Sun International Group Limited
太陽國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8029

ideas to cycle for infinity

Annual Report 2009

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

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached other than companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after date and careful consideration and are founded on bases and assumptions that are fair and reasonable.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Chau Cheok Wa *(Chairman)*
Tang Hon Kwong
Cheng Mei Ching
Lee Chi Shing, Caesar

Independent Non-Executive Directors

Fung Kwok Ki
Poon Lai Yin, Michael
Ng Tat Fai

AUDIT COMMITTEE

Poon Lai Yin, Michael
Fung Kwok Ki
Ng Tat Fai

COMPANY SECRETARY

Chan Kim Fai, Eddie

COMPLIANCE OFFICER

Lee Chi Shing, Caesar

QUALIFIED ACCOUNTANT

Kan Miu Yee

AUTHORIZED REPRESENTATIVES

Tang Hon Kwong
Lee Chi Shing, Caesar

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

21/F., The Pemberton
22-26 Bonham Strand
Sheung Wan
Hong Kong

AUDITORS

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

PRINCIPAL SHARE REGISTRAR AND OFFICE

Butterfield Fund Services (Cayman) Limited
P.O. Box 705 GT, Butterfield House
68 Fort Street, George Town
Grand Cayman, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Standard Chartered Bank
Nanyang Commercial Bank Limited
The Bank of East Asia

STOCK CODE

8029

FINANCIAL HIGHLIGHTS

– The Company and its subsidiaries (the "Group") recorded a turnover of continuing operations of HK$181,843,565 for the year ended 31 March 2009.

– Gross profit of continuing operations was HK$152,349,289 for the year ended 31 March 2009.

– Profit attributable to shareholders was HK$30,086,197 for the year ended 31 March 2009.

– The Directors do not recommend the payment of a final dividend for the year ended 31 March 2009.

– As at 31 March 2009, the Group had bank balances and cash amounting to HK$10,142,431.

CHAIRMAN'S STATEMENT

Since the acquisition of Loyal King Investments Limited, the Group has had its main focus on developing entertainment and gaming activities. With the strong and competent experts in computer programming, the Group has obtained a substantial profit during the year.

For the year ended 31 March 2009, the Group recorded a turnover of continuing operations of HK$181,843,565 which is an increase of 350%. This is mainly a result of the business of the computer software solution and service taken up in last year and hotel business taken up on 20 May 2008. The profit attributable to shareholders has increased from profit of HK$2,386,359 recorded in the year ended 31 March 2008 to profit HK$30,086,197. The higher profit figure mainly reflected a higher turnover generated from the last year acquired computer programming business.

Going forward, we remain confident about the prospects of the market for computer systems and related services and our investment in Cagayan Valley of Philippines which acquired on 20 May 2008 will also begin to generate income in 2009. We are optimistic about the prospect of the hotel and tourism business in Cagayan Valley. The Group is looking to further explore the Natural Resources Development in order to enhance shareholders value.

The Company is always seeking opportunities to diversify the Group's revenue streams.

Finally, on behalf of the Directors of the Group, I would like to express our sincere appreciation to the management and staff of the company for their dedication and hard work throughout the year as well as to shareholders and business partners for their commitment and continuous support.

Chau Cheok Wa
Chairman

Hong Kong, 26 June 2009

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The Group recorded a turnover of continuing operations of HK$181,843,565 for the year ended 31 March 2009, representing an increase of 350% when compared to the turnover of HK$40,422,046 in the last fiscal year. The increase was mainly due to the revenue generated from the acquired subsidiaries engaging in information technology related business and hotel business, of which the results were included In the accounts for the year ended 31 March 2009.

The direct costs of continuing operations was increased to HK$29,494,276 from HK$6,867,491 recorded during last year. The increase in gross profit percentage was mainly due to the higher gross profit rate of information technology related business and hotel business.

Administrative expenses of continuing operations made an increase of 265% to HK$98,525,648 compared to HK$26,989,201 in 2008. The increase was mainly due to the costs incurred by the subsidiaries acquired in December 2007 and May 2008 for income generation, and share option granted during the year.

The net profit attributable to equity holders of the Company for the year ended 31 March 2009 was HK$30,086,197 as compared with the net profit of HK$2,386,359 for the last fiscal year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2009, the Group's net assets increased to approximately HK$720,492,000 from net assets of approximately HK$596,685,000 as at 31 March 2008. The bank balances as at 31 March 2009 was approximately HK$10,142,000 as compared to the balance of approximately HK$104,664,000 as at 31 March 2008. The increase in net assets was due to goodwill and property, plant and equipment recognised from acquisition of subsidiaries, trade receivables from the increased turnover. During the year ended 31 March 2009, the Group's operation was mainly financed by the operating activities of the Group.

GEARING RATIO

The gearing ratio, is calculated as borrowings divided by total equity, was approximately 0% (31 March 2008: 1%).

CAPITAL STRUCTURE

Movements in share capital are reflected in note 29 to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE INFORMATION

The total number of employees was 482 as at 31 March 2009 (2008: 41), and the total remuneration for the year ended 31 March 2009 was approximately HK$39,571,411 (2008: HK$12,809,000). The Group's remuneration policy for senior executives is basically performance-linked. Staff benefits, including medical coverage and mandatory provident fund, are also provided to employees where appropriate. Discretionary bonus is linked to performance of the individual specific to each case. The Group may offer options to reward employees who make significant contributions and to retain key staff pursuant to the share option scheme of the Group. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 5 May 2008, the name of the Company changed from Galileo Holdings Limited 嘉利福控股有限公司 to Sun International Group Limited 太陽國際集團有限公司.

SHARE CONSOLIDATION

Pursuant to an ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 25 June 2008, the consolidation of ordinary shares in the share capital of Company (on the basis that every two then existing issued and unissued ordinary shares of HK$0.02 each were consolidated into one ordinary share of HK$0.04) was approved and subsequently become effective on 26 June 2008.

CHARGES ON GROUP ASSETS

As at 31 March 2009, property, plant and equipment of the Group with net book value of HK$18,873 was held under finance leases (2008: HK$26,682) and no investment properties were pledged as securities for bank loan for the year ended 31 March 2009 (2008: HK$7,560,000).

CONTINGENT LIABILITIES

As at 31 March 2009, the Group had no contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

The income and expenditure of the Group are denominated in Hong Kong dollars, PESO and Renminbi, the impact of foreign exchange exposure of the Group were considered minimal. Hence, no hedging or other arrangements to reduce the currency risk have been implemented.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION

On 20 May 2008, the Group completed to acquire the entire share capital of Superb Kings Limited and all the liabilities and debts owing or incurred by Superb Kings Limited to the vendor due and payable on or at any time prior to the completion at a consideration of HK$205,000,000. The consideration was satisfied by (i) HK$115,500,000 by procuring by procuring the Company to allot and issue the Consideration Shares on completion; (ii) HK$44,750,000 in cash as deposit; and (iii) HK$44,750,000 in cash on completion. Details of the acquisition are set out in the circular of the Company dated 10 April 2008.

DISCONTINUED OPERATIONS

On 27 October 2008, the Group entered into a sale and purchase agreement with Grand Pacific Management Inc. to dispose of the Group's funeral service business. The Group's management and shareholders approved the disposal of its entire equity interest in Cheung Shing Funeral Limited and Grand Sea Limited, which are engaged in the funeral service business, for a consideration of HK$3,140,779. The Transaction was completed on 26 November 2008.

REVENUE

Revenue represents the net amounts received and receivable from services provided by the Group to outside customers and rental income.

BUSINESS SEGMENTS

The Group's operating business are structured and managed separately, according to the nature of their operations and services they provided. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risk and returns that are different from those of the other business segments.

For management purposes, the Group is currently organized into four business segments as follows:

Business consultancy	–	providing services to assist clients on various business or management issues
Computer software solution and service	–	provision of computer hardware and software service
Funeral services	–	providing services to assist clients on various funeral custom and activities
Hotel services	–	provision of hotel operation and management services

DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2009, nor has any dividend been proposed since the balance sheet date (2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the whole year under review, the international financial market was seriously affected by the financial crisis due to the United States home loan market. Rescue plans were implemented by various government authorities in strengthening their banking systems. However, the global financial tsunami had caused an adverse effect on consumer spending and investment atmosphere. The Board had decided to suspend the financial advisory service. In addition, the funeral services were terminated in December 2008 in order to concentrate the resources on profitable projects.

Following the acquisition of Loyal King Investments Limited and its subsidiaries (the "Loyal King Group"), the Group is able to explore into the development of entertainment and gaming activities. With the strong and competent information technology staff of the Loyal King Group, the Group is able to increase its market share in the gaming market and improve its financial position by increasing revenue and profit.

The operation of the resort hotel in Cagayan, the Philippines had been suspended from August 2008 to November 2008 due to the destruction of hotel facilities by an exceptional bid typhoon. The renovation work had been completed in November 2008.

OUTLOOK AND DEVELOPMENT

For the foreseeable future, China will continue to be a major factor of international trade. However, under the present condition of the investment environment, the Board will pay more attention to projects which can generate stable income to the Group.

Regarding the provision of computer system and related services in relation to the on-line entertainment and gaming activities, the Board is of the view that the performance is promising and it will greatly improve the Group's financial position.

The Board is always seeking opportunities to diversify the Group's revenue streams in order to enhance shareholders' value and is optimistic about the project of acquiring Superb Kings Limited. The Board is attracted by the future prospect of tourism development and is optimistic about the prospect of the hotel and tourism business in Cagayan Valley of the Philippines as the demand for accommodations and entertainment facilities will continue to grow in the near future. The Board is of the view it can provide valuable opportunity for the Group to tap into the hotel industry while to increase the value of the Group, which are in the interests of the Shareholders as a whole. The typhoon event happened in August 2008 was only an exception case. All the renovation work had been completed In November 2008. The hotel operation restarted In November 2008.

Concerning the loan to Gold Track Mining and Resources Limited ("Gold Track"), the Board considers that Indonesia has abundant resources to be discovered and explored. It will provide a great potential for the business growth if the Group is able to step into the natural resources business of Indonesia. As the current financial position of the Group is sound, the Board considers it is beneficial to provide the Loan to Gold Track. On 8 October 2008, the Group entered into a subscription agreement with Gold Track, pursuant to which the Group would subscribe 11,739 shares of Gold Track (representing 54% of the enlarged share capital to Gold Track), In consideration of the Group capitalizing the loan. Gold Track has the requisite experience and knowledge in discovery of the natural resources.

DIRECTORS AND STAFF

EXECUTIVE DIRECTORS

Mr. Chau Cheok Wa, aged 35, was born in the Macao Special Administrative Region ("Macao") and is a Portuguese national. He received his education in Macao and has since then engaged in the business of operating and managing V.I.P. clubs, in which he has over ten years of experience, at the entertainment V.I.P. clubs at hotels in Macao. Under Mr. Chau's leadership, the number of entertainment V.I.P. clubs managed by Mr. Chau has soared from one to six in the last three years, five of which are at the five-star hotels in Macao including StarWorld Hotel Macau, Venetian Macao Resort Hotel, Grand Lisboa Macau and Wynn Macau (two V.I.P. clubs); and one of which is at the entertainment V.I.P. club of the world-renowned Walker Hill in Seoul, the capital of the South Korea.

Mr. Tang Hon Kwong, aged 44, takes up the role as an administrative executive and possesses work experience exceeding ten years. Mr. Tang started his career in a law firm in Hong Kong in 1990 and has since then served in several different law firms. In 1996, he was awarded the Certificate in Legal Practice for Authorised Clerk by the City University of Hong Kong. In 1998, Mr. Tang was promoted to the administrative level of a law firm and while administering a law firms businesses, Mr. Tang has been leading a team of more than thirty persons to provide clients, from Hong Kong, Mainland China and overseas, with professional consultations and solution packages relating to the Hong Kong law. Irrespective of the nature of the legal problems, which range from civil litigation, criminal litigation, matrimonial litigation, property conveyancing, contract drafting, probate, investment projects, enterprise financing, mergers, acquisitions and reorganization, capital financing to corporate legal matters, Mr. Tang and his team of staff were capable of delivering quality performance under his leadership.

Ms. Cheng Mei Ching, aged 27, holds a bachelors degree in commerce (marketing and advertising) from Curtin University of Technology in Perth, Western Australia. Ms. Cheng has over the past adopted a pragmatic and proactive management approach; and delivered solid performance in various areas, in particular corporate management and internal control.

Mr. Lee Chi Shing, Caesar, aged 45, is also the Chief Executive Officer of the Group, is experienced in corporate management and internal control. He was an executive director of Tanrich Financial Holdings Limited, a company listed on the main board of the Stock Exchange, from 1 November 2004 to 29 June 2005. In 2000, he joined Ernst and Young, an international accounting firm, as a senior manager. He has worked in the Inland Revenue Department for over 15 years after his graduation. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. In addition, he is a member of the Society of Registered Financial Planners. Mr. Lee graduated from the Department of Accountancy of Hong Kong Polytechnic University in 1985. He later obtained a Master degree in International Accountancy in 2001.

DIRECTORS AND STAFF

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Kwok Ki, aged 47, is a practising solicitor in Hong Kong. He was admitted as solicitor in England and Wales and Hong Kong in 1998 and 1999 respectively. Mr. Fung has been practising law in various legal firms specialising in commercial litigation. Mr. Fung is now the senior partner of Fung & Fung Solicitors.

Mr. Poon Lai Yin, Michael, aged 37, has been appointed as the Chief Financial Officer of Enviro Energy International Holdings Limited ("Enviro Energy") since July 2008. Mr. Poon is responsible for the overall financial management, internal control function and accounting function of the Enviro Energy. He joined Enviro Energy in December 2006 as an independent non-executive Director, the chairman and a member of the Audit Committee and the Remuneration Committee, respectively. Mr. Poon has over 13 years of experience in auditing, taxation, accounting and financial management. He graduated with a bachelors degree in administrative studies from York University in Canada and a master's degree in practicing accounting from Monash University in Australia. He is also a member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He is an independent non-executive director of The Quaypoint Corporation Limited and Sun International Group Limited, which shares are listed on the Main Board and GEM, respectively.

Mr. Ng Tat Fai, aged 41, is a practising barrister. He graduated from the University of Hong Kong with an LLB and got the PCLL from the same. He was called to the Hong Kong Bar in 1994.

QUALIFIED ACCOUNTANT

Ms. Kan Miu Yee, aged 32, has been appointed as the qualified accountant of the Company with effect from 9 September 2008. Ms. Kan holds a Higher Diploma in Accountancy from the City University of Hong Kong and a Master degree in Professional Accounting from the Hong Kong Polytechnic University. Ms. Kan is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Ms. Kan has over 8 years' experience in the accounting and auditing field.

DIRECTORS' REPORT

The directors would like to present the annual report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities and other details of its subsidiaries are set out in note 20 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2009 are set out in the consolidated income statement on page 34.

The directors do not recommend the payment of any dividends.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 96.

CHARITABLE DONATIONS

Charitable donations of HK$500,124 (2008: Nil) were made by the Group during the year.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in property, plant and equipment and investment properties of the Group are set out in note 19 and note 17 to the consolidated financial statements respectively.

SHARE CAPITAL AND SHARE OPTIONS

Details of the authorised and issued share capital and share options of the Company are set out in notes 29 and 31 respectively to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 37 and in note 30 to the financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholder as at 31 March 2009 amounted to approximately HK$1,261,000 (2008: Nil).

