**	**–**	**514,340**
Accruals	**–**	**–**	**–**	**588**	**588**

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Classification and fair value of financial assets and liabilities (Continued)

	Financial assets at FVTPL HK'000 (Restated)	Loan and receivables HK'000 (Restated)	AFS financial assets HK'000 (Restated)	Other financial liabilities HK'000 (Restated)	Total HK'000 (Restated)
2012					
AFS financial assets	–	–	442,445	–	442,445
Financial assets at FVTPL	5,790	–	–	–	5,790
Derivative financial instruments	25,362	–	–	–	25,362
Other receivables and deposit	–	3,587	–	–	3,587
Bank and cash balances	–	37,662	–	–	37,662
	31,152	41,249	442,445	–	514,846
Accruals	–	–	–	1,665	1,665

Estimation of fair value

Fair value for the quoted equity and debt investment are based on quoted market prices at 31 March 2013 without any deduction for transaction costs. Fair value for the unquoted equity investments are estimated using the discount cash flow valuation techniques. Fair value for the bond value and option value of respective convertible debt investments are estimated using the discounted cash flow and the binomial option pricing model.

7. REVENUE AND OTHER INCOME

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

	2013 HK$'000	2012 HK$'000
(a) Revenue:		
Dividend income from financial assets at fair value through profit or loss	**199**	180
Interest income from debt securities	**7,359**	4,400
Interest income from brokers' accounts	**10**	11
Interest income from bank accounts	**42**	820
	7,610	5,411
(b) Other income:		
Net foreign exchange gain	**656**	4,300
Waive of shareholder's current account	**–**	16,000
Sundry income	**8**	9
	664	20,309
	8,274	25,720

8. SEGMENT INFORMATION

For the years ended 31 March 2013 and 2012, the Group's turnover and results were mainly derived from the interest income and dividend income from investment holding. The directors consider that these activities constitute one and the only business segment since these transactions are subject to common risks and returns. The management monitors the operating results of its business for the purpose of making decision about resource allocation and performance assessment. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses.

Geographical information

The Group's revenue analysed by geographical location and information about its non-current assets (excluding available-for-sale investments) by geographical location are detailed below:

	Revenue		**Non-current assets**	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**7,610**	5,411	**302**	26
PRC (not including Hong Kong)	**–**	–	**32,286**	31,235
	7,610	5,411	**32,588**	31,261

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

9. LOSS FROM OPERATION

	2013 HK$'000	2012 HK$'000
(Loss)/Profit from operations has been arrived at after charging:		
Directors' remunerations		
– Fees	**870**	520
– Other remunerations	**–**	3,852
Total directors' remunerations	**870**	4,372
Staff costs		
– Salaries	**4,606**	5,688
– Provident fund contributions	**79**	78
Total staff costs (excluding directors' remunerations)	**4,685**	5,766
Auditors' remuneration	**290**	743
Depreciation	**1,969**	1,688
Investment manager's fee	**2,387**	2,500
Operating lease payments in respect of office premise	**5,727**	4,490

10. INCOME TAX EXPENSE

	2013 HK$'000	2012 HK$'000
Provision for the year, HK tax	**169**	250

10. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the loss before tax using the statutory tax rate for the respective tax jurisdictions in which the Company and its subsidiaries are domiciled is:

	2013 HK$'000	2012 HK$'000 (Restated)
(Loss)/Profit before tax	(14,595)	610
Tax at the statutory tax rate	(2,408)	101
Tax effect of expenses that are not deductible in determining taxable profit, net	142	205
Tax effect of non-taxable revenues	(1,988)	(4,335)
Tax effect on temporary differences not recognised	(49)	73
Effect of different tax rates of subsidiaries operating in other jurisdiction	(164)	(156)
Tax effect of tax losses not recognised	4,636	4,362
Tax charge for the year	169	250

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

PRC subsidiary is subject to PRC Corporate Income Tax at 25% (2012: 25%).

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

11. LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Loss attributable to shareholders of the Company includes a loss of approximately HK$19,864,000 (2012: approximately HK$5,077,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

The directors do not recommend the payment of a dividend for the years ended 31 March 2013 and 2012.

13. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on the loss attributable to shareholders of the Company of approximately HK$14,764,000 (2012: profit of approximately HK$360,000) and the weighted average number of 581,580,000 (2012: 518,425,356) ordinary shares in issue during the year, is calculated as follows:

	2013 Number of shares ’000	2012 Number of shares ’000
As at 1 April	**581,580**	89,780
Issue of shares under placement of shares	**–**	330,121
Issue of shares under subscription of shares	**–**	98,524
Weighted average number of shares, as at 31 March	**581,580**	518,425

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

14. DIRECTORS’ AND FIVE HIGHEST PAID INDIVIDUALS’ EMOLUMENTS

(a) Directors

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

	2013 HK$’000	2012 HK$’000
Fees		
Executive directors	**360**	–
Independent non-executive directors	**510**	520
	870	520
Other emoluments		
Basic salaries and other benefits	**–**	3,852
	870	4,372

No directors waived any emoluments and no emoluments were paid to the directors as inducement to join or upon joining the Group or as compensation for loss of office during the year (2012: nil).

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

(a) Directors (Continued)

The emoluments paid or payable to each of the ten (2012: eleven) directors were as follows:

	Fees		**2013**	2012
	Executive directors HK$'000	Independent non-executive directors HK$'000	**Total emoluments HK$'000**	Total emoluments HK$'000
Executive directors				
Mr. CHAN Cheong Yee	260	–	**260**	260
Mr. SEE Lee Seng, Reason (Note i)	100	–	**100**	260
Mr. XIE Leshan (Note ii)	–	–	**–**	1,774
Mr. CHEN Yiquan (Note ii)	–	–	**–**	1,472
Mr. SUNG Hiu Fai, Ronald (Note iii)	–	–	**–**	86
Sub-total	360	–	**360**	3,852
Independent non-executive directors				
Mr. HA Tak-kong	–	130	**130**	130
Mr. LO Chi Ming	–	130	**130**	130
Mr. LEUNG Kwong Kin	–	130	**130**	130
Mr. CHEN Kai Zhi	–	120	**120**	130
Sub-total	–	510	**510**	520
Non-executive directors				
Mr. Liao Jin Tian	–	–	**–**	–
Mr. Zhou Weiquan	–	–	**–**	–
Sub-total	–	–	**–**	–
Total	360	510	**870**	4,372

Notes:

(i) Resigned on 30 August 2012

(ii) Removed on 14 September 2012

(iii) Resigned on 9 August 2011

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

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include nil (2012: 2) director whose emoluments are reflected in the analysis presented above.

