

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus (as defined herein) or as to the action to be taken, you should consult your licenced securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company (as defined herein), you should at once hand this Prospectus and the accompanying Application Forms (as defined herein) to the purchaser or transferee or to the bank, licenced securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of this prospectus, together with copies of the provisional allotment letter and the form of application for excess Offer Bonds and the documents as specified in the section headed "Documents delivered to the Registrar of Companies" in Appendix V to this prospectus, have been registered by the Registrar of Companies in Hong Kong. The Registrar of Companies in Hong Kong takes no responsibility for the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Offer Bonds on The Stock Exchange of Hong Kong Limited ("Stock Exchange") as well as compliance with the stock admission requirements of HKSCC, the Offer Bonds will be accepted as eligible securities by HKSCC for deposit, clearance, and settlement in CCASS with effect from the commencement date of dealings in the Offer Bonds or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, 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 prospectus.



OPEN OFFER WITH AN ASSURED ALLOTMENT OF ONE OFFER BOND FOR EVERY TWO THOUSAND FIVE HUNDRED EXISTING SHARES HELD

The latest time for application and payment for the Offer Bonds is 4:00 p.m. on Thursday 3 March 2011. The procedure for application and payment is set out on pages 15 to 16 of this Prospectus.

The existing Shares (as defined herein) have been dealt with on an ex-entitlement basis since Tuesday, 8 February 2011. Such dealings in the Shares will take place whilst the conditions to which the Open Offer (as defined herein) is subject remain unfulfilled. A person dealing in Shares on an ex-entitlement basis will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed.

Shareholders contemplating any dealings in the Shares are recommended to consult with their own professional adviser if they are in any doubt.

The Open Offer is not underwritten. However, the Company's Director and substantial shareholder, Mr. Chan Heng Fai, has irrevocably undertaken to the Company to apply for not less than 500,830 Offer Bonds, representing his entire assured entitlement and the undertaking to apply for excess of Offer Bonds under the Open Offer.

17 February 2011

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DEFINITIONS

In this document, the following expressions have the following meanings unless the context otherwise requires:

“Announcement”	the announcement dated 7 January 2011 issued by the Company in relation to the Open Offer
“Application Form(s)”	the form(s) of application in respect of the Open Offer to be issued to the Qualifying Shareholders
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Assured Allotment Application Form(s)”	the form(s) of application for use by the Qualifying Shareholders to apply for their assured allotment of the Offer Bonds
“Board”	the board of Directors
“Bond”	Up to HK\$106,810,200 in aggregate principal amount of the non-convertible bonds at an issue price of HK\$100 per unit of Offer Bond at an interest rate of 15% per annum
“Business Day”	a day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Xpress Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Conditions”	the conditions of the Open Offer
“Directors”	the directors of the Company
“Directors’ Options”	646,909,050 Options collectively held by certain Directors as at the date of the Director’s Undertaking Letters
“Directors’ Warrants”	172,000,000 Warrants held by a Director as at the date of the Director’s Undertaking Letters

DEFINITIONS

“Director’s Undertaking Letter(s)”	the irrevocable undertaking given on 7 January 2011 by each of the Directors, who is the holder of the Options and/or Warrants, in favour of the Company, as more particularly set out in the sub-paragraph headed “Undertakings by the Directors” in this prospectus
“Excess Application Form(s)”	excess application form(s) for use by the Qualifying Shareholders to apply for excess Offer Bonds
“Final Application Time”	4:00 p.m. on 3 March 2011 as the latest time for application and payment for Offer Bonds, provided that if on such date a Storm Warning is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m., then references to the “Final Application Time” shall mean 4:00 p.m. on the first Business Day thereafter on which no Storm Warning remains hoisted at any time between 9:00 a.m. and 4:00 p.m.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	11 February 2011, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	The fifth anniversary of the date of issue of the Offer Bonds
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board, after making enquiry, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges in those places not to offer the Offer Bonds to them
“Offer Bond(s)”	the new Bond(s) proposed to be issued under the Open Offer

DEFINITIONS

“Open Offer”	the proposed issue by the Company of the Offer Bonds by way of open offer to Qualifying Shareholders on the basis of an assured allotment of one Offer Bond for every two thousand five hundred existing Shares held on the Record Date at the Subscription Price
“Options”	the share options granted under the Share Option Scheme
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown in the register of members of the Company on that date is/are outside Hong Kong
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Forms
“Prospectus Posting Date”	17 February 2011 or such other date as the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	16 February 2011, being the record date for determining entitlements to participate in the Open Offer
“Registrar”	the registrar of the Company in Hong Kong, being Tricor Friendly Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company adopted on 9 May 2003
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Storm Warning”	a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal
“Subscription Price”	the subscription price of HK\$100 per Offer Bond
“%”	percentage

EXPECTED TIMETABLE OF THE OPEN OFFER

The expected timetable for the Open Offer is set out below:

Last day of dealings in Shares on a cum-entitlements basis	Monday, 7 February 2011
First day of dealings in Shares on an ex-entitlements basis	Tuesday, 8 February 2011
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Wednesday, 9 February, 2011
Book closure period (both days inclusive)	Thursday, 10 February 2011 to Wednesday, 16 February 2011
Record Date	Wednesday, 16 February 2011
Prospectus Documents to be despatched on or about	Thursday, 17 February 2011
Latest time for acceptance of and payment for Offer Bonds	4:00 p.m. on Thursday, 3 March 2011
Announcement of results of the Open Offer and excess application	Thursday, 10 March 2011
Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Bonds expected to be despatched on or before	Friday, 11 March 2011
Certificates for Offer Bonds expected to be despatched on or before	Friday, 11 March 2011
Dealings in Offer Bonds expected to commence on	Tuesday, 15 March 2011

All dates and times referred to in this Prospectus are Hong Kong dates and times. Dates or deadlines specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Open Offer are indicative only and may be extended or varied by the Company. Further announcement will be made in the event that there is any change to the expected timetable for the Open Offer.

EXPECTED TIMETABLE OF THE OPEN OFFER

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR APPLICATION AND PAYMENT FOR THE OFFER SHARES

The latest time for acceptance of and payment for Offer Bonds will not take place if there is:

- (a) a tropical cyclone warning and signal number 8 or above, or
- (b) a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 3 March 2011. Instead, the latest time of acceptance of and payment for the Offer Bonds will be extended to 5:00 p.m. on the same Business Day;
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 3 March 2011. Instead, the latest time of acceptance of and payment for the Offer Bonds/Open Offer will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for application and payment for the Offer Bonds does not take place at 4:00 p.m. on Thursday, 3 March 2011, the dates mentioned in this section may be affected. Announcement will be made by the Company in such event.

LETTER FROM THE BOARD



XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

Executive Directors:

Chan Heng Fai (*Managing Chairman*)
Chan Tong Wan (*Managing Director*)
Chan Yoke Keow

Registered and principal office:

24/F., Wyndham Place
40 Wyndham Street
Central
Hong Kong

Non-executive Director:

Fong Kwok Jen

Independent non-executive Directors:

Wong Dor Luk, Peter
Joao Paulo Da Roza
Wong Tat Keung

17 February 2011

*To the Shareholders (and, for information only,
holders of the warrants and options of the Company)*

Dear Sir or Madam,

**OPEN OFFER WITH AN ASSURED ALLOTMENT OF ONE OFFER BOND FOR
EVERY TWO THOUSAND FIVE HUNDRED EXISTING SHARES HELD**

INTRODUCTION

As announced in the Announcement, the Company proposes to issue 15 per cent interest per annum bonds to raise up to approximately HK\$106.8 million, before expenses, by issuing up to 1,068,102 Offer Bonds (assuming full exercise of the conversion or subscription rights attaching to the Options (other than the Directors' Options) on or before the Record Date) by way of Open Offer at a price of HK\$100 per Offer Bond on the basis of one Offer Bond for every two thousand five hundred existing Shares held on the Record Date.

The purpose of this Prospectus is to provide you with further information regarding the Open Offer, including information on procedures for application and payment and certain financial information and other information in respect of the Group.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE BONDS

The Bonds to be issued by the Company will be for a principal amount of up to HK\$106,810,200 (divided into 1,068,102 units of Offer Bonds) with an interest rate of 15 per cent. per annum payable semi-annually in arrears and mature on the fifth anniversary of the date of issue. Upon approval granted by the Listing Committee of the Stock Exchange, the Offer Bonds will be listed on the Stock Exchange.

The Company may redeem all or some only of the Offer Bonds from the first anniversary to the Maturity Date, subject to giving no less than 30 nor more than 60 days of advance notice, at 101% of their principal amount, together with accrued interest. On Maturity Date, any unit of Offer Bonds that has not been redeemed or repaid will be redeemed by the Company at 100% of the unpaid principal amount, together with accrued interest. The Offer Bonds will be issued in registered form only.

For the purpose of quotation of the Offer Bonds in the Automatic Order Matching and Execution System 3 (“AMS3”), the principal amount for each board lot of the Offer Bonds will be HK\$800 for trading purpose, thus comprising 8 trading unit of HK\$100. Therefore, the “Lot Size” of the Bonds as to appear in the AMS3 will be “8” accordingly. Based on the subscription price of HK\$100 per each unit of Offer Bonds, the board lot size of the Offer Bonds will be 8 accordingly.

As at 7 January 2011, Mr. Chan Heng Fai, the Director and a substantial shareholder of the Company (holding approximately 39.84% of the existing issued share capital of the Company) has undertaken to the Company to take up his entitlement in full under the Open Offer and to make applications in excess of his pro-rata entitlement and pay for not less than HK\$8,000,000 in aggregate principal amount of excess Offer Bonds.

OPEN OFFER

Issue Statistics

Basis of Open Offer	:	Assured allotments of one Offer Bond for every two thousand five hundred existing Shares held on the Record Date
Number of existing Shares in issue	:	2,640,836,050 Shares as at the Latest Practicable Date
Number of Offer Bonds to be issued under the Open Offer	:	500,830 Offer Bonds (assuming only Mr. Chan Heng Fai subscribe the Offer Bonds) and 1,056,334 Offer Bonds (assuming no conversion or subscription rights attaching to the Director’s Warrants and the Options are exercised on or before the Record Date) and up to 1,068,102 Offer Bonds (assuming full exercise of the conversion or subscription rights attaching to the Options (other than the Directors’ Options) on or before the Record Date) (<i>Note</i>)

LETTER FROM THE BOARD

Subscription Price for the Offer Bonds	:	HK\$100 per Offer Bond
Aggregate nominal value of the Offer Bonds	:	Up to approximately HK\$106,810,200
Underwriter	:	The Open Offer will not be underwritten
Listing Status of the Offer Bonds	:	Application has been made to the Stock Exchange for the listing of and permission to deal in the Offer Bonds under the Open Offer
Transferability	:	The Offer Bonds shall be freely transferable
Conversion	:	The Offer Bonds are not convertible into any Shares or other securities of the Company

Note:

As at the Latest Practicable Date:

- (1) there are 172,000,000 Director's Warrants outstanding carrying rights to subscribe for 172,000,000 Shares at an subscription price of HK\$0.16 per Share (subject to adjustments). The Director has undertaken not to exercise of the subscription rights attaching to the Director's Warrants on or before the Record Date, no Offer Bonds will be issued;
- (2) there are 706,895,688 outstanding Options granted under the Share Option Scheme, of which 676,331,388 are eligible for exercise on or before the Record Date. Assuming full exercise of the subscription rights attaching to the Options (other than the Directors' Options) on or before the Record Date, a total of 29,422,338 new Shares would fall to be issued, which would result in the issue of additional 11,768 Offer Bonds.