DIRECTORS' REPORT

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Chau Cheok Wa	
Mr. Chui Bing Sun	(resigned on 1 December 2008)
Mr. Tang Hon Kwong	(appointed on 6 June 2008)
Ms. Cheng Mei Ching	(appointed on 6 June 2008)
Mr. Lee Chi Shing, Caesar	

Independent non-executive directors:

Mr. Fung Kwok Ki	(appointed on 30 September 2008)
Mr. Poon Lai Yin, Michael	(appointed on 30 September 2008)
Mr. Ng Tat Fai	(appointed on 29 December 2008)
Mr. Siu Hi Lam, Alick	(resigned on 15 January 2009)
Mr. Kwok Kwan Hung	(resigned on 15 December 2008)
Mr. Chien Hoe Yong	(resigned on 20 October 2008)

In accordance with Article 108 of the Company's Article of Association, Mr. Chau Cheok Wa, Mr. Tang Hon Kwong, Ms. Cheng Mei Ching and Mr. Lee Chi Shing, Caesar will retire by rotation. All of these retiring directors, being eligible, offer themselves for re-election.

Each executive director has entered into a service contract with the Company with effect from the date of appointment and will continue thereafter unless and until terminated by either party by giving not less than one-month prior written notice to the other.

The term of office of each independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' REPORT

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

As at 31 March 2009, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as required, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(1) Long positions in the shares of the Company

Ordinary share of HK$0.04 each of the Company

Name of Director	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Mr. Chau Cheok Wa	Corporate *(Note)*	140,000,000	Interest of a controlled corporation	16.82%
Mr. Tang Hon Kwong	Personal	3,700,000	Beneficial owner	0.44%
Mr. Lee Chi Shing Caesar	Personal	500,000	Beneficial owner	0.06%

Note: These ordinary shares are held by First Cheer Holdings Limited. First Cheer Holdings Limited is beneficially owned as to 45% by Mr. Chau Cheok Wa, as to 45% by Mr. Cheng Ting Kong, and as to 10% by Lai Tung Kwong.

DIRECTORS' REPORT

(2) Long positions in the underlying shares of the Company

Pursuant to the new share option scheme adopted by the Company on 5 December 2006 (the "New Scheme"), several Directors in the capacity as beneficial owner were granted share options to subscribe for shares of the Company, details of which as at 31 March 2009 were as follows:

Name of Director	Date of grant	Number of share options	Exercised during the year	Share option lapsed	Exercise price of share options HK$	Exercise period from	Exercise period until	Number of options outstanding as at 31 March 2009
Mr. Chien Hoe Yong	26/03/2007	250,000	250,000	–	0.66	26/03/2008	25/03/2017	–
	1/11/2007	125,000	–	125,000	2.94	1/11/2007	31/10/2017	–
Mr. Kwok Kwan Hung	26/3/2007	250,000	250,000	–	0.66	26/03/2008	25/3/2017	–
	1/11/2007	125,000	–	125,000	2.94	1/11/2007	31/10/2017	–
Mr. Siu Hi Lam, Alick	1/11/2007	125,000	–	125,000	2.94	1/11/2007	31/10/2017	–
Mr. Tang Hon Kwong	19/8/2008	3,580,000	–	–	1.14	19/08/2008	18/08/2018	3,580,000
	27/8/2008	4,800,000	–	–	1.16	27/08/2008	26/08/2018	4,800,000
Mr. Lee Chi Shing, Caesar	19/8/2008	8,380,000	–	–	1.14	19/08/2008	18/08/2018	8,380,000

Note: The number of share options and exercise price have been adjusted for the Share Consolidation that became effective on 26 June 2008.

Save as disclosed above, during the year ended 31 March 2009, the company grant new share options at 19 August 2008 and 27 August 2008 for the Directors or their respective associates to subscribe for shares of the Company and had not been exercised such rights.

Save as disclosed above, during the year ended 31 March 2009, none of the Directors or Chief Executive of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company, its holding companies or any of its subsidiaries was a party and in which a director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

RELATED PARTY AND CONNECTED TRANSACTIONS

Details of the significant related party and connected transactions of the Group are set out in note 37 to the consolidated financial statements.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or chief executives of the Company, as at 31 March 2009, the following person or corporations had equity interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions in the shares of the Company

Ordinary share of HK$0.04 each of the Company

Name of Shareholders	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Premier United Limited *(Note 1)*	Corporate	95,000,000	Beneficial owner	11.42%
Chan Ping Che *(Note 1)*	Corporate	95,000,000	Interest of a controlled corporation	11.42%
Lam Shiu May *(Note 1)*	Corporate	95,000,000	Interest of a controlled corporation	11.42%
First Cheer Holdings Limited *(Note 2)*	Corporate	140,000,000	Beneficial owner	16.82%
Cheng Ting Kong *(Note 2)*	Corporate	140,000,000	Interest of a controlled corporation	16.82%
Chau Cheok Wa *(Note 2)*	Corporate	140,000,000	Interest of a controlled corporation	16.82%
Yeung Hak Kan	Personal	69,963,500	Beneficial owner	8.41%

Notes:

1. Premier United Limited is beneficially owned as to 50% by Mr. Chan Ping Che and as to 50% by Ms. Lam Shiu May. Accordingly, both Mr. Chan Ping Che and Ms. Lam Shiu May are deemed under the SFO to be interested in the 95,000,000 shares beneficially owned by Premier United Limited.

2. First Cheer Holdings Limited is beneficially owned as to 45% by Mr. Cheng Ting Kong, as to 45% by Mr. Chau Cheok Wa and as to 10% by Lai Tung Kwong.

Save as disclosed above, as at 31 March 2009, the Company was not notified of any other relevant interests or short positions in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO.

DIRECTORS' REPORT

COMPETITION AND CONFLICT OF INTERESTS

None of the directors, the management shareholders (as defined in the GEM Listing Rules) or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the businesses of the Group or has any other conflict of interests with the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor the Chief Executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SHARE OPTION SCHEME

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, any person or entity providing research, development or other technological support to the Group, and any other person or entity determined by the directors as having contributed or may contribute to the development and growth of the Group. The Company has two share option schemes, one was adopted on 29 November 2000 (the "Pre-IPO Share Option Scheme") and another was adopted on 5 December 2006 (the "New Scheme").

(a) Pre-IPO Share Option Scheme

On 29 November 2000, the Company adopted a share option scheme which was valid and effective for a period not exceeding ten years commencing from 29 November 2000.

Under the Pre-IPO Share Option Scheme, the eligible participants (including any employee and executive director of the Company or any of its subsidiaries, who has full time employment with the Company or any such subsidiary at the time) may be granted an option to subscribe for shares of the Company.

The maximum number of shares in respect of which share options may be granted under the Scheme may not exceed, in nominal amount, 30% of the issued share capital of the Company. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 25% of the maximum aggregate number of shares for the time being issued and which may fall to be issued under the Scheme.

DIRECTORS' REPORT

The offer of a grant of share options may be accepted within 21 days inclusive of, and from the date of the offer. The exercise period of the share options granted is determined by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the respective date when the share options are granted, subject to the provisions for any terminations thereof.

In respect of the share options to be granted after the listing of the Company's shares on the GME of the Stock Exchange, the subscription price will be a price determined by the directors, but may not be less than the highest of the closing price of the shares on the GEM of the Stock Exchange on the date of grant of the particular option or the average of the closing prices of the shares on the GEM of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant of the particular option or the nominal value of a share.

In respect of the share options granted prior to the listing of the Company's shares on the GME of the Stock Exchange (the 'Pre-IPO Share Options"), the subscription price of the Pre-IPO Share Options should not be less than the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There was no outstanding share option as at 31 March 2009.

The Directors consider that the Pre-IPO Share Options Scheme does not comply with certain supplementary guidance published by the Stock Exchange concerning Rule 23.03(13) of the GME Listing Rules and the note immediately followed the rule. No further share options will be granted under the Pre-IPO Share Options Plan.

(b) New Scheme

On 5 December 2006, the Company adopted a new share option scheme. The New Scheme became valid and effective for a period of ten years commencing from the adoption of the New Scheme, after which period no further options will be granted but the provisions of the New Scheme shall remain in full force and effect in all other respects.

The participants of the New Scheme to whom options may be granted by the Board shall include any director, employee, consultant, adviser, agent, contractor, customer or supplier of any member of the Group whom the Board in its sole discretion considers eligible for the New Scheme on the basis of his/her contribution to the development and growth of the Group.

DIRECTORS' REPORT

No participant shall be granted an option if the total number of Shares issued and to be issued upon exercise of the options granted and to be granted (including options exercised, cancelled and outstanding) in any 12 month period up to and including the date of grant to such participant would exceed 1% of the shares for the time being in issue unless the proposed grant has been approved by the shareholders in general meeting with the proposed grantee and his associates abstaining from voting. The number and terms of options to be granted to each grantee must be fixed before the shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and all other share option schemes of the Company (the "Scheme Mandate Limit") shall not exceed 10% of the total number of Shares in issue unless the Company obtains a fresh approval from its shareholders pursuant to the approval of the shareholders in general meetings. At 31 March 2009, the number of shares issuable under share options granted under the Share Option Plan was 120,450,000 (2008: 85,050,000), which represented approximately 14% of the Company's shares in issue as at that date. The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes shall not exceed 30% of the shares of the Company from time to time.

The offer of a grant of share options may be accepted within 14 days after the date on which the offer becomes or is declared unconditional. The exercise period of the share options granted is determinable by the board of directors, and commences on any date after the date of grant and ends on a date which is not later than ten years from the date of offer of the share options or the expiry date of the New Scheme, if earlier.

The exercise price of share options is determined by the board of directors, but may not be less than the higher of (i) the closing price of the Company's shares on the GEM of the Stock Exchange on the date of grant of the option; (ii) the average of the closing prices of the Company's shares on the GEM of the Stock Exchange for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares of the Company.

The Company will comply with the disclosure requirements under Chapter 23 of the GEM Listing Rules, including without limitation disclosures in the annual and interim reports of the Company including details of the options granted to the following persons: (i) each of the connected person; (ii) each participant with options granted in excess of the limit; (iii) aggregate figures for the employees; (iv) aggregate figures for supplier of goods or services; and (v) all other participants as an aggregate whole.

DIRECTORS' REPORT

The following share options were outstanding under the Option Scheme during the year:

				Number of share options									
Category participants	Date of grant	Exercise price HK$ *(note 3)*	Exercise period	Outstanding at 1 April 2007	Grant during the year	Exercise during the year	Lapsed during the year	Outstanding at 31 March 2008	Adjusted outstanding at 31 March 2008 *(note 3)*	Grant during the year	Exercise during the year	Lapsed during the year	Outstanding at 31 March 2009
Mr. Lee Chi Shing, Caesar	19.12.2006	0.836	19.12.2007 – 18.12.2016	2,500,000	–	(2,500,000)	–	–	–	–	–	–	–
	23.02.2007	0.600	23.02.2008 – 22.02.2017	1,000,000	–	(1,000,000)	–	–	–	–	–	–	–
	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	8,380,000	–	–	8,380,000
				3,500,000	–	(3,500,000)	–	–	–	8,380,000	–	–	8,380,000
Mr. Siu Hi Lam, Alick	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	250,000	–	–	250,000	125,000	–	–	(125,000)	–
	26.03.2007	0.660	26.03.2008 – 25.03.2017	500,000	–	(500,000)	–	–	–	–	–	–	–
				500,000	250,000	(500,000)	–	250,000	125,000	–	–	(125,000)	–
Mr. Kwok Kwan Hung	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	250,000	–	–	250,000	125,000	–	–	(125,000)	–
	26.03.2007	0.660	26.03.2008 – 25.03.2017	500,000	–	–	–	500,000	250,000	–	(250,000)	–	–
				500,000	250,000	–	–	750,000	375,000	–	(250,000)	(125,000)	–
Mr. Chien Hoe Yong	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	250,000	–	–	250,000	125,000	–	–	(125,000)	–
	26.03.2007	0.660	26.03.2008 – 25.03.2017	500,000	–	–	–	500,000	250,000	–	(250,000)	–	–
				500,000	250,000	–	–	750,000	375,000	–	(250,000)	(125,000)	–
Mr. Tan Hong Kwong	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	3,580,000	–	–	3,580,000
	27.08.2008	1.160	27.08.2008 – 26.08.2018	–	–	–	–	–	–	4,800,000	–	–	4,800,000
				–	–	–	–	–	–	8,380,000	–	–	8,380,000
Consultants in aggregate	23.02.2007	0.600	23.02.2007 – 22.02.2008	69,000,000	–	(28,700,000)	(40,300,000)	–	–	–	–	–	–
	13.08.2007	0.760	13.08.2007 – 12.08.2016	–	38,400,000	(3,500,000)	–	34,900,000	17,450,000	–	–	–	17,450,000
	17.08.2007	0.720	17.08.2007 – 16.08.2016	–	28,800,000	–	–	28,800,000	14,400,000	–	(2,500,000)	(2,300,000)	9,600,000
	21.08.2007	0.690	21.08.2007 – 20.08.2017	–	19,200,000	–	–	19,200,000	9,600,000	–	–	–	9,600,000
	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	53,860,000	–	–	53,860,000
	27.08.2008	1.160	27.08.2008 – 26.08.2018	–	–	–	–	–	–	4,800,000	–	–	4,800,000
				69,000,000	86,400,000	(32,200,000)	(40,300,000)	82,900,000	41,450,000	58,660,000	(2,500,000)	(2,300,000)	95,310,000
Other employees in aggregate	19.12.2006	0.836	19.12.2007 – 18.12.2016	250,000	–	(250,000)	–	–	–	–	–	–	–
	21.08.2007	0.690	21.08.2007 – 20.08.2017	–	9,800,000	(9,800,000)	–	–	–	–	–	–	–
	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	400,000	–	–	400,000	200,000	–	–	(200,000)	–
	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	8,380,000	–	–	8,380,000
				250,000	10,200,000	(10,050,000)	–	400,000	200,000	8,380,000	–	(200,000)	8,380,000
				74,250,000	97,350,000	(46,250,000)	(40,300,000)	85,050,000	42,525,000	83,800,000	(3,000,000)	(2,875,000)	120,450,000

(1) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

(2) The exercise price of the share option is subject to adjustment in the case of a capitalization issue, rights issue, sub-division or consolidation of the Company's shares or reduction of the Company's share capital.

DIRECTORS' REPORT

(3) The number of share options and exercised price had been adjusted following the completion of share consolidation.

(4) These fair values of the share options granted during the years were calculated using the Black-Scholes pricing model. The inputs into the model were at the date of grant of options as follows:

Date of grant:	19 December 2006	23 February 2007	23 February 2007	23 February 2007	26 March 2007	13 August 2007	17 August 2007	21 August 2007	1 November 2007	19 August 2008	27 August 2008
No. of share options:	2,750,000	1,000,000	7,400,000	66,600,000	1,500,000	38,400,000	28,800,000	29,000,000	1,150,000	74,200,000	9,600,000
Option value:	0.111277	0.073625	0.0378382	0.0435221	0.088343	0.06634	0.02608	0.06007	0.2596365	0.18891	0.20101
Stock price as at the date of grant (in HK dollar)	0.408	0.280	0.280	0.280	0.320	0.375	0.280	0.340	1.470	1.110	1.160
Exercise price (in HK dollar)	0.418	0.300	0.300	0.300	0.330	0.380	0.360	0.345	1.470	1.470	1.160
Expected volatility	70%	70%	70%	70%	70%	61.97%	62.15%	62.15%	61.72%	99.81%	96.08%
Expected life (year)	1	1	0.25	0.33	1	0.5	0.5	0.5	0.5	0.25	0.25
Risk-free rate*	3.57%	4.04%	3.51%	3.69%	3.74%	3.96%	3.97%	3.88%	2.22%	1.00%	1.15%
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

* Risk free rate was interpolated from the yields to maturity of respective Hong Kong Exchange Fund Note with respective terms as at the date of grant.