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

	2013	2012
	HK$'000	HK$'000
Basic salaries and other benefits	**3,805**	6,467
Contributions to retirements benefits scheme	**41**	24
	3,846	6,491

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

	2013	2012
HK$Nil to HK$1,000,000	**4**	1
HK$1,000,001 to HK$3,000,000	**1**	4

No emoluments were paid to these individuals as inducement to join or upon joining the Group as compensation for loss of office for the year (2012: Nil).

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings HK$'000	Leasehold improvement HK$'000	Office equipment HK$'000	Furniture and fittings HK$'000	Motor vehicle HK$'000	Total HK$'000
COST						
At 1 April 2011	–	–	35	–	652	687
Additions	32,634	–	–	–	–	32,634
Disposals	–	–	–	–	(652)	(652)
Exchange realignment	246	–	–	–	–	246
At 31 March 2012 and 1 April 2012	32,880	–	35	–	–	32,915
Additions	1,284	672	–	165	405	2,526
Exchange realignment	837	–	–	–	–	837
At 31 March 2013	**35,001**	**672**	**35**	**165**	**405**	**36,278**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 April 2011	–	–	2	–	33	35
Charge for the year	1,632	–	7	–	49	1,688
Written back on disposal	–	–	–	–	(82)	(82)
Exchange realignment	13	–	–	–	–	13
At 31 March 2012 and 1 April 2012	1,645	–	9	–	–	1,654
Charge for the year	1,724	83	7	33	122	1,969
Exchange realignment	67	–	–	–	–	67
At 31 March 2013	**3,436**	**83**	**16**	**33**	**122**	**3,690**
CARRYING AMOUNT						
At 31 March 2013	**31,565**	**589**	**19**	**132**	**283**	**32,588**
At 31 March 2012	31,235	–	26	–	–	31,261

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company

	Leasehold improvement HK$'000	**Office equipment** HK$'000	**Furniture and fittings** HK$'000	**Motor vehicle** HK$'000	**Total** HK$'000
COST					
At 1 April 2011	–	35	–	652	687
Disposals	–	–	–	(652)	(652)
At 31 March 2012 and 1 April 2012	–	35	–	–	35
Additions	672	–	165	405	1,242
At 31 March 2013	**672**	**35**	**165**	**405**	**1,277**
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 April 2011	–	2	–	33	35
Charge for the year	–	7	–	49	56
Written back on disposal	–	–	–	(82)	(82)
At 31 March 2012 and 1 April 2012	–	9	–	–	9
Charge for the year	83	7	33	122	245
At 31 March 2013	**83**	**16**	**33**	**122**	**254**
CARRYING AMOUNT					
At 31 March 2013	**589**	**19**	**132**	**283**	**1,023**
At 31 March 2012	–	26	–	–	26

16. INVESTMENT IN SUBSIDIARIES

The Company

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

Details of principal subsidiaries at 31 March 2013 are as follows:

Name of subsidiary	Place of incorporation	Particulars of issued share capital	Interest held 2013	Interest held 2012	Principal activities
Directly hold:					
Novel Epoch Investments Limited	The British Virgin Islands	Ordinary shares US$100	**100%**	100%	Trading of security
Garron International Strategic Limited	Hong Kong	Ordinary shares HK$100	**100%**	100%	Investment holding
Eagle Gain Investments Limited	Hong Kong	Ordinary shares HK$1	**100%**	100%	Trading of security
Winki Limited	Hong Kong	Ordinary shares HK$2	**100%**	100%	Investment holding
China Investment and Financing Limited	Hong Kong	Ordinary shares HK$1	**100%**	100%	Trading of security
World Fame Investment Limited	Hong Kong	Ordinary shares HK$1	**100%**	100%	Investment holding
Great Prospect Investment Development Limited	Hong Kong	Ordinary shares HK$1	**100%**	100%	Investment holding
Rich Fortune Investment Limited	Hong Kong	Ordinary shares HK$1	**100%**	100%	Investment holding
Champion Elite Holdings Limited	The British Virgin Islands	Ordinary shares US$1	**100%**	–	Investment holding
Qifeng Holdings Limited	The British Virgin Islands	Ordinary shares US$1	**100%**	–	Investment holding
Profit Eternal Global Investments Limited	The British Virgin Islands	Ordinary shares US$1	**100%**	–	Investment holding
Indirectly hold:					
廣州凱潤企業管理服務有限公司	The People's Republic of China	Registered capital USD$5,000,000	**100%**	100%	Consultancy service

16. INVESTMENT IN SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group

Available-for-sale financial assets comprise of:

	2013 HK$'000	2012 HK$'000 (Restated)
Unlisted equity securities (note 1)	**99,800**	251,479
Less: fair value adjustment	**2,243**	(320)
	102,043	251,159
Listed debt securities (note 2)	**26,934**	99,537
Less: fair value adjustment	**(1,658)**	(5,660)
	25,276	93,877
Unlisted convertible debt securities (excluding fair value of embedded derivative) (note 3)	**140,798**	97,277
Less: fair value adjustment	**9,356**	132
	150,154	97,409
Total	**277,473**	442,445

The unlisted equity securities and unlisted convertible debt securities are measured at fair value and are classified as Level 3 fair value measurement. Fair value is estimated using discounted cash flow method (the "DCF") and binomial option pricing model respectively. Details of which the model's parameters adopted were shown in corresponding note to each category of available-for-sale financial assets.