Based on the above, the maximum number of Offer Bonds that may be issued under the Open Offer would become 1,068,102 units.

The Company tried, without success, to find an underwriter willing to undertake the Open Offer. In view of there is no minimum amount which must be raised in order for the Open Offer to proceed and the Open Offer is not subject to any statutory requirements regarding minimum subscription level and the Open Offer will be undertaken by Mr. Chan Heng Fai, the Directors consider it is appropriate for the Company to proceed the Open Offer without underwritten.

Save for the outstanding Director's Warrants and Options as mentioned above, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Qualifying Shareholders:

The Company will send the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Open Offer, a Shareholder must on the Record Date:

- be registered as a member of the Company; and
- not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificate(s)) with the Company's registrar, Tricor Friendly Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong by 4:30 p.m. (Hong Kong time) on Wednesday, 9 February 2011.

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 10 February 2011 to Wednesday, 16 February 2011 (both days inclusive) for determination of entitlements under the Open Offer. No transfer of Shares will be registered during this period.

Basis of assured allotment

One Offer Bond for every two thousand five hundred existing Shares held by a Qualifying Shareholder on the Record Date

Fractions of assured allotments will not be issued and will be aggregated and made available for application by the Qualifying Shareholders who wish to apply for Offer Bonds in excess of their own assured allotments.

Status of the Offer Bonds

The Offer Bonds are non-convertible and will constitute the direct, unconditional and unsecured obligations of the Company and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, other than those as may be preferred by mandatory provision of applicable law. The Offer Bonds shall be freely transferable.

Rights of Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. Prior to the issue of the Prospectus, the Company will make enquiries as to whether the offer or issue of Offer Bonds to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory

LETTER FROM THE BOARD

bodies. If after making such enquiry the Board is of the opinion that it would be necessary or expedient not to offer the Offer Bonds to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly the Offer Bonds will not be offered to the Non-Qualifying Shareholders and no application for Offer Bonds will be accepted from the Non-Qualifying Shareholders. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the Application Forms to them.

Any Offer Bonds which would otherwise have been in assured allotments of the Non-Qualifying Shareholders will be available for application by the Qualifying Shareholders who wish to apply for the Offer Bonds in excess of their own assured allotments.

Application for Offer Bonds in excess of assured allotments

Any entitlements to the Non-Qualifying Shareholders, together with any Offer Bonds provisionally allotted to Qualifying Shareholders but not accepted, will be available for excess application by the Qualifying Shareholders. Qualifying Shareholders will have the right to apply for any Offer Bonds in excess of their own assured allotments under the Application Forms but are not assured of being allocated any Bonds in excess of those in their assured allotments.

The Company will allocate the Offer Bonds in excess of assured allotments at their discretion on a fair and equitable basis, on a pro-rata basis to the excess Offer Bonds applied for by the Qualifying Shareholders. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Bonds should note that there is no guarantee that such odd lots of the Offer Bonds will be topped up to create whole board lots pursuant to applications for excess Offer Bonds.

Any Offer Bonds not applied for by the Qualifying Shareholders will not be issued by the Company.

The Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee as a single shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Offer Bonds will not be extended to beneficial owners individually. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

LETTER FROM THE BOARD

Bond Certificates

Subject to the fulfilment of the conditions of the Open Offer, certificates for fully-paid Offer Bonds are expected to be posted to successful applicants at their own risk on or before Friday, 11 March 2011. Refund cheques in respect of wholly or partially unsuccessful applications for Offer Bonds in excess of assured allotments are also expected to be posted on or before Friday, 11 March 2011 by ordinary post to the applicants at their own risk. Each Qualifying Shareholder will receive one bond certificate for all the Offer Bonds validly applied for and issued to the Qualifying Shareholder.

Undertakings by the Directors

As at 7 January 2011, certain Directors collectively hold 646,909,050 Options and 172,000,000 Director's Warrants. Each of such Directors has given an irrevocable undertaking, *inter alia*, not to exercise the subscription rights under the relevant Directors' Options and Director's Warrants until the close of business on the Record Date pursuant to and subject to the terms of the relevant Director's Undertaking Letter.

CONDITIONS OF THE OPEN OFFER

The Open Offer is conditional upon each of the following events happening:

- (a) the filing and registration of the Prospectus Documents (with all the documents required to be attached thereto by Section 38D of the Companies Ordinance) by the Registrar of Companies in Hong Kong in compliance with the Companies Ordinance no later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date; and
- (c) the Listing Committee of the Stock Exchange granting listings of, and permission to deal in, the Offer Bonds either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) on or prior to the Prospectus Posting Date and not having withdrawn or revoked such listings and permission before date of commencement of dealings in Offer Bonds on the Stock Exchange.

If any of the above conditions is not fulfilled, the Open Offer will not proceed. As the Open Offer is subject to the above conditions, it may or may not proceed accordingly.

LETTER FROM THE BOARD

LISTING AND DEALINGS

The Shares are listed on the Stock Exchange and application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Offer Bonds. It is expected that dealings in the Offer Bonds will commence on 15 March 2011.

The Offer Bonds in fully paid form will be traded in the principal amount of HK\$800, comprising 8 trading units of HK\$100.

Subject to the granting the listing of, and permission to deal in, the Offer Bonds, all necessary arrangements have been made enabling the Offer Bonds to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Bonds on the Stock Exchange or such other date as shall be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Offer Bonds and the Shares will not be listed or dealt in on any other stock exchange and no such listings or permission to deal will be sought. Shareholders should seek advice from their licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

WARNING OF THE RISKS OF DEALING IN BONDS

There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. No assurance can be given as to the liquidity of, or trading market for, the Bonds upon their listing on the Stock Exchange. Lack of a liquid, active trading market for the Bonds may adversely affect the price of the Bonds or may otherwise impede a holder's ability to dispose of the Bonds.

WARNING OF THE RISKS OF DEALING IN SHARES

Existing Shares are expected to be dealt in on an ex-entitlements basis from Tuesday, 8 February 2011 and the existing Shares price will not be adjusted on the ex-entitlements date. If the conditions of the Open Offer (see the section headed "Conditions of the Open Offer" above) are not fulfilled, the Open Offer will not proceed.

Investors who have any doubt about their position are recommended to obtain professional advice from their advisers regarding dealings in Shares during these periods. Shareholders are advised to exercise caution when dealing in the Shares up to the date when the conditions of the Open Offer are fulfilled.

LETTER FROM THE BOARD

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

Given the property development and investment business, in which the Group is principally engaged, by nature is capital intensive, the Directors consider that the Open Offer is an appropriate means for the Group to provide working capital and strengthen its financial position and that the Open Offer is in the interests of the Company and the Shareholders as a whole.

The Directors has considered other financing alternatives, such as debt financing, share placement and right issue of Shares and believe that, taking into account the prevalent financial market conditions, the lack of liquidity of the Shares and the significant discount normally set for the rights issue which could not effectively reflect the fair value of the Shares and the availability of valuable assets to pledge against the bank borrowings, it would be in the interest of the Company to raise unsecured long-term funding via the proposed Open Offer and consider that the Open Offer is the most feasible, cost and time effective fund raising alternative available for the Company to raise long-term funds without subjecting itself to dilution effect on the shareholdings and earnings of Shareholders and also provide Shareholders with an opportunity to financing of and thereby benefiting from the growth of the Group. The interest rate of the Bonds was determined after taking into consideration of (i) the interest rate of the Group's existing secured bank borrowing range from 1.00% to 3.20%; (ii) the interest rate of the similar bonds issued by other companies listed on the Stock Exchange (Note) and (iii) the unavailability of the Company to obtain unsecured long-term borrowing with a more favorable interest rate as compared with the Offer Bonds. The Directors (including the independent non-executive Directors) consider the interest rate is in line with the market and on normal commercial term and that the terms of the Offer Bonds to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole. If the Open Offer are only subscribed by Mr. Chan Heng Fai, the Company expects to raise total proceeds, before expenses, of approximately HK\$50.08 million from the Open Offer.

Note: The Company noted that there is lack of similar non-convertible bonds offered to the public in Hong Kong by other companies listed on the Stock Exchange. To the best of the Directors' knowledge, some companies which are principally engaged in the property development and investment business have conducted international offering of bonds/senior notes to institutional investors. The table below list out some of the relevant findings:

Stock Code	Company	Announcement Date	Principal amount of bonds/notes	Maturity Date	Interest rate per annum	Security/Guarantee provided
3383	Agile Property Holdings Limited	5 November 2009	US\$300 million	14 November 2016	10.0%	Yes
3333	Evergrande Real Estate Group Limited	22 January 2010	US\$750 million	27 January 2015	13.0%	Yes
1638	Kaisa Group Holdings Ltd	22 April 2010	US\$350 million	28 April 2015	13.5%	Yes
2007	Country Garden Holdings Company Limited	16 April 2010	US\$550 million	22 April 2017	11.25%	Yes
1777	Fantasia Holdings Group Co., Ltd	5 May 2010	US\$120 million	12 May 2015	14.0%	Yes

LETTER FROM THE BOARD

Stock Code	Company	Announcement Date	Principal amount of bonds/notes	Maturity Date	Interest rate per annum	Security/ Guarantee provided
2007	Country Garden Holdings Company Limited	5 August 2010	US\$400 million	11 August 2015	10.5%	Yes
				Highest Interest Rate	14.0%	
				Average Interest Rate	12.04%	

The interest rate of 15% for the Offer Bonds is 1% higher than the comparable with highest interest rate and approximately 3% higher than the average interest rate of the comparables. Having taken into consideration of the factors of market capitalization, credit rating and the guarantee nature of the comparables, the Directors consider the interest rate of the Offer Bonds is fair and reasonable.

