2012/2013
Annual Report

Unlimited Creativity Holdings Limited

Continued in Bermuda with limited liability
Stock Code: 8079

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of Unlimited Creativity Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

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Financial Summary

Annual results for the five years from 2008

	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Period from 1 November 2008 to 31 March 2010	Year ended 31 October 2008
	HK$'000	*HK$'000* (As restated)	*HK$'000*	*HK$'000* (As restated)	*HK$'000*
Turnover*	**41,665**	53,302	69,917	179,409	272,078
Loss for the year from continuing operation	**(48,048)**	(18,132)	(53,187)	(26,642)	(35,415)
Profit/(loss) for the year from discontinued operation	**12,598**	8,978	(14,128)	(32,018)	(42,306)
Loss for the year	**(35,450)**	(9,154)	(67,315)	(58,660)	(77,721)
Loss attributable to owners of the Company	**(35,091)**	(8,998)	(68,299)	(58,193)	(77,371)

	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010	As at 31 October 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**234,150**	305,567	204,812	161,789	191,807
Total liabilities	**(10,340)**	(32,177)	(39,094)	(28,355)	(43,249)
	223,810	273,390	165,718	133,434	148,558

* Included revenue from both continuing and discontinued operations.

Corporate Information

Directors

Executive Directors

Mr. SHIU Yeuk Yuen – Chairman
Mr. LEUNG Ge On, Andy

Independent Non-executive Directors

Mr. SIU Yim Kwan, Sidney *S.B.St.J.*
Mr. TSUI Pui Hung *LL.B. (Hons), LL.M., BSc (Hons)*
Mr. KAM Tik Lun, *CPA, ACCA, LL.M (ICFL), CIM*

Company Secretary

Miss MAK Suk Fan, *CPA (Aust.,) AHKSA, MBA*

Compliance Officer

Mr. LEUNG Ge On, Andy

Authorised Representatives

Mr. SHIU Yeuk Yuen
Mr. LEUNG Ge On, Andy

Audit Committee

Mr. KAM Tik Lun, *CPA, ACCA, LL.M (ICFL), CIM*
Mr. SIU Yim Kwan, Sidney *S.B.St.J.*
Mr. TSUI Pui Hung *LL.B. (Hons), LL.M., BSc (Hons)*

Remuneration and Nomination Committee

Mr. KAM Tik Lun, *CPA, ACCA, LL.M (ICFL), CIM*
Mr. SIU Yim Kwan, Sidney *S.B.St.J.*
Mr. TSUI Pui Hung *LL.B. (Hons), LL.M., BSc (Hons)*
Mr. SHIU Yeuk Yuen
Mr. LEUNG Ge On, Andy

Legal Adviser on the Bermuda Law

Appleby

Auditor

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

Principal Share Registrar and Transfer Office

Appleby Management (Bermuda) Ltd
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Standard Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head Office and Principal Place of Business in Hong Kong

7/F., Zung Fu
Industrial Building
1067 King's Road
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
409-415 Hennessy Road, Wanchai
Hong Kong

DBS Bank (Hong Kong) Limited
16th Floor, The Center
99 Queen's Road Central
Hong Kong

Stock Code

8079

Website

http://www.ulcreativity.com

Chairman's Statement

On behalf of the board of Directors (the "Board"), I am pleased to present to the Shareholders the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2013.

REVIEW OF OPERATIONS

Since more resources have been placed in money lending business, there is significantly increase in the revenue from this business and more than 1,000 clients have been served. The amount we lent out was around HK$111 million and more than HK$21 million revenue was brought to the Group. All these figures sign we have entered the money lending market successfully.

For the securities and bonds investment, even though, in the financial year under review, the global financial markets are continuing to experience significant levels of volatility, the performance of our investment portfolios outweighed that of the general stock market and contributed satisfactory result to the Group.

As the competition in relation to the provision of beauty services and clinical services in Hong Kong is severely keen, in March 2013, the Group had disposed the segment so as to focus more financial resources and management effort on the others segments which currently generate more income to the Group. Moreover, it would enhance the Company to streamline its business and restructure its operations with focus on its business in the provision of money lending, grocery store business, property investment and securities investment.

PROSPECTS

In March 2013, one of the group's subsidiaries became a TransUnion member, who enables the company to obtain credit report in accordance with the Code of Practice on Consumer Credit Data issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong. By virtues of the report, it enables us to make informed, reliable and objective decisions so as to approve loans efficiently, staying informed about our clients' credit status as well as alerting signs of potential fraud.

Hegemonism exists everywhere in Hong Kong including retail stores selling necessities. In order to provide the public to buy all necessities at a competitive price, as one of our giving to community, the Group, had formed retail stores in Kwai Chung and Taikoo, as well as on-line shopping services in Hong Kong. Although the profit margin would be thin, huge sales volumes with acceptable profit margin are foreseen.

In addition, we will continue to explore opportunities to broaden the business scope with the ultimate goal to maximise the shareholders' wealth.

APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders, clients and staff members for their support in the past years. I would also like to express my personal appreciation to my fellow Board members for their continuous valuable contributions.

Mr. Shiu Yeuk Yuen
Chairman
Hong Kong, 27 June 2013

Management Discussion and Analysis

Operation Review

Turnover for the year financial year ended 31 March 2013 was approximately HK$41.7 million, representing a decrease of approximately 21.8% when compared with last year. Loss attributable to owners of the Company for the year ended 31 March 2013 was approximately HK$35.1 million whilst for the last year, the loss attributable to owners of the Company was approximately HK$9.0 million.

Beauty Services, Clinical Services and Sale of Beauty Products

The competition within the beauty industry is keen and it is our business strategy to relocate our resources to other profitable segment. As a result, the turnover from this segment in the financial year 31 March 2013 was approximately HK$18.6 million, representing a decrease of approximately 45.6% when compared with the corresponding period in 2012.

Property Investment

The rental income generated from industrial properties acquired last financial year continued providing steady income to the Group. The turnover of this business segment for the financial year was approximately HK$0.6 million, being 12.5% increase from 2012.

Securities and bonds Investment

With the unpredictable economic situation, heightening concerns of sovereign debt crisis spread across Europe and concerns of a hard landing in economy of the People's Republic of China, the stock market was in a downward trend for the financial year ended. The result of this business segment was also negatively affected. In the financial year, an amount of approximately HK$56.3 million has recorded as fair value losses on financial assets at fair value through profit or loss. Whereas an amount of HK$43.9 million resulted in the change in market price of China 3D Digital Entertainment Limited ("China 3D"). Up to 21 June 2013, the strategic holding of 101,212,932 ordinary shares have been owned by the company, being 10.86% interest in China 3D.

Money Lending

After actively participating in money lending business for more than two years, a solid client base has been built. In the financial year, turnover for this segment was approximately HK$21.2 million, representing 14.1% increased when compared with the corresponding period in 2012. A satisfactory profit was also brought from this segment.

Retail Business

We have been developing our retail services business since June 2012. Turnover for this segment in the financial year was approximately HK$1.3 million. We will continue to monitor the operation and develop new market in order to increase the turnover and market share.

Outlook

As money lending business was proved to bring to the Group satisfactory turnover and profit, the Group will continue actively develop this business.

In March 2013, one of the group's subsidiaries became a TransUnion member, who enables the company to obtain credit report in accordance with the Code of Practice on Consumer Credit Data issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong. By virtues of the report, it enables us to make informed, reliable and objective decisions so as to approve loans efficiently, staying informed about our clients' credit status as well as alerting signs of potential fraud.

In view of the volatility of the global economic environment, driven by the European sovereign debt crises and the economic downturn in the United States continues in the financial year, the Group will take more conservative step to invest in securities and bonds investment. Focus will be placed on corporate bonds with good credit rating instead of listed in the volatile stock market.

Liquidity and financial resources

The Group generally financed its operations with internally generated cash flows. As at 31 March 2013, the Group had cash and cash equivalents of approximately HK$55.0 million (2012: HK$35.3 million).

As at 31 March 2013 the Group had bank borrowing of HK$3.4 million (2012: HK$21.7 million) which was using to finance the investment properties.

Because of the gradually repayment of the bank borrowing, as at 31 March 2013, the Group's gearing ratio, expressed as a percentage of total borrowings, (comprising amounts due to non-controlling interests, and borrowings) over total assets, decreased to approximately 2.7% (2012: 7.1%).

Charges on Group's Asset

At 31 March 2013, the Group's land and buildings and investment property with carrying amount of approximately HK$16.5 million (2012: HK$78.7 million) were pledged to a bank to secure the bank borrowing granted to the Group.

Treasury Policies

Cash and bank deposits of the Group are mainly in HK dollars ("HK$"), Renminbi ("RMB") and Macao Pataca ("MOP").

Since most of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangements to reduce the currency risk have been implemented.

Employees

As at 31 March 2013, the Group had around 60 (2012: 51) full-time employees. The total of employee remuneration, including that of the Directors, for the year ended 31 March 2013 amounted to approximately HK$13.4 million (2012: HK$15.9 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

Capital Structure

Details of the movements in share capital of the Company are set out in note 35 to the consolidated financial statement.

Significant Acquisition and Disposal

On 25 May 2012, an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement with a third party to dispose a commercial property located in Hong Kong at a cash consideration of HK$74,000,000. The disposal was completed and assigned on 31 January 2013.

Contingent Liabilities

As at 31 March 2013, the Group had no material contingent liabilities (2012: nil).

As at 31 March 2013, the Company has executed corporate guarantees to third parties with respect to general banking facilities granted to the subsidiaries of the Company of approximately HK$4,679,000 (2012: $39,000,000).

On 9 October 2012, a Tenancy Agreement was jointly entered into between Wit Way, as landlord and Top Euro Limited, an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited, an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited, both as tenants, in relation to the lease of the Premises. The duration of the Tenancy Agreement is for three years commencing from 1 November 2012 to 31 October 2015 with a monthly rental of HK$220,000 inclusive of management charges (equivalent to HK$2,640,000 per annum), but exclusive of government rates and all other outgoings. The rent, government rates and all outgoings of the Premises shall be paid by the Tenants in equal shares.

If either party fails to fulfill their leasing obligations under the agreement, the other party will obligate to pay the other's party outstanding Contingent Rental Liability amounting to HK$1,320,000 per annum. The taking up of the Contingent Rental Liability constitutes a provision of financial assistance under the GEM Listing Rules.

Event after Reporting Period

On 4 February 2013, an indirect wholly-owned subsidiary of the Company, entered into a Provisional Sale & Purchase agreement with an independent third party regarding the disposal of an industrial property in Hong Kong at a cash consideration of HK$4,100,000. The assignment had been completed on 10 June 2013.

By a special resolution dated 17 June 2013, the Company implemented the capital recorganization which involved the share consolidation, capital reduction and capital increase. The share consolidation involved the consolidation of every twenty (20) existing shares of HK$0.01 each in the issued and unissued share capital of the Company into one (1) consolidated share of HK$0.20 ("Consolidated Share") in the issued and unissued share capital of the Company. The capital reduction involved the reduction of the issued share capital through a cancellation of the paid-up capital of the Company to the extent of HK$0.19 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share is reduced from HK$0.20 to HK$0.01 and round down of the total number of Consolidated Shares in the issued share capital of the Company to a whole number. Moreover, the authorised share capital of the Company had been increased from HK$15,000,000 divided into 1,500,000,000 Adjusted Shares to HK$300,000,000 divided into 30,000,000,000 Adjusted Shares.

On 5 April 2013, the Company acquired Crosby Capital Limited (HKGEM 8088) Convertible Bonds in an aggregate principal amount of HK$19,000,000 at the consideration of HK$14,250,000. The Convertible Bonds are unsecured and non-interest bearing. The Convertible Bonds are convertible at the option of the bondholder(s) at any time after the date of issuance, 4 October 2010 up to and including the date which is seven days prior to the maturity date of 4 October 2015, into new ordinary shares of the issuer at conversion price reset on April 4, 2013 at HK$0.78 per share (subject to be further reset at the end of every 6-month period). Details please refer to the announcement dated 5 April, 2013.

Biographical Details of Directors and Senior Executives

Executive Directors

Mr. Shiu Yeuk Yuen ("Mr. Shiu"), aged 63, is the executive director since December 2010 and appointed as the Chairman of the Group in January 2011. Mr. Shiu has over 35 years' experience in the ceramic tile and marble and granite products industry and over 10 year's experience in securities investment.

Mr. Shiu was one of the founders and has been the executive director of Companion Building Material International Holdings Limited (together with its subsidiaries, the "**CBMI Group**", currently known as Pacific Century Premium Developments Ltd, stock code: 432), a company listed on The Stock Exchange of Hong Kong Limited, for the period from September 1993 to January 2002 during which he was responsible for the development of the CBMI Group's corporate strategies.

Mr. Leung Ge On, Andy ("Mr. Leung"), aged 44, is the executive director of the Company. Mr. Leung joined the Group since 2005 and was appointed as an executive director in December 2010. Mr. Leung obtained a Bachelor of Arts degree in Economics at York University in Canada. Mr. Leung has extensive experience in business development, operation and marketing management. Mr. Leung is the nephew of Mr. Shiu.

Independent Non-executive Directors

Mr. SIU Yim Kwan, Sidney ("Mr. Siu"), *S.B.St.J.*, aged 66, was appointed as an independent non-executive director and member of Audit Committee of the Company in December 2004. Mr. Siu is also the non-executive director of Wang On Group Limited, a listed company in Hong Kong since November 1993.

Mr. Siu is a director of The Association of The Directors & Former Directors of Pok Oi Hospital Limited and Chiu Yang Residents Association of Hong Kong Limited, those companies are non-profitable association and providing community services in Hong Kong.

Mr. Siu is also a director and chairman of The Hong Kong Tae Kwon Do Association Limited, a sport association in Hong Kong and also an executive member of a number of charitable organisations and sports associations.

Mr. TSUI Pui Hung ("Mr. Tsui"), *LL.B. (Hons), LL.M, BSc (Hons)*, aged 38, a practicing solicitor of the High Court of Hong Kong, was appointed as an independent non-executive director and member of Audit Committee of the Company in June 2007. Mr. Tsui holds the degrees of a Master in Laws from University of London, Bachelor of Laws (with Honours) from Manchester Metropolitan University, Bachelor of Science (with Honours) from the Chinese University of Hong Kong, Postgraduate Certificate in Laws from the University of Hong Kong and Diploma in Translation from the Chinese University of Hong Kong. Mr. Tsui has years of management experience and is familiar with internal control issues and regulatory rules of listed company. Mr. Tsui is also an independent non-executive director of China Mandarin Holdings Limited, a company listed on the Main Board of Stock Exchange.

Mr. KAM Tik Lun ("Mr. Kam"), *CPA, ACCA, LL.M (ICFL), CIM*, aged 37, joined the Company in March 2012. Mr. Kam is the Chairman of the Audit Committee of the Company. Mr. Kam holds a Bachelor of Commerce from Concordia University, Canada and a Postgraduate Diploma in International Corporate and Financial Law from The University of Wolverhampton, UK and a Master of Laws in International Corporate and Financial Law from The University of Wolverhampton, UK. He is a member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and The Canadian Institute of Mining, Metallurgy and Petroleum. Mr. Kam has over 9 years of experience in the financial markets. He has vast experience in providing pre-IPO consultancy, business valuation services, financial analysis and corporate advisory. Mr. Kam is also an independent non-executive director of China 3D Digital Entertainment Limited, a company listed on the GEM Board of Stock Exchange.

Corporate Governance Report

A. Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance to protect the interests of the shareholders of the Company. The Company had complied with most of the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 March 2013. This report describes the corporate governance standards and practices used by the Company to direct and manage its business affairs. It also explains the applications of the Code and deviations, if any.

B. Board of Directors

Composition of the Board, number of Board meetings and Directors' attendance

The Company's Board is comprised of experienced and highly competent individuals and a balanced composition of Executive and Non-executive Directors. 11 Board meetings were held during the financial year ended 31 March 2013. The composition of the Board and attendance of the Directors are set out below:

Name of Directors	**Number of meeting attended/Number of meeting held**
Executive Directors	
Mr. Shiu Yeuk Yuen	10/11
Mr. Leung Ge On, Andy	11/11
Independent Non-executive Directors	
Mr. Siu Yim Kwan, Sidney	9/11
Mr. Tsui Pui Hung	9/11
Mr. Kam Tik Lun	9/11

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the GEM Listing Rules.