For unlisted equity instruments, there is no objective evidence of impairment as a significant or prolonged decline in fair value of the security below their costs.

For debt instruments, there is no objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and of which has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

Note 1:

Unlisted equity securities

Name of investee companies	Place of incorporation/ establishment	Percentage of effective interest held		At cost		Fair value adjustment		At fair value		Net assets attributable to the investments	
				2013	2012	2013	2012	2013	2012	2013	2012
		2013	2012	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
China Clean Sky Resource International Holding Limited (note a)	Hong Kong	–	30.00%	–	70,000	–	–	–	70,000	–	82,681
Ka Hang Development Limited (note b)	Hong Kong	–	21.66%	–	101,400	–	–	–	101,400	–	101,173
Forest Investment Company Limited (note c)	Hong Kong	29.00%	–	34,800	–	2,552	–	37,352	–	42,789	–
Plexson Limited (note d)	Hong Kong	15.00%	–	45,000	–	(433)	–	44,567	–	44,325	–
Profit Win Fund Limited (note e)	Bermuda	0%	0%	20,000	20,000	124	(42)	20,124	19,958	20,124	–
Enterprise Emerging Markets Fund (note f)	Curacao	–	0.13%	–	30,078	–	(178)	–	29,900	–	8,769
Cistenique Investment Fund (note g)	Curacao	–	3.6%	–	30,001	–	(100)	–	29,901	–	30,066
				99,800	251,479	2,243	(320)	102,043	251,159		

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

Note 2:

Listed debt securities

Name of investee companies	Place of incorporation/ establishment	At cost		Fair value adjustment		At fair value	
		2013	2012	**2013**	2012	**2013**	2012
		HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Galaxy Entertainment Group Limited (note h)	Hong Kong	**–**	20,110	**–**	(145)	**–**	19,965
Evergrande Real Estate Group Limited (note i)	Cayman Islands	**–**	21,935	**–**	(912)	**–**	21,023
China SCE Property Holdings Limited (note j)	Cayman Islands	**–**	9,882	**–**	(1,098)	**–**	8,784
BYD Company Limited (note k)	PRC	**–**	19,995	**–**	(1,282)	**–**	18,713
Road King Infrastructure Limited (note l)	Bermuda	**–**	27,615	**–**	(2,223)	**–**	25,392
Hidili Industry International Development Limited (note m)	Cayman Islands	**18,720**	–	**(1,556)**	–	**17,164**	–
Winsway Coking Coal Holdings Limited (note n)	British Virgin Islands	**8,214**	–	**(102)**	–	**8,112**	–
		26,934	99,537	**(1,658)**	(5,660)	**25,276**	93,877

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

Note 3:

Unlisted convertible debt securities

Name of investee companies	Place of incorporation	At cost		Fair value adjustment		At fair value	
		2013 HK$'000	2012 HK$'000 (Restated)	**2013 HK$'000**	2012 HK$'000 (Restated)	**2013 HK$'000**	2012 HK$'000 (Restated)
Double Sky Holdings Limited (note o)	Hong Kong	**55,277**	55,277	**5,851**	132	**61,128**	55,409
Mountain Investment Limited (note p)	Cayman Islands	**–**	42,000	**–**	–	**–**	42,000
IGO Seating Limited (note q)	Hong Kong	**38,097**	–	**1,275**	–	**39,372**	–
Yuet Join Industrial Limited (note r)	Hong Kong	**47,424**	–	**2,230**	–	**49,654**	–
		140,798	97,277	**9,356**	132	**150,154**	97,409

Notes:

(a) During the year ended 31 March 2013, the Group entered into a sale and purchase agreement with a third party for the disposal of China Clean Sky Resource International Holding Limited ("CCSR"), through the sale of entire equity interest in a subsidiary, at a cash consideration of HK$70,000,000. The consideration has been fully received during the reporting period.

CCSR, a private company with limited liability, was acquired during the year ended 31 March 2012 for a consideration of HK$70,000,000, which represented 30% equity interest of CCSR. CCSR is principally engaged in trading of timber in Republic of Mozambique and the People's Republic of China ("PRC"). In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of CCSR. Accordingly, CCSR has been accounted for as an available-for-sale financial asset. Since the market for these financial assets are not active, the Group establishes the value by references provided by the independent professional valuer.

(b) During the year ended 31 March 2013, the Group entered into a legally binding agreement with Ka Hang Development Limited ("KHDL") for the redemption of the entire equity interest in KHDL at a cash consideration of USD13,000,000 (approximately HK$101,400,000). As at 31 March 2013, USD1,300,000 (approximately HK$10,140,000) was received and the remaining was classified as other receivables as presented in corresponding note to these consolidated financial statements. And as at the date of this report, the Group was received a total cash consideration of USD5,200,000 (approximately HK$40,560,000).

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

Notes: (Continued)

KHDL, a private company with limited liability, was acquired during the year ended 31 March 2012 at a consideration of USD13,000,000 (approximately HK$101,400,000), which represented 21.66% equity interest in KHDL. KHDL is principally engaged in manufacturing and trading of aluminum. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of KHDL. Accordingly, KHDL has been accounted for as an available-for-sale financial asset. Since the market for these financial assets are not active, the Group establishes the value by references provided by the independent professional valuer.

(c) During the year ended 31 March 2013, the Group acquired 29% equity interest in Forest Investment Company Limited ("FICL") at a consideration of HK$34,800,000. FICL, a private company with limited liability, is principally engaged in trading and dyeing of fabrics in the PRC. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of FICL. Accordingly, FICL has been accounted for as an available-for-sale financial asset.

As at 31 March 2013, a fair value of approximately HK$37,352,000 was derived by the independent professional valuer using a Discount Cash Flow Method (the "DCF"). In determining the fair value, a risk adjusted discount rate of 13.33% was being used.

(d) During the year ended 31 March 2013, the Group acquired 15% equity interest in Plexson Limited ("PL") at a consideration of HK$45,000,000. PL, a private company with limited liability, is principally engaged in manufacturing and dyeing of fabrics and yarns in the PRC. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of PL. Accordingly, PL has been accounted for as an available-for-sale financial asset.