The Directors estimate that the net proceeds received by the Group from the Open Offer will be not less than approximately HK\$50 million and not more than HK\$106 million and all the proceeds will be used as additional general working capital. Depending on the actual proceeds received by the Group, it is expected that the interest expenses for the Offer Bonds would be approximately HK\$7.5 million to HK\$15.9 million per annum.

FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

No fund raising activities have been carried out by the Company during the past 12 months immediately preceding the Latest Practicable Date.

PROCEDURE FOR APPLICATION

Application for Offer Bonds

The Assured Allotment Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to apply for the number of Offer Bonds on an assured basis as shown therein subject to payment in full on the Final Application Time. Qualifying Shareholders should note that they may apply for any number of Offer Bonds assured only up to the number set out in the Assured Allotment Application Form.

LETTER FROM THE BOARD

If Qualifying Shareholders wish to apply for all the Offer Bonds offered to them as specified in the Assured Allotment Application Form or wish to apply for any number less than their assured entitlement under the Open Offer, they must complete, sign and lodge the Assured Allotment Application Form in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Bonds they have applied with the Registrar, Tricor Friendly Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Thursday, 3 March, 2011. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Xpress Group Limited — Open Offer Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed and signed Assured Allotment Application Form, together with the appropriate remittance, have been lodged with the Registrar, Tricor Friendly Limited, by no later than 4:00 p.m. on Thursday, 3 March, 2011, the assured entitlement under the Open Offer and all rights in relation thereto shall be deemed to have been declined and will be cancelled.

Application for excess Offer Bonds

Qualifying Shareholders will have the right to apply for any Offer Bonds in excess of their own assured allotments under the Application Forms but are not assured of being allocated any Bonds in excess of those in their assured allotments.

Application for excess Offer Bonds should be made by completing the Excess Application Forms enclosed with this Prospectus (if despatched to a Qualifying Shareholder) for excess Offer Bonds and lodging the same with a separate remittance for the full amount payable in respect of the excess Offer Bonds being applied for in accordance with the instructions printed thereon, with the Registrar, Tricor Friendly Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Thursday, 3 March, 2011. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Xpress Group Limited — Excess Application Account" and crossed "Account Payee Only". The Registrar will notify the Qualifying Shareholders of any allotment of the excess Offer Bonds made to them.

It should be noted that unless the duly completed and signed Excess Application Form, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 3 March, 2011, the Excess Application Form is liable to be rejected.

All cheques or cashier orders will be presented for payment immediately following receipt and all interest earned on such application monies will be retained for the benefit of the Company. Any Application Form in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlements of the Qualifying Shareholders under the Open Offer will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

The Company will allocate the Offer Bonds in excess of assured allotments at their discretion on a fair and equitable basis, on a pro-rata basis to the excess Offer Bonds applied for by the Qualifying Shareholders.

Any Offer Bonds not applied for by the Qualifying Shareholders will not be issued by the Company.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Offer Bonds will not be extended to beneficial owners individually. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Both Application Forms are for the use by the person(s) named therein only and are not transferable.

No receipt will be issued in respect of any application monies received.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is engaged in property investment, property development, financial services and securities investments, including corporate finance, consumer finance and hotel operation. For the year ended 31 March 2010, the Group recorded a turnover of approximately HK\$77 million. The profit attributable to shareholders for the year ended 31 March 2010 was approximately HK\$191.0 million and the net assets value of the Group was HK\$772.7 million as at 31 March 2010. For the six months ended September 30, 2010, the Group recorded a turnover of approximately HK\$33.9 million. The profit attributable to equity holders of the Company for the six months ended September 30, 2010 was HK\$17.3 million and the net assets value of the Group was HK\$834.6 million as at 30 September 2010.

Recently the US Federal Reserve announced to stimulate the economy in a program known as quantitative easing 2 (QE2). Hong Kong will benefit most from capital relocation away from developed to emerging markets. Inflation and low economic growth are reducing the attractiveness of developed-market assets and the easy liquidity and stable regulatory environment in Hong Kong and Singapore make the cities' real estate and securities market attractive, and values are likely to appreciate. The recent announcement of anti-property speculation measures by the Hong Kong government will curb short-term property speculation which will also add uncertainties to the environment that we operate. The Group will continue to adopt a risk-conscious approach towards managing its property portfolios and capture the investment opportunities and increase its properties portfolios in order to enhance its investment portfolio and benefit from the long-term increase in property appreciation.

LETTER FROM THE BOARD

In August 2010, the Group has undertaken to make applications in excess of its pro rata entitlement to the convertible bonds under the rights issue of SingXpress Ltd (“Rights Issue”) and pay for not less than S\$7 million in aggregate principal amount of the convertible bond provisionally allotted to the Group of which the Group has undertaken to take up. The Rights Issue was completed on 9 November 2010 and the Group has subscribed for approximately S\$16.2 million in aggregate principal amount of the convertible bonds.

On 15 November 2010, the Group converted S\$3 million of the convertible bonds into 100,000,000 new shares of SingXpress and the shareholding interests has been increased from approximately 33% to approximately 51% and SingXpress became a subsidiary of the Company.

SingXpress is a company incorporated in Singapore with limited liability, the shares of which are listed on the SGX-ST Catalist board and is engaged in securities investments, property trading, properties investment and properties development businesses. The Group is confident in and committed to the longer term future and prospects of SingXpress which will bring financial benefit to the Group in the long run.

On 24 November 2010, the Group has received the acceptance letter confirming the successful tender for the properties located in 235 Balestier Road, Waldorf Mansions, Singapore 329699 at a price of S\$21,000,000 (approximately HK\$124,530,000) for the purpose of holding or for redevelopment (“Acquisition”). The Board believes that the Acquisition will further enhance the Group’s asset portfolio and strengthen the position of the Group in the property market in Singapore. The Board does not expect the Acquisition to have any significant effect on the earnings and assets and liabilities of the Group.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the Appendices to this Prospectus.

Yours faithfully,
Xpress Group Limited
Chan Tong Wan
Managing Director

The following is a summary of the principal terms and conditions of the Bonds (*Note*):

Issuer	Xpress Group Limited.
Issue Date	Actual date of allotment and issue which is expected to be on 11 March 2011.
Issue	15.0 per cent. per annum non-convertible bonds in the principal amount of up to HK\$106,810,200.
Interest	15.0 per cent. per annum, payable semi-annually in arrears on the 6th, 12th, 18th, 24th, 30th, 36th, 42th, 48th, 54th and 60th month from the Issue Date, which is expected to be on 10 September 2011, 10 March 2012, 10 September 2012, 10 March 2013, 10 September 2013, 10 March 2014, 10 September 2014, 10 March 2015, 10 September 2015 and 10 March 2016.
Maturity Date	5 years from the Issue Date, which is expected to be on 10 March 2016. On Maturity date, any unit of Offer Bonds that has not been redeemed or repaid will be redeemed by the Company at 100% of the unpaid principal amount, together with accrued interest.
Repayment following an Event of Default	If the Bonds are repayable following the occurrence of an event of default under the terms and conditions of the Bonds, the Bonds will be repayable at their principal amount together with accrued interest.
Form of the Bonds	Bonds will be issued in registered form only. The Bonds are expected to be despatched on 11 March 2011. Each unit of the Bond of HK\$100 will be issued in the denomination of HK\$100. The Bonds will be freely transferable.
Subscription Price for the Bonds	HK\$100 per Bond.
Redemption at the Option of the Issuer	The Issuer may redeem all or some only of the Bonds from the first anniversary to the Maturity Date, subject to giving no less than 30 nor more than 60 days of advance notice, at 101% of their principal amount, together with accrued interest.

Tax Redemption	The Issuer may redeem all, but not some only, of the Bonds at their principal amount, plus accrued interest, in the event of certain changes in Hong Kong taxation.
Registrar/Paying Agent	Tricor Friendly Limited.
Governing Law	Hong Kong.
Listing and Trading	Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Bonds on the Stock Exchange. It is expected that dealings in the Bonds on the Stock Exchange will commence on a date to be agreed with the Stock Exchange which is expected to be 15 March 2011. The principal amount for each board lot of the Bond will be HK\$800.

Note: The dates set out in the above terms and conditions are premised on the basis that the expected timetable set out on pages 5 to 6 of this Prospectus can be met.

The following Terms and Conditions (subject to completion and amendment) will be endorsed on the Bonds.

The issue of HK\$105,633,400 principal amount of 15 per cent. Bonds due 2016 (the "Bonds") of Xpress Group Limited (the "Company") was authorised by resolutions of the Board of Directors of the Company passed on 7 January 2011. The Bonds are constituted by a deed poll (the "Deed Poll") dated 11 March 2011, and issued by the Company. The Company has entered into a registrar and transfer and paying agency agreement (the "Agency Agreement") dated 11 March 2011 with Tricor Friendly Limited as registrar and transfer and paying agent. The registrar and the transfer and paying agent for the time being are referred to below (for the purposes of these Terms and Conditions) as the "Registrar". The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Deed Poll. Copies of the Deed Poll and of the Agency Agreement are available for inspection by Bondholders at the registered office of the Company being, at the date hereof, 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong. The Bondholders are entitled to the benefit of the Deed Poll and are bound by, and are deemed to have notice of, all the provisions of the Deed Poll and the Agency Agreement.

1. STATUS

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

2. FORM, DENOMINATION AND TITLE

(a) Form and denomination

The Bonds are in registered form in the denomination of HK\$100 (each, a "Bond") without coupons. A bond certificate (each, a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Company will procure to be kept by the Registrar. For the purposes of these conditions, Bonds in the principal amount of HK\$800 or integral multiples thereof are referred to as "board lots".

(b) Title

Title to the Bonds passes by transfer and registration in the register of Bondholders as described in Condition 3. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Terms and

Conditions, “Bondholder” and (in relation to a Bond) “holder” means the person in whose name a Bond is registered as recorded in the register of Bondholders.

3. TRANSFERS OF BONDS; ISSUE OF CERTIFICATES

(a) Transfers

Subject to the Agency Agreement, a Bond may be transferred by delivering the Certificate issued in respect of that Bond, with the form of transfer duly completed and signed, to the specified office of the Registrar.

Where the transferor or the transferee is HKSCC Nominees Limited (or its successor thereto), the transfers may be executed by machine imprinted signature(s) on its behalf or under hand(s) of authorised persons.

Since the Bonds will be admitted to CCASS, so far as applicable laws or regulations of relevant regulatory authorities, terms of the Deed Poll and circumstances permit, the Company may determine the last trading day of the Bonds to be a date at least 3 trading days before the Maturity Date.

(b) Delivery of New Certificates

Each new Certificate to be issued upon a transfer of Bonds will, within ten business days of receipt by the Registrar of the form of transfer duly completed, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder) to the address specified in the form of transfer.