Mr. Leung Ge On, Andy is the nephew of Mr. Shiu Yeuk Yuen. Save for the aforesaid, none of the existing members of the Board is related to one another.

The Company has received written annual confirmation from each Independent Non-executive Director of his independence pursuant to the requirements of the GEM Listing Rules. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules.

C. Appointment and Succession Planning of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's Bye-laws.

Code A.4.1 stipulates that Non-executive Directors should be appointed for a specific term, subject to re-election and Code A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

All Independent Non-executive directors are appointed has entered into a letter of appointment with the Company for a term of one year and renewable automatically for successive terms of another year unless terminated by three-month notice in writing served by either party. Pursuant to the Company's Bye–laws, all Directors of the Company, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment. The Company in practice will observe Code A.4.2 and will ensure that any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

D. Chairman and Chief Executive Officer

Code A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Shiu Yeuk Yuen is the Chairman and Chief Executive Officer of the Company. In view of the scale of operations of the Company and the fact that daily operations of the Group's business is delegated to the senior executives and department heads, the Board considers that vesting the roles of both Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

E. Remuneration Committee

A remuneration committee (the "Remuneration Committee"), consisting of three Independent Non-executive Directors and two Executive Directors, was set up by the Company in accordance with the Code. The Remuneration Committee is responsible for reviewing and developing the remuneration polices of the Directors and senior management.

One meeting was held during the financial year ended 31 March 2013. None of the Directors participated in the determination of his/her own remuneration. Attendance of the members of the Remuneration Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held
Mr. Siu Yim Kwan, Sidney	1/1
Mr. Tsui Pui Hung	1/1
Mr. Shiu Yeuk Yuen	1/1
Mr. Leung Ge On, Andy	1/1
Mr. Kam Tik Lun	1/1

F. Audit Committee

The Company established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual report and financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. Currently it consists of three independent non-executive Directors, Mr. Kam Tik Lun, chairman of the Audit Committee, Mr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung. Four meetings were held during the financial year ended 31 March 2013. Attendance of the members of the Audit Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held
Mr. Siu Yim Kwan, Sidney	4/4
Mr. Tsui Pui Hung	4/4
Mr. Kam Tik Lun	4/4

The Company's annual results for the year ended 31 March 2013, has been reviewed by the Audit Committee.

G. Nomination Committee

A nomination committee (the "Nomination Committee") consisting of three Independent Non-executive Directors and two Executive Directors was set up by the Company in accordance with the Code. The Nomination Committee is responsible for reviewing and making recommendations to the Board regarding any proposed changes, selection of directorships.

No meeting was held during the financial year ended 31 March 2013.

H. Model Code for Securities Transactions

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the year ended 31 March 2013.

The Company also has established written guidelines on no less exacting terms than the Required Standard of Dealings (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

I. Responsibilities in respect of the Financial Reporting

The Board is responsible for presenting a balanced, clear and understandable assessment of annual, interim and quarterly reports, price-sensitive announcements and other disclosures required under the GEM Listing Rules and other regulatory requirements.

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 March 2013.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on page 20.

J. Auditor's Remuneration

For the year ended 31 March 2013, the remuneration paid or payable to the Company's auditor, HLB Hodgson Impey Cheng Limited, is set out as follows:

	Fee	
	HK$'000	HK$'000
Statutory audit services:		
– Current		380
Non-statutory audit services:		
– Tax advisory services	53	
– Others	135	188
		568

K. Internal Controls

The Board has overall responsibility for the internal control system of the Company. The Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company. During the period under review, the Board has conducted a review of the effectiveness of the internal control system of the Company.

L. Communications with Shareholders

The Company recognises the importance in engaging in regular, effective and fair communication with its shareholders and is committed to conveying important and relevant information to the shareholders on a timely basis.

The Company strives to ensure that information is made publicly available in a prompt and timely disseminated manner. Disclosure of information is made through announcements to the Stock Exchange, the Company's annual, interim reports and quarterly reports, as well as the corporate website (http://www.ulcreativity.com).

M. Shareholders' Rights

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll were included in the circular to shareholders in relation to the holding of 2013 annual general meeting and explained during the proceedings of the meeting.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Board will attend the 2013 annual general meeting to answer questions at the meeting.

Separate resolutions were proposed at 2013 annual general meeting on each substantial issue, including the election of individual Director.

Report of the Directors

The directors of the Company ("Directors") present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The Group is principally engaged in money lending business, property investment, financial instruments, retail business and quoted shares investment in Hong Kong.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2013 are set out in the consolidated statement of comprehensive income on page 22 of the annual report.

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2013.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 3.

PROPERTY, PLANT AND EQUIPMENT

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

ISSUED CAPITAL AND SHARE OPTIONS

Details of the movements in issued capital and share options of the Company for the year ended 31 March 2013 are set out in notes 35 and 36, respectively to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 37 to the consolidated financial statements respectively.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2013, the five largest suppliers of the Group accounted for less than 2% of its operating costs for the period.

Sales to the Group's five largest customers accounted for less than 2% of the Group's turnover for the year ended 31 March 2013.

Save as disclosed above, if any, none of the Directors or any of their associates (as defined in the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules") or any shareholders of the Company (who, to the knowledge of the Directors, own more than 5% of the issued share capital of the Company) had any beneficial interest in any of the five largest suppliers or customers of the Group for year ended 31 March 2013.

DONATION

During the year, donation amounting HK$550,000 was made (2012: HK$141,000).

DIRECTORS

The Directors who held office during the year are:

Executive Directors

Mr. Shiu Yeuk Yuen
Mr. Leung Ge On, Andy

Independent Non-executive Directors

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Tsui Pui Hung, *LL. B. (Hons), LL.M., BSc (Hons)*
Mr. Kam Tik Lun, *CPA, ACCA, LL.M (ICFL), CIM*

DIRECTORS' SERVICE CONTRACTS

All of the Directors have entered into a service contract with the Company and the service contracts shall be renewed automatically after a year unless and until terminated by not less than three months' notice in writing served by either party to the other.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, senior management and five individuals with highest emoluments are set out in note 14 to the consolidated financial statements, respectively.

SHARE OPTION SCHEMES

On 24 September 2001, the shareholders of the Company approved a share option scheme ("the Old Scheme") under which its Board of Directors may, at its discretion, offer full-time or part time employees and Executive, Non-executive and Independent Non-executive Directors of the Company and/or any of its subsidiaries, options to subscribe for shares of the Company. The subscription price will be determined by the Company's Board of Directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options.

On 4 January 2011, the shareholders of the Company approved to terminate the Old Scheme and adopted a new share option scheme ("the New Scheme") under which its Board of Directors may, at its discretion, offer full-time or part-time employees and Executive, Non-executive and Independent Non-executive Directors of the Company and/or any of its subsidiaries, suppliers, customers, advisors or consultants options to subscribe for shares of the Company. The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme adopted by the Group shall not exceed 30 per cent of the share capital of the Company in issue from time to time. The subscription price will be determined by the Company's Board of Directors and shall not be less than the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options.

The New Scheme is valid for ten years from the date of adoption.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

Share options and respective exercise prices under the New Scheme are as follows for the reporting period presented:

Type of grantee	At 1 April 2012	Outstanding adjustment Granted	Bonus issue*	Expired/ cancelled/ lapsed	At 31 March 2013	Date of grant	Exercise period of the share options	Exercise price per share* HK$
Employees								
– In aggregate	1,335,714	–	2,671,428	–	4,007,142	23-Feb-11	23/2/2011 – 22/2/2014	0.1916
Eligible person								
– In aggregate	340,000	–	680,000	–	1,020,000	15-Feb-11	15/2/2011 – 14/2/2014	0.2116
	1,675,714	–	3,351,428	–	5,027,142			

* This reflects the adjusted exercise prices and number of share options which have been granted are outstanding after the completion of bonus issue on 18 March 2013 (the "adjustment I").

For the year ended 31 March 2013, no option was granted. 5,027,142 options were outstanding under the New Scheme.

There is no employee compensation expense which was included in the consolidated statement of comprehensive income for the year ended 31 March 2013 (2012: Nil). No liabilities were recognised due to share-based payment transactions.

The fair values of options granted were determined using the Black-Scholes valuation model.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Name	Personal Interests	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 31 March 2013
Mr. Shiu Yeuk Yuen (note 1)	155,924,000	351 (note 2)	2,542,815 (note 3)	158,467,166	7.55%
Mr. Leung Ge On, Andy (note 1)	1,260,000	–	–	1,260,000	0.06%

Notes:

1. Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy are the Executive Directors of the Company.

2. 351 shares are held by Ms. Hau Lai Mei, the spouse of Mr. Shiu Yeuk Yuen.

3. 2,542,815 shares are held by Heavenly Blaze Limited. Heavenly Blaze Limited is beneficially owned as to (i) 46% by Mr. Shiu Stephen Junior, son of Mr. Shiu Yeuk Yuen (being the executive Director); (ii) 34% by Mr. Shiu Yeuk Yuen and Ms. Siu York Chee (sister of Mr. Shiu Yeuk Yuen) together hold on behalf of Ms. Shiu Yo Yo and Ms. Shiu Sound Sound, daughters of Mr. Shiu Yeuk Yuen; (iii) 16% by Ms. Shiu Ting Yan, Denise, daughter of Mr. Shiu Yeuk Yuen; (iv) 1% by Mr. Cheng Jut Si; and (v) 3% by One Dollar Productions Limited which is beneficially owned as to 25% by Mr. Shiu Stephen Junior; and 75% by Ms. Hau Lai Mei.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as known to the Directors, as at 31 March 2013, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

RELATED PARTY TRANSACTIONS

Details of the related party transactions for the period are set out in note 39 to the consolidated financial statements.

Save as disclosed therein, there were no other transactions to be disclosed as related party transactions in accordance with the requirements of the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the period ended 31 March 2013.

As of the date of this report, the Board of Directors of the Company comprises Executive Directors who are Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy; and Independent Non-executive Directors who are Mr. Siu Yim Kwan, Sidney, Mr. Tsui Pui Hung and Mr. Kam Tik Lun.

CORPORATE GOVERNANCE

The Company has published its Corporate Governance Report, details of which are set out on pages 10 to 13 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company maintained the prescribed public float under the GEM Listing Rules.

EVENT AFTER THE REPORTING PERIOD

Details of the event after the reporting period are set out in the Management Discussion and Analysis on pages 6 to 8.

CONTINUING CONNECTED TRANSACTIONS

ON 9 October 2012, a Tenancy Agreement was jointly entered into between Wit Way, as landlord and Top Euro, an indirect wholly-owned subsidiary of Unlimited Creativity and Mark Glory, an indirect wholly-owned subsidiary of China 3D, both as tenants, in relation to the lease of the Premises. The term of the Tenancy Agreement is for three years commencing from 1 November 2012 to 31 October 2015, both days inclusive, with a monthly rental of HK$220,000 inclusive of management charges (equivalent to HK$2,640,000 per annum), but exclusive of government rates and all other outgoings. The rent, government rates and all outgoings of the Premises shall be paid by the Tenants in equal shares.

Unlimited Creativity is a substantial shareholder of China 3D and interested in approximately 16.01% of the issued share capital of China 3D up to 16 May 2013. Accordingly, Unlimited Creativity and China 3D are regarded as connected person of each other under the GEM Listing Rules. Therefore, the Tenancy Agreement (including the Contingent Rental Liability, being a provision of financial assistance) constitutes continuing connected transactions for each of Unlimited Creativity and China 3D under Rule 20.11(1) and 20.13(2) of the GEM Listing Rules.

The applicable percentage ratio (as defined in the GEM Listing Rules) on an annual basis for the Tenancy Agreement (including the Contingent Rental Liability, being a provision of financial assistance) for each of Unlimited Creativity and China 3D exceed 5% but are less than 25% and the annual caps under the Tenancy Agreement are less than HK$10,000,000. Accordingly, pursuant to Rule 20.34 of the GEM Listing Rules, the Tenancy Agreement (including the Contingent Rental Liability, being a provision of financial assistance) is subject to reporting and announcement requirements but exempted from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Auditor's letter on continuing connected transactions

Pursuant to Rule 20.38 of the GEM Listing Rules, the Board has engaged the auditor of the Company to report the disclosed continuing connected transactions of the Group for the Year ("Disclosed CCTs") in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's letter on continuing connected transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants and the auditor has reported to the Directors and concluded that the Disclosed CCTs:

(1) have received the approval of the Board of the Company;

(2) are entered into, in all material respects, in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Group;

(3) have been entered into, in all material respects, in accordance with the terms of the relevant agreements governing such transactions; and

(4) have not exceeded the maximum aggregate annual value for the Year disclosed in previous announcements made by the Company in respect of each of the Disclosed CCTs.

Confirmation of Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms, and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

There being no contracts of significance to which the Company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

AUDITOR

The consolidated financial statements for the year ended 31 March 2013 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditor of the Company for the subsequent year will be proposed at the forthcoming annual general meeting. The consolidated financial statements for the years ended 31 March 2012 and 2011 were audited by HLB Hodgson Impey Cheng. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganised as HLB Hodgson Impey Cheng Limited. Save for the above, there has been no other change in the auditor of the Company in any of the preceding three years.

On behalf of the Board
Unlimited Creativity Holdings Limited

Shiu Yeuk Yuen
Chairman

Hong Kong, 27 June 2013

國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

Independent Auditor's Report

TO THE SHAREHOLDERS OF
UNLIMITED CREATIVITY HOLDINGS LIMITED
(Continued into Bermuda with limited liability)

We have audited the consolidated financial statements of Unlimited Creativity Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 22 to 103, which comprise the consolidated and company statements of financial positions as at 31 March 2013, and 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 the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the 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 Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yu Chi Fat
Practising Certificate Number: P05467

Hong Kong, 27 June 2013

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
Continuing operations			
Revenue	4	**23,028**	19,029
Cost of sales		**(1,005)**	–
Gross profit		**22,023**	19,029
Investment and other income	5	**815**	634
Other gains and losses, net	7	**(51,196)**	(11,757)
Servicing, selling and distribution costs		**(2,459)**	(410)
Administrative expenses		**(23,524)**	(24,502)
Gains on disposal of property, plant and equipment		**7,000**	–
Net gains on disposals of subsidiaries	38	**–**	13
Cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sales financial assets		**46**	27
Operating loss		**(47,295)**	(16,966)
Finance costs	9	**(445)**	(344)
Share of losses of associates	18	**–**	(682)
Loss before income tax	8	**(47,740)**	(17,992)
Income tax expenses	10	**(308)**	(140)
Loss for the year from continuing operations		**(48,048)**	(18,132)
Discontinued operations	11		
Profit for the year from discontinued operations		**12,598**	8,978
Loss for the year		**(35,450)**	(9,154)
Other comprehensive (loss)/income:			
Change in fair value			
– available-for-sale financial assets		**(14,202)**	103
– land and buildings	15	**–**	7,212
Release of investment revaluation reserve upon disposal of available-for-sales financial assets		**(46)**	(27)
Other comprehensive (loss)/income for the year, net of tax		**(14,248)**	7,288
Total comprehensive loss for the year		**(49,698)**	(1,866)

Consolidated Statement of Comprehensive Income *(Continued)*

For the year ended 31 March 2013

	Notes	**2013** **HK$'000**	2012 *HK$'000* (Restated)
Loss attributable to:			
Owners of the Company		**(35,091)**	(8,998)
Non-controlling interests		**(359)**	(156)
		(35,450)	(9,154)
Total comprehensive loss attributable to:			
Owners of the Company		**(49,339)**	(1,710)
Non-controlling interests		**(359)**	(156)
		(49,698)	(1,866)
Loss per share	13		
From continuing and discontinued operations			
– Basic and diluted		**HK$(0.33)**	HK$(0.10)
From continuing operations			
– Basic and diluted		**HK$(0.45)**	HK$(0.20)