As at 31 March 2013, a fair value of approximately HK$44,567,000 was derived by the independent professional valuer using DCF. In determining the fair value, a risk adjusted discount rate of 13.33% was being used.

(e) As at 31 March 2013, the Group held 25,764 non-voting, profit-sharing shares of Profit Win Fund Limited ("PWF"). PWF had an investment portfolio amounted to approximately HK$20,124,000, which consisted of all cash and cash equivalents due to the fact that, in the opinion of the current investment manager of PWF, it should reserve cash for opportunity of investing in other suitable investment project.

During the year ended 31 March 2012, the Group entered into a subscription agreement with Profit Win Investment Management Limited to purchase 25,764 non-voting, profit-sharing shares of PWF at a consideration of USD2,567,000 (approximately HK$20,000,000). PWF is a closed-ended fund which primary objective is to achieve superior private equity return with a strong focus on Mainland lucrative high growth sector with the manager extensive and exclusive networking and project souring capability. In the opinion of directors, the Group did not own voting right of these shares.

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

Notes: (Continued)

(f) During the year ended 31 March 2013, the Group had expressed its willingness of redemption to the issuer of Enterprise Emerging Markets Fund ("EEMF") for all 38,462 shares of Class I that the Group had owned. Upon the agreed redemption agreement, the Group has received an amount of approximately HK$30,188,000 representing the NAV of EEMF as at the date of redemption.

During the year ended 31 March 2012, the Group entered into a subscription agreement with Enterprise Emerging Markets Fund B.V. to purchase 38,462 shares of Class I of EEMF for a consideration of USD3,846,200 (approximately HK$30,078,000). EEMF is an investment fund, which offers a variety of investment profiles including various levels of volatility and investment diversification, while bearing no or little correlation to equity or fixed income market.

(g) During the year ended 31 March 2013, the Group had expressed its willingness of redemption to the issuer of Cistenique Investment Fund ("CIF") for all 38,462 shares of Class Z thereof. Upon the agreed redemption agreement, the Group has received an amount of approximately HK$29,993,000 representing the NAV of CIF as at the date of redemption.

During the year ended 31 March 2012, the Group entered into a subscription agreement with Cistenique Investment Fund B.V. to purchase 38,462 shares of Class Z of CIF for a consideration of USD3,846,200 (approximately HK$30,001,000). CIF is an investment fund, which offers a variety of investment profiles including various levels of volatility and investment diversification, while bearing no or little correlation to equity or fixed income market.

(h) As at 31 March 2012, the Group held debt securities issued by Galaxy Entertainment Group Limited, a listed company in Hong Kong which is principally engaged in casino games of chance or games of other forms, provision of hospitality and related services in Macau, and the manufacture, sale and distribution of construction materials in Hong Kong, Macau and the PRC, with fixed coupon rate 4.63% and date of maturity on 16 December 2013. The debt securities were listed in Berlin Exchange. Bond interest income of approximately HK$847,000 was recognised during the year (2012: approximately HK$539,000). During the year ended 31 March 2013, the debt securities were disposed of with a realised loss of approximately HK$39,000.

(i) As at 31 March 2012, the Group held debt securities issued by Evergrande Real Estate Group Limited, a listed company in Hong Kong which is principally engaged in the property development, property investment management, property construction, hotel and other property development related services in the PRC, with fixed coupon rate 9.25% and date of maturity on 19 January 2016. The debt securities were listed in Singapore Exchange. Bond interest income of approximately HK$2,291,000 was recognised during the year (2012: approximately HK$1,333,000). During the year ended 31 March 2013, the debt securities were disposed of with a realised gain of approximately HK$3,261,000.

(j) As at 31 March 2012, the Group held debt securities issued by China SCE Property Holdings Limited, a listed company in Hong Kong which is principally engaged in property development, property investment and property management in the PRC, with fixed coupon rate 10.5% and date of maturity on 14 January 2016. The debt securities were listed in Hong Kong Exchange. Bond interest income of approximately HK$1,185,000 was recognised during the year (2012: approximately HK$697,000). During the year ended 31 March 2013, the debt securities were disposed of with a realised gain of approximately HK$1,408,000.

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

Notes: (Continued)

(k) As at 31 March 2012, the Group held debt securities issued by BYD Company Limited, a listed company in Hong Kong which is principally engaged in the research, development, manufacture and sale of rechargeable batteries, automobiles and related products, handset components, LCD and other electronic products, with fixed coupon rate 4.5% and date of maturity on 28 April 2014. The debt securities were listed in Berlin Exchange. Bond interest income of approximately HK$879,000 was recognised during the year (2012: approximately HK$551,000). During the year ended 31 March 2013, the debt securities were disposed of with a realised gain of approximately HK$601,000.

(l) As at 31 March 2012, the Group held debt securities issued by Road King Infrastructure Limited, a listed company in Hong Kong which is principally engaged in development, operation and management of toll roads through the infrastructure joint ventures and operation of property development and investment business in the PRC, with fixed coupon rate 6% and date of maturity on 25 February 2014. The debt securities were listed in Singapore Exchange. Bond interest income of approximately HK$1,458,000 was recognised during the year (2012: approximately HK$1,007,000). During the year ended 31 March 2013, the debt securities were disposed of with a realised gain of approximately HK$705,000.

(m) As at 31 March 2013, the Group held debt securities issued by Hidili Industry International Development Limited, a listed company in Hong Kong which is principally engaged in mining and sale of coke, raw coal and clean coal, with fixed coupon rate 8.63% and date of maturity on 11 April 2015. There was no bond interest income recognised for the year (2012: HK$nil).

(n) As at 31 March 2013, the Group held debt securities issued by Winsway Coking Coal Holdings Limited, a listed company in Hong Kong which is principally engaged in the processing and trading of coking coal and related products, development of coal mills and production of coking coal, rendering of logistics services and investment holding in a jointly controlled entity developing coal mines, with fixed coupon rate 8.5% and date of maturity on 4 August 2016. The debt securities were listed in Singapore Exchange. There was no bond interest income recognised for the year (2012: HK$nil).