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 1 year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of HK$15,946,877 for the year ended 31 March 2009 (2008: HK$5,757,471) in relation to share options granted by the Company.

At 31 March 2009, the Company had 120,450,000 share options (2008: 85,050,000) outstanding under the Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 120,450,000 additional ordinary shares of HK$0.04 each of the Company and additional share capital of HK$4,818,000 (2008: HK$1,701,000) and cash proceeds to the Company of HK$122,522,000 (2008: HK$32,274,500) (before share issue expenses).

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the services provided to the Group's largest client and five largest clients accounted for 60% and 94%, respectively of the total turnover for the year. The Group's largest supplier and five largest suppliers accounted for 4% and 12% purchases of the Group for the year ended 31 March 2009.

In the opinion of the directors, none of the directors, their associates or any shareholders of the Company who owned more than 5% of the Company's share capital had any interest in the Group's five largest customers and suppliers.

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

The Company purchased 6,365,000 Shares of the Company's listed securities during the year under review.

DIRECTORS' REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2009.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive directors are independent.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company considers all of the independent non-executive directors are independent.

AUDIT COMMITTEE

The audit committee comprises three members, Mr. Poon Lai Yin, Michael, Mr. Fung Kwok Ki; and Mr. Ng Tat Fai. All of them are independent non-executive directors of the Company.

The primary duties of the audit committee are to review the Company's annual and quarterly financial reports and to provide advice and comments thereon to the Board of Directors. Four audit committee meetings were held during the year.

DIRECTORS' REPORT

The Group's consolidated financial statements for the year ended 31 March 2009 have been reviewed by the audit committee, which is of the opinion that the preparation of such consolidated financial statements complies with applicable accounting standards, the GEM Listing Rules, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

According to the Code on Corporate Governance Practices, the Company established its remuneration committee ("Remuneration Committee") on 18 March 2005. During the year under review, the Remuneration Committee comprised three members, Mr. Fung Kwok Ki, Mr. Poon Lai Yin, Michael and Mr. Ng Tat Fai, all of them are independent non-executive Directors and Mr. Fung Kwok Ki was appointed as the Chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure in relation to the remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

EMOLUMENT POLICY

The Group's emolument policy for senior executives is basically performance-linked. Staff benefits, including medical coverage and mandatory provident funds are also provided to employees where appropriate.

POST BALANCE SHEET EVENT

Details of significant events occurring after the balance sheet date are set out in note 38 to the consolidated financial statement.

AUDITORS

The financial statements for the year ended 31 March 2009 were audited by Messrs. HLB Hodgson Impey Cheng ("HLB") who would retire at the forthcoming annual general meeting, and being eligible, offer themselves for re-appointment.

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

On behalf of the Board

Chau Cheok Wa
Chairman

Hong Kong, 26 June 2009

CORPORATE GOVERNANCE REPORT

The Company is committed to high standards of corporate governance for the enhancement of shareholder value. The Company believes that good corporate governance is not only in the interest of investors but also in the interest of the Company. It is also of the view that good corporate governance is a reflection of the standard and quality of the management and operations of the Company and it also helps sustain the long-term support of shareholders upon which the Company's success depends.

The Company closely monitors corporate governance development in Hong Kong and it regularly reviews its corporate governance practices in light of experience and evolving regulatory requirements to ensure that the Company keeps abreast of shareholders' expectations. The principles of corporate governance adopted by the Company emphasize a quality board, sound internal control, and transparency and accountability to shareholders.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices ("Code on CG Practices") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 March 2009.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Code of Conduct regarding Securities Transactions by Directors on terms no less exacting than the required standard of dealings ("Code of Conduct"). Having made specified enquiry with the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Code of Conduct for the year ended 31 March 2009.

BOARD OF DIRECTORS

The principal duty of the board of directors of the Company ("the Board") is to ensure that the Company is properly managed in the interest of shareholders.

The Board, led by the Chairman, is responsible for the formulation of Company-wide strategies and policies, including an oversight of the management. Management is responsible for the day-to-day operations of the Company under the leadership of the Chief Executive Officer.

As at 31 March 2009, the Board comprised 7 Directors, including the Chairman, 4 Executive Director and 3 Independent Non-executive Directors. One of the Independent Non-executive Director has appropriate professional qualifications in accounting. Biographical details of the Directors are set out on pages 11 to 12.

In determining the independence of a Director, the Board would consider whether the Director has any direct or indirect material relationship with the Company and the Board follows the requirements set out in the GEM Listing Rules. Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all the Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and considers that they are independent.

CORPORATE GOVERNANCE REPORT

The position of the Chairman and the Chief Executive Officer are held by separate individuals. The role of the Chairman is separated from that of the Chief Executive Officer. Such division of responsibilities helps to reinforce their independence and accountability.

Mr. Chau Cheok Wa is the Chairman of the Company and Mr. Tang Hon Kwong is the Chief Executive Officer of the Company.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that the Board acts in the best interest of the Company. To ensure that Board meetings are planned and conducted effectively, the Chairman is primarily responsible for drawing up and approving the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by other Directors for inclusion in the agenda. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The Chairman also actively encourages Directors to be fully engaged in the Board's affairs and make contribution to the Board's functions. With the support of all other members of the Board, the Chairman procures that good corporate governance practices and procedures are established and that appropriate steps are taken to provide effective communication with shareholders.

The Chief Executive Officer is responsible for managing the business of the entire Company, attending to the formulation and successful implementation of company policies and assuming full accountability to the Board for all Company operation. Acting as the principal navigator of the Company's businesses, the Chief Executive Officer attends to developing strategic operation plans that reflect the longer-term objectives and priorities established by the Board and is directly responsible for maintaining the operational performance of the Company. The Chief Executive Officer also maintains ongoing dialogue with the Chairman and all Directors to keep them fully informed of all major business development and issues.

The Board meets regularly, and at least 4 times a year. Between scheduled meetings, senior management of the Group from time to time provides to Directors information on the activities and development of the businesses of the Group. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

CORPORATE GOVERNANCE REPORT

The Board held 17 meetings during the year ended 31 March 2009. Details of attendance of individual Directors at Board Meetings are presented below:

		Attended/ Eligible to attend
Chairman		
Mr. Chau Cheok Wa		7/17
Executive Directors		
Mr. Chui Bing Sun	(resigned on 1 December 2008)	9/13
Mr. Tang Hon Kwong	(appointed on 6 June 2008)	14/15
Ms. Cheng Mei Ching	(appointed on 6 June 2008)	8/15
Mr. Lee Chi Shing, Caesar		17/17
Independent non-executive Directors		
Mr. Fung Kwok Ki	(appointed on 30 September 2008)	2/8
Mr. Poon Lai Yin, Michael	(appointed on 30 September 2008)	2/8
Mr. Ng Tat Fai	(appointed on 29 December 2008)	1/3
Mr. Siu Hi Lam, Alick	(resigned on 15 January 2009)	5/6
Mr. Kwok Kwan Hung	(resigned on 15 December2008)	5/14
Mr. Chien Hoe Yong	(resigned on 20 October 2008)	2/11

Save for the above regular board meetings of the Period, the Board will meet on other occasions when a board-level decision on a particular matter is required. The Directors will receive details of agenda items for decision 7 business days in advance of each board meeting and the minutes within 3 business days after the meeting.

Each of the Independent Non-executive Directors has entered into a letter of service with the Company for a term of one year's period. All the Independent Non-executive Directors are subject to re-election at each annual general meeting of the Company.

Upon appointment, Directors would receive an orientation review of the Company and its business from senior executives. Information are provided to Directors regularly to ensure that Directors keep up with the latest changes in the commercial and regulatory environment in which the Group conducts its businesses.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group.

The Directors ensure the consolidated financial statements of the Group are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the publication of the consolidated financial statements of the Group is made in a timely manner. The Directors, having made appropriate enquires, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

The statement of the Auditors of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Auditors' Report on pages 32 and 33.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The duties of the audit committee are to review the Company's annual and quarterly financial reports and to provide advice and comments thereon to the Board. The audit committee comprises three independent non-executive Directors, namely, Mr. Poon Lai Yin, Michael, Mr. Fung Kwok Ki and Mr. Ng Tat Fai. The biographies of members of the audit committee are set out in the paragraph headed "Directors and Staff" above.

The Audit Committee held 4 meetings in 2009 and the attendance records are set out below:

Name of Member		Attended/ Eligible to attend
Mr. Poon Lai Yin, Michael *(Chairman)*	(appointed on 30 September 2008)	2/2
Mr. Fung Kwok Ki	(appointed on 30 September 2008)	2/2
Mr. Ng Tat Fai	(appointed on 29 December 2008)	2/2
Mr. Siu Hi Lam, Alick	(resigned on 15 January 2009)	3/3
Mr. Kwok Kwan Hung	(resigned on 15 December2008)	2/2
Mr. Chien Hoe Yong	(resigned on 20 October 2008)	0/2

For 2009, the Audit Committee reviewed with senior management and the external auditors of the Company their respective audit findings, the accounting principles and practices adopted by the Company, legal and regulatory compliance, and internal control, risk management and financial reporting matters (including the interim and annual financial statements for the year ended 31 March 2009 before recommending them to the Board for approval). In particular, the Audit Committee monitored the integrity of financial statements of the Company and the annual report and accounts and quarterly reports and accounts of the Company, discussed with management and the external auditor, and reviewed significant financial reporting judgments contained in them. In this regard, in reviewing such reports and accounts of the Company before submission to the Board, the Audit Committee focused particularly on:

(a) any changes in financial reporting and accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumption and any qualifications;

(e) compliance with accounting standards; and

(f) compliance with the GEM Listing Rules and any other legal requirements in relation to financial reporting.

CORPORATE GOVERNANCE REPORT

The audited consolidated results of the Group for the year ended 31 March 2009 have been reviewed by the Audit Committee.

AUDITORS' REMUNERATION

The amount of fees charged by the Auditors generally depends on the scope and volume of the auditors' work. For the year ended 31 March 2009, the Auditors of the Company received approximately HK$790,000 for audit services.

REMUNERATIONS COMMITTEE

The Company has established a Remunerations Committee in March 2005. The current existing Remunerations Committee consists 3 Independent Non-executive Directors, namely, Mr. Fung Kwok Ki, Mr. Poon Lai Yin, Michael and Mr. Ng Tat Fai. The biographies of members of the Remuneration Committee are set out in the paragraph headed "Directors and Staff".

The Remunerations Committee would assist the Board to develop and administer a fair and transparent procedure for setting policy on the remuneration of Directors and senior management of the Company and for determining their remuneration packages and also is responsible for the administration of the share option schemes adopted by the Company. Terms of reference of the Remunerations Committee are approved by the Directors.

Executive Directors are responsible for reviewing all relevant remuneration data and market conditions as well as the performance of the individual and the profitability of the Company, and propose to the Remunerations Committee for consideration and approval, remuneration packages for Directors and senior management.

The Remunerations Committee held 1 meeting for the financial year 31 March 2009. The attendance records are presented below:

Name of Member		**Attended/ Eligible to attend**
Mr. Fung Kwok Ki *(Chairman)*	(appointed on 30 September 2008)	0/0
Mr. Poon Lai Yin, Michael	(appointed on 30 September 2008)	0/0
Mr. Ng Tat Fai	(appointed on 29 December 2008)	0/0
Mr. Siu Hi Lam, Alick	(resigned on 15 January 2009)	1/1
Mr. Kwok Kwan Hung	(resigned on 15 December2008)	1/1
Mr. Chien Hoe Yong	(resigned on 20 October 2008)	0/1

The remuneration of Directors and senior management was determined with reference to the performance and profitability of the Company as well as remuneration benchmarks from other local and international companies and the prevailing market conditions. Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance.

CORPORATE GOVERNANCE REPORT

Details of Director's emoluments for the year ended 31 March 2009 are set out in note 14 to the consolidated financial statements.

NOMINATIONS COMMITTEE

A nomination committee is not necessary for the Company, after the Board reviewed the needs and current situation of the Company. The Board will be responsible for reviewing the profile of current directors and potential candidate of director to ensure that the composition of the Board is appropriate for the Company.

INTERNAL CONTROL

An internal control system, being an integral part of the Company's operations, is a process effected by the Board and management team to provide reasonable assurance regarding the effectiveness and efficiency of operations in achieving the established corporate objectives, safeguarding Company assets, providing reliable financial reporting, and complying with applicable laws and regulations.

The Board is responsible for making appropriate assertions on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. Through the Audit Committee, it regularly reviews the effectiveness of the system.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board is committed to providing clear and full information about the Company's performance to shareholders through the publication of quarterly reports and annual reports. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the websites of the Group and the Stock Exchange.

The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

Shareholders have statutory rights to call for extraordinary general meetings by serving written requests to the Company and to put forward agenda items for consideration by shareholders. Details of the poll voting procedures and the rights of shareholders to demand a poll are included in the circular to shareholders despatched together with the annual report. The results of the poll are published on the Company's website and the Stock Exchange's website. Financial and other information is available on the websites of the Company and the Stock Exchange.

The Company values feedback from shareholders on its effort to promote transparencies and foster investor relationships. Comments and suggestions are welcome and can be addressed to our Company by mail.

VOTING BY POLL

In compliance with the requirements on the poll voting procedures, the Company has informed the Members in respect of the procedures for voting by poll and the rights of the Members in demanding for poll in each general meeting. Pursuant to Article 72 of the Company's Articles of Association, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded at any general meeting. In the general meetings held during the Year, the Company counted all proxy votes, and except where polls were required, chairman of each general meeting had expressly indicated to the members attending the meetings the levels of proxies lodged on each resolution, and the balance for and against the resolution, after each of the resolution had been dealt with on a show of hands.

Furthermore, Article 72 of the Articles of Association, a vote by poll may be demanded by:

(a) the Chairman of the meeting; or

(b) at least three members present in person or by proxy and entitled to vote; or

(c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right attend and vote at the meeting; or

(d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

In the general meetings held during the year, there were resolutions requiring polls either demanded by the chairmen of the meetings or required under the Listing Rules. In each general meeting, Tricor Tengis Limited, the Company's Hong Kong Branch Registrar, was instructed to act as scrutineer. In each general meeting held during the year, the Company had ensured that where appropriate:

(i) the procedure for demanding a poll by the Shareholders before putting a resolution to the vote on a show of hands; and

(ii) the detailed procedures for conducting a poll and then answer any questions from the Shareholders whenever voting by way of a poll is required.

As such, the Company has complied with the requirements in relation to vote by poll.