Consolidated Statement of Financial Position

At 31 March 2013

	Notes	**31 March 2013 HK$'000**	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	15	**2,949**	72,399	67,231
Investment properties	16	**22,100**	14,200	5,000
Interests in associates	18	**–**	–	10,282
Held-to-maturity investments	19	**–**	–	817
Available-for-sale financial assets	20	**24,006**	6,024	–
Prepayments, deposits and other receivables	22	**32**	213	2,841
Loans and advances	23	**38,648**	32,997	11,482
		87,735	125,833	97,653
Current assets				
Held-to-maturity investments	19	**–**	778	1,855
Available-for-sale financial assets	20	**–**	5,395	6,240
Trade receivables	21	**62**	1,046	787
Prepayments, deposits and other receivables	22	**8,883**	6,100	4,339
Loans and advances	23	**72,176**	64,265	25,424
Inventories	24	**263**	–	–
Financial assets at fair value through profit or loss	25	**5,604**	66,132	25,104
Amount due from a related company	26	**262**	611	1,606
Cash and bank balances	27	**54,980**	35,322	35,504
Tax recoverable		**85**	85	85
		142,315	179,734	100,944
Assets classified as held for sale	28	**4,100**	–	6,215
		146,415	179,734	107,159
LIABILITIES				
Current liabilities				
Accruals, receipts in advance and other payables	29	**2,574**	7,622	5,949
Amounts due to non-controlling interests	30	**150**	447	297
Borrowings	32	**6,395**	21,699	24,363
Obligations under finance leases	34	**195**	–	–
Provision for tax		**112**	2,024	2,054
		9,426	31,792	32,663
Net current assets		**136,989**	147,942	74,496
Total assets less current liabilities		**224,724**	273,775	172,149

Consolidated Statement of Financial Position *(Continued)*

At 31 March 2013

	Notes	31 March 2013 HK$'000	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
Non-current liabilities				
Deferred tax liabilities	33	**199**	385	245
Obligations under finance leases	34	**715**	–	–
		914	385	245
Net assets		**223,810**	273,390	171,904
EQUITY				
Equity attributable to owners of the Company				
Share capital	35	**20,975**	6,991	5,264
Reserves		**201,854**	265,095	165,426
		222,829	272,086	170,690
Non-controlling interests		**981**	1,304	1,214
Total equity		**223,810**	273,390	171,904

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 June 2013 and are signed on its behalf by:

Shiu Yeuk Yuen
Director

Leung Ge On Andy
Director

Statement of Financial Position

At 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
ASSETS			
Non-current assets			
Investments in subsidiaries	17	**1,097**	1,097
Available-for-sale financial assets	20	**4,199**	–
		5,296	1,097
Current assets			
Amounts due from subsidiaries	17	**218,191**	228,998
Amount due from a related company	26	**262**	611
Prepayments, deposits and other receivables	22	**210**	1,810
Financial assets at fair value through profit or loss	25	**5,214**	56,715
Cash and bank balances	27	**34,593**	437
		258,470	288,571
LIABILITIES			
Current liabilities			
Accruals, receipts in advance and other payables	29	**515**	311
Amounts due to subsidiaries	17	**41,345**	30,098
Amount due to a related company	31	**12**	12
Provision for tax		**57**	117
		41,929	30,538
Net current assets		**216,541**	258,033
Net assets		**221,837**	259,130
EQUITY			
Equity attributable to owners of the Company			
Share capital	35	**20,975**	6,991
Reserves	37	**200,862**	252,139
Total equity		**221,837**	259,130

The financial statements were approved and authorised for issue by the Board of Directors on 27 June 2013 and are signed on its behalf by:

Shiu Yeuk Yuen
Director

Leung Ge On Andy
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2013

	Equity attributable to owners of the parent											
	Share capital	Share premium*	Capital redemption reserve*	Accumulated losses*	Capital reserve*	Investment revaluation reserve*	Revaluation reserve*	Share option reserve*	Contributed surplus*	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2011 (as originally stated)	5,264	116,612	278	(169,534)	28,526	(224)	6,828	1,184	175,570	164,504	1,214	165,718
Effect of change in accounting policy	–	–	–	6,186	–	–	–	–	–	6,186	–	6,186
At 1 April 2011 (as restated)	5,264	116,612	278	(163,348)	28,526	(224)	6,828	1,184	175,570	170,690	1,214	171,904
Loss for the year (as restated)	–	–	–	(8,998)	–	–	–	–	–	(8,998)	(156)	(9,154)
Other comprehensive income												
Change in fair value												
– available-for-sale financial assets	–	–	–	–	–	103	–	–	–	103	–	103
– land and buildings (note 15)	–	–	–	–	–	–	7,212	–	–	7,212	–	7,212
Release of investment revaluation reserve upon disposal of available-for-sales financial assets	–	–	–	–	–	(27)	–	–	–	(27)	–	(27)
Total comprehensive loss	–	–	–	(8,998)	–	76	7,212	–	–	(1,710)	(156)	(1,866)
Transactions with owners												
Issue of shares upon placing	1,050	9,975	–	–	–	–	–	–	–	11,025	–	11,025
Transaction cost attributable to issue of shares upon placing	–	(279)	–	–	–	–	–	–	–	(279)	–	(279)
Issue of shares upon rights issue	6,356	88,989	–	–	–	–	–	–	–	95,345	–	95,345
Transaction cost attributable to issue shares upon rights issue	–	(3,345)	–	–	–	–	–	–	–	(3,345)	–	(3,345)
Issue of shares upon exercise of share options	42	1,016	–	–	–	–	–	(452)	–	606	–	606
Capital reduction	(5,721)	–	–	–	–	–	–	–	5,721	–	–	–
Acquisition of additional interests in subsidiaries (note 40)	–	–	–	–	(246)	–	–	–	–	(246)	246	–
Transactions with owners	1,727	96,356	–	–	(246)	–	–	(452)	5,721	103,106	246	103,352
At 31 March 2012 (as restated)	6,991	212,968	278	(172,346)	28,280	(148)	14,040	732	181,291	272,086	1,304	273,390
At 1 April 2012 (as originally stated)	6,991	212,968	278	(180,474)	28,280	(148)	14,040	732	181,291	263,958	1,304	265,262
Effect of change in accounting policy	–	–	–	8,128	–	–	–	–	–	8,128	–	8,128
At 1 April 2012 (as restated)	6,991	212,968	278	(172,346)	28,280	(148)	14,040	732	181,291	272,086	1,304	273,390
Loss for the year	–	–	–	(35,091)	–	–	–	–	–	(35,091)	(359)	(35,450)
Other comprehensive income												
Change in fair value												
– available-for-sae financial assets	–	–	–	–	–	(14,202)	–	–	–	(14,202)	–	(14,202)
Release of investment revaluation reserve upon disposal of available-for-sales financial assets	–	–	–	–	–	(46)	–	–	–	(46)	–	(46)
Release of revaluation reserve upon disposal of land and buildings	–	–	–	14,040	–	–	(14,040)	–	–	–	–	–
Total comprehensive loss	–	–	–	(21,051)	–	(14,248)	(14,040)	–	–	(49,339)	(359)	(49,698)
Transactions with owners												
Issue of shares upon bonus issue	13,984	(13,984)	–	–	–	–	–	–	–	–	–	–
Transaction cost attributable to issue of shares upon bonus issue	–	(184)	–	–	–	–	–	–	–	(184)	–	(184)
Disposal of a subsidiary (note 38)	–	–	–	–	–	–	–	–	–	–	(148)	(148)
Disposal of partial interests in a subsidiary (note 40)	–	–	–	–	461	–	–	–	–	461	(11)	450
Acquisition of additional interests in subsidiaries (note 40)	–	–	–	–	(195)	–	–	–	–	(195)	195	–
Transactions with owners	13,984	(14,168)	–	–	266	–	–	–	–	82	36	118
Balance at 31 March 2013	**20,975**	**198,800**	**278**	**(193,397)**	**28,546**	**(14,396)**	**–**	**732**	**181,291**	**222,829**	**981**	**223,810**

* These reserve accounts comprise the consolidated reserves of HK$201,854,000 (2012: HK$265,095,000 (Restated)) in the consolidated statement of financial position.

Consolidated Statement of Changes in Equity *(Continued)*

For the year ended 31 March 2013

Share premium

The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

Capital redemption reserve

Capital redemption reserve arose on the cancellation of repurchased shares and accordingly reduction of nominal value of share capital of the Company.

Capital reserve

Capital reserve represented (i) the difference between the nominal value of the shares of subsidiaries acquired and the nominal value of share issued by the Company as consideration thereof pursuant to the reorganisation and (ii) the difference between the consideration paid/received to obtain/release non-controlling interests in certain subsidiaries and their respective carrying amount on the date of acquisition or disposal.

Investment revaluation reserve

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale investments that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those investments have been disposed of or determined to be impaired.

Revaluation reserve

Revaluation reserve represents accumulated gains and losses arising on the revaluation of land and buildings that have been recognised in other comprehensive income.

Share option reserve

Share option reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each reporting period is determined by spreading the fair value of the options over the relevant vesting period (if any) and is recognised as staff costs and related expenses with a corresponding increase in the share-based payment reserve.

Contributed surplus

Contributed surplus represented the reduction of issued share capital by an amount of approximately HK$135,319,000, HK$8,181,000, HK$32,070,000 and HK$5,721,000 pursuant to a special resolution passed at the special general meeting of the Company on 2 April 2008, 14 January 2009, 8 September 2010 and 24 August 2011 respectively.

Consolidated Statement of Cash Flows

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Cash flows from operating activities			
Loss before income tax from continuing operations		**(47,740)**	(17,992)
Profit before income tax from discontinued operations		**3,126**	8,978
Adjustments for:			
– Cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sales financial assets		**(46)**	(27)
– Depreciation		**1,728**	2,991
– Dividend income from available-for-sale financial assets		**–**	(55)
– Dividend income from financial assets at fair value through profit or loss		**(63)**	(258)
– Fair value losses/(gains) on financial assets at fair value through profit or loss		**56,393**	(10,611)
– Fair value gains on investment properties		**(7,515)**	(973)
– Interest expenses		**445**	344
– Interest income from available-for-sale financial assets		**(590)**	(128)
– Interest income from held-to-maturity investments		**(20)**	(40)
– Interest income from banks		**(3)**	(127)
– Written off of property, plant and equipment		**3,666**	90
– Gains on disposal of property, plant and equipment		**(7,000)**	–
– Net gains on disposals of subsidiaries	38	**–**	(13)
– Written off of loans and advances		**1,375**	–
– Provision for impairment of amounts due from associates		**–**	9,600
– Provision for impairment of loans and advances		**791**	13,881
– Reversal of provision for impairment of loans and advances		**(1,767)**	–
– Reversal of provision for impairment of a loan to an associate		**(1,000)**	–
– Share of losses of associates		**–**	682
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		**1,780**	6,342
Increase in inventories		**(263)**	–
Increase in trade receivables		**(878)**	(259)
(Increase)/decrease in prepayments, deposits and other receivables		**(1,419)**	866
Dividend received from financial assets at fair value through profit or loss		**63**	258
Increase in loans and advances		**(13,961)**	(74,237)
Decrease in amount due from a related company		**349**	994
Increase in accruals, receipts in advance and other payables		**2,853**	1,686
Purchase of financial assets at fair value through profit or loss		**(61,537)**	(79,243)
Proceeds from disposal of financial asset at fair value through profit or loss		**45,630**	48,826
Cash used in operations		**(27,383)**	(94,767)
Interest received from banks		**3**	127
Refund of income tax		**–**	1
Income tax paid		**(554)**	(31)
Net cash used in operating activities		**(27,934)**	(94,670)

Consolidated Statement of Cash Flows *(Continued)*

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Cash flows from investing activities			
Dividend received from available-for-sale financial assets		**–**	55
Interest received from available-for-sale financial assets		**519**	128
Interest received from held-to-maturity investments		**20**	40
Net cash inflow of held-to-maturity financial assets		**760**	1,896
Repayment from an associate		**1,000**	–
Purchase of investment properties		**(4,485)**	(13,465)
Purchase of property, plant and equipment		**(1,973)**	(1,037)
Purchase of available-for-sale financial assets		**(13,770)**	(6,101)
Proceeds from disposal of available-for-sale financial assets		**7,114**	1,025
Proceeds from disposal of investment properties		**–**	5,238
Net cash outflow of disposal of subsidiaries		**(136)**	–
Proceeds from disposal of property, plant and equipment		**74,000**	6,215
Net cash generated from/(used in) investing activities		**63,049**	(6,006)
Cash flows from financing activities			
Interest paid		**(406)**	(344)
Proceeds from allotment of shares		**–**	11,025
Payment for transaction cost attributable to allotment of shares		**–**	(279)
Proceeds on disposal of partial interest in a subsidiary		**450**	–
Proceeds from exercise of share options		**–**	606
Proceeds from exercise of rights issue		**–**	95,345
Payment for transaction cost attributable to exercise of shares		**–**	(3,345)
Payment for transaction cost attributable to bonus issue		**(136)**	–
Advance from amounts due to non-controlling interests		**–**	150
Repayments of obligations under finance leases		**(61)**	–
Repayments of loans		**(18,304)**	(6,664)
Drawdown of loans		**3,000**	4,000
Net cash (used in)/generated from financing activities		**(15,457)**	100,494
Net increase/(decrease) in cash and cash equivalents		**19,658**	(182)
Cash and cash equivalents at the beginning of the year		**35,322**	35,504
Cash and cash equivalents at the end of the year	27	**54,980**	35,322
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**54,980**	35,322

Notes to the Consolidated Financial Statements

For the year ended 31 March 2013

1. GENERAL INFORMATION

Unlimited Creativity Holdings Limited (the "Company") was an exempted company continued into Bermuda with limited liability. The address of its registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The principal places of business of the Company and its subsidiaries (the "Group") are in Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Group is principally engaged in the money lending business, groceries store business, property investment, and financial instruments and quoted shares investment in Hong Kong.

Pursuant to a special resolution passed by the Company's shareholders on 8 November 2010, the name of the Company has been changed from "B.A.L. Holdings Limited" to "Unlimited Creativity Holdings Limited" and has registered "無限創意控股有限公司" as its secondary name.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 June 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures

(a) Application of new and revised HKFRSs

In the current year, the Group has applied, for the first time, the following amendments issued by the HKICPA, which are effective for the current accounting year of the Group. The amendments adopted by the Group in the consolidated financial statements are set out as below:

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

Other than the impact of amendments to HKAS 12 as further explained below, the adoption of the above revised HKFRSs has had no significant financial effect to the consolidated financial statements.

Amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets"

The Group has applied for the first time the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes unless the presumption is rebutted.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the Directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Directors of the Company have determined that the 'sale' presumption set out in the amendments to HKAS 12 is not rebutted.

Effects of the changes in the accounting policies on the consolidated statement of comprehensive income:

	Year ended 31 March 2012		
	As previously reported	**Effect on adoption of HKAS 12 amendments**	**As restated**
	HK$'000	***HK$'000***	***HK$'000***
Income tax expenses	(2,082)	1,942	(140)
Loss for the year	(11,096)	1,942	(9,154)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(a) Application of new and revised HKFRSs (Continued)

Effects of the changes in the accounting policies on the consolidated statement of comprehensive income: *(Continued)*

	Year ended 31 March 2012		
	As previously reported *HK$'000*	**Effect on adoption of HKAS 12 amendments** *HK$'000*	**As restated** *HK$'000*
Loss for the year attributable to:			
Owners of the Company	(10,940)	1,942	(8,998)
Non-controlling interests	(156)	–	(156)
	(11,096)	1,942	(9,154)
Loss per share			
Basic and diluted	HK$(0.02)	HK$–	HK$(0.02)

Effect of the changes in the accounting policies on the consolidated statement of financial position:

	At 31 March 2012		
	As previously reported *HK$'000*	**Effect on adoption of HKAS 12 amendments** *HK$'000*	**As restated** *HK$'000*
Deferred tax liabilities	8,513	(8,128)	385
Reserves	256,967	8,128	265,095

	At 1 April 2011		
	As previously reported *HK$'000*	**Effect on adoption of HKAS 12 amendments** *HK$'000*	**As restated** *HK$'000*
Deferred tax liabilities	6,431	(6,186)	245
Reserves	159,240	6,186	165,426

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

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

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009 – 2011 Cycle[2]
HKFRS 1 (Amendments)	Government Loans[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
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 13	Fair Value Measurement[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[3]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]
HK(IFRIC) – Int 21	Levies[3]

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 "Financial Instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 "Financial Instruments" (Continued)

Key requirements of HKFRS 9 are described below:

- 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 flow, 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 reporting 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, the Group 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to changes in the financials' 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 fair value through profit or loss was presented in profit or loss.