(o) A 5-year convertible bond issued by Double Sky Holdings Limited ("DSHL"), a private company with limited liability which business is principally engaged in food processing and related business in the PRC, was acquired at a face value of HK$80,000,000 during the year ended 31 March 2012. The convertible bond carries fixed interest rate at 0.5% per annum, paid semi-annually, and 10% on the earnings before interest and tax of DSHL, according to the audited consolidated financial statements of DSHL for the corresponding year ended 31 March, paid semi-annually, with date of maturity on 11 December 2016 and is guaranteed by a sole shareholder of DSHL. The Group has the right to redeem the convertible bond at a price equal to outstanding principal amount of the convertible bond, plus an amount equal to 10% of the outstanding principal amount. The Group shall have the right to convert the whole or part of the principal amount of the convertible bond into shares at any time and from time to time before the maturity date. If the Group holds over 30% of shareholding of DSHL after the execution in conversion process, the voting right of these shareholding will be limited to 30%. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of DSHL.

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

Notes: (Continued)

At initial recognition, the amounts of the consideration of HK$80,000,000 has been split between a debt component and embedded derivatives (i.e. conversion option) at the fair value of approximately HK$55,277,000 and HK$24,723,000 respectively. Subsequently, the Group accounted for the debt component as an available-for-sale financial asset and the embedded derivatives as a derivative financial instrument.

As at 31 March 2013, a fair value of approximately HK$61,128,000 (2012: approximately HK$55,409,000) was derived by the independent professional valuer using a Binomial Option Pricing Model. In determining the fair value, a risk free rate of 0.334% (2012: 0.513%), a credit spread of 11.075% (2012: 11.057%) and expected volatility of 22.927% (2012: 32.670%) were incorporated into the model.

Bond interest income of approximately HK$400,000 was recognised during the year (2012: approximately HK$133,333).

(p) A 5-year convertible bond issued by Mountain Investment Limited ("MIL"), a private company with limited liability which is principally engaged in flame retardant and decorative materials business in the PRC, was acquired at a face value of HK$42,000,000 during the year ended 31 March 2012. The convertible bond carries fixed interest rate at 1% per annum, paid semi-annually, and 8% of the earnings before interest and tax of MIL, according to the consolidated audited financial statement of MIL for the corresponding year ended 31 March, paid semi-annually, with date of maturity on 11 December 2016. The Group has a right to redeem the convertible bond at a price equal to outstanding principal amount of the convertible bond, plus an amount equal to 8% of the outstanding principal amount. The Group shall have the right to convert the whole or part of the principal amount of the convertible bonds into shares at any time and from time to time before the maturity date. If the Group holds over 30% of shareholding of MIL after the execution in conversion process, the voting right of these shareholding will be limited to 30%. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of MIL.

During the year ended 31 March 2013, the Group had disposed of a convertible bond issued by MIL through the sale of the entire equity interest in a subsidiary, for a consideration of approximately HK$42,160,000. The consideration has been fully received during the reporting period.

There was no bond interest income recognised during the year (2012: approximately HK$140,000).

(q) A 5-years convertible bond issued by IGO Seating Limited ("IGO"), a private company with limited liability which business is principally engaged in furniture related doings, was acquired at a face value of HK$50,000,000 during the year ended 31 March 2013. The convertible bond carries fixed interest rate at 0.8% per annum, paid annually, with date of maturity on 2 July 2017 and is guaranteed by the beneficial owners of IGO. The Group has a right to redeem the convertible bond at a price equal to outstanding principal amount of the convertible bond, plus an amount equal to 20% of the outstanding principal amount. The Group shall have the right to convert the whole or part of the principal amount of the convertible bonds into shares at any time and from time to time before the maturity date. If the Group holds over 30% of shareholding of IGO after the execution in conversion process, the voting right of these shareholding will be limited to 30%. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of IGO.

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

Notes: (Continued)

At initial recognition, the amount of the consideration of HK$50,000,000 has been split between a debt component and embedded derivatives (i.e. conversion option) at the fair value of approximately HK$38,097,000 and HK$11,903,000 respectively. Subsequently, the Group accounted for the debt component as an available-for-sale financial asset and the embedded derivatives as a derivative financial instrument.

As at 31 March 2013, a fair value of the debt component of approximately HK$39,372,000 was derived by the independent professional valuer using a Binomial Option Pricing Model. In determining the fair value, a risk free rate of 0.413%, a credit spread of 11.057% and expected volatility of 48.163% were being used.

Bond interest income of approximately HK$300,000 was recognised during the year.

(r) A 3-year (extensible for 2 years) convertible bond issued by Yuet Join Industrial Limited ("YJIL"), a private company with limited liability which business is principally engaged in manufacturing of electronic generator and related business, was acquired at a face value of HK$50,000,000 during the year ended 31 March 2013. The convertible bond carries fixed interest rate at 5% per annum, paid semi-annually, with date of maturity on 10 March 2016 (extensible to 10 March 2018) and is guaranteed by the shareholders of YJIL. The Group has a right to redeem the convertible bond at a price equal to outstanding principal amount of the convertible bond. The Group shall have the right to convert the whole or part of the principal amount of the convertible bonds into shares at any time and from time to time before the maturity date. The Group holds over 29.79% of shareholding of YJIL after the execution in conversion process, the voting right of these shareholding will be limited to 29.79%. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of YJIL.

At initial recognition, the amount of the consideration of HK$50,000,000 has been split between a debt component and embedded derivatives (i.e. conversion option) at the fair value of approximately HK$47,424,000 and HK$2,576,000 respectively. Subsequently, the Group accounted for the debt component as an available-for-sale financial asset and the embedded derivatives as a derivative financial instrument.

As at 31 March 2013, a fair value of the debt component of approximately HK$49,654,000 was derived by the independent professional valuer using a Binomial Option Pricing Model. In determining the fair value, a risk free rate of 0.331%, a credit spread of 4.99% and expected volatility of 29.45% were being used.