Where only part of a principal amount of the Bonds in respect of which a Certificate is issued is, subject to these Conditions, to be transferred or redeemed, a new Certificate in respect of the part of the Bonds not so transferred or redeemed will, within ten business days of delivery of the original Certificate to the Registrar, be made available for collection without charge at the specified office of the Registrar or, if so requested by the holder, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred or redeemed (but free of charge to the holder) to the address of such holder appearing on the register of Bondholders.

For the purposes of this Condition 3, “business day” shall mean a day on which banks are open for business in Hong Kong (excluding Saturday).

(c) Fees in Respect of Formalities

Registration of transfers of Bonds will be effected by or on behalf of the Company or the Registrar, but upon payment of such transfer charge as determined in accordance with the Registrar’s scale of charges as revised from time to time and upon payment which shall not exceed the maximum fees prescribed by the Stock Exchange from time to time under the Listing Rules (or the giving of such indemnity

as the Company, or the Registrar may require) in respect of any tax or other governmental charge which may be imposed in relation to it.

(d) Closed Periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 7 working days ending on the due date for any payment of principal or interest on that Bond; or (ii) after a Bond has been drawn for redemption under Condition 6(d).

(e) Regulations

All transfers of Bonds and entries on the register of Bondholders will be made subject to the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder who asks for one.

(f) Last Trading Day

Subject to any applicable laws or regulations of relevant regulatory authorities and if circumstances permit, the Company may determine the last trading day of the Bonds to be a date at least three trading days before 10 March 2016, being the maturity date of the Bonds.

4. INTEREST

The Bonds bear interest from 11 March 2011 at the rate of 15 per cent. per annum, payable semi-annually in arrear on 10 September 2011, 10 March 2012, 10 September 2012, 10 March 2013, 10 September 2013, 10 March 2014, 10 September 2014, 10 March 2015, 10 September 2015, 10 March 2016 (each an "Interest Payment Date"). Each Bond will cease to bear interest on the date of any redemption thereof unless, upon surrender in accordance with Condition 6(a), payment of the full amount due upon such redemption is improperly withheld or refused or unless default is otherwise made in respect of any such payment. Interest will continue to accrue at the rate aforesaid (after as well as before any judgment) until the day on which all sums due in respect of such Bond up to, and including, that day are received by or on behalf of the relevant holder. Whenever it is necessary to compute an amount of interest in respect of any Bond for a period of less than a full year, such interest will be calculated on the basis of the actual number of days elapsed and a 365-day year.

5. PAYMENTS

Payment of principal and premium (if any) will be made by HK dollar cheque drawn on a bank in Hong Kong mailed to the registered address of the Bondholder. Payments of principal and premium (if any) will only be made against surrender of the relevant Certificate at the specified office of the Registrar.

Interest on Bonds will be paid to the holder whose name is shown on the register of Bondholders at the close of business on the fifth day before the due date for such payment. Payments of interest on each Bond will be made by HK dollar cheque drawn on a bank in Hong Kong mailed to the registered address of the Bondholder.

All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

For the purposes of payment, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of the Transfer Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition, "business day" means a day on which commercial banks are open for business in Hong Kong (excluding Saturday) and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

If the amount of principal, premium or interest, if any, which is due on the Bonds is not paid in full, the Registrar will annotate the register of Bondholders with a record of the amount of principal, premium or interest, if any, in fact paid.

6. REDEMPTION, PURCHASE AND CANCELLATION

(a) Maturity

Unless previously redeemed, purchased and cancelled as herein provided, the Company will redeem each Bond at 100 per cent. of its principal amount on the date falling five years from the issue date ("Maturity Date"), together with accrued and unpaid interest (if any).

(b) Redemption at the option of the Company

From the first anniversary to the Maturity Date, the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice will be irrevocable), redeem all or from time to time some only of the Bonds at a redemption price per Bond equal to 101 per cent. of the principal amount of the Bond, in each case with interest accrued to the date of redemption.

Upon the expiry of any such notice, the Company will be bound to redeem the Bonds to which such notice relates at the price aforesaid, together with interest accrued to the date of redemption.

References in these Terms and Conditions and in the Deed Poll to principal in respect of any Bond shall, where the context so permits, be deemed to include a reference to any premium payable thereon.

(c) Redemption for taxation reasons

At any time, the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem all but not some only of the Bonds at their aggregate principal amount, together with interest accrued to the date fixed for redemption, if (i) the Company satisfies itself immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective prior to the Maturity Date and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Bondholder a certificate signed by two directors of the Company stating that the obligation referred to in (i) above cannot be avoided by the Company taking reasonable measures available to it and the acceptance of such certificate shall be sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders.

Upon the expiry of any such notice, the Company will be bound to redeem all but not some only of the Bonds at their principal amount, together with interest accrued to the date of redemption.

(d) Drawings

In the case of a partial redemption of Bonds pursuant to paragraph (b) of this Condition, the Bonds to be redeemed will be selected individually by lot, in such place as the Company shall approve and in such manner as the Company shall deem to be appropriate and fair, not more than 60 days prior to the date fixed for redemption and the redemption price will be published by the Company not less than 30 days prior to such date.

(e) Purchases

The Company or any of its subsidiaries may at any time and from time to time purchase Bonds in the open market or otherwise at any price.

(f) Cancellation

All Bonds which are redeemed or purchased by the Company or any of its subsidiaries will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(g) Redemption notices

All notices to Bondholders given by or on behalf of the Company pursuant to this Condition will specify the closing price of the Bonds as at the date of the relevant notice and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

7. TAXATION

All payments by the Company under or in respect of the Deed Poll or the Bonds will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within Hong Kong or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Company will pay such additional amounts as will result in the receipt by the Bondholders of such amounts as would otherwise have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (i) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Hong Kong other than the mere holding of the Bond or by the receipt of principal or interest in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (ii) if the Certificate in respect of such Bond is surrendered (where such surrender is required) more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amounts on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

For the purposes hereof, "relevant date" means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received in Hong Kong by the Registrar on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders.

References in these Terms and Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Deed Poll.

8. EVENTS OF DEFAULT

The holders of not less than 25 per cent in principal amount of the Bonds then outstanding may or any Bondholders if so directed by an Extraordinary Resolution (as defined in the Deed Poll) of the Bondholders shall give notice to the Company that the Bonds are immediately due and repayable if:

- (i) a default is made in the payment of the principal or interest in respect of any of the Bonds for more than 7 business days (in the case of principal) or 14 business days (in the case of interest) following the date when and as the same ought to be paid in accordance with these Terms and Conditions; or
- (ii) a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the Deed Poll or in the Bonds and on its part to be performed or observed (other than the covenant to pay the principal and interest in respect of any of the Bonds); or
- (iii) an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction.

Upon any such notice being given to the Company, the Bonds will immediately become due and repayable at their principal amount together with accrued interest.

9. PRESCRIPTION

Claims in respect of principal and interest will become void unless made within ten years (in the case of principal) and six years (in the case of interest) from the relevant date (as defined in Condition 7) in respect thereof.

10. ENFORCEMENT

At any time after the Bonds shall have become due and payable, the Bondholders may, at its discretion and without further notice, take such proceedings against the Company as it may think fit to enforce repayment of the Bonds together with accrued interest and to enforce the provisions of the Deed Poll.

11. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

- (a) The Deed Poll contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Deed Poll. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify any date for payment on the Bonds, (ii) to reduce or cancel the amount of principal or premium (if any) or the rate of interest payable in respect of the Bonds, (iii) to change the currency of payment of the Bonds or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing over two-thirds, or at any adjourned such meeting over one-third, in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Deed Poll provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.
- (b) The Bondholders agree to (i) any modification (except as mentioned above) of, or the waiver or authorisation of any breach or proposed breach of, the Bonds or the Deed Poll which is not materially prejudicial to the interests of the Bondholders or (ii) any modification of the Bonds or the Deed Poll which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and any such modification will be notified by the Company to the Bondholders as soon as practicable thereafter.

- (c) A Bondholder is entitled to appoint another person as his proxy or attorney to attend and vote instead of him. A proxy need not be a Bondholder. Where the Bondholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Bondholders' meeting provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Bonds in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorization and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise as if such person were an individual Bondholder of the company.

12. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith which shall not exceed HK\$2.00 and on such terms as to evidence and indemnity as the Company may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

In case of lost Certificate, the procedure for replacement shall follow Section 71A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as if "shares in the Company" includes the Bonds.

13. FURTHER ISSUES

The Company may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest in respect of them) and so that such further issue of bonds shall be consolidated and form a single series with the Bonds. Such further bonds may be constituted by a deed poll supplemental to the Deed Poll.

14. NOTICES

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar or published in a leading newspaper having general circulation in Hong Kong. The Company shall also ensure that notices are duly given in a manner which complies with the codes and regulations of any stock exchange on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on such publication or the seventh day after being so mailed.

15. AGENTS

The names of the initial Registrar (acting as initial registrar, transfer agent and paying agent) and its initial specified offices are set out at the end of these Terms and Conditions. The Company reserves the right, at any time to vary or terminate the appointment of any of them and to appoint additional or other persons in their place, provided that the Company will at all times maintain (i) a transfer agent and a paying agent and (ii) a registrar having a specified office in Hong Kong, so long as the Bonds are listed on the Hong Kong Stock Exchange. Notice of any such termination or appointment or of any changes in the specified offices or identity of the Registrar (acting as registrar, transfer agent and paying agent) will be given promptly by the Company to the Bondholders.

16. GOVERNING LAW AND JURISDICTION

The Bonds, the Deed Poll and the Agency Agreement are governed by, and shall be construed in accordance with, the laws of Hong Kong. In relation to any legal action or proceedings arising out of or in connection with the Deed Poll, the Agency Agreement and the Bonds, the Company has in the Deed Poll irrevocably submitted to the courts of Hong Kong Special Administrative Region of the People's Republic of China.

1. FINANCIAL INFORMATION SUMMARY

The following table summarises the results and financial position of the Group for the last three financial years ended 31 March 2010 as extracted from the relevant published audited financial statements of the Group, and for the six months ended 30 September 2009 and 2010 as extracted from the interim reports for the six months ended 30 September 2009 and 30 September 2010.