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

The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets. The Directors of the Company are still in the process of assessing the impact of the adoption of HKFRS 9.

New and revised standards on consolidation, joint arrangements, associates and disclosures

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

New and revised standards on consolidation, joint arrangement associates and disclosures (Continued)

Key requirements of these five standards are described below:

- HKFRS 10 replaces the parts of HKAS 27 “Consolidated and Separate Financial Statements” that deal with consolidated financial statements. HK(SIC) – Int 12 “Consolidation – Special Purpose Entities” will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

- HKFRS 11 replaces HKAS 31 “Interests in Joint Ventures”. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC) – Int 13 “Jointly Controlled Entities – Non-monetary Contributions by Venturers” will be withdrawn upon the effective date of HKFRS 11. 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.

- 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.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided all of these standards are applied at the same time.

The Directors of the Company anticipate that the application of these five standards may have a 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 (e.g. the Group’s investment in associates may become the Group’s subsidiaries based on the new definition of control and the related guidance in HKFRS 10). 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.

The Directors of the Company are currently assessing the impact of these new HKFRSs but it is expected that the overall impact of HKFRS 10 on the consolidated financial statements is immaterial.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 13 "Fair Value Measurement"

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

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

The Directors of the Company anticipate that the application of HKFRS 13 may affect certain amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

HKAS 1 (Amendments) "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. 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 items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (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 do not change the option to present items of other comprehensive income either before tax or net of tax.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRS 7 and HKAS 32 "Offsetting Financial Assets and Financial Liabilities"

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The Directors of the Company anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

HKAS 19 (as revised in 2011) Employee Benefits

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 fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. 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. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 April 2013 for the Group and require retrospective application. The Directors of the Company anticipate that the application of the amendments to HKAS 19 may have an impact on the amounts reported in respect of the Groups' defined benefit plans. The Directors of the Company are currently assessing the financial impact on the implication of the amendments to HKAS 19.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009 – 2011 Cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include:

- amendments to HKAS 16 Property, Plant and Equipment; and
- amendments to HKAS 32 Financial Instruments: Presentation.

Amendments to HKAS 16

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The Directors of the Company do not anticipate that the amendments to HKAS 16 will have a significant effect on the Group's consolidated financial statements.

Amendments to HKAS 32

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. The Directors of the Company anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statements as the Group has already adopted this treatment.

HK (IFRIC) – Int 20 Stripping Costs in the Production Phase of a Surface Mine

Mine applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs). Under the Interpretation, the costs from this waste removal activity (stripping) which provide improved access to ore is recognised as a non-current asset (stripping activity asset) when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with HKAS 2 Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

HK (IFRIC) – Int 20 is effective for annual periods beginning on or after 1 January 2013. Specific transitional provisions are provided to entities that apply HK (IFRIC) – Int 20 for the first time. However, HK (IFRIC) – Int 20 must be applied to production stripping costs incurred on or after the beginning of the earliest period presented. The Directors of the Company anticipate that HK (IFRIC) – Int 20 will have no effect to the Group's financial statements as the Group does not engage in such activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed 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. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

2.2.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interest in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.2.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation *(Continued)*

2.2.2 Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

2.2.3 Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associates. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation *(Continued)*

2.2.3 Investment in associates (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.3 Foreign currencies

2.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the Company's functional and the Group's presentation currency.

2.3.2 Transactions and balances

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Foreign currencies *(Continued)*

2.3.2 Transactions and balances (Continued)

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; 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.

2.3.3 Group companies

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into presentation currency of the Group (i.e. HK$) 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 transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over a subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Property, plant and equipment

Properties, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using straight-line method, at the following rates per annum:

– Land	Over period of the lease
– Buildings	50 years
– Leasehold improvements	20% or over the lease terms, if shorter
– Equipment	20% to 30%
– Furniture and fixtures	20%
– Motor vehicles	20%
– Equipment under finance leases	20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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 disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.5 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.6 Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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). 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate 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.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted-average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.8 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.

2.8.1 Financial assets

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

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial instruments *(Continued)*

2.8.1 Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss 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 fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Any dividend or interest earned on the financial asset is included in the "Investment and other income" line item.

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.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial instruments *(Continued)*

2.8.1 Financial assets (Continued)

Available-for-sale financial assets (Continued)

Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on finance assets below).

Dividends on available-for-sale equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale 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 each reporting period (see the accounting policy in respect of impairment loss on finance 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 loans and advances, trade receivables, deposits and other receivables, amount due from a related company and cash and bank balances) 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 where the recognition of interest would be immaterial.

2.8.2 Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, 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 available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of active market for that financial asset because of financial difficulties; or

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial instruments *(Continued)*

2.8.2 Impairment of financial assets (Continued)

For all other financial assets, objective evidence of impairment could include: *(Continued)*

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio;

  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

For certain categories of financial assets, such as trade 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 the 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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale 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 impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale 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 investment revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed in 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial instruments *(Continued)*

2.8.3 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.

Other financial liabilities

Other financial liabilities (including accruals and other payables, amounts due to non-controlling interests and borrowings) 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 fair value through profit or loss.

2.8.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial instruments *(Continued)*

2.8.5 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 financial 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 or payable is recognised in profit or loss.

2.9 Non-current assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell except for investment properties which are measured at fair value under HKAS 40 "Investment Property".

2.10 Borrowings

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Taxation

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

2.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of comprehensive income 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.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 differences 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 realised, based on tax rates (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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Taxation *(Continued)*

2.11.3 Current and deferred tax for the year

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.

2.12 Retirement benefit costs and short term employee benefit

2.12.1 Retirement benefits costs

Retirement benefits to employees are provided through a defined contribution plan.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiary which operates in the Macau are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have render service entitling them to the contributions.

2.12.2 Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.13 Share-based employee compensation

All share-based payment arrangements granted after 7 November 2002 and had not vested on 1 November 2005 are recognised in the consolidated financial statements. The Group operates equity-settled share-based compensation plans for remuneration of its employees.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Share-based employee compensation *(Continued)*

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

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

2.14 Provisions

Provisions are recognised when the Group has a present obligation 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.

2.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

(a) Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods;

(b) Provision of beauty and clinical services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided;

(c) Revenue arising from the sales of properties held for resale is recognised upon signing of the sale and purchase agreement or the issue of an occupation permit by the relevant government authorities, whichever is the later. Deposits received on properties sold prior to the date of revenue recognition are included in the statement of financial position under deposits received;

(d) Revenue arising from money lending is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;

(e) Rental income is recognised on a straight-line basis over the term of the lease;

(f) Management/franchisee fee income is recognised when services are rendered;

(g) Interest income is recognised on a time-proportion basis using the effective interest method; and

(h) Dividend is recognised when the right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 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.

2.16.1 The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.16.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating leases payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

2.17 Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the shareholders of the Company.

2.18 Related parties

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

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

(2) has significant influence over the Group; or

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Related parties *(Continued)*

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

(1) the entity and the Group are members of the same group (which means that each parent, subsidiary and follow subsidiary is related to the others); or

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

(3) both entities are joint ventures of the same third party; or

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

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

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

(7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.1 Critical accounting estimates and assumptions

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.

(a) Income tax expense

The Group is subject to income taxes in certain jurisdictions other than Hong Kong. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

3.1 Critical accounting estimates and assumptions *(Continued)*

(b) *Estimated fair value of investment properties and land and buildings*

The investment properties and land and buildings of the Group were stated at fair value. The fair value of the investment properties are determined by RHL Appraisal Limited ("RHL"), an independent qualified professional valuer. The valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing at the end of the reporting period and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(c) *Deferred tax assets*

Deferred tax assets are recognised for all temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available in the future against which the temporary differences, the carry forward of unused tax credits and unused tax losses could be utilised. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted at the end of the reporting period and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Where the actual or expected tax positions in future are different from the original estimate, such difference will impact the recognition of deferred tax assets and income tax expense in the period in which such estimate has been changed.

(d) *Useful lives of property, plant and equipment*

The Group has significant property, plant and equipment. The Group is required to estimate the useful lives of property, plant and equipment in order to ascertain the amount of depreciation charges for each reporting period.

The useful lives are estimated at the time of purchase of these assets after considering future technology changes, business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

3.2 Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimates, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) *Impairment of other non-financial assets*

The Group assesses at each reporting period whether there is any indication that other non-financial assets with finite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets. In assessing whether there is any indication that other non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions, economic environment and customers' tastes. These assessments are subjective and require management's judgements and estimations.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

3.2 Critical judgements in applying the entity's accounting policies *(Continued)*

(b) Impairment loss in respect of receivables

The policy for impairment loss in respect of receivables of the Group is based on the evaluation of collectability and ageing analysis of the receivables 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/debtor. If the financial conditions of the customers/debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

4. REVENUE

Revenue, which is also the Group's turnover, comprised of (i) rental income based on the terms of the lease of investment properties, (ii) interest income from rendering money lending services and (iii) invoiced sales value of grocery products to customers.

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Revenue		
Rental income from investment properties	**549**	488
Money lending services	**21,153**	18,541
Sales of grocery products	**1,326**	–
	23,028	19,029

5. INVESTMENT AND OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Dividend income from available-for-sale financial assets	**–**	55
Dividend income from financial assets at fair value through profit or loss	**63**	258
Interest income from available-for-sale financial assets	**590**	128
Interest income from held-to-maturity investments	**20**	40
Interest income from banks	**3**	127
Rental income from sublet of office premises	**6**	–
Others	**133**	26
	815	634

6. SEGMENT INFORMATION

The chief operating decision makers have been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

Management assesses the performance based on the nature of the Group's businesses which are principally located in Hong Kong and Macau, and comprises (i) money lending; (ii) property investment; (iii) securities investment; and (iv) retail business.

During the year, the Group discontinued reportable and operating segments regarding the provision of clinical services and provision of beauty services and sale of beauty products. Detail of the discontinued operations were set out in note 11.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2013

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Retail business *HK$'000*	Total *HK$'000*
Segment revenue					
Revenue from external customers	**21,153**	**549**	**–**	**1,326**	**23,028**
Investment and other income	**133**	**1**	**673**	**–**	**807**
Other gains and losses, net	**(399)**	**7,273**	**(56,396)**	**–**	**(49,522)**
	20,887	**7,823**	**(55,723)**	**1,326**	**(25,687)**
Segment results	**11,577**	**3,735**	**(55,993)**	**(536)**	**(41,217)**
Unallocated income					**8**
Unallocated expenses					**(13,132)**
Gains on disposal of property, plant and equipment	**–**	**7,000**	**–**	**–**	**7,000**
Cumulative gains reclassified from equity to profit or loss upon disposal of available–for-sale financial assets	**–**	**–**	**46**	**–**	**46**
Operating loss					**(47,295)**
Finance costs	**(118)**	**(280)**	**(47)**	**–**	**(445)**
Loss before income tax					**(47,740)**
Income tax expenses					**(308)**
Loss for the year from continuing operations					**(48,048)**

6. SEGMENT INFORMATION *(Continued)*

Consolidated Statement of Financial Position

As at 31 March 2013

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Retail business *HK$'000*	Total *HK$'000*
Segment assets	124,246	24,735	30,625	946	180,552
Unallocated assets					49,498
Assets classified as held for sale					4,100
Total assets					234,150
Segment liabilities	3,402	3,993	40	132	7,567
Unallocated liabilities					2,773
Total liabilities					10,340
Other segment information					
Capital expenditure	–	1,501	–	28	1,529
Unallocated portion					1,415
Total capital expenditure					2,944
Interest income	–	1	611	–	612
Unallocated portion					1
Total interest income					613
Depreciation and amortisation	14	74	–	5	93
Unallocated portion					1,004
Total depreciation and amortisation					1,097
Other non-cash expenses other than depreciation and amortisation:					
– Provision for impairment of loans and advances	791	–	–	–	791
– Written off of property, plant and equipment	–	242	–	–	242
– unallocated expenses					2,668
– Written off of loans and advances	1,375	–	–	–	1,375
Total other non-cash expenses other than depreciation and amortisation					5,076

6. SEGMENT INFORMATION *(Continued)*

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2012 (Restated)

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Total *HK$'000*
Segment revenue				
Revenue from external customers	18,541	488	–	19,029
Investment and other income	7	6	484	497
Other gains and losses, net	(13,881)	973	10,547	(2,361)
	4,667	1,467	11,031	17,165
Segment results	(1,953)	2,232	7,856	8,135
Unallocated income				137
Unallocated expenses				(25,278)
Net gains on disposal of a subsidiary				13
Cumulative gains reclassified from equity to profit or loss upon disposal of available–for-sale financial assets	–	–	27	27
Operating loss				(16,966)
Finance costs	–	(330)	(14)	(344)
Share of losses of associates				(682)
Loss before income tax				(17,992)
Income tax expenses				(140)
Loss for the year from continuing operations				(18,132)

6. SEGMENT INFORMATION *(Continued)*

Consolidated Statement of Financial Position

As at 31 March 2012 (Restated)

	Money lending *HK$'000*	Property investment *HK$'000*	Securities investment *HK$'000*	Total *HK$'000*
Segment assets	107,117	82,374	99,008	288,499
Unallocated assets				8,082
Total assets				296,581
Segment liabilities	617	21,822	200	22,639
Unallocated liabilities				4,196
Total liabilities				26,835
Other segment information				
Capital expenditure	70	328	–	398
Unallocated portion				522
Total capital expenditure				920
Interest income	–	–	168	168
Unallocated portion				127
Total interest income				295
Depreciation and amortisation	11	249	–	260
Unallocated portion				1,208
Total depreciation and amortisation				1,468
Other non-cash expenses other than depreciation and amortisation:				
– Written off of property, plant and equipment	–	–	–	–
– unallocated expenses				26
– Provision for impairment of loans and advances	13,881	–	–	13,881
– Provision for impairment of amounts due from associates	–	–	–	–
– unallocated expenses				9,600
Total other non-cash expenses other than depreciation and amortisation				23,507

6. SEGMENT INFORMATION *(Continued)*

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31 March 2013 (2012: nil).

Segment results represents the loss generated by each segment without allocation of central administration costs, share-based payments, share of losses of associates, cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sale financial assets, finance costs, gains on disposal of property, plant and equipment and income tax expenses. This is the measure reported to the Executive Directors for the purposes of resources allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets other than unallocated corporate assets and asset held for sale are allocated to reportable segments; and

- All liabilities other than unallocated corporate liabilities, provision for tax and deferred tax liabilities are allocated to reportable segments.

Information about major customers

No single customers contributed 10% or more to the Group's revenue for both years ended 31 March 2013 and 2012.

Geographical information

The Group's operations are located in one main geographical area. The following table provides an analysis of the Group's revenue by geographical market based on the geographical location of customers, irrespective of the origin of the goods and services.