There was no bond interest income recognised during the year.

18. DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	2013 HK$'000	2012 HK$'000 (Restated)
Embedded derivatives in convertible bonds	**34,943**	25,362

The amounts represent the fair value of the conversion option embedded in the convertible bonds as disclosed elsewhere in these notes to the consolidated financial statements.

Binomial option pricing model was used for valuation of the conversion options embedded in the three convertible bonds. The inputs into the binomial option pricing model of the convertible bonds as at 31 March 2013 were as follows:

	Double Sky Holding Limited		IGO Seating Limited		Yuet Join Industrial Limited	
	2013	2012 (Restated)	**2013**	2012 (Restated)	**2013**	2012 (Restated)
Exercise price (in HK'000)	**80,000**	80,000	**50,000**	–	**50,000**	–
Risk free rate (per annum)	**0.334%**	0.513%	**0.413%**	–	**0.331%**	–
Credit spread (per annum)	**11.057%**	11.057%	**11.057%**	–	**4.990%**	–
Volatility	**22.927%**	32.670%	**48.163%**	–	**29.45%**	–
Time to maturity	**3.7 years**	4.7 years	**4.258 years**	–	**3 years**	–

Volatility of the value of conversion shares was determined based on the historical volatilities of the share prices of companies that are considered comparable to the issuers of the convertible bonds.

Net unrealised loss on derivative financial instruments of approximately HK$4,898,000 (2012: gain of approximately HK$639,000) had been recognised in profit or loss during the year.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	2013 HK$'000	2012 HK$'000
Held for trading:		
Listed securities in Hong Kong, at market value	**13,461**	5,790

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

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

Particulars of the 10 largest investments as at 31 March 2013 are as follows:

Name of investee company	Place of incorporation	Number of share held	Percentage of interest held	Cost HK$'000	Accumulated unrealised gain/(loss) HK$'000	Market value HK$'000	Net assets attributable to the investments HK$'000	Dividend received during the year HK$'000	Dividend cover
China Everbright Limited ("China Everbright") (note a)	Hong Kong	100,000	Less than 0.01%	1,453	(221)	1,232	1,741	–	0.39
China Mobile Limited ("China Mobile") (note b)	Hong Kong	17,000	Less than 0.01%	1,443	(46)	1,397	755	–	0.43
China Pacific Insurance (Group) Company Limited ("China Pacific") (note c)	The People's Republic of China	20,000	Less than 0.01%	598	(87)	511	265	–	0.59
HSBC Holding plc. ("HSBC") (note d)	England	14,000	Less than 0.01%	1,194	(46)	1,148	1,082	27	0.61
Hutchison Whampoa Limited ("HWL") (note e)	Hong Kong	9,000	Less than 0.01%	749	(21)	728	926	–	0.34
Kingway Brewery Holdings Limited ("Kingway") (note f)	Bermuda	350,000	0.02%	1,286	(215)	1,071	604	–	N/A
Lianhua Supermarket Holding Company Limited ("Lianhua") (note g)	The People's Republic of China	80,000	Less than 0.01%	629	(134)	495	332	–	0.5

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

Name of investee company	Place of incorporation	Number of share held	Percentage of interest held	Cost HK$'000	Accumulated unrealised gain/(loss) HK$'000	Market value HK$'000	Net assets attributable to the investments HK$'000	Dividend received during the year HK$'000	Dividend cover
Longfor Properties Company Limited ("Longfor") (note h)	Cayman Islands	100,000	Less than 0.01%	1,396	(112)	1,284	739	–	0.17
Northeast Electric Development Company Limited ("Northeast Electric") (note i)	The People's Republic of China	232,000	0.03%	242	6	248	89	–	0.00
Tencent Holdings Limited ("Tencent") (note j)	Cayman Islands	21,000	Less than 0.01%	5,715	(533)	5,182	592	–	0.12

Notes:

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

(a) China Everbright is principally engaged in investment activities and the provision of financial services. The audited consolidated profit attributable to shareholders of China Everbright for the year ended 31 December 2012 was approximately HK$1,142 million (2011: approximately HK$1,923 million). At 31 December 2012, the audited consolidated net assets value of China Everbright was approximately HK$29,956 million (2011: approximately HK$28,273 million).

(b) China Mobile is principally engaged in the provision of mobile telecommunications and related services in Mainland China and in Hong Kong. The audited consolidated profit attributable to shareholders of China Mobile for the year ended 31 December 2012 was approximately RMB129,274 million (2011: approximately RMB125,979 million). At 31 December 2012, the audited consolidated net assets value of China Mobile was approximately RMB725,309 million (2011: approximately RMB650,419 million).

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

Notes: (Continued)

(c) China Pacific is principally engaged in property and casualty businesses, life insurance businesses, pension and annuity business, as well as asset management. The audited consolidated profit attributable to shareholders of China Pacific for the year ended 31 December 2012 was approximately RMB5,077 million (2011: approximately RMB8,313 million). At 31 December 2012, the audited consolidated net assets value of China Pacific was approximately RMB97,569 million (2011: approximately RMB78,055 million).

(d) HSBC is principally engaged in the provision of a comprehensive range of banking and related financial services through an international network in the Asia-Pacific region, Europe, the Americas, the Middle East and Africa. The audited consolidated profit attributable to shareholders of HSBC for the year ended 31 December 2012 was approximately USD14,027 million (2011: approximately USD16,797 million). At 31 December 2012, the audited consolidated net assets value of HSBC was approximately USD183,129 million (2011: approximately USD166,093 million).

(e) HWL is principally engaged in ports and related services, telecommunication, property and hotels, retail and manufacturing, and energy and infrastructure. The audited consolidated profit attributable to shareholders of HWL for the year ended 31 December 2012 was approximately HK$26,128 million (2011: approximately HK$56,019 million). At 31 December 2012, the audited consolidated net assets value of HWL was approximately HK$438,592 million (2011: approximately 398,783 million).