Results of the Group

	For the year ended 31 March			For the six months ended 30 September	
	2008	2009	2010	2009	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(restated)			(unaudited)	(unaudited)
Revenue	82,688	93,399	77,013	38,200	33,925
Cost of sales	(13,772)	(17,250)	(9,022)	(4,479)	(3,705)
Gross profit	68,916	76,149	67,991	33,721	30,220
(Loss) gain on disposal of financial assets at fair value through profit or loss	-	(970)	21,552	-	-
Fair value gain (loss) on financial assets at fair value through profit or loss	16,581	(27,052)	15,193	32,592	7,191
Fair value gain on investment properties	69,690	(12,277)	190,083	-	73,957
Reversal of impairment loss on trade receivables	835	1,551	-	319	350
Impairment loss on trade receivables	(1,431)	-	(21)	-	-
Other operating income	29,693	6,891	22,832	1,393	342
Impairment loss on interest in an associate	-	(3,600)	-	-	-
Impairment loss on available-for-sale financial assets	-	(8,140)	-	-	-
Other operating expenses	-	-	-	-	-
Administrative expenses	(142,349)	(142,429)	(88,629)	(41,381)	(82,425)
Gain on disposal of available-for-sale financial assets	8,707	-	-	-	-
Discount on acquisition of additional interest in a subsidiary	35,037	-	-	-	-
Gain on disposal of associates	1,217	-	-	-	-
Profit (loss) from operations	86,896	(109,877)	229,001	26,644	29,635
Finance costs	(14,263)	(5,726)	(4,431)	(2,043)	(2,847)
Share of results of associates	(5,671)	(10,595)	(2,047)	(449)	(665)

	For the year ended 31 March			For the six months ended 30 September	
	2008	2009	2010	2009	2010
	HK\$'000 (restated)	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Profit (loss) before income tax	66,962	(126,198)	222,523	24,152	26,123
Income tax expense	(9,079)	(208)	(31,549)	–	(8,840)
Profit (loss) for the year from continuing operations	57,883	(126,406)	190,974	24,152	17,283
Discontinued Operations					
Profit for the year from discontinued operations	(48,568)	14,819	–	–	–
Profit (loss) for the year/period	<u>9,315</u>	<u>(111,587)</u>	<u>190,974</u>	<u>24,152</u>	<u>17,283</u>
Attributable to:					
Equity holders of the Company	12,229	(111,587)	191,005	24,183	17,283
Minority interests	(2,914)	–	(31)	(31)	–
Profit (loss) for the year/ period	<u>9,315</u>	<u>(111,587)</u>	<u>190,974</u>	<u>24,152</u>	<u>17,283</u>

Financial position

	As at 31 March			As at 30 September	
	2008	2009	2010	2009	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Total Assets	939,821	578,072	1,138,823	692,193	1,325,220
Total Liabilities	(380,151)	(150,337)	(366,144)	(158,014)	(490,606)
Net Assets	<u>559,670</u>	<u>427,735</u>	<u>772,679</u>	<u>534,179</u>	<u>834,614</u>

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE TWO YEARS ENDED 31 MARCH 2009 AND 2010

The following information is extracted from the audited consolidated financial statements of the Group as set out in the annual report of the Company for the year ended 31 March 2010:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
CONTINUING OPERATIONS			
Revenue	5	77,013	93,399
Cost of sales		<u>(9,022)</u>	<u>(17,250)</u>
Gross profit		67,991	76,149
Other operating income		22,832	6,891
Gain (loss) on disposal of financial assets at fair value through profit or loss		21,552	(970)
Fair value gain (loss) on financial assets at fair value through profit or loss		15,193	(27,052)
Fair value gain (loss) on revaluation of investment properties, net		190,083	(12,277)
Reversal of impairment loss on trade receivables		–	1,551
Impairment loss on trade receivables		(21)	–
Administrative expenses		(88,629)	(142,429)
Impairment loss on available-for-sale financial assets		–	(8,140)
Impairment loss on interest in an associate		<u>–</u>	<u>(3,600)</u>
Profit (loss) from operations		229,001	(109,877)
Finance costs	7	(4,431)	(5,726)
Share of results of associates		<u>(2,047)</u>	<u>(10,595)</u>
Profit (loss) before income tax	8	222,523	(126,198)
Income tax expenses	9	<u>(31,549)</u>	<u>(208)</u>
Profit (loss) for the year from continuing operations		190,974	(126,406)
DISCONTINUED OPERATION			
Profit for the year from discontinued operation	10	<u>–</u>	<u>14,819</u>
Profit (loss) for the year		<u><u>190,974</u></u>	<u><u>(111,587)</u></u>

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Attributable to:			
Owners of the Company	11	191,005	(111,587)
Non-controlling interests		(31)	–
		<u>190,974</u>	<u>(111,587)</u>
Earnings (loss) per share for profit (loss) attributable to owners of the Company during the year	12		
From continuing and discontinued operation			
Basic		8.62 cents	(6.12) cents
Diluted		8.59 cents	N/A
		<u>8.62 cents</u>	<u>(6.12) cents</u>
From continuing operations			
Basic		8.62 cents	(6.94) cents
Diluted		8.59 cents	N/A
		<u>8.62 cents</u>	<u>(6.94) cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	2010 HK\$'000	2009 HK\$'000
Profit (loss) for the year	<u>190,974</u>	<u>(111,587)</u>
Other comprehensive income (loss)		
Exchange fluctuation reserve:		
Share of other comprehensive income of associates	2,140	(2,499)
Exchange differences on translating foreign operations	24,974	(17,740)
Fair value change on available-for-sale financial assets	<u>–</u>	<u>(15,004)</u>
Other comprehensive income (loss) for the year	<u>27,114</u>	<u>(35,243)</u>
Total comprehensive income (loss) for the year	<u>218,088</u>	<u>(146,830)</u>
Total comprehensive income (loss) attributable to:		
Owners of the Company	218,119	(146,830)
Non-controlling interests	<u>(31)</u>	<u>–</u>
	<u>218,088</u>	<u>(146,830)</u>

STATEMENTS OF FINANCIAL POSITION

At 31 March 2010

	Notes	Group		Company	
		2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	17	52,081	61,783	1,193	1,592
Prepaid lease payments	18	22,907	19,162	–	–
Investment properties	19	742,501	250,506	1,050	1,050
Interests in subsidiaries	20	–	–	4,647	22,766
Interests in associates	21	9,110	8,306	–	–
Long term deposits	22	–	14,095	–	–
Available-for-sale financial assets	23	1,462	12,178	–	–
Goodwill	24	10,544	10,544	–	–
Loan receivables	25	–	736	–	–
		<u>838,605</u>	<u>377,310</u>	<u>6,890</u>	<u>25,408</u>
Current assets					
Inventories	27	409	491	–	–
Trade and other receivables, deposits and prepayments	28	15,979	22,426	1,909	1,050
Loan receivables	25	926	6,511	–	–
Financial assets at fair value through profit or loss	29	136,117	102,885	96,753	52,853
Amounts due from subsidiaries	20	–	–	492,417	401,230
Amounts due from associates	21	9,528	7,648	2,052	3,809
Pledged bank deposits	26	3,413	3,973	–	–
Bank balances and cash	26	133,846	56,828	60,383	16,524
		<u>300,218</u>	<u>200,762</u>	<u>653,514</u>	<u>475,466</u>
Current liabilities					
Trade and other payables and accruals	30	101,160	38,514	2,088	3,000
Bank overdraft	26	8,274	–	–	–
Borrowings	31	87,961	11,118	31,029	–
Convertible debentures	32	–	–	–	–
Tax payables		18,838	15,421	–	–
Amounts due to associates	21	10	1,387	–	587
Amounts due to subsidiaries	20	–	–	273,089	155,785
		<u>216,243</u>	<u>66,440</u>	<u>306,206</u>	<u>159,372</u>

	<i>Notes</i>	Group		Company	
		2010	2009	2010	2009
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net current assets		<u>83,975</u>	<u>134,322</u>	<u>347,308</u>	<u>316,094</u>
Total assets less current liabilities		<u>922,580</u>	<u>511,632</u>	<u>354,198</u>	<u>341,502</u>
Non-current liabilities					
Borrowings	31	87,601	62,942	–	–
Deferred taxation	33	<u>62,300</u>	<u>20,955</u>	<u>224</u>	<u>224</u>
		<u>149,901</u>	<u>83,897</u>	<u>224</u>	<u>224</u>
Net assets		<u>772,679</u>	<u>427,735</u>	<u>353,974</u>	<u>341,278</u>
CAPITAL AND RESERVES					
Share capital	35	26,408	18,371	26,408	18,371
Reserves	37	<u>746,271</u>	<u>409,333</u>	<u>327,566</u>	<u>322,907</u>
Equity attributable to owners of the Company		<u>772,679</u>	<u>427,704</u>	<u>353,974</u>	<u>341,278</u>
Non-controlling interests		<u>–</u>	<u>31</u>	<u>–</u>	<u>–</u>
Total equity		<u>772,679</u>	<u>427,735</u>	<u>353,974</u>	<u>341,278</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2010

	Equity attributable to owners of the Company										
	Share capital	Share premium	Warrant reserve	Assets revaluation reserve	Investment revaluation reserve	Translation reserve	Employee share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2008	18,191	729,399	5,160	8,038	15,004	44,053	3,275	(265,782)	557,338	2,332	559,670
Share of other comprehensive income of associates	-	-	-	-	-	(2,499)	-	-	(2,499)	-	(2,499)
Fair value change on available-for-sale financial assets	-	-	-	-	(15,004)	-	-	-	(15,004)	-	(15,004)
Exchange differences on translating of foreign operations	-	-	-	-	-	(17,740)	-	-	(17,740)	-	(17,740)
Other comprehensive loss for the year	-	-	-	-	(15,004)	(20,239)	-	-	(35,243)	-	(35,243)
Loss for the year	-	-	-	-	-	-	-	(111,587)	(111,587)	-	(111,587)
Total comprehensive loss for the year	-	-	-	-	(15,004)	(20,239)	-	(111,587)	(146,830)	-	(146,830)
Exercise of 2009 Warrants subscription rights (Note 35(a))	-	3	-	-	-	-	-	-	3	-	3
Exercise of share options (Note 36)	180	1,044	-	-	-	-	-	-	1,224	-	1,224
Transfer to reserves upon exercise of share options	-	900	-	-	-	-	(900)	-	-	-	-
Transfer to reserves upon cancellation of share options	-	-	-	-	-	-	(1,358)	1,358	-	-	-
Share of reserve of an associate	-	-	-	-	-	-	105	-	105	-	105
Employee share-based compensation expenses recognised	-	-	-	-	-	-	3,097	-	3,097	-	3,097
Arising from reclassification of property, plant and equipment to investment properties	-	-	-	12,767	-	-	-	-	12,767	-	12,767
Arising from disposal of a subsidiary (Note 43)	-	-	-	-	-	-	-	-	-	(2,301)	(2,301)
At 31 March 2009	18,371	731,346	5,160	20,805	-	23,814	4,219	(376,011)	427,704	31	427,735