INDEPENDENT AUDITORS' REPORT

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUN INTERNATIONAL GROUP LIMITED (FORMERLY KNOWN AS GALILEO HOLDINGS LIMITED)
(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sun International Group Limited (formerly known as Galileo Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 95, which comprise the consolidated and Company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, 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 as to whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT

AUDITORS' RESPONSIBILITY (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements 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 of the Company as at 31 March 2009 and of the Group's profit 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
Chartered Accountants
Certified Public Accountants

Hong Kong, 26 June 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$	2008 HK$
Continuing operations:			
Turnover	7	**181,843,565**	40,422,046
Direct costs		**(29,494,276)**	(6,867,491)
Gross profit		**152,349,289**	33,554,555
Other operating income	9	**643,077**	344,008
Administrative expenses		**(98,525,648)**	(26,989,201)
Loss on disposal of subsidiaries		**(3,021,019)**	–
Finance costs	10	**(7,564)**	(127,035)
Profit before tax		**51,438,135**	6,782,327
Income tax expense	11	**(16,482,507)**	(4,346,906)
Profit for the year from continuing operations		**34,955,628**	2,435,421
Discontinued operations	12		
(Loss)/profit for the year from discontinued operations		**(174,397)**	155,068
Profit for the year	13	**34,781,231**	2,590,489
Attributable to:			
Equity holders of the Company		**30,086,197**	2,386,359
Minority interests		**4,695,034**	204,130
Profit for the year		**34,781,231**	2,590,489
Earnings per share *(HK cents per share)*	16		
From continuing and discontinued operations			
Basic		**3.63**	0.46
Diluted		**3.47**	0.44
From continuing operations			
Basic		**3.65**	0.43
Diluted		**3.49**	0.42

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	2009 HK$	2008 HK$
Non-current assets			
Investment properties	17	–	7,560,000
Goodwill	18	505,765,869	426,465,393
Property, plant and equipment	19	113,276,695	2,681,393
		619,042,564	436,706,786
Current assets			
Inventories	21	1,922,347	60,650
Trade receivables	22	96,010,872	23,266,603
Prepayments, deposits and other receivables	23	13,375,072	45,677,040
Bank balances and cash		10,142,431	104,663,808
		121,450,722	173,668,101
Current liabilities			
Accruals and other payables	24	6,996,885	3,836,991
Deposits received		131,700	162,000
Amount due to a director	25	381,334	450,965
Obligations under finance leases	26	8,376	7,809
Bank borrowings	27	–	303,304
Tax payables		11,951,936	5,195,887
		19,470,231	9,956,956
Net current assets		101,980,491	163,711,145
Total assets less current liabilities		721,023,055	600,417,931
Non-current liabilities			
Bank borrowings	27	–	3,480,206
Obligations under finance leases	26	13,426	16,269
Deferred tax liabilities	28	517,564	236,250
		530,990	3,732,725
Net assets		720,492,065	596,685,206
Capital and reserves			
Share capital	29	33,284,400	31,319,000
Reserves		679,807,542	562,661,118
Equity attributable to equity holders of the Company		713,091,942	593,980,118
Minority interests		7,400,123	2,705,088
Total equity		720,492,065	596,685,206

Approved and authorised for issue by the Board of Directors on 26 June 2009 and are signed on its behalf by:

Chau Cheok Wa
Director

Lee Chi Shing, Caesar
Director

The accompanying notes form an integral part of these consolidated financial statements.

BALANCE SHEET
At 31 March 2009

	Notes	2009 HK$	2008 HK$
Current assets			
Amounts due from subsidiaries		**10,809,225**	1,703,946
Bank balances and cash		**1,736,602**	86,297,433
		12,545,827	88,001,379
Current liabilities			
Accruals and other payables		**238,000**	1,096,151
Amount due to a subsidiary		**–**	4,237,109
Amount due to a director	25	**–**	450,964
		238,000	5,784,224
Net assets		**12,307,827**	82,217,155
Capital and reserves			
Share capital	29	**33,284,400**	31,319,000
Reserves	30	**(20,976,573)**	50,898,155
Total equity attributable to equity holders of the Company		**12,307,827**	82,217,155

Approved and authorised for issue by the Board of Directors on 26 June 2009 and are signed on its behalf by:

Chau Cheok Wa
Director

Lee Chi Shing, Caesar
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Attributable to the equity holders of the Company									
	Share capital HK$	Share premium HK$	Merger deficit HK$ (note a)	Share options reserve HK$	Properties revaluation reserve HK$ (note b)	Capital redemption reserve HK$	Retained profits/ (accumulated losses) HK$	Sub-total HK$	Minority interests HK$	Total equity HK$
At 1 April 2007	19,300,000	17,090,836	(119,998)	3,272,393	–	–	(34,198,593)	5,344,638	–	5,344,638
Surplus on revaluation of properties	–	–	–	–	1,320,000	–	–	1,320,000	–	1,320,000
Deferred tax	–	–	–	–	(231,000)	–	–	(231,000)	–	(231,000)
Net income recognised directly in equity	–	–	–	–	1,089,000	–	–	1,089,000	–	1,089,000
Profit for the year	–	–	–	–	–	–	2,386,359	2,386,359	204,130	2,590,489
Total recognised income for the year	–	–	–	–	1,089,000	–	2,386,359	3,475,359	204,130	3,679,489
Issue of shares for acquisition of subsidiaries	5,600,000	383,600,000	–	–	–	–	–	389,200,000	–	389,200,000
Arising on acquisition of subsidiaries	–	–	–	–	–	–	–	–	2,500,958	2,500,958
Placement of new shares	5,494,000	174,448,500	–	–	–	–	–	179,942,500	–	179,942,500
Transaction costs attributable to placement of new shares	–	(4,675,350)	–	–	–	–	–	(4,675,350)	–	(4,675,350)
Recognition of equity – settled share-based payments	–	–	–	5,757,471	–	–	–	5,757,471	–	5,757,471
Forfeiture of lapsed shares under share option schemes	–	–	–	(1,731,036)	–	–	1,731,036	–	–	–
Exercise of share options	925,000	16,702,697	–	(2,692,197)	–	–	–	14,935,500	–	14,935,500
At 31 March 2008 and 1 April 2008	31,319,000	587,166,683	(119,998)	4,606,631	1,089,000	–	(30,081,198)	593,980,118	2,705,088	596,685,206
Profit for the year	–	–	–	–	–	–	30,086,197	30,086,197	4,695,034	34,781,231
Total recognised income for the year	–	–	–	–	–	–	30,086,197	30,086,197	4,695,034	34,781,231
Issue of shares for acquisition of subsidiaries	2,100,000	75,600,000	–	–	–	–	–	77,700,000	–	77,700,000
Repurchase of shares	(254,600)	(6,496,650)	–	–	–	254,600	(254,600)	(6,751,250)	–	(6,751,250)
Disposal of subsidiaries	–	–	–	–	(1,089,000)	–	1,089,000	–	–	–
Recognition of equity – settled share-based payments	–	–	–	15,946,877	–	–	–	15,946,877	–	15,946,877
Forfeiture of lapsed shares under share option schemes	–	–	–	(421,990)	–	–	421,990	–	–	–
Exercise of share options	120,000	2,228,760	–	(218,759)	–	–	–	2,130,001	–	2,130,001
At 31 March 2009	**33,284,400**	**658,498,793**	**(119,998)**	**19,912,759**	**–**	**254,600**	**1,261,389**	**713,091,943**	**7,400,122**	**720,492,065**

Notes:

(a) The merger deficit of the Group represents the difference between the nominal value of the shares of acquired subsidiaries over the nominal value of the share capital of the Company issued in exchange therefore.

(b) The properties revaluation reserve was arisen upon the transfer of properties from property, plant and equipment to investment properties and were transferred to accumulated losses when the relevant properties had been disposed.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$	2008 HK$
Operating activities			
Profit before tax – continued operation		**51,438,135**	6,782,327
(Loss)/profit before tax – discontinued operation		**(173,557)**	160,318
Adjustments for:			
Depreciation of property, plant and equipment		**3,803,381**	399,806
Waive of amount due to an ex-director		**–**	(185,000)
Written off of inventories		**1,749,929**	–
Written off of property, plant and equipment		**918,244**	–
Loss on disposal of property, plant and equipment		**227,740**	547,439
Loss on disposal of subsidiaries		**3,021,019**	–
Bank interest income		**(442,258)**	(146,247)
Finance costs		**65,038**	275,380
Fair value changes of investment properties		**–**	(30,000)
Impairment loss recognised in respect of goodwill		**253,564**	2,332,814
Impairment loss recognised in respect of property, plant and equipment		**18,431,038**	–
Share-based payment expenses		**15,946,877**	5,757,471
Operating cash flows before movements in working capital		**95,239,150**	15,894,308
(Increase)/decrease in inventories		**(3,611,626)**	81,380
Increase in trade receivables, prepayments, deposits and other receivables		**(36,587,200)**	(64,017,000)
Increase in accruals, other payables and deposits received		**2,944,517**	1,345,649
Decrease in amount due to a director		**(69,631)**	(307,403)
Cash generated from/(used in) operating activities		**57,915,210**	(47,003,066)
Tax paid		**(9,727,298)**	–
Interest received		**25,546**	146,247
Income tax paid		**–**	(720,847)
Net cash generated from operating activities		**48,213,458**	47,577,666
Investing activities			
Acquisition of subsidiaries	*32(a) & (b)*	**(168,155,194)**	(36,465,669)
Proceeds from disposals of property, plant and equipment		**60,000**	79,975
Proceeds from disposal of subsidiaries	*33*	**3,051,389**	–
Purchase of property, plant and equipment		**(50,503,171)**	(1,799,708)
Net cash used in investing activities		**(215,546,976)**	(38,185,402)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$	2008 HK$
Financing activities			
Proceeds from issue of shares for acquisition of subsidiary	32(a)	**77,700,000**	–
Payment for repurchase of shares		**(6,751,250)**	–
Repayment of other borrowings		**–**	(5,000,000)
Loan interest paid		**(57,474)**	(266,352)
Finance leases interest paid		**(7,564)**	(9,028)
Repayments of obligations under finance leases		**(2,276)**	(85,588)
Proceeds from bank borrowings		**–**	4,000,000
Repayments of bank borrowings		**(199,296)**	(216,490)
Proceeds from placement of new shares		**–**	179,942,500
Recognition of share issue expenses		**–**	(4,675,350)
Proceeds from the exercise of share options		**2,130,001**	14,935,500
Net cash generated from financing activities		**72,812,141**	188,625,192
Net (decrease)/increase in cash and cash equivalents		**(94,521,377)**	102,862,124
Cash and cash equivalents at the beginning of the year		**104,663,808**	1,801,684
Cash and cash equivalents at the end of the year		**10,142,431**	104,663,808
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		**10,142,431**	104,663,808

The accompany notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands on 11 July 2000 as an exempted company with limited liability under the Companies Law (Revised) of Cayman Islands. Its shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As at the balance sheet date, the parent of the Company (the "Immediate Holding Company") is New Brilliant Investment Limited, a company incorporated in the British Virgin Islands, and the ultimate holding company of the Company (the "Ultimate Holding Company") is 20/20 International Limited, a company incorporated in the British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed in page 3 of the annual report.

The Company's principal activity is investment holding and the principal activities of its principal subsidiaries are set out in note 20.

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

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

In the current year, the Group has applied, for the first time, the following amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 January 2008.

HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of new amendments and interpretations had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

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

Except as described above, the Group has not early applied the following new standards, amendments or interpretations (the "new HKFRSs") that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvement to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKFRS 1 and 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 2 (Amendment)	Share-based-Payment: Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[5]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[4]

1 Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010 as appropriate
3 Effective for annual periods beginning on or after 1 January 2009
4 Effective for annual periods beginning on or after 1 July 2009
5 Effective for annual periods beginning on or after 1 July 2008
6 Effective for annual periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention except for certain properties and financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries which are the entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

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

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

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(b) Segment information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Business combinations

The acquisition of business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKRFS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current 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, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in consolidated income statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets and contingent liabilities recognised.

(d) Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year.

When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Goodwill (Continued)

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

(e) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

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

(f) Property, plant and equipment

Property, plant and equipment other than leasehold land and land use right are stated at cost less subsequent depreciation and impairment losses.

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

Leasehold properties	2.5%
Leasehold improvement	4% to 20%
Office equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%
Computer equipment	30%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment (Continued)

When an item of property, plant and equipment is transferred to investment property, following a change in its use, any differences between the carrying amount and the fair value of the item arising at the date of transfer is recognised directly in equity at a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment, the gain is recognised in the consolidated income. On subsequent disposal of the investment property, the revaluation surplus is transferred to retained earnings.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

First-in, first-out method is used to calculate the cost of ordinarily interchangeable items.

(h) Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instruments. 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 the consolidated income statement.

Financial assets

The Group's financial assets are classified into loans and receivables. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset 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 premium or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables (including trade receivables, deposits and other receivables, bank balances and cash) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where 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 financial assets have been impacted.

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

(i) significant financial difficulty of the issuer or counterparty; or
(ii) default or delinquency in interest or principal payments; or
(iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Impairment of financial assets (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently 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, observable changes in national or local economic conditions that are correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the 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. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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 loses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the asset of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Effective interest method

The effect 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 through the expected life of the financial liability, or where appropriate, a shorter period.

Other financial liabilities

Other financial liabilities including accruals and other payables, amount due to a director and bank borrowings are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted 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.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, in which the recoverable amount is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as revaluation decrease under that standard.

(j) Borrowing costs

All borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sales of goods are recognised when the goods are delivered to the customer and the customer has accepted the related risks and rewards of ownership.

Service income is recognised when services are rendered, on an accrual basis or where condition attached to the relevant agreements and mandates is in satisfaction of the relevant condition.

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

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Taxation

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

The tax currently payable is the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such 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 tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to consolidated income statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Leases

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

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement 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 as an expense on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(n) Retirement benefit scheme

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered services entitling them to the contributions.

(o) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in income statement in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Foreign currencies (Continued)

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. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in income statement in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

(p) Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement on a straight-line basis over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting period.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(r) Provision and contingent liabilities

A provision is recognised when the Group has a present legal or constructive obligation, as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value money is material, the amount of a provision is the present value at the balance sheet date of the expenditures expected to be required to settle the obligation.

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

(s) Related parties

A party is considered to be related to the Group if:

(i) the party, directly or indirectly through one or more intermediaries, (a) controls, is controlled by, or is under common control with, the Group; (b) has an interest in the Group that gives it significant influence over the Group; or (c) has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a jointly-controlled entity;

(iv) the party is a member of the key management personnel of the Group or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

Critical judgments in applying accounting policies

The followings are the critical judgments, apart from those involving estimations, 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.

Impairment loss in respect of trade receivables

The policy for impairment loss in respect of trade receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Investment properties

As described in note 17, investment properties were stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Should there are changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

Impairment of goodwill

The Group performs annual tests on whether there has been impairment of goodwill in accordance with the accounting policy stated in note 3(d). The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2009	2008
	HK$	HK$
Financial assets		
Loans and receivables (including bank balance and cash)	**115,228,040**	173,034,794
Financial liabilities		
Amortised cost	**7,400,021**	8,095,544

(b) Financial risk management objectives and policies

The Group's major financial instruments include borrowings, trade receivables, bank balances and cash. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's risk exposure relating to financial instruments or the manner in which it manages and measures the risks.