(f) Kingway is principally engaged in the production, distribution and sale of beer. The audited consolidated loss attributable to the shareholders of Kingway for the year ended 31 December 2012 was approximately HK$168 million (2011: Profit of approximately HK$35 million). At 31 December 2012, the audited consolidated net assets value of Kingway was approximately HK$2,952 million (2011: approximately 3,138 million).

(g) Lianhua is principally engaged in the operation of chain stores including supermarkets, hypermarkets and convenience stores primarily in the eastern region of the PRC. The audited consolidated profit attributable to the shareholders of Lianhua for the year ended 31 December 2012 was approximately RMB340 million (2011: approximately RMB627 million). At 31 December 2012, the audited consolidated net assets value of Lianhua was approximately RMB3,769 million (2011: approximately RMB3,622 million).

(h) Longfor is principally engaged in the property development, property investment and property management businesses in China. The audited consolidated profit attributable to the shareholders of Longfor for the year ended 31 December 2012 was approximately RMB6,301 million (2011: approximately RMB6,328 million). At 31 December 2012, the audited consolidated net assets value of Longfor was approximately RMB32,577 million (2011: approximately RMB24,095 million).

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

Notes: (Continued)

(i) Northeast Electric is principally engaged in the mechanical and electrical equipment manufacturing industry. The audited consolidated profit attributable to the shareholders of Northeast Electric for the year ended 31 December 2012 was approximately RMB11 million (2011: Loss of approximately RMB32 million). At 31 December 2012, the audited consolidated net assets value of Northeast Electric was approximately RMB291 million (2011: approximately RMB283 million).

(j) Tencent is principally engaged in the provision of Internet value-added services, mobile and telecommunications value- added services, online advertising services and e-Commerce transactions services to user in the People's Republic of China. The audited consolidated profit attributable to the shareholders of Tencent for the year ended 31 December 2012 was approximately RMB12,732 million (2011: approximately RMB10,203 million). At 31 December 2012, the audited consolidated net assets value of Tencent was approximately RMB42,148 million (2011: approximately RMB29,088 million).

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Interest receivable from debt securities	**1,523**	1,807	**–**	–
Other receivables	**91,400**	–	**–**	–
Deposits paid	**2,258**	1,780	**2,258**	1,780
Financial assets	**95,181**	3,587	**2,258**	1,780
Prepayments	**177**	–	**177**	–
	95,358	3,587	**2,435**	1,780

Other receivables represent the consideration receivable arising from the disposal of an available-for-sale financial asset, 21.66% equity interest of Ka Hang Development Limited. This was secured by a forestry ownership certificate owned by an independent third party, of which the forest is located at Mashi Village, Shixing Country, PRC, covering an area of approximately 3,506 acres of land, and personally guaranteed by three other independent third parties. As at the date of this report, an additional amount of USD3,900,000 (approximately HK$30,420,000) was received from Ka Hang Development Limited.

21. AMOUNTS DUE FROM/TO SUBSIDIARIES

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

22. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash and bank balances	**50,260**	33,392	**35,490**	22,459
Deposits at other financial institution	**43,022**	4,270	**–**	–
	93,282	37,662	**35,490**	22,459

The effective interest rate of the deposits range from 0.01% to 0.5% (2012: 0.01% – 0.5%) per annum and all of them have a maturity within three months from initial inception.

23. SHARE CAPITAL

	Number of ordinary shares of HK$0.20 each	
	'000	HK$'000
Authorised:		
At 31 March 2012 and 2013	6,000,000	1,200,000
Issued and fully paid:		
At 1 April 2011	89,780	17,956
Issue of shares under placement of shares (note a)	378,760	75,752
Issue of shares under subscription of shares (note a)	113,040	22,608
At 31 March 2012, 1 April 2012 and 31 March 2013	581,580	116,316

Note:

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

24. RESERVE

The Group

	Share premium HK$'000	Available-for-sale investment revaluation reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2011 (restated)	30,647	–	–	(52,553)	(21,906)
Issue of shares under placement of share	359,822	–	–	–	359,822
Issue of shares under subscription of share	107,388	–	–	–	107,388
Share issue expenses	(11,671)	–	–	–	(11,671)
Total comprehensive expenses for the year	–	(5,606)	(511)	360	(5,757)
At 31 March 2012 and 1 April 2012 (restated)	486,186	(5,606)	(511)	(52,193)	427,876
Total comprehensive income for the year	–	15,547	1,123	(14,764)	1,906
At 31 March 2013	**486,186**	**9,941**	**612**	**(66,957)**	**429,782**

The Company

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2011	30,647	(55,771)	(25,124)
Issue of shares under placement of share	359,822	–	359,822
Issue of shares under subscription of share	107,388	–	107,388
Share issue expenses	(11,671)	–	(11,671)
Total comprehensive expenses for the year	–	(5,077)	(5,077)
At 31 March 2012 and 1 April 2012	486,186	(60,848)	425,338
Total comprehensive expenses for the year	–	(19,864)	(19,864)
At 31 March 2013	**486,186**	**(80,712)**	**405,474**

25. NET ASSETS VALUE PER SHARE

Net assets value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK$546,098,000 (2012: approximately HK$544,192,000, restated) by the number of shares in issue at 31 March 2013, being 581,580,000 (2012: 581,580,000).

26. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2013 and 2012, the Group had entered into the following significant related party transactions which, in the opinion of the directors, were carried out on normal commercial terms and in the ordinary course of the Group's business:

	2013	2012
	HK$'000	HK$'000
Investment manager's fee paid to:		
Success Talent Investments Limited (note a)	**2,000**	2,500
China Everbright Securities (HK) Limited (note b)	**387**	–
	2,387	2,500
Broker fee paid to:		
China Everbright Securities (HK) Limited	**570**	–

Note:

(a) The Company entered into an investment management agreement ("Previous Agreement") with Success Talent Investments Limited from 18 January 2011 to 31 May 2011 and renewed the Previous Agreement on 27 May 2011 for a period from 1 June 2011 to 31 March 2014 with effect from 1 June 2011. Success Talent Investments Limited was entitled to receive an investment management fee on a monthly basis at HK$250,000. On 28 September 2012, the Company sent a written confirmation notice to Success Talent to terminate the Previous Agreement with effect from 30 November 2012.