Revenue from external customers by geographical market:

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Hong Kong	**23,028**	19,029

	2013		2012	
	Segment assets	**Capital expenditures**	Segment assets	Capital expenditures
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Continuing operations				
Hong Kong	**234,150**	**2,944**	296,581	920

7. OTHER GAINS AND LOSSES, NET

	2013 HK$'000	2012 HK$'000
Net exchange (losses)/gains	**(9)**	164
Written off of property, plant and equipment	**(2,910)**	(24)
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(56,393)**	10,611
Fair value gains on investment properties (note 16)	**7,515**	973
Written off of loans and advances	**(1,375)**	–
Provision for impairment of loans and advances (note 23)	**(791)**	(13,881)
Provision for impairment of a loan to an associate (note 18)	**–**	(9,600)
Reversal of provision for impairment of loans and advances (note 23)	**1,767**	–
Reversal of provision for impairment of a loan to an associate (note 18)	**1,000**	–
	(51,196)	(11,757)

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	2013 HK$'000	2012 HK$'000
Continuing operations		
Auditor's remuneration	**380**	305
Cost of inventories recognised as expenses	**1,005**	–
Depreciation	**1,097**	1,468
Net gains on disposals of subsidiaries	**–**	(13)
Minimum lease payments under operating leases in respect of land and buildings	**1,437**	784
Rental income net of outgoings in respect of investment properties	**(449)**	(364)
Employee benefit expenses (including directors' remuneration) (note 14)		
Basic salaries and allowances	**11,597**	12,113
Retirement benefit scheme contributions	**314**	233
Total employee benefit expenses	**11,911**	12,346

9. FINANCE COSTS

	2013 HK$'000	2012 HK$'000
Continuing operations		
Interest expense on:		
– bank borrowings not wholly repayable within five years	**280**	330
– other loans wholly repayable within five years	**118**	2
– bank overdrafts	**38**	12
– finance leases	**9**	–
	445	344

10. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made for the companies in the Group as they either have no assessable profits or have available tax losses brought forward from prior years to offset against current period's estimated assessable profits. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Current tax:		
Hong Kong		
– Charge for the year	**–**	–
– Under provision in prior years	**494**	–
	494	–
Deferred tax: (note 33)		
– (Credit)/charge for the year	**(186)**	140
	(186)	140
Income tax expenses	**308**	140

Included in other comprehensive income, no income tax expense was relating to each component of other comprehensive income for the years ended 31 March 2013 and 2012.

The tax charge for the years can be reconciled to the loss before income tax per the consolidated statement of comprehensive income as follows:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Loss before income tax	**(47,740)**	(17,992)
Tax on loss before income tax, calculated at the rates applicable to loss in the tax jurisdiction concerned	**(7,877)**	(2,969)
Tax effect of non-taxable revenue	**(3,477)**	(460)
Tax effect of non-deductible expenses	**2,973**	4,670
Tax effect of unused tax loss not recognised	**8,403**	644
Utilisation of tax losses previously not recognised	**(147)**	(1,880)
Tax effect of temporary difference previously not recognised	**125**	(117)
Tax effect of unrecognised deferred tax items	**(186)**	140
Tax effect of share of losses of associates	**–**	112
Underprovision in prior years	**494**	–
Income tax expenses	**308**	140

11. DISCONTINUED OPERATIONS

During the year ended 31 March 2013, the Group disposed of its entire interest in (i) Be A Lady (Macau) Limited and Be A Lady (Site 1) Medical Limited (collectively referred to as the "Be A Lady Group") and (ii) The Specialists Limited ("The Specialists"). Following the disposal of the Be A Lady Group and The Specialists, the Group ceased its business in clinical services and provision of beauty services and sale of beauty products and accordingly they were presented as discontinued operations. The consolidated statements of comprehensive income and the consolidated statements of cash flow of the discontinued operations were set out below and details of disposal of the above subsidiaries were set out in note 38 respectively.

	2013	2012
	HK$'000	*HK$'000*
Revenue	**18,637**	34,273
Cost of sales	**(7,876)**	(9,621)
Gross profit	**10,761**	24,652
Investment and other income	**1,847**	18
Other gains and losses, net	**(802)**	(305)
Servicing, selling and distribution costs	**(6,820)**	(10,609)
Administrative expenses	**(1,860)**	(4,778)
Profit before income tax	**3,126**	8,978
Income tax expenses	**–**	–
	3,126	8,978
Gain on disposal of operations (note 38)	**9,472**	–
Profit for the year from discontinued operations	**12,598**	8,978
Profit for the year from discontinued operations attributable to:		
Owners of the Company	**12,671**	9,075
Non-controlling interests	**(73)**	(97)
	12,598	8,978

11. DISCONTINUED OPERATIONS *(Continued)*

Loss before income tax from discontinued operations is arrived at after charging/(crediting):

	2013	2012
	HK$'000	*HK$'000*
Auditor's remuneration	**–**	84
Depreciation	**631**	1,523
Net exchange losses	**45**	240
Written off of property, plant and equipment	**756**	66
Management fee (income)/expense	**(1,847)**	1,481
Minimum lease payments under operating leases in respect of land and buildings	**4,393**	5,306
Employee benefit expenses (including directors' remuneration) (note 14)		
Basic salaries and allowances	**1,433**	3,518
Retirement benefit scheme contributions	**37**	61
Total employee benefit expenses	**1,470**	3,579

The consolidated cash flows from discontinued operations are set out as below:

	2013	2012
	HK$'000	*HK$'000*
Net cash (used in)/generated from operating activities	**(102)**	130
Net cash used in investing activities	**(136)**	(117)
Net cash (outflow)/inflow	**(238)**	13

12. (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$32,529,000 (2012: profit of HK$3,914,000).

13. LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Loss for the year attributable to owners of the Company	**(35,091)**	(8,998)

	2013	2012
	'000	*'000*
		(Restated)
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**104,880**	91,822

The weighted average number of shares for the purposes of calculating basis and diluted loss per share for both years has been adjusted to reflect the bonus issue occurred during the year and share consolidation occurred subsequent to the end of the reporting period. Details of the bonus issue and share consolidation are set out in notes 35 and 46 to the consolidated financial statements respectively.

Diluted loss per share for the years ended 31 March 2013 and 2012 were the same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the exercise of the Company's outstanding share options were anti-dilutive.

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Loss for the year from continuing operations	**(47,762)**	(18,073)

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

From discontinued operations

Basic and diluted earnings per share for discontinued operations is HK$0.12 per share (2012: HK$0.10 per share (Restated)), based on the profit for the year from discontinued operations attributable to owners of the Company of approximately HK$12,671,000 (2012: HK$9,075,000) and the denominators as detailed above for both basic and diluted earnings per share.

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

Directors' emoluments

The remuneration of each director for the year ended 31 March 2013 is set out below:

		For the year ended 31 March 2013			
	Notes	**Fees** *HK$'000*	**Salaries, allowances, and benefits in kind** *HK$'000*	**Retirement benefit scheme contributions** *HK$'000*	**Total** *HK$'000*
Executive Directors					
– Mr. Shiu Yeuk Yuen, the Chief Executive		**–**	**622**	**15**	**637**
– Mr. Leung Ge On, Andy		**–**	**505**	**15**	**520**
		–	**1,127**	**30**	**1,157**
Independent non-executive directors					
– Mr. Siu Yim Kwan, Sidney		**100**	**–**	**–**	**100**
– Mr. Tsui Pui Hung		**100**	**–**	**–**	**100**
– Mr. Kam Tik Lun	(ii)	**100**	**–**	**–**	**100**
		300	**–**	**–**	**300**
		300	**1,127**	**30**	**1,457**

The remuneration of each director for the year ended 31 March 2012 is set out below:

		For the year ended 31 March 2012			
	Notes	Fees *HK$'000*	Salaries, allowances, and benefits in kind *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Total *HK$'000*
Executive Directors					
– Mr. Shiu Yeuk Yuen, the Chief Executive		–	624	12	636
– Mr. Leung Ge On, Andy		–	500	12	512
		–	1,124	24	1,148
Independent non-executive directors					
– Mr. Hung Yau Keung, Anckes	(i)	69	–	–	69
– Mr. Siu Yim Kwan, Sidney		100	–	–	100
– Mr. Tsui Pui Hung		100	–	–	100
– Mr. Kam Tik Lun	(ii)	6	–	–	6
		275	–	–	275
		275	1,124	24	1,423

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

Directors' emoluments *(Continued)*

Notes:

(i) Deceased on 12 December 2011.
(ii) Appointed on 9 March 2012.

Except as disclosed above, there was no remuneration paid to other Directors of the Company for the years ended 31 March 2013 and 2012.

During the year, no emolument was paid by the Group to its Directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2012: nil).

None of the Directors of the Company has waived any emoluments during the year (2012: none).

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one Director of the Company (2012: one) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2012: four) individuals in which three of them were senior management during the year are as follows:

	2013	2012
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**5,777**	8,103
Retirement benefit scheme contributions	**40**	30
	5,817	8,133

The emoluments of the highest paid four individuals (2012: four) for the year fell within the following bands:

	Number of individuals	
	2013	2012
Emoluments bands		
Nil – HK$1,000,000	**2**	1
HK$1,000,001 – HK$1,500,000	**1**	2
HK$1,500,001 – HK$3,000,000	**–**	–
HK$3,000,001 – HK$4,500,000	**1**	–
HK$4,500,001 – HK$6,000,000	**–**	1
HK$6,000,001 – HK$7,500,000	**–**	–
	4	4

15. PROPERTY, PLANT AND EQUIPMENT – GROUP

	Land and buildings	Leasehold improvements	Equipment	Furniture and fixtures	Motor vehicles	Equipment under finance lease	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost/valuation							
At 1 April 2011	60,088	9,786	12,929	585	1,177	–	84,565
Additions	–	606	386	45	–	–	1,037
Disposals/written off	–	(1,587)	(2,276)	(434)	–	–	(4,297)
Change in fair value	7,212	–	–	–	–	–	7,212
At 31 March 2012 and 1 April 2012	67,300	8,805	11,039	196	1,177	–	88,517
Additions	–	1,501	40	432	–	971	2,944
Disposals/written off	(67,300)	(8,805)	(11,001)	(164)	(178)	–	(87,448)
At 31 March 2013	**–**	**1,501**	**78**	**464**	**999**	**971**	**4,013**
Accumulated depreciation and impairment							
At 1 April 2011	88	7,165	8,862	426	793	–	17,334
Reversal upon disposal/written off	–	(1,587)	(2,257)	(363)	–	–	(4,207)
Depreciation	212	826	1,706	79	168	–	2,991
At 31 March 2012 and 1 April 2012	300	6,404	8,311	142	961	–	16,118
Reversal upon disposal/written off	(300)	(6,866)	(9,292)	(146)	(178)	–	(16,782)
Depreciation	–	487	1,001	37	106	97	1,728
At 31 March 2013	**–**	**25**	**20**	**33**	**889**	**97**	**1,064**
Carrying amounts							
Representing:							
At cost	–	1,476	58	431	110	874	2,949
At valuation	–	–	–	–	–	–	–
At 31 March 2013	**–**	**1,476**	**58**	**431**	**110**	**874**	**2,949**
Representing:							
At cost	–	2,401	2,728	54	216	–	5,399
At valuation	67,000	–	–	–	–	–	67,000
At 31 March 2012	67,000	2,401	2,728	54	216	–	72,399

15. PROPERTY, PLANT AND EQUIPMENT – GROUP *(Continued)*

Notes:

(i) On 25 May 2012, Top Euro Limited entered into a provisional sale and purchase agreement with an independent third party in relation to the disposal of a property at a consideration of HK$74,000,000. The disposal of the property was completed on 31 January 2013.

(ii) At 31 March 2012, the Group has pledged its land and buildings at valuation of approximately HK$67,000,000 to bank to secure the Group's bank borrowings. Following the Group disposed its land and buildings in the year, the Group's relating bank borrowings were also released accordingly (note 32).

(iii) The fair value of the Group's land and buildings at 31 March 2012 has been arrived at on the basis of valuation carried out on that date by RHL, an independent qualified professional valuer not connected with the Group. RHL is members of The Hong Kong Institute of Surveyors ("HKIS"), and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conform to The HKIS Valuation Standards on Properties (1st Edition 2005), was arrived by reference to market evidence of recent transaction prices for similar properties.

(iv) If the land and buildings had not been revalued, they would have been included in these consolidated financial statements at cost less accumulated depreciation at HK$nil (2012: HK$52,960,000).

(v) The land is located in Hong Kong and held under long-term lease.

16. INVESTMENT PROPERTIES – GROUP

	2013	2012
	HK$'000	*HK$'000*
At fair value		
Balance at the beginning of the year	**14,200**	5,000
Additions	**4,485**	13,465
Disposals	**–**	(5,238)
Transfer to assets classified as held for sale (note 28)	**(4,100)**	–
Net increase in fair value recognised in profit or loss (note 7)	**7,515**	973
Balance at the end of the year	**22,100**	14,200

All of the Group's property interests held under operating lease to earn rental or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

The carrying amounts of investment properties shown above comprise:

	2013	2012
	HK$'000	*HK$'000*
In Hong Kong		
Long-term lease	**16,500**	11,700
Medium-term lease	**5,600**	2,500
	22,100	14,200

The fair value of the Group's investment properties at 31 March 2013 have been arrived at on the basis of valuations carried out on that date by RHL, an independent qualified professional valuer not connected with the Group. RHL is members of HKIS, and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations, which conform to The HKIS Valuation Standards on Properties (2nd Edition 2012), were arrived by reference to market evidence of transaction prices for similar properties for similar properties at similar locations and the current rents passing and the reversionary income potential of tenancies.

16. INVESTMENT PROPERTIES – GROUP *(Continued)*

The fair value of the Group's investment properties at 31 March 2012 had been arrived at on the basis of valuations carried out on that date by RHL. The valuations, which conform to HKIS Valuation Standards on properties (1st Edition 2005), were arrived by reference to market evidence of recent transaction prices for similar properties.

The investment properties held by the Group are leased to third parties under operating leases. Summary of details are included in note 41 to the consolidated financial statements.

At 31 March 2013, the Group has pledged its investment properties with carrying value of approximately HK$16,500,000 (2012: HK$11,700,000) to banks to secure the Group's bank borrowings (note 32).

17. INVESTMENTS IN SUBSIDIARIES – COMPANY

	2013	2012
	HK$'000	*HK$'000*
Investment at cost		
– Unlisted shares	**1,097**	1,097

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

Particulars of the principal subsidiaries at 31 March 2013 and 2012 are as follows:

Name of subsidiaries	Place/country of incorporation and kind of legal entity	Particulars of issued/registered capital	Percentage of issued/ registered capital held by the Company				Principal activities and place of operations
			Directly		Indirectly		
			2013	2012	2013	2012	
Rainbow Cosmetic (BVI) Limited	British Virgin Island, limited liability company	50,000 ordinary shares of USD1 each	100%	100%	–	–	Investment holding, Hong Kong
Be A Lady (Macau) Limited#	Macau, limited liability company	60,000 ordinary shares of MOP1 each	–	–	–	100%	Provision of beauty services and sale of beauty products, Macau
Be A Lady (Site 1) Medical Limited#	Macau, limited liability company	30,000 ordinary shares of MOP1 each	–	–	–	90%	Provision of clinical services, Macau
Be Cool Ltd	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Securities investment, Hong Kong
Bright Zone Corporation Limited	Hong Kong, limited liability company	90 ordinary shares of HK$1 each	–	–	66.67%	100%	Sales of grocery products, Hong Kong
Perfect Top Corporation Limited	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Property investment, Hong Kong
Nutriplus (Asia) Limited	Hong Kong, limited liability company	10,000 shares of HK$1 each	–	–	100%	100%	Provision for management services to the Group, Hong Kong

17. INVESTMENTS IN SUBSIDIARIES – COMPANY *(Continued)*

Particulars of the principal subsidiaries at 31 March 2013 and 2012 are as follows: *(continued)*

Name of subsidiaries	Place/country of incorporation and kind of legal entity	Particulars of issued/registered capital	Percentage of issued/ registered capital held by the Company				Principal activities and place of operations
			Directly		Indirectly		
			2013	2012	2013	2012	
Thailand (HK) Plastic Surgery Service Ltd	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Property investment, Hong Kong
The Specialists Limited*	Hong Kong, limited liability company	1,000 ordinary shares of HK$1 each	–	–	–	100%	Provision of clinical services, Hong Kong
Top Empire Limited	Hong Kong, limited liability company	1,000 ordinary shares of HK$1 each	–	–	100%	100%	Investment holding, Hong Kong
Top Euro Limited	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Property investment, Hong Kong
Top Legend Investment Limited	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Securities investment, Hong Kong
Yvonne Credit Service Co. Limited	Hong Kong, limited liability company	10,000 ordinary shares of HK$1 each	–	–	100%	100%	Provision of money lending business, Hong Kong

Disposed by the Group as set out on the Company's announcement dated 26 March 2013
* Disposed by the Group as set out on the Company's announcement dated 28 March 2013

The above table lists the subsidiaries of the Group which, in the opinion of the Directors of the Company, principally affected the results for the period 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 of the Company, result in particulars of excessive length.