Market risk

(i) Foreign currency risk

The majority of the Group's monetary assets and monetary liabilities by value and the rental income are denominated in Hong Kong dollars (HK$), Renminbi ("RMB") and the Philippines Peso ("PESO"). The conversion of RMB into other currencies is subjected to he rules and regulations of foreign exchange control promulgated by the government of the People's Republic of China ("PRC"). The Group is exposed to foreign exchange risk in respect of exchange fluctuation of HK$ against RMB & PESO. The Group currently does not have a foreign currency hedging policy in respect of foreign current assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

5. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(i) Foreign currency risk (Continued)

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

	2009	2008
	HK$	*HK$*
Assets		
PESO	**344,201**	–
RMB	**716,713**	–

	2009	2008
	HK$	*HK$*
Liabilities		
PESO	**2,438,038**	–
RMB	**225,499**	–

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the Hong Kong dollars against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items, and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the relevant currencies strengthen 5% against the Hong Kong dollars. For a 5% weakening of the relevant currencies against the Hong Kong dollars, there would be an equal and opposite impact on the profit and the balances below would be negative.

	2009	2008
	HK$	*HK$*
Impact of PESO		
Profit or loss	**99,249**	–
Impact of RMB		
Profit or loss	**23,315**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

5. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(ii) Cash flow Interest rate risk

The Group's exposure to changes in interest rates is minimal as the Group had no material fixed rate financial liabilities as at 31 March 2009. At 31 March 2008, the Group's fair value interest rate risk mainly attributable to its Hong Kong dollar dominated variable-rate borrowings (note 27) that concentrated on the fluctuation of HIBOR.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

As at 31 March 2009 and 2008, a reasonably possible change of 50 basis-points interest rates on borrowing would have no material impact of the Group's results for the year.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2009 in relation to each class of recognised financial assets are the carrying amount of those asset as stated in the consolidated balance sheet. In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

5. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk

The Group manages liquidity risk by maintaining adequate bank deposits and cash, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is under continuous monitoring by management. Reports with maturity dates of bank borrowings and thus the liquidity requirement are provided to management for review periodically. Management will contact the bankers for renewals of bank borrowings whenever necessary. The table below analyses the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual face value without applying discounted cash flow model based on the earliest date on which the Group can be required to pay, was as follow:

		At 31 March 2009				
	Weighted average effective interest rate	**Within 1 year**	**Within 2 to 5 years**	**Over 5 years**	**Total undiscounted cash flows**	**Total carrying amount**
		HK$	***HK$***	***HK$***	***HK$***	***HK$***
Accruals and other payables	**–**	**6,996,885**	**–**	**–**	**6,996,885**	**6,996,885**
Amount due to a director	**–**	**381,334**	**–**	**–**	**381,334**	**381,334**
Obligations under finance lease	**19.4%**	**9,840**	**13,940**	**–**	**23,780**	**21,802**
		7,388,059	**13,940**	**–**	**7,401,999**	**7,400,021**

		At 31 March 2008				
	Weighted average effective interest rate	Within 1 year	Within 2 to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
		HK$	*HK$*	*HK$*	*HK$*	*HK$*
Accruals and other payables	–	3,836,991	–	–	3,836,991	3,836,991
Amount due to a director	–	450,965	–	–	450,965	450,965
Obligations under finance lease	5.2%	9,840	20,408	–	30,248	24,078
Bank borrowings	2.95%	381,099	1,524,397	2,350,079	4,255,575	3,783,510
		4,678,895	1,544,805	2,350,079	8,573,779	8,095,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

5. FINANCIAL INSTRUMENTS (Continued)

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

Fair value of financial instruments

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

* the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;

* the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using the estimated future cash flows and the current market rate of return.

The directors of the Company (the "Directors") consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate to their fair values.

6. CAPITAL RISK MANAGEMENT

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

The Directors actively and regularly reviewed and manage the Group's capital structure to maximise the returns to shareholders through the optimisation of the debt afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Group's overall strategy remains unchanged from 2008.

During the year ended 31 March 2009 the capital structure of the Group mainly consists of debts, which include borrowings from banks, bank balances and cash, and equity attributable to equity holders, comprising issued capital, reserves and retained profits respectively. The Directors consider the cost of capital and the risks associated with each class of capital to monitor its capital structure on the basis of a gearing ratio. The ratio is calculated as borrowings divided by total equity. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratios as at 31 March 2009 and 2008 were as follows:

	2009	2008
	HK$	*HK$*
Borrowings *(note 27)*	**–**	3,783,510
Total equity	**720,492,065**	596,685,206
Gearing ratio	**0**	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

7. TURNOVER

Turnover represents the aggregate of amounts received and receivable from (i) services provided to customers; (ii) goods sold to customers and (iii) rental income and is analysed as follows:

	2009	2008
	HK$	*HK$*
Continuing operations		
Business consultancy services income	**117,500**	834,500
Hotel services income	**50,200,404**	–
Computer software solution and service	**131,525,661**	39,587,546
	181,843,565	40,422,046
Discontinued operations		
Funeral services income	**523,817**	3,733,742
Rental income	**15,000**	180,000
	538,817	3,913,742
	182,382,382	44,335,788

8. SEGMENT INFORMATION

Segment information is presented by way in two segments formats: (i) on a primarily segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

Business segments

The Group's operating business are structured and managed separately, according to the nature of their operations and service provided. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risk and returns that are different from those of the other segments.

For management purposes, the Group is currently organised into four business segments as follows:

Business consultancy	–	providing services to assist clients on various business or management issues
Computer software solution and services	–	provision of computer hardware and software service
Funeral services	–	providing services to assist clients on various funeral custom and activities
Hotel services	–	provision of hotel operation and management services

During the year ended 31 March 2009, the Group has disposed of its funeral services business and the disposal was completed in 26 November 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

8. SEGMENT INFORMATION (Continued)

Business segments (Continued)

Income Statement

For the year ended 31 March 2009

	Continuing operations					Discontinued operations			
	Business consultancy *HK$*	Computer software solution and services *HK$*	Hotel services *HK$*	Others *HK$*	Total *HK$*	Funeral services *HK$*	Others *HK$*	Total *HK$*	Consolidated *HK$*
Turnover									
External sales	117,500	130,816,841	50,200,404	708,820	181,843,565	523,817	15,000	538,817	182,382,382
Result									
Segment result	(7,549,339)	95,312,759	(15,901,089)	(2,579,844)	69,282,487	(18,206)	(97,877)	(116,083)	69,166,404
Interest income					-			-	-
Unallocated corporate income					2,993,378			-	2,993,378
Unallocated corporate expenses					(20,830,166)			-	(20,830,166)
Finance costs					(7,564)			(57,474)	(65,038)
Profit before tax					51,438,135			(173,557)	51,264,578
Income tax expense					(16,482,507)			(840)	(16,483,347)
Profit for the year					34,955,628			(174,397)	34,781,231

Consolidated balance sheet

As at 31 March 2009

	Business consultancy *HK$*	Computer software solution and services *HK$*	Hotel services *HK$*	Others *HK$*	Total *HK$*	Funeral services *HK$*	Others *HK$*	Total *HK$*	Consolidated *HK$*
Assets									
Segment assets	11,417,050	535,634,421	190,847,038	340,611	738,239,120	-	-	-	738,239,120
Unallocated corporate assets									1,736,602
Consolidated total assets									739,975,722
Liabilities									
Segment liabilities	295,459	12,919,430	5,958,131	72,637	19,245,657	-	-	-	19,245,657
Unallocated corporate liabilities									238,000
Consolidated total liabilities									19,483,657
Other segment information									
Depreciation	337,504	809,991	2,428,916	25,678	3,622,089	75,629	105,663	181,292	3,803,381
Capital addition	1,799,553	2,762,104	44,281,239	136,859	48,979,755	-	1,523,417	1,523,417	50,503,172
Impairment loss recognised in respect of goodwill	-	253,564	-		253,564	-	-	-	253,564
Impairment loss recognised in respect of property, plant and equipment	-	-	18,431,038		18,431,038	-	-	-	18,431,038
Write-down of inventories	-	-	1,749,929		1,749,929	-	-	-	1,749,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

8. SEGMENT INFORMATION (Continued)

Business segments (Continued)

Income Statement
For the year ended 31 March 2008

	Continuing operations					Discontinued operations			
	Business consultancy HK$	Computer software solution and services HK$	Hotel services HK$	Others HK$	Total HK$	Funeral services HK$	Others HK$	Total HK$	Consolidated HK$
Turnover									
External sales	834,500	39,347,247	–	240,299	40,422,046	3,733,742	180,000	3,913,742	44,335,788
Result									
Segment result	(3,115,320)	26,018,492	–	(2,942,303)	19,960,869	56,980	175,060	232,040	20,192,909
Interest income					143,854			2,393	146,247
Unallocated corporate income					99,142			74,230	173,372
Unallocated corporate expenses					(13,294,503)			–	(13,294,503)
Finance costs					(127,035)			(148,345)	(275,380)
Profit before tax					6,782,327			160,318	6,942,645
Income tax expense					(4,346,906)			(5,250)	(4,352,156)
Profit for the year					2,435,421			155,068	2,590,489

Consolidated balance sheet
As at 31 March 2008

	Business consultancy HK$	Computer software solution and services HK$	Hotel services HK$	Others HK$	Total HK$	Funeral services HK$	Others HK$	Total HK$	Consolidated HK$
Assets									
Segment assets	1,305,631	464,990,101	–	2,083,848	468,379,580	1,241,692	9,611,561	10,853,253	479,232,833
Unallocated corporate assets									131,142,054
Consolidated total assets									610,374,887
Liabilities									
Segment liabilities	416,227	7,098,264	–	97,765	7,612,256	200,436	467,509	667,945	8,280,201
Unallocated corporate liabilities									5,409,480
Consolidated total liabilities									13,689,681
Other segment information									
Fair value change of investment properties	–	–	–	–	–	–	30,000	30,000	30,000
Depreciation	110,493	40,489	–	12,086	163,068	129,654	107,084	236,738	399,806
Capital addition	589,172	1,200,156	–	5,190	1,794,518	–	5,190	5,190	1,799,708
Impairment loss recognised in respect of goodwill	–	–	–	2,332,814	2,332,814	–	–	–	2,332,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

8. SEGMENT INFORMATION (Continued)

Geographical segments

The Group's operations are principally located in Hong Kong and Philippines. The following table provides an analysis of the Group's turnover by geographical market:

	Revenue from external customers	
	2009	2008
	HK$	*HK$*
Hong Kong	**132,181,978**	44,335,788
The Philippines	**50,200,404**	–
	182,382,382	44,335,788

Revenue from the Group's discontinued operations was derived from Hong Kong.

The following is an analysis of the carrying amount of segment assets and capital expenditures analysed by geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2009	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*
Hong Kong	**547,392,082**	610,374,887	**6,221,933**	1,799,708
The Philippines	**190,847,038**	–	**44,281,239**	–
	738,239,120	610,374,887	**50,503,172**	1,799,708

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

9. OTHER OPERATING INCOME

	2009	2008
	HK$	*HK$*
Other operating income comprised of the followings:		
Continuing operations		
Interest income	**442,250**	143,854
Waiver of amount due to an ex-director	**–**	185,000
Sundry income	**200,827**	15,154
	643,077	344,008
Discontinued operations		
Interest income	**8**	2,393
Sundry income	**–**	74,229
	8	76,622
	643,085	420,630

10. FINANCE COSTS

	2009	2008
	HK$	*HK$*
Interest on:		
Continuing operations		
Other borrowings wholly repayable within five years	**–**	125,000
Finance leases	**7,564**	2,030
Other finance costs	**–**	5
	7,564	127,035
Discontinued operations		
Bank borrowings not wholly repayable within five years	**57,474**	141,347
Finance leases	**–**	6,998
	57,474	148,345
	65,038	275,380

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

11. INCOME TAX EXPENSE

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
The charge comprises:						
Current tax:						
Hong Kong Profits Tax	**16,437,402**	4,346,906	**–**	–	**16,437,402**	4,346,906
Other than Hong Kong	**45,105**	–	**–**	–	**45,105**	–
	16,482,507	4,346,906	**–**	–	**16,482,507**	4,346,906
Under-provision in prior years:						
Hong Kong Profits Tax	**–**	–	**840**	–	**840**	–
Deferred tax:						
Current year	**–**	–	**–**	5,250	**–**	5,250
	16,482,507	4,346,906	**840**	5,250	**16,483,347**	4,352,156

Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

With effect from the year of assessment 2008/2009, the Hong Kong Profits Tax has been reduced from 17.5% to 16.5%. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective years when the asset is realised or the liability is settled.

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

	2009		2008	
	HK$	***%***	*HK$*	*%*
Profit/(loss) before tax				
– Continuing operation	**51,438,135**		6,782,327	
– Discontinued operation	**(173,557)**		160,318	
	51,264,578		6,942,645	
Tax at the Hong Kong Profits tax rate of 16.5% (2008: 17.5%)	**8,458,655**	**16.5**	1,214,963	17.5
Tax effect of income not taxable for tax purposes	**(37,665,741)**	**(73.5)**	(609,936)	(8.8)
Tax effect of expenses not deductible for tax purposes	**17,332,277**	**33.8**	2,054,872	29.6
Overprovision of prior years	**(33,422)**	**(0.1)**	–	–
Underprovision of prior years	**840**	**–**	–	–
Overseas profit tax	**45,105**	**0.1**	(26,716)	(0.4)
Tax effect of tax losses not recognised	**28,345,633**	**55.3**	1,718,973	24.8
Tax charge for the year	**16,483,347**	**32.1**	4,352,156	62.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

12. DISCONTINUED OPERATIONS

On 27 October 2008, the Group entered into a sale and purchase agreement with Grand Pacific Management Inc. to dispose of the Group's funeral services business. The Group's management and shareholders approved the disposal of its entire equity interest in Cheung Shing Funeral Limited ("Cheung Shing") and Grand Sea Limited ("Grand Sea"), which are engaged in the funeral services business, for a consideration of HK$3,140,779. The transaction was completed on 26 November 2008.