	Equity attributable to owners of the Company										
	Share capital	Share premium	Warrant reserve	Assets revaluation reserve	Investment revaluation reserve	Translation reserve	Employee share-based compensation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2009	18,371	731,346	5,160	20,805	-	23,814	4,219	(376,011)	427,704	31	427,735
Share of other comprehensive income of associates	-	-	-	-	-	2,140	-	-	2,140	-	2,140
Exchange differences on translating of foreign operations	-	-	-	-	-	24,974	-	-	24,974	-	24,974
Other comprehensive income for the year	-	-	-	-	-	27,114	-	-	27,114	-	27,114
Profits for the year	-	-	-	-	-	-	-	191,005	191,005	(31)	190,974
Total comprehensive income for the year	-	-	-	-	-	27,114	-	191,005	218,119	(31)	218,088
Open offer (Note 35(c))	3,674	14,697	-	-	-	-	-	-	18,371	-	18,371
Issue of consideration shares (Note 35(d))	3,015	37,685	-	-	-	-	-	-	40,700	-	40,700
Exercise of 2009 Warrants subscription rights (Note 35(a))	14	115	-	-	-	-	-	-	129	-	129
Exercise of share options (Note 36)	1,334	17,743	-	-	-	-	-	-	19,077	-	19,077
Transfer to reserves upon exercise of share options	-	1,814	-	-	-	-	(1,814)	-	-	-	-
Transfer to reserves upon cancellation of share options	-	-	-	-	-	-	(329)	329	-	-	-
Share of reserve of an associate	-	-	-	-	-	-	71	-	71	-	71
Employee share-based compensation expenses recognised	-	-	-	-	-	-	303	-	303	-	303
Arising from reclassification of property, plant and equipment to investment properties	-	-	-	48,205	-	-	-	-	48,205	-	48,205
At 31 March 2010	26,408	803,400	5,160	69,010	-	50,928	2,450	(184,677)	772,679	-	772,679

CONSOLIDATED STATEMENT OF CASH FLOWS*For the year ended 31 March 2010*

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Cash flows from operating activities			
Profit (loss) for the year from continuing operations before income tax		222,523	(126,198)
Profit for the year from discontinued operation before income tax		–	15,378
		<u>222,523</u>	<u>(110,820)</u>
Adjustments for:			
Fair value (gain) loss on revaluation of investment properties, net	19	(190,083)	12,277
Gain on bargain purchase	42	(18,138)	–
Depreciation	8	4,506	8,037
Interest income		(14,735)	(6,457)
Interest expenses on borrowings and convertible debentures		4,431	6,888
Share of results of associates		2,047	10,595
Amortisation of prepaid lease payments		477	655
Write off the property, plant and equipment		177	–
Gain on disposal of property, plant and equipment		(290)	–
Gain on disposal of subsidiaries		–	(30,320)
Impairment loss on			
– available-for-sale financial assets		–	8,140
– loan receivables		266	163
– trade receivables		21	–
– other receivables		1,538	16,408
– interest in an associate		–	3,600
Equity settled share-based payment expenses		303	3,097
Reversal of impairment loss on trade receivables		–	(1,551)
		<u>13,043</u>	<u>(79,288)</u>
Operating profit (loss) before working capital changes		13,043	(79,288)
Increase in financial assets at fair value through profit or loss		(33,704)	(60,115)
Decrease in inventories		82	185
Decrease in trade and other receivables, deposits and prepayments		4,835	34,010
Decrease (increase) in loan receivables		6,055	(4,276)
(Increase) decrease in amounts due from associates		(1,880)	127
Increase in trade and other payables and accruals		43,455	29,974
Decrease in amounts due to associates		(1,377)	(183)
		<u>30,509</u>	<u>(79,566)</u>
Cash generated from (used in) operations		30,509	(79,566)
Tax refund (paid)		4,160	(5,419)
		<u>34,669</u>	<u>(84,985)</u>
Net cash flows generated from (used in) operating activities		34,669	(84,985)

	<i>Notes</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Cash flows from investing activities			
Decrease in available-for-sale financial assets		10,724	–
Net cash inflow from acquisition of a subsidiary	42	18,927	–
Decrease in pledged bank deposits		560	4,957
Purchases of property, plant and equipment	17	(5,191)	(5,938)
Purchase of prepaid lease payment	18	(23,861)	–
Purchase of investment properties		(116,618)	–
Proceeds from disposal of property, plant and equipment		543	–
Acquisition of addition shares in an associate		(639)	(217)
Interest received		14,735	6,457
Net cash outflow from disposal of subsidiaries	43	–	(15,155)
		<u>(100,820)</u>	<u>(9,896)</u>
Cash flows from financing activities			
Repayment of borrowings		(12,313)	(16,641)
New borrowings raised		108,625	797
Proceeds from open offer		18,371	–
Proceeds from issue of shares upon exercise of share option and warrants		19,206	1,227
Interest paid		(4,431)	(7,637)
Redemption of the convertible debentures by the Group		–	(44,609)
Repayment of finance lease payment		–	(102)
		<u>129,458</u>	<u>(66,965)</u>
Net cash flows from (used in) financing activities		<u>129,458</u>	<u>(66,965)</u>
Net increase (decrease) in cash and cash equivalents		63,307	(161,846)
Cash and cash equivalents at beginning of the year		56,828	223,315
Effect of foreign exchange rate changes, net		<u>5,437</u>	<u>(4,641)</u>
Cash and cash equivalents at end of the year		<u>125,572</u>	<u>56,828</u>
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		133,846	56,828
Bank overdraft		(8,274)	–
		<u>125,572</u>	<u>56,828</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. GENERAL INFORMATION

Xpress Group Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of the Company’s registered office and principal place of business is 24th Floor, Wyndham Place, 40–44 Wyndham Street, Central, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) include investment holding, property investment, hotel operations, securities investment, treasury investment and financing business. The Group was also engaged in travel related services, which was discontinued during the year ended 31 March 2009 (Note 10).

The financial statements for the year ended 31 March 2010 were approved for issue by the board of directors on 23 July 2010.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)

In the current year, the Group has applied, for the first time, all the revised HKFRSs, Hong Kong Accounting Standards (“HKASs”), Amendments to Standards and Interpretations (“INT(s)”) (hereinafter collectively referred to as “New HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective for the Group’s financial year beginning on 1 April 2009.

Except as described below, the adoption of the New HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

i. HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

ii. HKFRS 8 Operating Segments

HKFRS 8, which replaces HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group’s major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures, including the related revised comparative information, are shown in Note 6 to the financial statements.

iii. Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The HKFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative

transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 46 to the financial statements while the revised liquidity risk disclosures are presented in Note 45 to the financial statements.

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ¹
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters ²
HKFRS 1 Amendment	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁴
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Group Cash – settled Share-based Payment Transactions ²
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁶
HKAS 24 (Revised)	Related Party Disclosures ⁵
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 Amendment	Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues ³
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition, and Measurement – Eligible Hedged Items ¹
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁴
Amendments to HKFRS 5 included in Improvements to HKFRSs issued in October 2008	Discontinued Operations – Plan to sell the controlling interest in a subsidiary ¹
HK Interpretation 4 (Revised in December 2009)	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases ²

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2009 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010, although there are separate transitional provisions for each standard or interpretation. The HKICPA has further issued Improvements to HKFRSs 2010 in May 2010 which are effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2010

³ Effective for annual periods beginning on or after 1 February 2010

⁴ Effective for annual periods beginning on or after 1 July 2010

⁵ Effective for annual periods beginning on or after 1 January 2011

⁶ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that except for the adoption of HKFRS 3 (Revised), HKFRS 9 and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except for the investment properties and certain financial instruments that are measured at fair value as explained in the accounting policies below. The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

3.1 Basis of consolidation

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

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.

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

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

Non-controlling interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

3.2 Business Combinations

Acquisition of business is accounted for using the acquisition 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 HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

3.3 Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

3.4 Associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the consolidated statements of financial position at cost and adjusted thereafter for the post-acquisition changes in the Group's share of net assets of the associates, less any impairment in the value of individual investments. When the Group's share of losses of an associate exceeds the Group's interests in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in that associate), the Group discontinues recognising its share of further losses. Additional losses are provided only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investments in associates. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

In the Company's statement of financial position, investment in an associate is stated at cost less any impairment losses. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

3.5 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 the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income in the financial statements and will be reclassified from equity to profit or loss on disposal of foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of

non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

3.6 Revenue recognition

Revenue comprises the fair value for the sale of goods, rendering of services, the use by others of the Group's assets yielding interest, royalties and dividends, net of rebates and discounts. Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably, on the following bases:

- (a) Sale of goods is recognised upon transfer of the significant risks and rewards of ownership to customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.
- (b) Sale of hotel accommodation is recognised upon issuance of the hotel vouchers.
- (c) License fees are recognised over the license period.
- (d) Dividend income is recognised when the right to receive payment is established.
- (e) Rental income, including rentals invoiced in advance from properties under operating leases, is recognised on a straight-line basis over the term of the lease.
- (f) Revenue from hotel operation is recognised upon provision of services.
- (g) Interest income from credit card receivables is recognised in the consolidated income statement on an accrual basis, except where a debt becomes doubtful, in which case, recognition of interest income is suspended until it is realised on a cash basis.
- (h) Other interest income is recognised on a time-proportion basis using the effective interest method.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are expensed in the period in which they are incurred.

3.8 Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries and associates (previously referred to as negative goodwill), after reassessment, is recognised immediately in profit or loss of the consolidated income statement.

3.9 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss of the consolidated income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	Over the shorter of the lease term or 2% on straight-line method
Leasehold improvements	Over the term of the lease or 6.67%–20% on straight-line method, whichever is the shorter
Furniture, fixtures and motor vehicles	20%–25% on reducing balance method

The assets' residual values, depreciation methods and estimated useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

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

3.10 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 fair value. Gain or loss arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use 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 profit or loss in the period in which the property is derecognised.

3.11 Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is indication that they may be impaired.

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. 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 a 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 immediately in profit or loss, 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 a revaluation increase under that Standard.

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

The Group as lessee

Operating lease payments are recognised as an expense 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.

Leasehold land for own use

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land is accounted for as operating leases and amortised over the lease term on a straight-line basis.

3.13 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS"), and 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.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gain or loss.

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designed as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

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

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

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including long term deposits, loan receivables, pledged bank deposits, trade and other receivables, deposits, loan receivables, amounts due from subsidiaries, amounts due from associates and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are 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 affected.

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

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

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

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

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

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

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

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

Effective interest method

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

Interest expense is recognised on an effective interest basis of which the interest expense is included in net gain or loss.