No debt securities have been issued by any of the subsidiaries during the reporting period.

18. INTERESTS IN ASSOCIATES – GROUP

	2013	2012
	HK$'000	*HK$'000*
Cost of investment in associates		
– Unlisted	**–**	682
Share of post-acquisition profits and other comprehensive income, net of dividend received	**–**	(682)
	–	–
Loans to associates	**–**	–
	–	–

The amounts due from/(to) associate are unsecured, interest fee and recoverable/repayable on demand.

Particulars of the associate at 31 March 2013 and 2012 are as follows:

Name of associates	Particulars of issued and fully paid capital	Country of incorporation	Proportion of voting power held Directly	Proportion of voting power held Indirectly	Principal activities
One Dollar Movies Productions Limited	10 ordinary shares of HK$1 each	Hong Kong	40%	–	Movies production
One Dollar Distribution Limited	10,000 ordinary shares of HK$1 each	Hong Kong	40%	–	Movies distribution
Perfect Talent Limited	1 ordinary share of HK$1 each	Hong Kong	–	40%	Movies production

The movement in loans to associates during the year is as follows:

	2013	2012
	HK$'000	*HK$'000*
Loans to associates:		
Balance at the beginning of the year	**13,600**	13,600
Repayment of a loan	**(1,000)**	–
Balance at the end of the year	**12,600**	13,600

The movement in the provision for impairment of loans to associates is as follows:

	2013	2012
	HK$'000	*HK$'000*
Balance at the beginning of the year	**13,600**	4,000
Reversal of provision for impairment of a loan to an associate (note 7)	**(1,000)**	–
Provision for impairment of a loan to an associate (note 7)	**–**	9,600
Balance at the end of the year	**12,600**	13,600

18. INTERESTS IN ASSOCIATES – GROUP *(Continued)*

The summarised financial information of the Group's associates extracted from their management accounts are as follows:

	2013	2012
	HK$'000	*HK$'000*
Total assets	**3,926**	5,228
Total liabilities	**(19,243)**	(20,235)
Net liabilities	**(15,317)**	(15,007)
The Group's share of net liabilities of associates	**(6,127)**	(6,003)
Total revenue	**260**	4,320
Total loss for the year	**(273)**	(2,232)
The Group's share of losses of associates	**–**	(682)
The Group's share of other comprehensive income	**–**	–

During the year ended 31 March 2013, the Group has discontinued recognition of its share of losses of the associates amounted to approximately HK$109,000 (2012: HK$211,000). At 31 March 2013, the accumulated losses of the associates not recognised by the Group amounted to approximately HK$320,000 (2012: HK$211,000).

19. HELD-TO-MATURITY INVESTMENTS – GROUP

	2013	2012
	HK$'000	*HK$'000*
Debt securities listed outside Hong Kong		
– Non-current portion	**–**	–
– Current portion	**–**	778
	–	778

The debt securities represented bonds with fixed interest rates of 5.625% per annum, and matured on 27 August 2012. The Group received related interest payments semi-annually.

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP AND COMPANY

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Listed equity securities:				
– listed in Hong Kong (note iii)	**11,309**	–	**4,199**	–
Listed debt securities:				
– listed outside Hong Kong (notes i and ii)	**11,423**	6,024	**–**	–
Investment funds				
– listed	**–**	4,099		
– unlisted (note iv)	**1,274**	1,296	**–**	–
Total	**24,006**	11,419	**4,199**	–
Analysed for reporting purposes as:				
– Current assets	**–**	5,395	**–**	–
– Non-current assets	**24,006**	6,024	**4,199**	–
	24,006	11,419	**4,199**	–

For the listed investment funds, listed equity securities and listed debt securities, the fair values are determined based on the quoted market bid prices available on the relevant stock exchanges and the industry group.

Notes:

(i) For the year ended 31 March 2013, the debt securities listed outside Hong Kong and denominated in the United States dollar ("USD") comprised of bonds (i) amounted to approximately HK$3,508,000 carrying at fixed rates ranging from 6.625% to 10.25% per annum with maturity date ranging from September 2015 to April 2017; (ii) amounted to approximately HK$3,097,000 carrying at fixed rate from 7.875% to 10.125% with perpetual maturity date; and (iii) amounted to approximately 1,623,000 bond initially carrying at fixed interest rates at 7.25% per annum till May 2016 and later carrying at floating interest rate per annum with maturity date in November 2099.

The debt securities listed outside Hong Kong and denominated in Renminbi ("RMB") comprised of bonds amounted to approximately HK$3,195,000 carrying at fixed rates ranging from 5.875% to 7.625% per annum with maturity date ranging from January 2015 to March 2016.

As such, they were classified as non-current assets. The Group is entitled to the interest income from the above debt securities semi-annually.

(ii) For the year ended 31 March 2012, the debt securities comprised of (i) amounted to approximately HK$4,496,000 bonds carrying at fixed interest rates ranging from 7.625% to 9.5% per annum with maturity date ranging from January 2015 to April 2017 and (ii) amounted to approximately HK$1,528,000 bond initially carrying at fixed interest rates at 7.25% per annum till May 2016 and later carrying at floating interest rate per annum with maturity date in November 2099.

As such, they were classified as non-current assets. The Group is entitled to the interest income from the above debt securities semi-annually.

(iii) During the year ended 31 March 2013, due to a reformation of the Group's strategic investment planning, certain equity securities previously recognised in financial assets at fair value through profit or loss are no longer held for the purpose of selling in the near term and therefore transferred and recognised as available-for-sale financial assets category accordingly.

As at 31 March 2013, the fair value of equity securities transferred during the reporting period is approximately HK$11,309,000.

If the Group had not transferred the equity securities during the reporting period, fair value loss recognised for the year in the consolidated statement of comprehensive income will increase by approximately HK$14,456,000.

(iv) The unlisted investment fund represent the Group's investment in China Real Estate Development II Fund, which invest in private equity real estate development projects in the People's Republic of China through CapitaLand China Development Fund II Limited, managed by CapitaLand China Development Fund Management PTE Ltd. The fair value of the investment is determined by reference to the fund net asset values at the end of the reporting period.

21. TRADE RECEIVABLES – GROUP

	2013	2012
	HK$'000	HK$'000
Trade receivables	62	1,046
Less: provision for impairment of trade receivables	–	–
Trade receivables – net	62	1,046

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	2013	2012
	HK$'000	HK$'000
Macao Pataca ("MOP")	–	1,019

The Group maintains credit terms of cash on delivery (2012: one month). At the end of the reporting period, the ageing analysis of the trade receivables based on the invoice dates is as follows:

	2013	2012
	HK$'000	HK$'000
Within three months	60	1,046
Over three months but within six months	2	–
Over six months and within one year	–	–
Over one year	–	–
	62	1,046

At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. Based on these assessments, no impairment loss has been recognised for both years.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables whether determined on an individual or collective basis.

The ageing analysis of the Group's trade receivables that were past due as at the end of the reporting period but not impaired, based on due date is as follows:

	2013	2012
	HK$'000	HK$'000
Neither past due nor impaired	–	1,046
Within three months past due	60	–
Over three months but within six months past due	2	–
Over six months but within one year past due	–	–
	62	1,046

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because the amounts are still considered recoverable.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Prepayments	**195**	2,649	**195**	1,797
Deposits (note i)	**6,406**	1,456	**15**	8
Other receivables (note ii)	**2,314**	2,208	**–**	5
	8,915	6,313	**210**	1,810
Less: Non–current portion				
Deposits	**(32)**	(213)	**–**	–
Non-current portion	**(32)**	(213)	**–**	–
Current portion	**8,883**	6,100	**210**	1,810

Notes:

(i) As at 31 March 2013, included in deposits was a deposit of HK$6,000,000 paid to an independent third party for providing financial information and advice, making investment referrals and providing relating investment analysis to the Group.

(ii) As at 31 March 2013, included in other receivables was the consideration receivable amounted to HK$2,094,000 for the disposal of a subsidiary during the year. Details of the disposal are shown in note 38(b).

As at 31 March 2012, the other receivables mainly represents the management fee related to beauty and clinical services.

(iii) As at 31 March 2013 and 2012, the amount of prepayments, deposits and other receivables that were expected to be recovered within twelve months from the end of the reporting period and were classified as current asset. The remaining balances were classified as non-current assets.

23. LOANS AND ADVANCES – GROUP

	2013	2012
	HK$'000	*HK$'000*
Loans and advances to customers		
Term loans	**115,511**	108,611
Less: impairment allowances	**(4,687)**	(11,349)
Loans and advances to customers – net	**110,824**	97,262
Analysed for reporting purpose as:		
– Current portion	**72,176**	64,265
– Non-current portion	**38,648**	32,997
	110,824	97,262

At 31 March 2013, certain term loans amounted to approximately HK$86,766,000 (2012: HK$76,300,000) are secured by customers' pledged properties at fair value of approximately HK$371,450,000 (2012: HK$263,153,000).

23. LOANS AND ADVANCES – GROUP *(Continued)*

All term loans and advances are denominated in HK$. The loans and advances carry fixed effective interest ranging from 5% to 48% (2012: 3% to 57%) per annum. An ageing analysis of loans and advances net of impairment loss at the end of reporting period, based on the repayment terms is as follows:

Ageing analysis of loans and advances to customers:

	2013	2012
	HK$'000	*HK$'000*
Within one year	**72,176**	64,265
Over one year but within five years	**20,903**	22,642
Over five years	**17,745**	10,355
	110,824	97,262

Reconciliation of provision for impairment on loans and advances to customers:

	2013	2012
	HK$'000	*HK$'000*
Balance at the beginning of the year	**11,349**	2,134
Provision for impairment recognised during the year (note 7)	**791**	13,881
Reversal of impairment recognised in prior years (note 7)	**(1,767)**	–
Amount written off as uncollectible	**(5,686)**	(4,666)
Balance at the end of the year	**4,687**	11,349

The impaired loans and advances relate to clients that were in financial difficulties and only a portion of the receivable is expected to be recovered. Accordingly, the Directors of the Company consider the provision for impairment of loans and advances would be made on loans outstanding over 60 days.

Loan and advances disclosed above include amounts which are past due at the end of the reporting period for which the Group has not provided impairment loss because, in the opinion of the Directors of the Company, there has not been a significant change in credit quality and the amounts are still considered recoverable.

24. INVENTORIES

	2013	2012
	HK$'000	*HK$'000*
Finished goods	**263**	–

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP AND COMPANY

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Listed equity securities – held-for-trading				
– Hong Kong	**5,379**	63,333	**5,214**	54,607
– Overseas	**225**	2,799	**–**	2,108
	5,604	66,132	**5,214**	56,715

The fair value of all equity securities is based on their current bid prices in an active market.

26. AMOUNT DUE FROM A RELATED COMPANY – GROUP AND COMPANY

Particulars of the amount due from a related company is as follows:

	Group			Company		
	Highest balance outstanding during the year	**2013**	2012	**Highest balance outstanding during the year**	**2013**	2012
	HK$'000	***HK$'000***	*HK$'000*	***HK$'000***	***HK$'000***	*HK$'000*
Name						
One Dollar Productions Limited	**611**	**262**	611	**611**	**262**	611

Amount due from a related company is unsecured, interest free and recoverable on demand. The related company is beneficially owned and controlled by certain family members of Mr. Shiu Yeuk Yuen, an Executive Director.

27. CASH AND BANK BALANCES – GROUP AND COMPANY

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Cash at banks	**54,948**	35,289	**34,593**	437
Cash on hand	**32**	33	**–**	–
	54,980	35,322	**34,593**	437

At 31 March 2013 and 2012, cash at banks carry interest at floating rates based on daily bank deposit rates. The effective interest rate on short-term time deposits at 0.09% (2012: 0.09% to 1.4%) per annum. At 31 March 2013, all deposits were matured (2012: deposits had a maturity of 3 days).

At 31 March 2013, the Group had cash and bank balances of approximately HK$20,000 (2012: HK$21,000) denominated in RMB and placed with banks in Hong Kong and the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash and cash equivalents with aggregate amount of approximately HK$2,000 and HK$51,000 were held on trust for the Group by Madam Siu York Chee, Mr. Leung Kwok Kui and Ms. Leung Ge Yau at 31 March 2013 and 2012, respectively.

28. ASSETS CLASSIFIED AS HELD FOR SALE – GROUP

	2013	2012
	HK$'000	*HK$'000*
Balance at the beginning of the year	**–**	6,215
Transfer from investment properties (note i) and (note 16)	**4,100**	–
Disposals (note (ii))	**–**	(6,215)
Balance at the end of the year	**4,100**	–

Notes:

(i) On 4 February 2013, Top Euro Limited, a wholly-owned subsidiary of the Company, entered into a preliminary sale and purchase agreement with an independent third party in relation to the disposal of an investment property at a consideration of HK$4,100,000.

As at the date of approval of the consolidated financial statements, the disposal of the investment property has not been completed. The disposal of the investment property is expected to be completed within the next 12 months. In accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the investment property has been presented as assets classified as held for sale in the consolidated statement of financial position as at 31 March 2013.

For the year ended 31 March 2012, no impairment loss was recognised on reclassification of investment property to assets classified as held for sale.

(ii) At 19 April 2011 and 28 April 2011, the Group disposed the investment properties at cash considerations of HK$2,135,000 and HK$4,080,000 respectively.

29. ACCRUALS, RECEIPTS IN ADVANCE AND OTHER PAYABLES – GROUP AND COMPANY

	Group		**Company**	
	2013	2012	**2013**	2012
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Accruals	**1,833**	3,240	**515**	311
Receipts in advance	**587**	2,340	**–**	–
Deposits received and other payables	**154**	2,042	**–**	–
	2,574	7,622	**515**	311

30. AMOUNTS DUE TO NON-CONTROLLING INTERESTS – GROUP

Amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

31. AMOUNT DUE TO A RELATED COMPANY – COMPANY

Amount due to a related party is unsecured, interest-free and repayable on demand.

32. BORROWINGS – GROUP

	2013	2012
	HK$'000	*HK$'000*
Bank borrowings		
– Portion of term loans from bank due for repayment within one year	**377**	1,745
– Portion of term loans from bank due for repayment after one year which contain a repayment on demand clause	**3,018**	19,954
	3,395	21,699
Other loan due for repayment within one year	**3,000**	–
	6,395	21,699

At 31 March 2013, the bank borrowings of the Group were secured by the charges over the Group's investment properties (note 16) and corporate guarantees executed by the Company (note 42). At 31 March 2012, the bank borrowings of the Group were secured by the charges over the Group's land and buildings (note 15), investment properties (note 16) and corporate guarantees (note 42).

For the year ended 31 March 2013, the Group's entire bank borrowings are denominated in HK$, bearing floating interest rate ranging from 1.23% to 2.30% (2012: 1.19% to 2.36%) per annum.

The maturity of the Group's borrowings is as follows:

	2013	2012
	HK$'000	*HK$'000*
Portion of term loans due for repayment within one year	**377**	1,745
Term loans due for repayment after one year (note i)		
After one year but within two years	**385**	1,772
After two years but within five years	**1,208**	5,479
After five years	**1,425**	12,703
	3,018	19,954
Other loan due for repayment within one year (note ii)	**3,000**	–
	6,395	21,699

Notes:

(i) The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

(ii) The loan is denominated in HK$ and is borrowed from an independent third party. The loan is unsecured, bearing interest rate of 16% per annum and repayable within one year.