An analysis of the results of the discontinued operation related to Cheung Shing and Grand Sea was as follows:

	2009	2008
	HK$	*HK$*
(Loss)/profit from discontinued operations		
Revenue	**538,825**	3,990,364
Direct costs	**(149,027)**	(2,334,304)
Gross Profit	**389,798**	1,656,060
Fair value changes of investment property	**–**	30,000
Expenses	**(563,355)**	(1,525,742)
(Loss)/profit before tax	**(173,557)**	160,318
Income tax expense	**(840)**	(5,250)
(Loss)/profit for the year from discontinued operations	**(174,397)**	155,068
Cash flows from discontinued operations		
Net cash flows from operating activities	**(355,199)**	(3,548,087)
Net cash flows from financing activities	**106,632**	3,557,387
Net cash flows	**(248,567)**	9,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

13. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Staff costs:						
Directors' emoluments *(note 14)*	**7,594,182**	5,699,353	**-**	–	**7,594,182**	5,699,353
Salaries and other benefits	**29,707,936**	5,558,572	**204,015**	505,562	**29,911,951**	6,064,134
Share-based payment expenses	**1,583,075**	712,509	**-**	–	**1,583,075**	712,509
Retirement benefit scheme contributions (excluding directors)	**482,203**	282,158	**-**	50,909	**482,203**	333,067
Total employee benefit expenses	**39,367,396**	12,252,592	**204,015**	556,471	**39,571,411**	12,809,063
Depreciation on property, plant and equipment						
– owned assets	**3,614,280**	173,358	**181,292**	141,655	**3,795,572**	315,013
– financial leases assets	**7,809**	84,793	**-**	–	**7,809**	84,793
Loss on disposal of property, plant and equipment	**227,739**	547,439	**-**	–	**227,739**	547,439
Cost of inventories recognised as an expense	**8,030,946**	3,545,742	**140,625**	1,068,947	**8,171,571**	4,614,689
Auditors' remuneration	**788,630**	330,000	**-**	–	**788,630**	330,000
Share-based payment expenses	**11,139,588**	5,757,471	**-**	–	**11,139,588**	5,757,471
Impairment of property, plant and equipment	**18,431,038**	–	**18,431,038**	–	**18,431,038**	–
Impairment of goodwill	**253,564**	2,332,814	**-**	–	**253,564**	2,332,814
and after crediting:						
Gross rental income from investment properties	**-**	–	**15,000**	180,000	**15,000**	180,000
Less: Direct operating expenses from investment properties that generate rental income during the year	**-**	–	**(6,067)**	(14,242)	**(6,067)**	(14,242)
Direct operating expenses from investment properties that did not generate rental income during the year	**-**	–	**-**	–	**-**	–
	-	–	**8,933**	165,758	**8,933**	165,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

14. DIRECTORS' AND EMPLOYEE EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each director for the year ended 31 March 2009 and 2008 were as follows:

	Directors fee		Salaries and other benefits		Retirement benefits scheme contributions		Share option granted		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Executive directors										
Mr. Chau Cheok Wa	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Mr. Lee Chi Shing, Caesar	**–**	–	**1,150,000**	922,968	**12,000**	12,000	**1,583,076**	265,851	**2,745,076**	1,200,819
Mr. Tang Hon Kwong*	**–**	–	**880,000**	–	**10,000**	–	**1,641,138**	–	**2,531,138**	–
Ms. Cheng Mei Ching*	**–**	–	**800,000**	–	**10,000**	–	**–**	–	**810,000**	–
Mr. Chui Bing Sun##	**–**	–	**1,104,000**	3,799,291	**8,000**	12,000	**–**	–	**1,112,000**	3,811,291
	–	–	**3,934,000**	4,722,259	**40,000**	24,000	**3,224,214**	265,851	**7,198,214**	5,012,110
Independent non-executive directors										
Mr. Fung Kwok Ki**	**60,000**	–	**–**	–	**–**	–	**–**	–	**60,000**	–
Mr. Ng Tat Fai***	**30,000**	–	**–**	–	**–**	–	**–**	–	**30,000**	–
Mr. Poon Lai Yin Michael**	**60,000**	–	**–**	–	**–**	–	**–**	–	**60,000**	–
Mr. Siu Hi Lam, Alick###	**94,516**	120,000	**–**	–	**–**	–	**–**	109,081	**94,516**	229,081
Mr. Kwok Kwan Hung##	**85,000**	120,000	**–**	–	**–**	–	**–**	109,081	**85,000**	229,081
Mr. Chien Hoe Yong#	**66,452**	120,000	**–**	–	**–**	–	**–**	109,081	**66,452**	229,081
	395,968	360,000	**–**	–	**–**	–	**–**	327,243	**395,968**	687,243
	395,968	360,000	**3,934,000**	4,722,259	**40,000**	24,000	**3,224,214**	593,094	**7,594,182**	5,699,353

\# resigned on 20 October 2008
\## resigned on 15 December 2008
\### resigned on 15 January 2009
* appointed on 6 June 2008
** appointed on 30 September 2008
*** appointed on 29 December 2008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

14. DIRECTORS' AND EMPLOYEE EMOLUMENTS (Continued)

(b) Employees' emoluments

Of the five individual with the highest emoluments in the Group, four (2008: Four) were directors of the Company whose emoluments are included in (a) above. The emoluments of the remaining one (2008: one) individuals were as follows:

	2009	2008
	HK$	*HK$*
Salaries and other benefits	**861,608**	640,000
Retirement benefit scheme contributions	**12,000**	7,000
Share options granted	**–**	576,672
	873,608	1,223,672

The emoluments were within the following bands:

	Number of employees	
	2009	2008
Nil – HK$1,000,000	**1**	–
HK$1,000,001 – HK$1,500,000	**–**	1

During the year ended 31 March 2009 and 2008, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group. No directors waived any emoluments during the years ended 31 March 2009 and 2008.

15. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 March 2009 (2008: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

16. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

	2009	2008
	HK$	*HK$*
Earnings attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	**30,086,197**	2,386,359

	2009	2008 (restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**828,721,342**	523,923,964
Effect of dilutive potential ordinary shares:		
Share options	**37,666,198**	10,779,739
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**866,387,540**	534,703,703

The weighted average number of ordinary shares for the year ended 31 March 2009 and 31 March 2008 for the purpose of basis and diluted earnings per share has been adjusted and restated resulting from the share consolidation during the year ended 31 March 2009.

From continuing operations

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

	2009	2008
	HK$	*HK$*
Earnings attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	**30,086,197**	2,386,359
Less: (Loss) profit for the year from discontinued operations	**(174,397)**	155,068
	30,260,594	2,231,291

The weighted average number of ordinary shares for the year ended 31 March 2009 and 31 March 2008 has been adjusted stated as above to reflect the share consolidation during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

16. EARNINGS PER SHARE (Continued)

From discontinued operations

The computation of basic and diluted loss per share for the discontinued operation is HK$0.02 per share (2008: basic and diluted earnings per share is HK$0.03), based on the loss for the year from discontinued operation of HK$174,397 (2008: profit for the year HK$155,068) and on the weighted average number ordinary shares stated as above.

The computation of diluted earnings per share of continuing and discontinued operations from continuing and discontinued operations for the year ended 31 March 2009 and 31 March 2008 is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

17. INVESTMENT PROPERTIES

	HK$
Fair value	
At 1 April 2007	2,600,000
Transfer from property, plant and equipment	4,930,000
Net increase in fair value	30,000
At 31 March 2008 and 1 April 2008	7,560,000
Disposal of a subsidiary	(7,560,000)
At 31 March 2009	–

The carrying values of investment properties shown above represents properties located in Hong Kong which held under medium-term leases. The investment properties with a fair value of HK$7,560,000 at 31 March 2008 had been pledged to secure bank borrowings.

The fair value of the Group's investment properties at 31 March 2008 has been arrived at on the basis of valuation carried out on that date by Messrs. Asset Appraisals Limited, independent qualified professional valuers not connected with the Group. Asset Appraisals Limited has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

	2009	2008
	HK$	*HK$*
Properties in Hong Kong under:		
Medium-term lease	–	7,560,000

All of the Group's property interests was held under operating leases to earn rentals or for capital appreciation purposes, are measured using the fair value model and are classified and accounted for as investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

18. GOODWILL

	HK$
Cost	
At 1 April 2007	4,665,629
Addition arising from acquisition of subsidiaries *(note 32(c))*	426,465,393
At 31 March 2008 and 1 April 2008	431,131,022
Addition arising from acquisition of subsidiaries *(note 32(a & b))*	79,554,040
At 31 March 2009	510,685,062
Impairment	
At 1 April 2007	2,332,815
Impairment loss recognised	2,332,814
At 31 March 2008 and 1 April 2009	4,665,629
Impairment loss recognised	253,564
At 31 March 2009	4,919,193
Carrying amounts	
At 31 March 2009	**505,765,869**
At 31 March 2008	426,465,393

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash generating units. The carrying amount of goodwill (net of accumulated impairment losses) as at 31 March 2009 is allocated as follow:

	2009	2008
	HK$	*HK$*
Computer software solution and service	**426,465,393**	426,465,393
Hotel services	**79,300,476**	–
	505,765,869	426,465,393

18. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

During the year, the directors of the Company reassessed the recoverable amount of the CGU of computer software solution and service and hotel services with reference to the valuation performed by Asset Appraisal Limited and Grant Sherman Appraisal Limited respectively, independent qualified professional valuers and determined that an impairment loss of HK$253,564 on goodwill associated with the CGU of computer software solution and service was identified and no impairment loss of on goodwill associated with the CGU of hotel services was identified.

The recoverable amount of the goodwill allocated to computer software solution and service segment was assessed by reference to value-in-use model which based on a five years cash flow projection approved by the directors of the Company with a zero growth rate (2008: zero). A discount rate of approximately 15% per annum was applied in the value-in-use model when assessing the recoverability of the goodwill. There are a number of assumptions and estimates involved for the preparation of the cash flow projection. Key assumptions included gross margin and discount rate which are determined by the management of the Group based on past performance and its expectation for market development. Gross margin are budgeted gross margin. The discount rate used is pre-tax and reflect specific risks relating to the industry.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

19. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$	Computer equipment HK$	Office equipment HK$	Furniture, and fixtures HK$	Motor vehicles HK$	Leasehold improvement HK$	Total HK$
The Group							
Cost							
At 1 April 2007	3,800,000	230,628	208,064	750,469	384,920	887,417	6,261,498
Acquisition of subsidiaries	–	193,065	73,144	–	–	133,088	399,297
Transfer to investment properties	(3,800,000)	–	–	–	–	–	(3,800,000)
Additions	–	379,530	103,413	81,645	305,900	929,220	1,799,708
Disposals	–	(175,478)	(158,433)	(687,378)	–	(309,108)	(1,330,397)
At 31 March 2008 and 1 April 2008	–	627,745	226,188	144,736	690,820	1,640,617	3,330,106
Acquisition of subsidiaries	85,810,000	–	–	–	–	–	85,810,000
Additions	37,050,624	3,065,264	190,784	4,046,341	3,778,977	2,371,182	50,503,172
Disposal of subsidiaries	–	–	(24,087)	(143,176)	(384,920)	(2,341,474)	(2,893,657)
Disposals	–	(42,232)	(25,732)	(70,920)	(305,900)	–	(444,784)
Written off	–	(918,244)	–	–	–	–	(918,244)
At 31 March 2009	122,860,624	2,732,533	367,153	3,976,981	3,778,977	1,670,325	135,386,593
Depreciation and impairment							
At 1 April 2007	95,000	168,552	102,246	461,527	153,968	102,193	1,083,486
Acquisition of subsidiaries	–	43,440	10,971	–	–	3,993	58,404
Charge for the year	95,000	62,580	29,436	39,815	107,573	65,402	399,806
Elimination upon transfer to investment properties	(190,000)	–	–	–	–	–	(190,000)
Elimination upon disposal	–	(168,654)	(93,252)	(429,332)	–	(11,745)	(702,983)
At 31 March 2008 and 1 April 2008	–	105,918	49,401	72,010	261,541	159,843	648,713
Charge for the year	1,759,586	578,048	72,340	392,936	575,611	424,860	3,803,381
Disposal of subsidiaries	–	–	(17,253)	(52,383)	(275,858)	(270,697)	(616,191)
Impairment	18,431,038	–	–	–	–	–	18,431,038
Elimination upon disposal	–	(29,237)	(13,579)	(42,851)	(71,376)	–	(157,043)
At 31 March 2009	20,190,624	654,729	90,909	369,712	489,918	314,006	22,109,898
Carrying amounts							
At 31 March 2009	**102,670,000**	**2,077,804**	**276,244**	**3,607,269**	**3,289,059**	**1,356,319**	**113,276,695**
At 31 March 2008	–	521,827	176,787	72,726	429,279	1,480,774	2,681,393

At 31 March 2009, property, plant and equipment of the Group with net book value of HK$18,873 (2008: HK$26,682) were held under finance leases.

During the year ended 31 March 2008, the land and building of the Group were transferred from property, plant and equipment to investment properties. The fair value of the land and buildings at the date of transfer of HK$4,930,000 was determined by reference to a valuation carried out by Grant Sherman Appraisal Limited, independent qualified professional valuers not connected with the Group. The difference between the aggregate fair values of such land and buildings and their net book value amounted to HK$1,320,000 was recognised directly in equity at a revaluation of property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

20. INTEREST IN SUBSIDIARIES

The Company

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, results in particulars of excessive length.

Name of subsidiary	Place of incorporation	Form of legal entity	Issued and fully paid up ordinary share capital	Proportion of ownership interest and voting power held Directly %	Indirectly %	Principal activities
Galileo Capital Group (BVI) Limited*	British Virgin Island	Limited company	US$10,000	100	–	Investment holding in Hong Kong
Galileo Capital Limited*	Hong Kong	Limited company	HK$15,500,000	–	100	Provision of business information, business brokerage and financial advisory services in Hong Kong
Golden Harvest Trading Limited*	Hong Kong	Limited company	HK$2	–	100	Provision of administrative services for the Group In Hong Kong
Loyal King Investments Limited*	British Virgin Island	Limited company	US$50,000	–	100	Investment holding
Alliance Computer Services Limited*	Hong Kong	Limited company	HK$200,000	–	97	Provision of computer software solution and services
Alliance Computer Systems Limited*	Hong Kong	Limited company	HK$10,000	–	60	Provision of computer software solution and services
Superb Kings Limited*	British Virgin Island	Limited company	US$50,000	–	100	Provision of hotel services

None of the subsidiaries had any debt capital outstanding at the end of the year or at any time during the year.

* The financial statements of these companies have been audited by firms other than HLB Hodgson Impey Cheng. The aggregate net assets and profit after taxation of these companies attributable to the Group amounted to approximately HK$78,000,000 and HK$57,000,000 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

21. INVENTORIES

	2009	2008
	HK$	*HK$*
Finished goods, at cost	**1,922,347**	60,650

All the inventories as at the balance sheet dates are carried at cost.

22. TRADE RECEIVABLES

The following is an aged analysis of trade receivables at the balance sheet date:

	2009	2008
	HK$	*HK$*
Within 30 days	**9,734,757**	16,160,494
31-60 days	**10,266,584**	4,068,394
61-90 days	**8,589,474**	653,029
Over 90 days	**67,420,057**	2,384,686
	96,010,872	23,266,603

The average credit period on the trade receivables is 30-180 days. The carrying amounts of the trade receivables are denominated in Hong Kong Dollar. The age of trade receivables which are past due but not impaired were as follows:

	2009	2008
	HK$	*HK$*
31-60 days	**2,566,584**	4,068,394
61-90 days	**889,474**	653,029
Over 90 days	**65,110,057**	2,384,686
	68,566,115	7,106,109

Trade receivables of HK$68,566,115 (2008: HK$7,106,109) that were past due which over 30-180 days but not impaired for. These balances related to a number of customers that have good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverability. The Group does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the directors of the Company considered any change in the credit quality of the trade receivables from the date credit were initially granted up to the reporting date. Accordingly, the directors of the Company considered provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The directors of the Company consider that the fair value of the Group's trade receivables at the balance sheet date were approximate their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2009	2008
	HK$	*HK$*
Deposits *(Note)*	**10,241,649**	45,361,063
Prepayments	**2,275,398**	66,114
Other receivables	**858,025**	249,863
	13,375,072	45,677,040

The carrying amounts of prepayments, deposits and other receivables approximate to their fair value.

Note:

Deposits of HK$8,216,712 were the loan and interest accrued due from Gold Track Mining Resources Limited ("Gold Track") to Galileo Capital Group (BVI) Limited ("Galileo BVI") (a wholly-owned subsidiary of the Company). Pursuant to the announcement dated 31 October 2008, Galileo BVI and Gold Track entered into a subscription agreement ("Subscription Agreement") and supplemental agreement ("Supplemental Agreement") on 8 October 2008 and 23 October 2008 respectively. Pursuant to the Supplemental Agreement and Supplemental Agreement, Gold Track has conditionally agreed to allot and issue the 11,739 shares of Gold Track to Galileo BVI in consideration of Galileo BVI capitalizing the loan of US$1,000,000 and interest accrued thereon due from Gold Track to Galileo BVI. Details of the Subscription Agreement and Supplemental Agreement are set out in note 38 to the financial statements.