Other financial liabilities

Other financial liabilities including trade and other payables and accruals, bank overdraft, borrowings, amounts due to subsidiaries and amounts due to associates are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derecognition

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

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

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

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

3.15 Convertible debentures

Convertible debentures issued by the subsidiary of the Company that contain both financial liability and equity components are classified separately into respective items on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible debentures and the fair value assigned to the liability component, representing the call option for conversion of the debenture into equity, is included in equity as convertible debenture equity reserve.

The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the debenture.

When the debenture is converted, the convertible debenture equity reserve and the carrying value of the liability component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued. If the debenture is redeemed, the convertible debenture equity reserve is released directly to accumulated losses.

3.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

3.17 Taxation

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3.18 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For consolidated statement of cash flows presentation, cash and cash equivalents include bank overdraft which are repayable on demand and form an integral part of the Group's cash management.

3.19 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

3.20 Retirement benefit costs and short-term employee benefits

(a) Retirement benefit costs

Retirement benefits to employees are provided through defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Payments to the defined contribution plan are charged as an expense when employees have rendered service entitling them to the contributions.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. Contributions are made based on a percentage of the employees' basic salaries to the maximum mandatory contributions as required by the MPF Scheme and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries operate in Singapore and Japan is required to participate in the defined contribution plans regulated and managed by the local government. The contributions to the defined contribution plans are charged to the consolidated income statement in period to which the contributions relate.

(b) *Short-term employee benefits*

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

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

3.21 Share-based employee compensation

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

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their values are appraised at the grant date and exclude the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is ultimately recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are reallocated to share capital with any excess being recorded as share premium.

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

3.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

3.23 Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

3.24 Related parties

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

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) 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 (d) or (e); or
- (g) 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are 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.

Key sources of estimation uncertainty*Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details are given in Note 24.

Estimate of fair value of investment properties

The best evidence of fair value of the Group's investment properties is current prices in an active market for similar properties. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Impairment of available-for-sale financial assets

For available-for-sale financial assets, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment. Judgement is required when determining whether a decline in fair value has been significant and/or prolonged. In making this judgement, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also takes into account other factors, such as industry and sector performance and financial information regarding the issuer/investee.

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in production or supply of goods or services.

Some properties comprise of a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for these portions separately. If the portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

5. REVENUE

Revenue, which is also the Group's turnover, represents total invoiced value of goods supplied and income from provision of services. Revenue recognised during the year is as follows:

	2010 HK\$'000	2009 HK\$'000
Continuing operations		
Financial interest and service income	1,206	8,533
Dividend income	1,006	8,613
Other interest income	14,735	3,735
Rental income	15,023	7,259
Income from hotel operations	45,043	65,259
	<u>77,013</u>	<u>93,399</u>
Discontinued operation		
Sale of air tickets and tours	-	1,018,819
	<u>-</u>	<u>1,018,819</u>
Total revenue	<u><u>77,013</u></u>	<u><u>1,112,218</u></u>

6. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's reportable segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other reportable segments. Details of the reportable segments are summarised as follows:

Financing operations	-	provide financing to individuals and acquiring services for members
Securities trading and investment	-	trading of securities
Treasury investment	-	asset management and cash operations
Property investment	-	letting properties
Hotel operations	-	hotel operations in Japan

For the travel related operations, this segment was discontinued during the year ended 31 March 2009. Further details of discontinued operation under the travel related operations reportable segment are set out in Note 10.

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The chief operating decision maker considers the business from both product and geographic perspective. From a product perspective, the chief operating decision maker assesses the performance of (i) financing operations (ii) securities trading and investment (iii) treasury investment (iv) property investment and (v) hotel operations. In addition, the chief operating decision maker further evaluated the result on a geographical basis (Hong Kong, North America, Singapore and Japan).

Inter-segment sales are charged at prevailing market prices.

An analysis of the Group's revenue, contribution to the results from operations for the years ended 31 March 2010 and 2009 and certain assets, liabilities and expenditure information regarding reportable segments are as follows:

Segment revenue and results

For the year ended 31 March 2010

	Continuing operations						Discontinued operation		Total HK\$'000
	Financing operations HK\$'000	Securities trading and investment HK\$'000	Treasury investment HK\$'000	Property investment HK\$'000	Hotel operations HK\$'000	Elimination HK\$'000	Sub-total HK\$'000	Travel related operations HK\$'000	
Revenue									
- External sales	1,206	1,006	14,735	15,023	45,043	-	77,013	-	77,013
- Inter-segment sales	-	-	8,659	435	-	(9,094)	-	-	-
Total	1,206	1,006	23,394	15,458	45,043	(9,094)	77,013	-	77,013
Segment results	(2,744)	35,811	14,735	204,271	(4,220)	-	247,853	-	247,853
Unallocated corporate revenue							24,605	-	24,605
Unallocated corporate expenses							(43,457)	-	(43,457)
Finance costs							(4,431)	-	(4,431)
Unallocated share of results of associates							(2,047)	-	(2,047)
Profit before income tax							222,523	-	222,523
Income tax expenses							(31,549)	-	(31,549)
Profit for the year							190,974	-	190,974
Segment assets	1,431	137,579	6,255	742,736	47,358	-	935,359	-	935,359
Unallocated associates							9,110	-	9,110
Unallocated assets							194,354	-	194,354
Total assets							1,138,823	-	1,138,823
Segment liabilities	(247)	(356)	(9,628)	(287,879)	(14,921)	-	(313,031)	-	(313,031)
Unallocated liabilities							(53,113)	-	(53,113)
Total liabilities							(366,144)	-	(366,144)
Capital expenditure	-	-	-	158,952	549	-	159,501	-	159,501
Unallocated capital expenditure							264	-	264
Total capital expenditure							159,765	-	159,765
Depreciation	(615)	-	(388)	(1,619)	(1,884)	-	(4,506)	-	(4,506)
Amortisation of prepaid lease payments	-	-	-	(477)	-	-	(477)	-	(477)
Fair value gain on financial assets at fair value through profit or loss	-	15,193	-	-	-	-	15,193	-	15,193
Gain on disposal of financial assets at fair value through profit or loss	-	21,552	-	-	-	-	21,552	-	21,552
Impairment loss on loan receivables	(266)	-	-	-	-	-	(266)	-	(266)

APPENDIX III
FINANCIAL INFORMATION OF THE GROUP
For the year ended 31 March 2009

	Continuing operations						Discontinued operation		Total HK\$'000
	Financing operations HK\$'000	Securities trading and investment HK\$'000	Treasury investment HK\$'000	Property investment HK\$'000	Hotel operations HK\$'000	Elimination HK\$'000	Sub-total HK\$'000	Travel related operations HK\$'000	
Revenue									
– External sales	8,533	8,613	3,735	7,259	65,259	–	93,399	1,018,819	1,112,218
– Inter-segment sales	–	–	40,211	1,032	–	(41,243)	–	–	–
Total	8,533	8,613	43,946	8,291	65,259	(41,243)	93,399	1,018,819	1,112,218
Segment results	(7,785)	(28,089)	3,735	(2,176)	(3,225)	–	(37,540)	(13,809)	(51,349)
Unallocated corporate revenue							15,193	29	15,222
Unallocated corporate expenses							(83,930)	–	(83,930)
Finance costs							(5,726)	(1,162)	(6,888)
Unallocated share of results of associates							(10,595)	–	(10,595)
Gain on disposal of subsidiaries							–	30,320	30,320
Unallocated impairment loss on interest in an associate							(3,600)	–	(3,600)
(Loss) profit before income tax							(126,198)	15,378	(110,820)
Income tax expenses							(208)	(559)	(767)
(Loss) profit for the year							(126,406)	14,819	(111,587)
Segment assets	5,783	115,062	5,700	279,945	48,689	–	455,179	–	455,179
Unallocated associates							8,306	–	8,306
Unallocated assets							114,587	–	114,587
Total assets							578,072	–	578,072
Segment liabilities	(1,136)	–	(17,637)	(53,660)	(17,708)	–	(90,141)	–	(90,141)
Unallocated liabilities							(60,196)	–	(60,196)
Total liabilities							(150,337)	–	(150,337)
Capital expenditure	–	–	–	3,192	109	–	3,301	2,256	5,557
Unallocated capital expenditure							381	–	381
Total capital expenditure							3,682	2,256	5,938
Depreciation	(958)	–	(516)	(1,483)	(2,730)	–	(5,687)	(2,350)	(8,037)
Amortisation of prepaid lease payments	–	–	–	(655)	–	–	(655)	–	(655)
Fair value loss on financial assets at fair value through profit or loss	–	(27,052)	–	–	–	–	(27,052)	–	(27,052)
Loss on disposal of financial assets at fair value through profit or loss	–	(970)	–	–	–	–	(970)	–	(970)
Impairment loss on loan receivables	(163)	–	–	–	–	–	(163)	–	(163)
Impairment loss on available-for-sale financial assets	–	(8,140)	–	–	–	–	(8,140)	–	(8,140)

Geographical information

The Group's operations are located in four (2009: four) main geographical areas. The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods and services.

	2010			2009		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	16,443	–	16,443	21,748	–	21,748
North America	6,759	–	6,759	4,293	–	4,293
Singapore	8,768	–	8,768	2,098	497,953	500,051
Japan	45,043	–	45,043	65,260	520,866	586,126
	<u>77,013</u>	<u>–</u>	<u>77,013</u>	<u>93,399</u>	<u>1,018,819</u>	<u>1,112,218</u>

The following is an analysis of the carrying amount of segment assets and capital expenditure, analysed by the geographical areas in which the assets are located.

Segment assets

	2010			2009		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	436,894	–	436,894	354,926	–	354,926
North America	30,249	–	30,249	62,068	–	62,068
Singapore	547,390	–	547,390	88,298	–	88,298
Japan	124,290	–	124,290	72,780	–	72,780
	<u>1,138,823</u>	<u>–</u>	<u>1,138,823</u>	<u>578,072</u>	<u>–</u>	<u>578,072</u>

Capital expenditure

	2010			2009		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	59,472	–	59,472	6	–	6
North America	–	–	–	–	–	–
Singapore	99,743	–	99,743	3,508	–	3,508
Japan	550	–	550	168	2,256	2,424
	<u>159,765</u>	<u>–</u>	<u>159,765</u>	<u>3,682</u>	<u>2,256</u>	<u>5,938</u>

Information about major customers

For the year ended 31 March 2010, the aggregate amount of revenue attributable to the Group's five largest customers accounted for less than 30% of the Group's total revenue.