33. DEFERRED TAX LIABILITIES – GROUP

The following are the major deferred tax balances recognised and movements thereon during the current and prior years:

	Revaluation of investment properties *HK$'000*	Accelerated tax depreciation *HK$'000*	Tax losses *HK$'000*	Total *HK$'000*
At 1 April 2011 (as originally stated)	(6,431)	(571)	571	(6,431)
Effect of change in accounting policy (note 2)	6,431	(245)	–	6,186
At 1 April 2011 (as restated)	–	(816)	571	(245)
Charged to the consolidated statement of comprehensive income (as restated) (note 10)	–	(140)	–	(140)
At 31 March 2012 (as restated)	–	(956)	571	(385)
At 1 April 2012 (as originally stated)	(8,513)	(571)	571	(8,513)
Effect of change in accounting policy (note 2)	8,513	(385)	–	8,128
At 1 April 2012 (as restated)	–	(956)	571	(385)
Credited to the consolidated statement of comprehensive income (note 10)	–	186	–	186
At 31 March 2013	**–**	**(770)**	**571**	**(199)**

At the end of the reporting period, the Group has unused tax losses of approximately HK$122,718,000 (2012: HK$72,681,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

34. OBLIGATIONS UNDER FINANCE LEASES

During the year ended 31 March 2013, the Group leased certain of its office equipment under finance leases. The average lease term is 5 years (2012: nil) and carrying interest rate fixed at 1.92% per annum. The Group has options to purchase the equipment for a nominal amount at the end of the lease terms. No arrangements have been entered into for contingent rental payments.

	Minimum lease payments 2013 *HK$'000*	Present value of minimum lease payments 2013 *HK$'000*
Amounts payable under finance leases:		
Within one year	**211**	**195**
In more than one year and not more than five years	**739**	**715**
	950	**910**
Less: future finance charges	**(40)**	**–**
Present value of lease obligations	**910**	**910**
Less: Amount due from settlement within 12 months (shown under current liabilities)		**(195)**
Amount due for settlement after 12 months		**715**

The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

Financial lease obligations are denominated in HK$.

35. SHARE CAPITAL – GROUP AND COMPANY

	Notes	**Number of share**	***HK$'000***
Authorised:			
At 1 April 2011		30,000,000,000	300,000
Ordinary shares of HK$0.1 each			
Share consolidation	(iv)	(27,000,000,000)	–
Ordinary shares of HK$0.01 each			
Capital reduction	(v)	–	(270,000)
Ordinary shares of HK$0.01 each			
Capital increase	(vi)	27,000,000,000	270,000
At 31 March 2012, 1 April 2012 and 31 March 2013		**30,000,000,000**	**300,000**
Issued and fully paid:			
At 1 April 2011		526,434,130	5,264
Ordinary shares of HK$0.1 each			
Share consolidation	(iv)	(572,070,717)	–
Ordinary shares of HK$0.01 each			
Capital reduction	(v)	–	(5,721)
Issue of shares upon exercise of share option	(i),(ii)	4,200,000	42
Issue of shares upon rights issue	(vii)	635,634,130	6,356
Issue of shares upon placing	(iii)	105,000,000	1,050
At 31 March 2012 and 1 April 2012		699,197,543	6,991
Issue of shares upon bonus issue	(viii)	1,398,395,086	13,984
At 31 March 2013		**2,097,592,629**	**20,975**

Notes:

For the year ended 31 March 2012

(i) 1,300,000 new ordinary shares of HK$0.01 each were issued upon the exercise of 1,300,000 units of share option on 14 April 2011 at the subscription price of HK$0.1542.

(ii) 2,900,000 new ordinary shares of HK$0.01 each were issued upon the exercise of 2,900,000 units of share option on 20 April 2011 at the subscription price of HK$0.1396.

(iii) On 13 May 2011, 105,000,000 new ordinary shares of HK$0.01 each were allotted and issued at a price of HK$0.105 per share under general mandate. The net proceeds of approximately HK$10,746,000 were intended to be used for daily financing.

(iv) By a special resolution dated 24 August 2011, authorised share capital for ordinary shares of HK$0.01 each (the "Reorganised Shares") was consolidated on the basis of every ten into one from 30,000,0000,000 ordinary shares of HK$0.01 each to 3,000,000,000 ordinary shares of HK$0.10 each. The issued share capital was consolidated on the basis of ten into one from 635,634,130 ordinary shares of HK$0.01 each to 63,563,413 ordinary shares of HK$0.10 each.

(v) By a special resolution dated 24 August 2011, the nominal value of each share in issue was reduced from HK$0.10 to HK$0.01 by cancelling paid up capital to the extent of HK$0.09 on each issued share and the authorised share capital of the Company was reduced to HK$30,000,000 divided into 3,000,000,000 Reorganised Shares of HK$0.01 each.

(vi) By a special resolution dated 24 August 2011, the authorised share capital from HK$30,000,000 dividend into 3,000,000,000 Reorganised Shares of HK$0.01 each increased to HK$300,000,000 dividend into 30,000,000,000 Reorganised Shares of HK$0.01 each.

(vii) On 26 September 2011, 635,634,130 new ordinary shares of HK$0.01 each were allotted and issued at a price of HK$0.15 per share by way of rights issue to qualifying shareholders on the basis of ten right shares for every one adjusted share. The net proceeds of approximately HK$92,000,000 were intended to be used for future developing the business of the Group.

35. SHARE CAPITAL – GROUP AND COMPANY *(Continued)*

Notes: (continued)

For the year ended 31 March 2013

(viii) By an ordinary resolution passed on 28 February 2013, the Company issued two bonus shares for every one share held. The issued share capital of the Company was therefore increased from 699,197,543 shares of HK$0.01 each to 2,097,592,629 shares of HK$0.01 each accordingly.

The bonus shares had been credited as fully paid by way of capitalisation of an amount of approximately HK$14,168,000 in the share premium account of the Company.

36. SHARE-BASED EMPLOYEE COMPENSATION

The shareholders of the Company approved a share option scheme (the "2001 Share Option Scheme") under which its Board of the Directors may, at its discretion, offer full-time or part time employees and Executive, Non-executive and Independent Non-executive Directors of the Company and/or any its subsidiaries, options to subscribe for shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 30% of the issued share capital of the Company. The subscription price will be determined by the Company's Board of Directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options. The 2001 Share Option Scheme become effective on 24 September 2001 was terminated by shareholders of the Company on 4 January 2011.

An ordinary resolution was passed by the shareholders at the special general meeting of the Company held on 4 January 2011 to adopt a new share option scheme (the "2011 Share Option Scheme") and terminate the 2001 Share Option Scheme.

The purpose of the 2011 Share Option Scheme is to enable the Group to grant share options to the participants as incentives or rewards for their contribution to the Group.

Eligible participants of the 2011 Share Option Scheme ("Eligible Participants") include (i) any full-time employees of the Group and Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) of the Company; (ii) any supplier of goods or services to any member of the Group or any entity in which any member of the Group holds an equity interest (the "Invested Entity"); (iii) any customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (vi) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (vii) any other group or classes of Eligible Participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The 2011 Share Option Scheme became effective on 4 January 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of share options permitted to be granted under the 2011 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the date of approval of the 2011 Share Option Scheme.

The maximum number of share issuable under share options to each eligible participant in the 2011 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

36. SHARE-BASED EMPLOYEE COMPENSATION *(Continued)*

Share options granted to a substantial shareholder or an Independent Non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5 million, which any 12-month period, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors of the Company, and commences after a vesting period and ends on a date which is not later than ten years from the date of offer of the share options.

The exercise price of share options is determinable by the Directors of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the share options; (ii) the average closing price of the Company's share as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

Share options and respective exercise prices are as follows for the reporting periods presented:

For the year ended 31 March 2013

Type of grantee	At 1 April 2012	Granted	Exercised	Outstanding adjustment Bonus issue	Expired/ cancelled/ lapsed	At 31 March 2013	Date of grant	Exercise period of the share options	Exercise price per share*
									HK$
Employees									
– In aggregate	1,335,714	–	–	2,671,428	–	4,007,142	23 February 2011	23 February 2011 to 22 February 2014	0.1916
Other eligible persons									
– In aggregate	340,000	–	–	680,000	–	1,020,000	15 February 2011	15 February 2011 to 14 February 2014	0.2116
Total	**1,675,714**	**–**	**–**	**3,351,428**	**–**	**5,027,142**			
Weighted average exercise price	**0.5870**	**–**	**–**	**0.1957**	**–**	**0.1957**			

* This reflects the adjusted exercise prices and number of share options which have been granted and remained outstanding after the completion of bonus issue on 18 March 2013.

36. SHARE-BASED EMPLOYEE COMPENSATION *(Continued)*

Share options and respective exercise prices are as follows for the reporting periods presented: *(continued)*

For the year ended 31 March 2012

Type of grantee	At 1 April 2011	Granted	Exercised	Outstanding adjustment Consolidated*	Outstanding adjustment Rights issue**	Expired/ cancelled/ lapsed	At 31 March 2012	Date of grant	Exercise period of the share options	Exercise price per share**
										HK$
Employees										
– In aggregate	8,400,000	–	(2,900,000)***	(4,950,000)	785,714	–	1,335,714	23 February 2011	23 February 2011 to 22 February 2014	0.5748
Other eligible persons										
– In aggregate	2,700,000	–	(1,300,000)****	(1,260,000)	200,000	–	340,000	15 February 2011	15 February 2011 to 14 February 2014	0.6349
Total	11,100,000	–	(4,200,000)	(6,210,000)	985,714	–	1,675,714			
Weighted average exercise price	0.5894	–	0.5934	0.5870	0.5870	–	0.5870			

* This reflects the adjusted number of share options which have been granted and remain outstanding after the completion of share consolidation on 24 August 2011 (the "adjustment I").

** This reflects the adjusted exercise prices and number of share options which have been granted and remain outstanding after the completion of rights issue on 26 September 2011 (the "adjustment II").

*** For the year ended 31 March 2012, the weighted average closing price of the share immediately before the date on which the option was exercised was HK$0.149. The weighted average closing share price on date of exercise was HK$0.145 (before the adjustment I & II).

**** For the year ended 31 March 2012, the weighted average closing price of the share immediately before the date on which the option being exercised was HK$0.147. The weighted average closing share price on date of exercise was HK$0.139 (before the adjustment I & II).

For the years ended 31 March 2013 and 2012, no employee compensation expenses has been included in the consolidated statement of comprehensive income. No liabilities were recognised due to these share-based payment transactions.

37. RESERVES – GROUP AND COMPANY

Group

The amounts of the Group's reserves and the movements therein for the current year and prior years are presented in the consolidated statement of changes in equity on page 27 of the consolidated financial statements.

Company

	Share premium *HK$'000*	Capital redemption reserve *HK$'000*	Accumulated losses *HK$'000*	Investment revaluation reserve *HK$'000*	Share option reserve *HK$'000*	Contribution surplus *HK$'000* *(note i)*	Total *HK$'000*
At 1 April 2011	116,612	278	(147,044)	–	1,184	175,570	146,600
Profit for the year (note 12)	–	–	3,914	–	–	–	3,914
Issue of shares upon placing	9,975	–	–	–	–	–	9,975
Transaction cost attributable to issue of shares upon placing	(279)	–	–	–	–	–	(279)
Issue of shares upon rights issue	88,989	–	–	–	–	–	88,989
Transaction cost attributable to issue shares upon rights issue	(3,345)	–	–	–	–	–	(3,345)
Issue of shares upon exercise of share options	1,016	–	–	–	(452)	–	564
Capital reduction	–	–	–	–	–	5,721	5,721
At 31 March 2012 and 1 April 2012	212,968	278	(143,130)	–	732	181,291	252,139
Loss for the year (note 12)	–	–	(32,529)	–	–	–	(32,529)
Other comprehensive income							
Change in fair value on available-for-sale financial assets	–	–	–	(4,580)	–	–	(4,580)
Total comprehensive loss	–	–	(32,529)	(4,580)	–	–	(37,109)
Issue of shares upon bonus issue	(13,984)	–	–	–	–	–	(13,984)
Transaction cost attributable to issue of shares upon bonus issue	(184)	–	–	–	–	–	(184)
At 31 March 2013	**198,800**	**278**	**(175,659)**	**(4,580)**	**732**	**181,291**	**200,862**

Note:

(i) Pursuant to a special resolution passed at the special general meeting of the Company on 24 August 2011, the Company reduced its issue of share capital by an amount of approximately HK$5,721,000 (note 35) and transferred the same amount to the contributed surplus account of the Company.

38. DISPOSAL OF SUBSIDIARIES

(a) As disclosed in note 11, on 26 March 2013, Rainbow Cosmetic (BVI) Limited, a direct wholly-owned subsidiary of the Company, and an independent third party of and not connected with the Company and its connected persons entered into a sales and purchase agreement (the “Agreement”) in relation to disposal of the Be A Lady Group. Pursuant to the Agreement, the Group disposed of its entire interest in the Be A Lady Group at a cash consideration of approximately HK$2,396,000.

Details of the disposal of the Be A Lady Group were set out in the announcement of the Company dated 26 March 2013.

The net liabilities of the Be A Lady Group as at the disposal date were as follows:

	HK$'000
Trade receivables	**1,732**
Prepayments, deposits and other receivables	**294**
Cash and bank balances	**1,271**
Accruals, receipts in advance and other payables	**(7,645)**
Amount due to a shareholder	**(297)**
Provision for tax	**(1,852)**
Net liabilities disposal of	**(6,497)**
Non-controlling interests	**(148)**
Gain on disposal of subsidiaries	**9,041**
Total cash consideration	**2,396**
Satisfied by:	
Cash consideration	**2,396**
Net cash inflow arising from disposal:	
Cash consideration received	**2,396**
Cash and bank balances disposed	**(1,271)**
	1,125

38. DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) As disclosed in note 11, on 28 March 2013, Top Empire Limited, an indirect wholly-owned subsidiary of the Company, and an independent third party of and not connected with the Company and its connected persons entered into an agreement in relation to the disposal of entire issued share capital of The Specialists at a consideration of HK$2,094,000.

Details of the disposal of The Specialists were set out in the announcement of the Company dated 28 March 2013.

The net assets of The Specialists as at the disposal date were as follows:

	HK$'000
Prepayments, deposits and other receivables	**615**
Cash and bank balances	**1,261**
Accruals, receipts in advance and other payables	**(213)**
Net assets disposal of	**1,663**
Gain on disposal of a subsidiary	**431**
Total cash consideration	**2,094**
Satisfied by:	
Cash receivable (note 22)	**2,094**
Net cash outflow arising from disposal:	
Cash and bank balances disposed	**(1,261)**

(c) On 2 February 2012, the Group entered into an agreement to dispose of the entire issued share capital of Quick Money Finance Limited, a wholly owned subsidiary of the Company, at a cash consideration of HK$1. The disposal was completed on 2 February 2012.

The net liabilities of Quick Money Finance Limited as at the disposal date were as follows:

	HK$'000
Amounts due to fellow subsidiaries	(13)
Net liabilities disposal of	(13)
Gain on disposal of a subsidiary	13
Total cash consideration	–
Net cash inflow arising from disposal:	
Cash consideration	–

39. RELATED PARTY TRANSACTIONS

(i) Save as disclosed elsewhere in these consolidated financial statements, during the year, the Group had transactions with related parties as follows:

	Notes	2013 HK$'000	2012 HK$'000
Trade sales	(a),(b)	**15**	–
Rental income	(c)	**6**	–

Notes:

(a) For the year ended 31 March 2013, trade sales of approximately HK$15,000 was received from the family member of Mr. Leung Ge On, Andy, an Executive Director.

(b) Sales of good to related parties were made at the Group's usual list prices.

(c) For the year ended 31 March 2013 rental income of approximately HK$6,000 was received from the Company controlled by the family member of Mr. Leung Ge On, Andy, an Executive Director.

(ii) Key management compensation

	2013 HK$'000	2012 HK$'000
Short term employee benefits	**6,904**	9,227
Share-based payments	**–**	–
Other long term benefits	**70**	54
	6,974	9,281

(iii) At 31 March 2013, certain financial assets, including cash and cash equivalents of approximately HK$2,000 (2012: HK$51,000) which are held by certain Directors of the subsidiaries on trust for the Group.

40. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Disposal of partial interests in a subsidiary

(a) During the year ended 31 March 2013, the Company disposed of 33.33% of interests in Bright Zone Corporation Limited at a consideration of HK$450,000. The carrying amount of the 33.33% interests in Bright Zone Corporation Limited on the date of disposal was approximately a deficit of HK$11,000. The Group recognised a decrease in non-controlling interests of approximately HK$11,000 and an increase in equity attributable to owners of the parent of approximately HK$461,000. The effect of change in the ownership interests of Bright Zone Corporation Limited on the equity attributable to owners of the Company during the year is summarised as follows:

	HK$'000
Carrying amount of non-controlling interests disposed of	**11**
Consideration received	**450**
Movement in parent equity	**461**

40. TRANSACTIONS WITH NON-CONTROLLING INTERESTS *(Continued)*

Acquisition of additional interests in subsidiaries

(b) During the year ended 31 March 2013, the Company acquired of 10% of interests in Top Empire Limited and its subsidiary (the "Top Empire Group") at a consideration of HK$nil. The carrying amount of the 10% interests in Top Empire Group on the date of acquisition was approximately a deficit of HK$195,000. The Group recognised an increase in non-controlling interests of approximately HK$195,000 and a decrease in equity attributable to owners of the parent of approximately HK$195,000. The effect of change in the ownership interests of Top Empire Group on the equity attributable to owners of the Company during the year is summarised as follows:

	HK$'000
Carrying amount of non-controlling interests acquired of	**(195)**
Consideration paid	**–**
Movement in parent equity	**(195)**

(c) During the year ended 31 March 2012, the Company acquired of 2.5% of interests in The Specialists at a consideration of HK$nil. The carrying amount of the 2.5% interests in The Specialists on the date of acquisition was approximately a deficit of HK$246,000. The Group recognised an increase in non-controlling interests of approximately HK$246,000 and a decrease in equity attributable to owners of the parent of approximately HK$246,000. The effect of change in the ownership interest of The Specialists on the equity attributable to owners of the Company during the year is summarised as follows:

	HK$'000
Carrying amount of non-controlling interests acquired of	(246)
Consideration paid	–
Movement in parent equity	(246)

41. COMMITMENTS – GROUP

(a) Operating lease commitments – where the Group is the lessee

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

	2013	2012
	HK$'000	*HK$'000*
Within one year	**2,383**	6,427
In the second to fifth year, inclusive	**2,412**	2,024
	4,795	8,451

41. COMMITMENTS – GROUP *(Continued)*

(b) Operating lease commitments – where the Group is the lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2013	2012
	HK$'000	*HK$'000*
Within one year	**267**	500
In the second to fifth year, inclusive	**165**	163
	432	663

(c) Operating lease commitments – where the Group is the sub-lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2013	2012
	HK$'000	*HK$'000*
Within one year	**3**	–

Property rental income earned during the year was HK$549,000 (2012: HK$488,000). The properties are expected to generate rental yield of 2.61% (2012: 3.52%) on an ongoing basis. The Group leases its investment properties (note 16) under operating lease arrangement which runs for an average term of two years. The terms of the leases generally also require the tenants to pay security deposits.

42. CORPORATE GUARANTEES – COMPANY

At 31 March 2013, the Company has executed general banking facilities granted to certain subsidiaries of the Company of approximately HK$4,679,000 (2012: HK$39,000,000).

In the opinion of the Directors of the Company, no material liabilities will arise from the above guarantees which arose in the ordinary course of business and the fair value of the corporate guarantees granted by the Group is immaterial.

43. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to adjusted capital ratio. For this purpose net debt is defined as borrowings and obligations under finance leases less cash and bank balances. Adjusted capital comprises all components of equity other than amounts recognised in equity. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

43. CAPITAL MANAGEMENT *(Continued)*

The gearing ratio at the end of the reporting period was as follows:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Borrowings (note i)	**6,395**	21,699
Obligations under finance leases (note i)	**910**	–
Cash and bank balances	**(54,980)**	(35,322)
Net debt	**(47,675)**	(13,623)
Total equity (note ii)	**223,810**	273,390
Net debt to equity ratio	**N/A**	N/A

Notes:

(i) Borrowings and obligations under finance leases are detailed in notes 32 and 34 respectively.

(ii) Total equity includes all capital, reserves and non-controlling interests at the end of the reporting period.

44. FINANCIAL INSTRUMENTS

44.1 Financial instruments by category

	Held-to-maturity investments	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2013					
Financial assets					
Held-to-maturity investments	–	–	–	–	–
Available-for-sale financial assets	–	24,006	–	–	24,006
Trade receivables	–	–	62	–	62
Loans and advances	–	–	110,824	–	110,824
Deposits and other receivables	–	–	8,720	–	8,720
Held for trading investments	–	–	–	5,604	5,604
Amount due from a related company	–	–	262	–	262
Cash and bank balances	–	–	54,980	–	54,980
	–	24,006	174,848	5,604	204,458

44. FINANCIAL INSTRUMENTS *(Continued)*

44.1 Financial instruments by category *(Continued)*

	Financial liabilities measured at amortised cost	**Total**
	HK$'000	***HK$'000***
31 March 2013		
Financial liabilities		
Accruals and other payables	**1,987**	**1,987**
Amounts due to non-controlling interests	**150**	**150**
Borrowings	**6,395**	**6,395**
Obligations under finance leases	**910**	**910**
	9,442	**9,442**

	Held-to-maturity investments	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2012					
Financial assets					
Held-to-maturity investments	778	–	–	–	778
Available-for-sale financial assets	–	11,419	–	–	11,419
Trade receivables	–	–	1,046	–	1,046
Loans and advances	–	–	97,262	–	97,262
Deposits and other receivables	–	–	3,664	–	3,664
Held for trading investments	–	–	–	66,132	66,132
Amount due from a related company	–	–	611	–	611
Cash and bank balances	–	–	35,322	–	35,322
	778	11,419	137,905	66,132	216,234

	Financial liabilities measured at amortised cost	Total
	HK$'000	*HK$'000*
31 March 2012		
Financial liabilities		
Accruals and other payables	5,282	5,282
Amounts due to non-controlling interests	447	447
Borrowings	21,699	21,699
	27,428	27,428

44. FINANCIAL INSTRUMENTS *(Continued)*

44.2 Financial risk factors

The Group is exposed itself to variety of financial risks: market risk (including foreign currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Directors of the Company. The overall objective in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

The Group identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the Directors of the Company.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to foreign currency risk arise from investments in equity and debt securities and cash and bank balances, which are primarily denominated in RMB, New Taiwan Dollar ("NTD") and USD. These are not the functional currencies of the Group entities to which these transactions relate. The Group currently does not have a foreign currency hedging policy.

Summary of exposure

Foreign currency denominated financial assets and liabilities, translated into HK$ at the closing rates, are as follows:

	At 31 March 2013			At 31 March 2012		
	Financial assets	**Financial liabilities**	**Net exposure**	Financial assets	Financial liabilities	Net exposure
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
RMB	**3,416**	**–**	**3,416**	1,406	–	1,406
NTD	**–**	**–**	**–**	2,106	–	2,106
USD	**10,938**	**–**	**10,938**	11,221	–	11,221

Sensitivity analysis

In view of the fact that the HK$ is pegged to the USD, the Group's exposure of foreign currency risk is minimal.

At 31 March 2013, the Group's sensitivity to a 3% (2012: 1%) and 1% (2012: 3%) increase and decrease in HK$ against NTD and RMB respectively. With all other variable held constant, each of loss after income tax for the year and other components of equity would increase/decrease by approximately HK$nil (2012: HK$21,000) and HK$34,000 (2012: HK$42,000).

The management adjusted the sensitivity rate from 1% to 3% and 3% to 1% for the purpose of assessing foreign currency risk against NTD and RMB. Hence, 3% and 1% (2012: 1% and 3%) are the sensitivity rates used in the current year when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonable possible change in foreign exchange rates.

44. FINANCIAL INSTRUMENTS *(Continued)*

44.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from certain derivative financial instruments, bank deposits and borrowings. Borrowings bearing variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk. The Group has not used any interest rate swaps in order to mitigate its exposure associated with the cash flow interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Sensitivity analysis

The following table illustrates the sensitivity of the Group's loss after income tax and other components of equity to a possible change in interest rates of +/- 0.5% (2012: +/- 0.5%) higher/lower, with effect from the beginning of the year. The calculations are based on the Group's financial assets and liabilities held at the end of the reporting period. All other variables are held constant.

	Higher/(lower) in interest rate	Increase/ (decrease) in profit after income tax	Increase/ (decrease) in equity
	%	*HK$'000*	*HK$'000*
Year ended 31 March 2013	**0.5**	**258**	**258**
	(0.5)	**(258)**	**(258)**
Year ended 31 March 2012	0.5	68	68
	(0.5)	(68)	(68)

(iii) Price risk

Equity and debt security price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to equity and debt security price risk arising from individual equity and debt investments classified as financial assets at fair value through profit or loss (note 25) and available-for-sale financial assets (note 20) at 31 March 2013.

The Group's listed investments are primarily listed in Hong Kong, the United States and Taiwan. Listed investments held in the available-for-sale portfolio have been chosen based on their long term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

Sensitivity analysis

The following table indicates the approximate change in the Group's loss after income tax and other components of equity in response to the reasonably possible changes in the relevant stock market prices, to which the Group has significant exposure at the end of the reporting period.

44. FINANCIAL INSTRUMENTS *(Continued)*

44.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(iii) Price risk *(continued)*

Sensitivity analysis (continued)
In response to the reasonably possible change in the market price of the listed securities and the underlying shares, the Group's investment in equity and debt securities has the following exposures:

Year ended 31 March 2013			Year ended 31 March 2012		
Increase/ (decrease) in securities market price	**Effect on profit/loss after income tax**	**Effect on other components of equity**	Increase/ (decrease) in securities market price	Effect on profit/loss after income tax	Effect on other components of equity
%	***HK$'000***	***HK$'000***	*%*	*HK$'000*	*HK$'000*
10	**560**	**2,401**	10	6,613	1,142
(10)	**(560)**	**(2,401)**	(10)	(6,613)	(1,142)

(b) Credit risk

Credit risk refers to the risk that the borrowers or counterparties may default on their payment obligations due to the Group. These obligations arise from the Group's lending and investment activities. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statement of financial positions which are summarised in note 44.1.

In order to minimise the credit risk, the Group has established policies and systems for the monitoring and control of credit risk. The management has delegated different divisions responsible for determination of credit limits, credit approvals and other monitoring processes to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews the recoverable amount of loans and advances individually and collectively at the end of each reporting period to ensure that adequate provision for impairment are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

For the year ended 31 March 2013, all the Group's bank balances are deposited with major banks located in Hong Kong (2012: Hong Kong and Macau).

Sales to customers are made in cash or via major credit cards. The maximum exposure to credit risk is represented by the carrying amount of each trade receivable in the reporting date after deducting any provision for impairment of trade receivables, if any. The Group's exposure of credit risk arising from trade receivables is set out in note 21 to the consolidated financial statements.

44. FINANCIAL INSTRUMENTS *(Continued)*

44.2 Financial risk factors *(Continued)*

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations and also in respect of its cash flow management. The Group manages its liquidity needs on a consolidated basis by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as forecast cash inflows and outflows due in day to day business.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-days periods at a minimum. Funding for longer-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell longer-term financial assets.

Analysed below is the Group's remaining contractual maturities for its non-derivative and derivative financial liabilities at 31 March 2013 and 2012. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay. Bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights within one year after the reporting period. The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

The analysis is based on the contractual undiscounted cash flows of the financial liabilities.

	Weighted average effective interest rate	On demand	Within one year	Over one year	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2013						
Non-derivative financial instruments						
– Accruals and other payables	–	1,987	–	–	1,987	1,987
– Amounts due to non-controlling interests	–	150	–	–	150	150
– Borrowings						
– Bank	–	3,395	–	–	3,395	3,395
– Other loan	16.00	–	3,363	–	3,363	3,000
– Obligations under finance leases	1.92	–	211	739	950	910
		5,532	3,574	739	9,845	9,442

44. FINANCIAL INSTRUMENTS *(Continued)*

44.2 Financial risk factors *(Continued)*

(c) *Liquidity risk (Continued)*

	Weighted average effective interest rate	On demand	Within one year	Over one year	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2012						
Non-derivative financial instruments						
– Accruals and other payables	–	5,282	–	–	5,282	5,282
– Amounts due to non-controlling interests	–	447	–	–	447	447
– Borrowings						
– Bank	–	21,699	–	–	21,699	21,699
		27,428	–	–	27,428	27,428

44.3 Fair value estimation

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

- The fair values of financial assets and financial liabilities with standard terms and conditions are traded in active markets are determined with reference to quoted market bid and ask prices respectively.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

44. FINANCIAL INSTRUMENTS *(Continued)*

44.3 Fair value estimation *(Continued)*

At 31 March 2013

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Assets				
Available-for-sale financial assets	**22,732**	**1,274**	**–**	**24,006**
Financial assets at fair value through profit or loss	**5,604**	**–**	**–**	**5,604**
Total assets	**28,336**	**1,274**	**–**	**29,610**

At 31 March 2012

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets				
Available-for-sale financial assets	10,123	1,296	–	11,419
Financial assets at fair value through profit or loss	66,132	–	–	66,132
Total assets	76,255	1,296	–	77,551

The fair value of financial instruments traded in active markets is based on quoted market price at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those price represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily trading securities and available-for-sale financial assets.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and reply as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1 and 2 in both years.

The Directors of the Company consider that that carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximately their fair values.

45. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2013 (2012: nil).

46. EVENTS AFTER THE REPORTING PERIOD

(i) On 5 April 2013, the Group entered into a subscription agreement with Crosby Capital Limited ("Crosby Capital") in relation to the proposed subscription of convertible bonds to be issued by Crosby Capital in the principal amount of HK$19,000,000 at its face value with a cash consideration of HK$14,250,000. The convertible bonds are unsecured, non-interest bearing and maturing on the fifth anniversary of the date of their issue which is 4 October 2015. The convertible bonds carry rights entitling the Company to convert their principal amount into shares in Crosby Capital at conversion price reset on 4 April 2013 at HK$0.78 per share (subject to further adjustment for the end of every 6-month period). The Company may request Crosby Capital to redeem the convertible bonds at the early redemption amount on or after the third anniversary year from the date of their issue. Details of the subscription of convertible bonds were set out in the announcement of the Company dated 5 April 2013.

(ii) On 2 May 2013, the Company proposed to seek approvals from the shareholders for capital reorganisation which comprised of share consolidation of every 20 issued and unissued shares of par value of HK$0.01 each in the share capital of the Company into 1 consolidated share of par value of HK$0.20 each. Details of the capital reorganisation were set out in the announcement and circular of the Company dated 2 May 2013 and 24 May 2013 respectively. On 17 June 2013, the abovesaid capital reorganisation was approved by a special resolution. Details of the approval of capital reorganisation were set out in the announcement of the Company dated 17 June 2013.

47. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with the new requirements of the new and revised HKFRSs and to separately reflect the results of the continuing operations and discontinued operations in order to conform with the current year's presentation.

The particulars of the Group's investment properties and assets classified as held for sale as at 31 March 2013 are as follows:

Particulars of Investment Properties

Location	Lot number	Usage	Category of the lease term	Group's interest
1. Flat No. 9, 3/F, Block G, Lung Poon Court, No. 8 Lung Poon Street, Kowloon	59/15983st shares of the remaining of Section B of New Kowloon Inland Lot No. 6002	Residential	Medium	100%
2. Portion 2 of Unit B, 14/F, Chai Wan Industrial Centre, No. 20 Lee Chung Street, Hong Kong	1/141st shares of Chai Wan Inland Lot Nos. 54 and 47	Industrial	Long	100%

Particulars of Assets classified as held for sale

1. Workshop No. 1, 16/F, Favor Industrial Centre, Nos. 2-6 Kin Hong Street, Kwai Chung, New Territories	367/84161st shares of the remaining portion of Kwai Chung Town Lot No. 361	Industrial	Medium	100%