24. ACCRUALS AND OTHER PAYABLES

	2009	2008
	HK$	*HK$*
Accruals	**3,458,532**	3,183,231
Other payables	**3,538,353**	653,760
	6,996,885	3,836,991

The Directors consider that the fair value of the Group's accruals and other payables at the balance sheet date was approximately their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

25. AMOUNT DUE TO A DIRECTOR

The Group and the Company

The amount due is unsecured, non-interest bearing and repayable on demand.

26. OBLIGATION UNDER FINANCE LEASES

	Minimum lease payment		Present value of minimum lease payment	
	2009	2008	**2009**	2008
	HK$	*HK$*	***HK$***	*HK$*
Amount payable under finance lease				
Within one year	**9,840**	9,840	**8,376**	7,809
In the second to fifth year inclusive	**13,940**	20,498	**13,426**	16,269
	23,780	30,338	**21,802**	24,078
Less: Future finance charges	**(1,978)**	(6,260)	**–**	–
Present value of lease obligations	**21,802**	24,078	**21,802**	24,078
Less: Amount due within one year shown under current liabilities			**(8,376)**	(7,809)
Amount due after one year			**13,426**	16,269

It is the Group's policy to lease certain of its fixed assets under finance leases. The lease term is three years. For the year ended 31 March 2009, the average effective interest rate was 19.4% per annum (2008: 5.2% per annum). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent lease payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

27. BANK BORROWINGS

	2009	2008
	HK$	*HK$*
Secured bank loans repayable within a period of:		
Less than one year	–	303,304
More than one year but within two years	–	309,841
More than two years but within five years	–	970,170
Over five years	–	2,200,195
	–	3,783,510
Less: Amount due within one year	–	(303,304)
Amount due after one year	–	3,480,206

The secured bank loans as at 31 March 2008 are denominated in Hong Kong dollars and carry HIBOR+0.65% per annum.

28. DEFERRED TAXATION

The following are the major deferred tax (liabilities)/assets recognised by the Group and movements thereon during the current and prior reporting years:

	Revaluation of investment properties	**Accelerated tax depreciation**	**Fair value adjustment on acquisition of a subsidiary**	**Tax losses**	**Total**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
As at 1 April 2007	–	(248,584)	–	248,584	–
Charge to equity during the year	(231,000)	–	–	–	(231,000)
(Charge)/credit to the consolidated income statement for the year	(5,250)	19,881	–	(19,881)	(5,250)
As at 31 March 2008 and 1 April 2008	(236,250)	(228,703)	–	228,703	(236,250)
Acquisition of a subsidiary	–	–	(517,564)	–	(517,564)
Realised on disposal of a subsidiary	236,250	228,703	–	(228,703)	236,250
As at 31 March 2009	**–**	**–**	**(517,564)**	**–**	**(517,564)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

28. DEFERRED TAXATION (Continued)

For the purposes of balance sheet presentation, certain deferred tax liabilities (assets) have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2009	2008
	HK$	*HK$*
Deferred taxation assets	**–**	228,703
Deferred taxation liabilities	**(517,564)**	(464,953)
	(517,564)	(236,250)

At 31 March 2009, the Group had unused tax losses of approximately HK$17,016,000 (2008: HK$31,562,000) available for offset against future profits. For the year ended 31 March 2008, a deferred tax asset has been recognised in respect of approximately HK$1,307,000 of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK$17,016,000 (2008: HK$30,255,000) due to the unpredictability of future profits streams. All losses may be carried forward indefinitely subject to the approvals of Inland Revenue Department in Hong Kong.

29. SHARE CAPITAL

	Number of shares		**Share capital**	
	2009	2008	**2009**	2008
			HK$	*HK$*
Ordinary shares of HK$0.04 (2008: HK$0.02) each				
Authorised:				
At 31 March 2008 with HK$0.02 each	**6,000,000,000**	6,000,000,000	**120,000,000**	120,000,000
Share Consolidation *(note a)*	**(3,000,000,000)**	–	**–**	–
At 31 March 2009 with HK$0.04 each	**3,000,000,000**	–	**120,000,000**	–
Issued and fully paid:				
At 1 April	**1,565,950,000**	965,000,000	**31,319,000**	19,300,000
Share consolidation *(note a)*	**(782,975,000)**	–	**–**	–
Issue of shares for acquisition of subsidiaries *(note b)*	**52,500,000**	280,000,000	**2,100,000**	5,600,000
Repurchase of ordinary shares *(note c)*	**(6,365,000)**	–	**(254,600)**	–
Exercise of share options *(notes d & e)*	**3,000,000**	46,250,000	**120,000**	925,000
Placement of shares *(note f)*	**–**	274,700,000	**–**	5,494,000
At 31 March	**832,110,000**	1,565,950,000	**33,284,400**	31,319,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

29. SHARE CAPITAL (Continued)

Notes:

(a) Pursuant to an ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 25 June 2008, the consolidation of ordinary shares in the share capital of the Company (on the basis that every two then existing issued and unissued ordinary shares of HK$0.02 each were consolidated into one ordinary share of HK$0.04) was approved and subsequently become effective on 26 June 2008.

(b) On 20 May 2008, the Company issued and allotted 105,000,000 shares for partly consideration for the acquisition of a subsidiary, Superb Kings Limited.

On 19 December 2007, the Group acquired 100% of the issued share capital of Loyal King for an aggregate consideration of HK$429,878,000, of which, 280,000,000 ordinary shares of the Company with par value of HK$0.02 each were issued as part of the consideration for the acquisition. The fair value of the ordinary shares of the Company, determined using the published price available of the date of acquisition, amounted to HK$389,200,000.

(c) During the year ended 31 March 2009, the Company repurchased its own ordinary shares on the Stock Exchange as follows:

Month of Repurchase	No. of ordinary shares shares repurchase	Price per share Lowest	Highest	Aggregate consideration paid
		HK$	*HK$*	*HK$*
August 2008	6,365,000	0.95	1.20	6,753,850

The above ordinary shares were cancelled upon repurchase. None of the Company's subsidiaries had repurchased, sold or redeemed any of the Company's listed shares during the year.

(d) On 22 May 2008 and 10 June 2008, the Company allotted and issued 500,000 and 5,000,000 new shares of HK$0.02 each pursuant to the exercise of share options. The exercise price was HK$0.33 and HK$0.36 per share respectively and transferred into shares in the share capital of the Company. The gross proceeds from the share options are amounted to HK$1,965,000.

(e) On 25 September 2008, the Company allotted and issued 250,000 new shares of HK$0.04 each pursuant to the exercise of share options. The exercise price was HK$0.66 per share and transferred into shares in the share capital of the Company. The gross proceeds from the share options are amounted to HK$165,000.

(f) During the year ended 31 March 2008, the Company has issued and allotted 274,700,000 ordinary shares through two placements.

Pursuant to a placing agreement dated 15 October 2007, the Company issued 80,000,000 ordinary shares at a price of HK$1.58 per share on 14 November 2007. The proceeds are used for general working capital of the Company and/or possible future investments in a prestigious and leisure resort to be established in Cagayan Valley in the Philippines as referred to in the Company's announcement dated 16 October 2007.

Pursuant to a placing agreement dated 20 August 2007, the Company issued 194,700,000 ordinary shares at a price of HK$0.275 per share on 30 August 2007. The proceeds are used for general working capital of the Company.

All new shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

30. RESERVES

The Company

	Share premium HK$	Contributed surplus HK$	Capital redemption reserve HK$	Share options reserve HK$	Accumulated loss HK$	Total HK$
At 1 April 2007	17,090,836	367,874	–	3,272,393	(30,632,810)	(9,901,707)
Issue of shares for acquisition of subsidiaries	383,600,000	–	–	–	–	383,600,000
Placement of new shares	174,448,500	–	–	–	–	174,448,500
Transaction cost attributable to placement of new shares	(4,675,350)	–	–	–	–	(4,675,350)
Recognition of equity-settled share-based payment	–	–	–	5,757,471	–	5,757,471
Forfeiture of lapsed shares under share option scheme	–	–	–	(1,731,036)	1,731,036	–
Exercise of share options	16,702,697	–	–	(2,692,197)	–	14,010,500
Loss for the year	–	–	–	–	(512,341,259)	(512,341,259)
At 31 March 2008 and at 1 April 2008	587,166,683	367,874	–	4,606,631	(541,243,033)	50,898,155
Issue of shares for acquisition of subsidiaries	75,600,000	–	–	–	–	75,600,000
Recognition of equity-settled share-based payment	–	–	–	15,946,877	–	15,946,877
Forfeiture of lapsed shares under share option scheme	–	–	–	(421,990)	421,990	–
Exercise of share options	2,228,760	–	–	(218,759)	–	2,010,001
Repurchase of shares	(6,496,650)	–	254,600	–	(254,600)	(6,496,650)
Loss for the year	–	–	–	–	(158,934,956)	(158,934,956)
At 31 March 2009	658,498,793	367,874	254,600	19,912,759	(700,010,599)	(20,976,573)

31. SHARE OPTION SCHEME

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, any person or entity providing research, development or other technological support to the Group, and any other person or entity determined by the directors as having contributed or may contribute to the development and growth of the Group. The Company has two share option schemes, one was adopted on 29 November 2000 (the "Pre-IPO Share Option Scheme") and another was adopted on 5 December 2006 (the "New Scheme").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

31. SHARE OPTION SCHEME (Continued)

(a) Pre-IPO Share Option Scheme

On 29 November 2000, the Company adopted a share option scheme which was valid and effective for a period not exceeding ten years commencing from 29 November 2000.

Under the Pre-IPO Share Option Scheme, the eligible participants (including any employee and executive director of the Company or any of its subsidiaries, who has full time employment with the Company or any such subsidiary at the time) may be granted an option to subscribe for shares of the Company.

The maximum number of shares in respect of which share options may be granted under the Scheme may not exceed, in nominal amount, 30% of the issued share capital of the Company. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 25% of the maximum aggregate number of shares for the time being issued and which may fall to be issued under the Scheme.

The offer of a grant of share options may be accepted within 21 days inclusive of, and from the date of the offer. The exercise period of the share options granted is determined by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the respective date when the share options are granted, subject to the provisions for any terminations thereof.

In respect of the share options to be granted after the listing of the Company's shares on the GEM of the Stock Exchange, the subscription price will be a price determined by the directors, but may not be less than the highest of the closing price of the shares on the GEM of the Stock Exchange on the date of grant of the particular option or the average of the closing prices of the shares on the GEM of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant of the particular option or the nominal value of a share.

In respect of the share options granted prior to the listing of the Company's shares on the GEM of the Stock Exchange (the "Pre-IPO Share Options"), the subscription price of the Pre-IPO Share Options should not be less than the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There was no outstanding share option as at 31 March 2009.

The Directors consider that the Pre-IPO Share Options Scheme does not comply with certain supplementary guidance published by the Stock Exchange concerning Rule 23.03(13) of the GEM Listing Rules and the note immediately followed the rule. No further share options will be granted under the Pre-IPO Share Options Plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

31. SHARE OPTION SCHEME (Continued)

(b) New Scheme

On 5 December 2006, the Company adopted a new share option scheme. The New Scheme became valid and effective for a period of ten years commencing from the adoption of the New Scheme, after which period no further options will be granted but the provisions of the New Scheme shall remain in full force and effect in all other respects.

The participants of the New Scheme to whom options may be granted by the Board shall include any director, employee, consultant, adviser, agent, contractor, customer or supplier of any member of the Group whom the Board in its sole discretion considers eligible for the New Scheme on the basis of his/her contribution to the development and growth of the Group.

No participant shall be granted an option if the total number of Shares issued and to be issued upon exercise of the options granted and to be granted (including options exercised, cancelled and outstanding) in any 12 month period up to and including the date of grant to such participant would exceed 1% of the shares for the time being in issue unless the proposed grant has been approved by the shareholders in general meeting with the proposed grantee and his associates abstaining from voting. The number and terms of options to be granted to each grantee must be fixed before the shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and all other share option schemes of the Company (the "Scheme Mandate Limit") shall not exceed 10% of the total number of Shares in issue unless the Company obtains a fresh approval from its shareholders pursuant to the approval of the shareholders in general meetings. At 31 March 2009, the number of shares issuable under share options granted under the Share Option Plan was 120,450,000, which represented approximately 14% of the Company's shares in issue as at that date. The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes shall not exceed 30% of the shares of the Company from time to time.

The offer of a grant of share options may be accepted within 14 days after the date on which the offer becomes or is declared unconditional. The exercise period of the share options granted is determinable by the board of directors, and commences on any date after the date of grant and ends on a date which is not later than ten years from the date of offer of the share options or the expiry date of the New Scheme, if earlier.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

31. SHARE OPTION SCHEME (Continued)

(b) New Scheme (Continued)

The exercise price of share options is determined by the board of directors, but may not be less than the higher of (i) the closing price of the Company's shares on the GEM of the Stock Exchange on the date of grant of the option; (ii) the average of the closing prices of the Company's shares on the GEM of the Stock Exchange for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares of the Company.

The Company will comply with the disclosure requirements under Chapter 23 of the GEM Listing Rules, including without limitation disclosures in the annual and interim reports of the Company including details of the options granted to the following persons: (i) each of the connected person; (ii) each participant with options granted in excess of the limit; (iii) aggregate figures for the employees; (iv) aggregate figures for supplier of goods or services; and (v) all other participants as an aggregate whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

31. SHARE OPTION SCHEME (Continued)

(b) New Scheme (Continued)

Category participants	Date of grant	Exercise price HK$ (note 3)	Exercise period	Number of share options: Outstanding at 1 April 2007	Grant during the year	Exercise during the year	Lapsed during the year	Outstanding at 31 March 2008	Adjusted outstanding at 31 March 2008 (note 3)	Grant during the year	Exercise during the year	Lapsed during the year	Outstanding at 31 March 2009
Mr. Lee Chi Shing, Caesar	19.12.2006	0.836	19.12.2007 – 18.12.2016	2,500,000	–	(2,500,000)	–	–	–	–	–	–	–
	23.02.2007	0.600	23.02.2008 – 22.02.2017	1,000,000	–	(1,000,000)	–	–	–	–	–	–	–
	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	8,380,000	–	–	8,380,000
				3,500,000	–	(3,500,000)	–	–	–	8,380,000	–	–	8,380,000
Mr. Siu Hi Lam, Alick	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	250,000	–	–	250,000	125,000	–	–	(125,000)	–
	26.03.2007	0.660	26.03.2008 – 25.03.2017	500,000	–	(500,000)	–	–	–	–	–	–	–
				500,000	250,000	(500,000)	–	250,000	125,000	–	–	(125,000)	–
Mr. Kwok Kwan Hung	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	250,000	–	–	250,000	125,000	–	–	(125,000)	–
	26.03.2007	0.660	26.03.2008 – 25.03.2017	500,000	–	–	–	500,000	250,000	–	(250,000)	–	–
				500,000	250,000	–	–	750,000	375,000	–	(250,000)	(125,000)	–
Mr. Chien Hoe Yong	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	250,000	–	–	250,000	125,000	–	–	(125,000)	–
	26.03.2007	0.660	26.03.2008 – 25.03.2017	500,000	–	–	–	500,000	250,000	–	(250,000)	–	–
				500,000	250,000	–	–	750,000	375,000	–	(250,000)	(125,000)	–
Mr. Tan Hong Kwong	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	3,580,000	–	–	3,580,000
	27.08.2008	1.160	27.08.2008 – 26.08.2018	–	–	–	–	–	–	4,800,000	–	–	4,800,000
				–	–	–	–	–	–	8,380,000	–	–	8,380,000
Consultants in aggregate	23.02.2007	0.600	23.02.2007 – 22.02.2008	69,000,000	–	(28,700,000)	(40,300,000)	–	–	–	–	–	–
	13.08.2007	0.760	13.08.2007 – 12.08.2016	–	38,400,000	(3,500,000)	–	34,900,000	17,450,000	–	–	–	17,450,000
	17.08.2007	0.720	17.08.2007 – 16.08.2017	–	28,800,000	–	–	28,800,000	14,400,000	–	(2,500,000)	(2,300,000)	9,600,000
	21.08.2007	0.690	21.08.2007 – 20.08.2017	–	19,200,000	–	–	19,200,000	9,600,000	–	–	–	9,600,000
	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	53,860,000	–	–	53,860,000
	27.08.2008	1.160	27.08.2008 – 26.08.2018	–	–	–	–	–	–	4,800,000	–	–	4,800,000
				69,000,000	86,400,000	(32,200,000)	(40,300,000)	82,900,000	41,450,000	58,660,000	(2,500,000)	(2,300,000)	95,310,000
Other employees in aggregate	19.12.2006	0.836	19.12.2007 – 18.12.2016	250,000	–	(250,000)	–	–	–	–	–	–	–
	21.08.2007	0.690	21.08.2007 – 20.08.2017	–	9,800,000	(9,800,000)	–	–	–	–	–	–	–
	01.11.2007	2.940	01.11.2007 – 31.10.2017	–	400,000	–	–	400,000	200,000	–	–	(200,000)	–
	19.08.2008	1.140	19.08.2008 – 18.08.2018	–	–	–	–	–	–	8,380,000	–	–	8,380,000
				250,000	10,200,000	(10,050,000)	–	400,000	200,000	8,380,000	–	(200,000)	8,380,000
				74,250,000	97,350,000	(46,250,000)	(40,300,000)	85,050,000	42,525,000	83,800,000	(3,000,000)	(2,875,000)	120,450,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

31. SHARE OPTION SCHEME (Continued)

(b) New Scheme (Continued)

Notes:

(1) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

(2) The exercise price of the share option is subject to adjustment in the case of a capitalization issue, rights issue, sub-division or consolidation of the Company's shares or reduction of the Company's share capital.