(b) The Company has entered into an investment management agreement ("Existing Agreement") with China Everbright Securities (HK) Limited ("EBSHK") on 6 November 2012, pursuant to which EBSHK agreed to provide investment management services to the Company for a period of three years from 6 November 2012.

EBSHK shall be deemed as a connected person of the Company pursuant to Rule 21.13 of the Listing Rules upon the Existing Agreement becoming effective. The maximum aggregate fee to be payable by the Company to EBSHK shall not exceed HK$960,000 per annum.

26. RELATED PARTY TRANSACTIONS (Continued)

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

	2013 HK$'000	2012 HK$'000
Directors' fee	**870**	520
Salaries, allowance and benefits in kind	**–**	3,852
	870	4,372

27. RETIREMENT BENEFITS SCHEME

The Group has participated in a defined contribution Mandatory Provident Fund Scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for all eligible employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustee. Under the scheme, each of the Group (the employer) and its employees makes monthly contributions to the Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Scheme Ordinance. The contributions from each of the employer and employees are subject to a maximum contribution of HK$1,250 per month and thereafter contributions are voluntary. No forfeited contribution is available to reduce the contributions payable in the future years.

The total contributions charged to the consolidated income statement for the year ended 31 March 2013 amounted to HK$79,000 (2012: HK$78,000), representing contributions payable to the Scheme by the Group in respect of the year ended 31 March 2013.

28. DISPOSAL OF SUBSIDIARIES

	2013 HK$'000	2012 HK$'000
Net assets disposed of:		
Available-for-sale financial assets	112,000	–
Cash and bank balances	1	–
Prepayments and other receivables	150	–
Accruals and other payables	(150)	–
	112,001	–
Loss on disposal	(1)	–
	112,000	–
Satisfied by cash	112,000	–

An analysis of the net cash and cash equivalent inflow in respect of the disposal of subsidiaries is as follows:

	2013 HK$'000	2012 HK$'000
Cash consideration	112,000	–
Cash and bank balances disposed of	(1)	–
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	111,999	–

29. COMMITMENTS

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

	2013 HK$'000	2012 HK$'000
Within one year	3,400	5,491
More than one year but not exceeding five years	5,622	915
More than five years	820	–
	9,842	6,406

30. PRIOR YEAR ADJUSTMENT

In December 2011, the Group entered into a contract to subscribe a 5-year convertible bond issued by Double Sky Holdings Limited, a company incorporated in Hong Kong, at a consideration of HK$80,000,000. Pursuant to the contractual terms, the Group may, at any time from the date of contract commencement to the maturity date on 11 December 2016, convert its right in holding such convertible bond to the issuer's ordinary shares.

The convertible bond consists of two components which are the bond component ("host contract") and the call option. The Group had previously recognised and classified such convertible bond as a whole, as an available-for-sale financial asset but not separately accounted for the embedded derivative from the host contract under the conditions in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement". By virtue of the standard, the call option embedded into the convertible bond should have been accounted for as an embedded derivative while the host contract should have been accounted for as an available-for-sale financial asset. As a result of the above mentioned consequence, comparative figures have been restated and summarised below.

For the year ended 31 March 2012

(i) Consolidated Statement of Comprehensive Income

	Notes	For the year ended 31 March 2012 HK$'000
Loss for the year, as previously reported		(279)
Gain recognised as a result of increase in fair value of embedded derivatives	b	639
Profit for the year, as restated		360
Loss per share, HK cents, as previously reported		0.05
Earnings per share, HK cents, as restated		0.07
Other comprehensive income/(expense)		
Other comprehensive income/(expense) for the year, as previously reported		(6,249)
Gain arising from revaluation of available-for-sale financial assets	a	132
Other comprehensive income/(expense) for the year, as restated		(6,117)

30. PRIOR YEAR ADJUSTMENT (Continued)

(ii) Consolidated Statement of Financial Position

	As at 31 March 2012				
	As previously reported	Adjustments		Notes	As restated
	HK$'000	HK$'000	HK$'000		HK$'000
Assets and liabilities					
– Available-for-sale financial assets	467,036	(24,723)	132	a	442,445
– Embedded derivatives	–	24,723	639	b	25,362
Total effect on assets and liabilities	467,036	–	771		467,807
Equity					
– Available-for-sale investment revaluation reserve	5,738	–	(132)	a	5,606
– Accumulated losses/(Retained profits)	279	–	(639)	b	(360)
Total effect on equity	6,017	–	(771)		5,246

Notes:

(a) The adjustment represents the subsequent measurement on increase in fair value of the available-for-sale financial asset. The increase has been recognised in other comprehensive income.

(b) The adjustment represents the subsequent measurement on increase in fair value of the embedded derivative. The increase has been recognised in profit or loss.

FIVE YEARS FINANCIAL SUMMARY

Year ended 31 March 2013

	Year ended 31 March				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
RESULTS					
Revenue	**7,610**	5,411	188	123	202
(Loss)/Profit before tax	**(14,595)**	610	(8,319)	(4,796)	(11,120)
Income tax expenses	**(169)**	(250)	–	–	–
(Loss)/Profit attributable to shareholders of the Company	**(14,764)**	360	(8,319)	(4,796)	(11,120)
(Loss)/Earnings per share – Basic and diluted (HK cents)	**(2.54)**	0.07	(9.95)	(6.97)	(15.74)

	At 31 March				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
ASSETS AND LIABILITIES					
Non-current assets	**310,061**	473,706	652	22	4,131
Current assets	**237,044**	72,401	11,558	9,098	6,339
Current liabilities	**(1,007)**	(1,915)	(160)	(4,628)	(1,353)
Non-current liabilities	**–**	–	(16,000)	(8,132)	(7,961)
Shareholders' fund/ (Capital deficiency)	**546,098**	544,192	(3,950)	(3,640)	1,156