(3) The number of share options and exercised price had been adjusted following the completion of share consolidation.

(4) These fair values of the share options granted during the years were calculated using the Black-Scholes pricing model. The inputs into the model were at the date of grant of options as follows:

	The Group	
Date of grant	19 August 2008	27 August 2008
Number of share option	74,200,000	9,600,000
Share price at grant date *(HK$)*	1.11	1.16
Weighted average exercise price *(HK$)*	1.14	1.16
Expected volatility (expressed as weighted average volatility)	99.81%	96.08%
No. of years for option life (expressed as weighted average life)	10	10
Expected dividends	0%	0%
Risk-free interest rate	1%	1.15%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 1 year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of HK$15,946,877 for the year ended 31 March 2009 (2008: HK$5,757,471) in relation to share options granted by the Company. At 31 March 2009, the Company had 120,450,000 share options after adjustment for the effect of share consolidation (2008: 85,050,000) outstanding under the Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 120,450,000 (2008: 85,050,000) additional ordinary shares of HK$0.04 each (2008: HK$0.02 each) of the Company and additional share capital of HK$4,818,000 (2008: HK$1,701,000) and cash proceeds to the Company of HK$122,522,000 (2008: HK$32,274,000) (before share issue expenses).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

32. ACQUISITION OF SUBSIDIARIES

For the year ended 31 March 2009

(a) On 20 May 2008, the Group acquired 100% of the issued share capital of Superb Kings Limited ("Superb Kings") at an aggregate consideration of HK$168,155,194.

The net assets acquired in the transaction and the goodwill arising are as follows:

	Carrying amounts prior to the acquisition *HK$*	Fair value adjustments *HK$*	Fair value *HK$*
Net assets acquired:			
Property, plant and equipment	75,458,719	10,351,281	85,810,000
Prepayment and deposits	3,562,282	–	3,562,282
Amounts due to a shareholder	(79,813,352)	–	(79,813,352)
Deferred tax	–	(517,564)	(517,564)
	(792,351)	9,833,717	9,041,366
Amounts due to a shareholder assign to the Group			79,813,352
Goodwill			79,300,476
Total consideration			168,155,194
Satisfied by:			
Cash consideration			89,500,000
Issue of shares at fair value			77,700,000
Expenses incurred for acquisition			955,194
			168,155,194

Notes:

(i) Details of the acquisition of Superb Kings were set out in the Company's circular dated 10 April 2008. Since the date of the acquisition, Superb Kings contributed a loss of HK$9,149,781 to the Group for the year ended 31 March 2009.

(ii) If the acquisition had been completed on 1 April 2008, total group revenue for the year end would have been HK$182,382,382 and profit for the year would have been HK$35,617,690. The proforma information is for illustrative purpose only and is not necessary an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2008, nor is it intended to be a projection of future results.

(iii) As part of the consideration for the acquisition of Superb Kings Limited, 105,000,000 ordinary shares of the Company with par value of HK$0.02 each were issued. The fair value of the ordinary shares of the Company, determined using the published price available at the date of acquisition of HK$0.74 per share, amounted to HK$77,700,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

32. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 March 2009 (Continued)

(b) On 11 August 2008, the Group acquired 100% of the issued share capital of Holy Sun Limited ("Holy Sun") at consideration of HK$1.

The net assets acquired in the transaction and the goodwill arising are as follows:

	Carrying amounts prior to the acquisition	Fair value adjustments	Fair value
	HK$	*HK$*	*HK$*
Other Payable	(253,563)	–	(253,563)
			(253,563)
Goodwill			253,564
Total consideration			1
Satisfied by cash			1

Notes:

(i) Since the date of the acquisition, Holy Sun contributed a loss of HK$1,481,184 to the Group for the year ended 31 March 2009.

(ii) If the acquisition had been completed on 1 April 2008, total group revenue for the year end would have been HK$182,382,382 and profit for the year would have been HK$35,686,182. The proforma information is for illustrative purpose only and is not necessary an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2008, nor is it intended to be a projection of future results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

32. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 March 2008

(c) On 19 December 2007, the Group acquired 100% of the issued share capital of Loyal King Investments Limited ("Loyal King") for an aggregate consideration of approximately HK$429,878,000. The fair value of the identifiable assets and liabilities of Loyal King and its subsidiaries (the "Loyal King Group") as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition are as follows:

	Carrying amounts prior to the acquisition	Fair value adjustments	Fair values
	HK$	*HK$*	*HK$*
Property, plant and equipment	340,893	–	340,893
Inventories	47,000	–	47,000
Trade and other receivables	4,147,645	–	4,147,645
Bank balance and cash	4,212,331	–	4,212,331
Deposits	92,600	–	92,600
Trade and other payables	(1,405,929)	–	(1,405,929)
Tax payable	(1,520,975)	–	(1,520,975)
Minority interests	(2,500,958)	–	(2,500,958)
	3,412,607	–	3,412,607
Goodwill			426,465,393
Total consideration			429,878,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

32. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 March 2008 (Continued)

(c) (Continued)

	HK$
Satisfied by:	
Cash consideration	40,000,000
Issue of share at fair value	389,200,000
Expenses incurred for the acquisition	678,000
	429,878,000

Net cash outflow in respect of the acquisition of the Loyal King Group

Cash consideration paid	40,000,000
Expenses paid incurred for the acquisition	678,000
Bank balances and cash acquired	(4,212,331)
	36,465,669

Note: As part of the consideration for the acquisition of Loyal King Group, 280,000,000 ordinary shares of the Company with par value of HK$0.02 each were issued. The fair value of the ordinary shares of the Company, determined using the published price available at the date of acquisition of HK$1.39 per shares, amounted to HK$389,200,000.

During the year ended 31 March 2008, Loyal King Group contributed approximately HK$19,838,000 to the Group's profit for the year.

Goodwill arose in the acquisition because the cost of the acquisition included control premium paid for the acquisition. In addition, the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

If the above acquisition had been completed on 1 April 2007, total restated group turnover for the year 2008 would have been approximately HK$70,628,000 and restated profit for the year 2008 would have been approximately HK$7,857,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue an results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2007, nor is it intended to be a projection of future results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

33. DISPOSAL OF INTEREST IN SUBSIDIARIES

On 27 October 2008, the Group entered into a sale and purchase agreement with Grand Pacific Management Inc. to dispose of it subsidiaries, Cheung Shing and Grand Sea at a total consideration of HK$3,140,799. A summary of the effects of the disposal of Cheung Shing and Grand Sea were as follows:

	Cheung Shing	**Grand Sea**	**Total**
	HK$	*HK$*	*HK$*
Net assets disposed of:			
Property, plant and equipment	847,711	1,429,755	2,277,466
Investment properties	–	7,560,000	7,560,000
Accounts receivables	98,210	–	98,210
Prepayments and deposits	25,682	–	25,682
Amounts due from a fellow subsidiary	645,253	–	645,253
Amounts due from the ultimate holding company	–	2,873,411	2,873,411
Bank balances and cash	–	2,565	2,565
Bank overdrafts	(1,094)	–	(1,094)
Amount due to an immediate holding company	–	(645,253)	(645,253)
Amounts due to a fellow subsidiary	(400,505)	(217,269)	(617,774)
Amounts due to the ultimate holding company	(326,461)	–	(326,461)
Other payables	(68,486)	–	(68,486)
Bank loans	–	(3,584,214)	(3,584,214)
Deferred tax liabilities	–	(236,250)	(236,250)
	820,310	7,182,745	8,003,055
Amount due from the Group written off upon disposal			(1,929,176)
Expenses incurred			87,919
Loss on disposal of subsidiaries			(3,021,019)
			3,140,779
Satisfied by:			
Cash			3,140,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2009

33. DISPOSAL OF INTEREST IN SUBSIDIARIES (Continued)

An analysis of the net cash inflow in respect of the disposal of subsidiaries is as follow:

	2009
	HK$
Cash consideration	**3,140,779**
Expenses incurred	**(87,919)**
Cash and cash equivalents disposed of	**(1,471)**
	3,051,389

The impact of Cheung Shing and Grand Sea on the Group's results and cash flows in the current and prior years are disclosed in note 12 to the consolidated financial statements.

34. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all its qualifying employees. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of 5% of the relevant payroll costs or HK$1,000 for each of its employees to the Scheme per month, which contribution is matched by employees.

35. OPERATING LEASE ARRANGEMENTS

The Group had of approximately HK$5,207,000 (2008: HK$560,000) minimum lease payments under operating lease during the year in respect of office premises.

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments in respect of office premises under non-cancellable operating lease which fall due as follows:

	2009	2008
	HK$	*HK$*
Within one year	**2,468,329**	1,200,000
In the second to fifth year inclusive	**6,083,847**	850,000
After fifth year	**45,065,098**	–
	53,617,274	2,050,000

Operating lease payments represent rentals paid or payable by the Group for its office premises. Leases and rentals are negotiated for an average term of three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

35. OPERATING LEASE ARRANGEMENTS (Continued)

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2009	2008
	HK$	HK$
Within one year	77,580,750	264,000

Leases are negotiated for an average term of two years and rentals are fixed throughout the lease period.

36. MAJOR NON-CASH TRANSACTIONS

For the year ended 31 March 2009, the Group had the following major non-cash transactions:

As at 20 May 2008, the Company issued and allotted a total of 105,000,000 ordinary shares of HK$0.02 each at HK$0.74 per share which was approximate to HK$ 77,700,000 to Yeung Hak Kan, as the partial consideration for the acquisition of Superb Kings Limited.

37. MATERIAL RELATED PARTY TRANSACTIONS

Saved as disclose elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year:

	2009	2008
	HK$	HK$
(a) Compensation of key personnel management		
The remuneration of directors and other members of key executive were as follows:		
Short-term benefits	1,257,576	5,722,259
Retirement benefit scheme contributions	52,000	31,000
Share options granted	3,224,214	1,169,766
	4,533,790	6,923,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

37. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) In addition to the above, the Group has entered into the following significant related party transactions with Gold Track Mining and Resources Limited ("Gold Track"), a company whose substantial shareholder is sister-in-law of Mr. Cheng Ting Kong, a substantial shareholder of the Company.

The Group lend a loan of approximately HK$7,800,000 to Gold Track during the year and interest income of HK$416,712 was accrued thereon was receivable at year end 31 March 2009.

(c) Details of the balances with related parties as at the balance sheet date were set out in notes 23 and 25 above.

38. POST BALANCE SHEET EVENTS

Pursuant to the announcement dated 31 October 2008, Galileo BVI (a wholly-owned subsidiary of the Company) and Gold Track entered into the Subscription Agreement and the Supplemental Agreement on 8 October 2008 and 23 October 2008 respectively. The subscription constitutes a very substantial acquisition ("Very Substantial Acquisition") for the Company under Chapter 19 of the GEM Listing Rules. Pursuant to the Subscription Agreement and the Supplemental Agreement, Gold Track has conditionally agreed to allot and issue the 11,739 shares of Gold Track (representing approximately 54% of the enlarged share capital of Gold Track) to Galileo BVI in consideration of Galileo BVI capitalizing the loan of US$1,000,000 and interests accrued thereon due from Gold Track to Galileo BVI. The transaction is conditional and is subject to the approval of the shareholders of the Company. Details of the Very Substantial Acquisition are set out in the Company's announcement and circular dated 31 October 2008 and 22 June 2009 respectively.

39. COMPARATIVE FIGURES

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

40. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 June 2009.

FIVE YEAR FINANCIAL SUMMARY

Summary of the results, assets and liabilities of the Group is as follow:

	For the year ended 31 March				
	2009	2008	2007	2006	2005
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Results					
Turnover	**181,843,565**	40,422,046	1,643,189	2,357,000	916,054
Profit/(loss) before tax	**51,438,135**	6,782,327	(6,470,377)	(1,931,800)	(3,120,815)
Taxation	**(16,482,507)**	(4,346,906)	(41,258)	–	–
Profit/(loss) for the year from continuing operations	**34,955,628**	2,435,421	(6,511,635)	(1,931,800)	(3,120,815)
(Loss)/profit for the year from discontinued operations	**(174,397)**	155,068	–	–	–
	34,781,231	2,590,489	(6,511,635)	(1,931,800)	(3,120,815)

	At 31 March				
	2009	2008	2007	2006	2005
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Assets and liabilities					
Total assets	**740,493,286**	610,374,887	12,693,938	1,291,081	1,392,007
Total liabilities	**(20,001,221)**	(13,689,681)	(7,349,300)	(5,002,081)	(3,171,207)
Total assets and liabilities	**720,492,065**	596,685,206	5,344,638	(3,711,000)	(1,779,200)

SUMMARY OF INVESTMENT PROPERTIES

Particulars of the Group's properties, all of which are wholly-owned, at 31 March 2008 are as follows:

Properties held for investment

Property	**Term of lease**	**Purpose**	**Floor area** *(Square metre)*
Shop N, O and P on G/F, Cheong Lok Mansion 1H, 1J & 1K Baker Street 2F, 2G & 2H Cooke Street 1-11 Lo Lung Hang Street 2-12 Malacca Street and Shops N, O and P on M/F, Cheong Lok Mansion No.1 G Baker Street Kowloon Hong Kong	Long Lease	Shops	1,903