7. FINANCE COSTS

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Continuing operations		
Interest charges on financial liabilities at amortised cost:		
– Bank loans and overdrafts wholly repayable within five years	2,406	2,178
– Bank loans not wholly repayable within five years	2,025	2,039
– Convertible debentures (<i>Note 32</i>)	–	1,508
– Other loans	–	1
	<u>4,431</u>	<u>5,726</u>
Discontinued operation		
Interest charges on financial liabilities at amortised cost:		
– Bank loans and overdrafts wholly repayable within five years	–	1,162
	<u>–</u>	<u>1,162</u>
Total finance costs	<u><u>4,431</u></u>	<u><u>6,888</u></u>

8. PROFIT (LOSS) BEFORE INCOME TAX

	Continuing operations		Discontinued operation		Total	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Profit (loss) before income tax is arrived at after charging (crediting):						
Operating lease charges on land and buildings	2,072	3,503	–	10,575	2,072	14,078
Depreciation	4,506	5,687	–	2,350	4,506	8,037
Amortisation of prepaid lease payments (included in administrative expenses)	477	655	–	–	477	655
Impairment loss on available-for-sale financial assets	–	8,140	–	–	–	8,140
Impairment loss on loan receivables	266	163	–	–	266	163
Impairment loss on trade receivables	21	–	–	–	21	–
Impairment loss on other receivables	1,538	16,353	–	55	1,538	16,408
Impairment loss on interest in an associate	–	3,600	–	–	–	3,600
Gain on disposal of property, plant and equipment	(290)	–	–	–	(290)	–
Auditor's remuneration						
– current year	600	600	–	–	600	600
– under-provision for previous year	–	515	–	–	–	515
	600	1,115	–	–	600	1,115
Staff costs including directors' emoluments (Note 14)	37,998	53,098	–	47,933	37,998	101,031
Exchange (gain) loss, net	(87)	6,211	–	13	(87)	6,224
Rental income from investment properties less outgoings of HK\$1,376,000 (2009: HK\$1,801,000)	(13,647)	(8,944)	–	–	(13,647)	(8,944)

9. INCOME TAX EXPENSES

	2010 HK\$'000	2009 HK\$'000
Continuing operations		
Current tax		
– Hong Kong	(909)	1,832
– Overseas	166	315
Deferred tax (<i>Note 33</i>)	32,292	(1,939)
	<u>31,549</u>	<u>208</u>
Discontinued operation		
Current tax		
– Overseas	–	559
	<u>–</u>	<u>559</u>
	<u>31,549</u>	<u>767</u>

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The income tax expenses can be reconciled to the profit (loss) from continuing and discontinued operations before income tax per the consolidated income statement as follows:

	2010 HK\$'000	2009 HK\$'000
Profit (loss) before income tax		
– Continuing operations	222,523	(126,198)
– Discontinued operation	–	15,378
	<u>222,523</u>	<u>(110,820)</u>
Tax at Hong Kong profits tax rate of 16.5% (2009: 16.5%)	36,716	(18,285)
Tax effect of non-deductible expenses	20,577	23,560
Tax effect of non-taxable income	(45,840)	(13,191)
Tax effect of unused tax losses not recognised	2,793	26,271
Utilisation of tax losses previously not recognised	(301)	(167)
Overprovision in respect of prior year	(228)	–
Other temporary differences not recognised	–	56
Tax effect of share of losses of associates	338	1,748
Effect of different tax rates of subsidiaries operating in other jurisdictions	17,494	(19,225)
Income tax expenses	<u>31,549</u>	<u>767</u>

10. DISCONTINUED OPERATION

During the year ended 31 March 2009, resulting from the disposal of the subsidiaries which carried majority of the Group's travel related operation business, the Group ceased operation of its major travel related operation in order to focus the Group's resources in its remaining businesses. The profit for the year ended 31 March 2009 from the discontinued operation is analysed as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Profit for the year from discontinued operation	–	14,819

The result of travel related operation business which have been included in the consolidated income statement was as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Revenue	–	1,018,819
Cost of sales	–	(954,228)
Gross profit	–	64,591
Other operating income	–	6,554
Administrative expenses	–	(84,925)
Gain on disposal of subsidiaries	–	30,320
Profit from operations	–	16,540
Finance costs	–	(1,162)
Profit before income tax	–	15,378
Income tax expenses	–	(559)
Profit for the year from discontinued operation	–	14,819
Cash flows from discontinued operation		
Net cash flows used in operating activities	–	(8,860)
Net cash flows used in investing activities	–	(2,168)
Net cash flows from financing activities	–	22,886
Net increase in cash flows	–	11,858

11. PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Of the consolidated profit for the year attributable to owners of the Company of approximately HK\$191,005,000 (2009: loss for the year attributable to owners of the Company of approximately HK\$111,587,000), a loss of approximately HK\$65,884,000 (2009: loss of approximately HK\$83,268,000) has been dealt with in the financial statements of the Company.

12. EARNINGS (LOSS) PER SHARE FOR PROFIT (LOSS) ATTRIBUTABLE TO OWNER OF THE COMPANY DURING THE YEAR

From continuing and discontinued operations

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately HK\$191,005,000 (2009: loss for the year attributable to owners of the Company of approximately HK\$111,587,000) and on the weighted average number of 2,215,439,000 (2009: 1,822,029,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to owners of the Company of approximately HK\$191,005,000 (2009: loss for the year attributable to owners of the Company of approximately HK\$111,587,000) and on the weighted average number of 2,222,382,000 (2009: 1,832,763,000) ordinary shares in issue during the year.

The calculation of basic and diluted earnings (loss) per share is based on the following data:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Profit (loss) for the year attributable to owners of the Company, used in the basic and diluted earnings (loss) per share calculation	<u>191,005</u>	<u>(111,587)</u>

Number of shares

	2010 <i>'000</i>	2009 <i>'000</i>
Weighted average number of ordinary shares for the purpose of the basic earnings (loss) per share	2,215,439	1,822,029
Effect of dilutive potential ordinary shares:		
Share options	6,943	1,228
Warrants	<u>–</u>	<u>9,506</u>
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<u>2,222,382</u>	<u>1,832,763</u>

From continuing operations

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

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Profit (loss) for the year attributable to owners of the Company, used in the basic and diluted earnings (loss) per share calculation	191,005	(111,587)
Less: Profit for the year from discontinued operation	<u>–</u>	<u>14,819</u>
	<u>191,005</u>	<u>(126,406)</u>

The weighted average number of ordinary shares for the years ended 31 March 2010 and 2009 has stated as above.

From discontinued operation

The calculation of basic and diluted earnings per share for the year ended 31 March 2009 for the discontinued operation is based on the profit for the year from discontinued operation of approximately HK\$14,819,000 and on the weighted average number of ordinary shares stated as above.

The computation of diluted earnings per share does not assume the exercise of the Company's options or warrants for the year ended 31 March 2009 because the exercise price of those options or warrants is higher than the average market price.

13. EMPLOYEE , BENEFIT EXPES (INCLUDING DIRECTORS' REMUNERATION)

	Continuing operations		Discontinued operation		Total	
	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Short term employment benefits						
– Basic salaries	34,056	43,494	–	41,627	34,056	85,121
– Housing allowance	4,031	5,326	–	4,872	4,031	10,198
Share options granted to directors and employees	303	3,097	–	–	303	3,097
Pension (refund) costs – defined contribution plans	(392)	1,181	–	1,434	(392)	2,615
	<u>37,998</u>	<u>53,098</u>	<u>–</u>	<u>47,933</u>	<u>37,998</u>	<u>101,031</u>

14. DIRECTORS' REMUNERATION

The remuneration of each director of the Company for the years ended 31 March 2010 and 2009, disclosed pursuant to the Group is analysed as follow:

	Fees	Salaries, allowances and benefits in kind*	Contributions to defined contribution plans	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 31 March 2010				
Executive directors				
Mr. Chan Heng Fai	–	5,495	29	5,524
Mr. Chan Tong Wan	–	1,575	97	1,672
Mr. Chan Tung Moe (Note i)	–	211	25	236
Mrs. Chan Yoke Keow	–	2,214	140	2,354
Mrs. Chan Sook Jin, Mary-ann (Note i)	–	457	35	492
Non-executive director				
Mr. Fong Kwok Jen	90	–	–	90
Independent non-executive directors				
Mr. Wong Dor Luk, Peter	90	–	–	90
Mr. Da Roza Joao Paulo	68	–	–	68
Mr. Wong Tat Keung (Note ii)	44	–	–	44
Ms. Chian Yat Ping, Ivy (Note iii)	123	–	–	123
	<u>415</u>	<u>9,952</u>	<u>326</u>	<u>10,693</u>

Notes:

- i) Resigned on 23 October 2009
- ii) Appointed on 7 December 2009
- iii) Resigned on 7 December 2009

	Fees HK\$'000	Salaries, allowances and benefits in kind* HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
For the year ended 31 March 2009				
Executive directors				
Mr. Chan Heng Fai	–	2,770	23	2,793
Mr. Chan Tong Wan	–	3,350	97	3,447
Mr. Chan Tung Moe	–	1,221	15	1,236
Mrs. Chan Yoke Keow	–	6,847	127	6,974
Mrs. Chan Sook Jin, Mary-ann	–	864	65	929
Non-executive director				
Mr. Fong Kwok Jen	118	–	–	118
Independent non-executive directors				
Mr. Wong Dor Luk, Peter	118	–	–	118
Mr. Da Roza Joao Paulo	88	–	–	88
Ms. Chian Yat Ping, Ivy	267	–	–	267
	<u>591</u>	<u>15,052</u>	<u>327</u>	<u>15,970</u>

* This includes the amount calculated under HKFRS 2 "Share-based payment transaction" that is attributable to the directors.

There was no arrangement under which a director waived or agreed to waive any remuneration in respect of the years ended 31 March 2010 and 2009.

During the years ended 31 March 2010 and 2009, no emolument was paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

15. SENIOR MANAGEMENT'S EMOLUMENTS

Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, three (2009: four) were directors of the Company whose emoluments are included in the disclosures in Note 14 above. The emoluments of the remaining two (2009: one) highest paid non-director employees during the two years ended 31 March 2010 and 2009 were as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Salaries, allowances and benefits in kind*	1,744	1,445
Contributions to defined contribution plans	49	12
	<u>1,793</u>	<u>1,457</u>

The emoluments of the remaining two (2009: one) highest paid individual fell within the following band:

	Number of individuals	
	2010	2009
Emolument band		
Nil to HK\$1,000,000	1	–
HK\$1,000,001 to HK\$1,500,000	1	1
	<u>1</u>	<u>1</u>

* This includes the amount calculated under HKFRS 2 "Share-based payment transaction".

During the years ended 31 March 2010 and 2009, no emolument was paid to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

16. DIVIDENDS

The board of directors of the Company does not recommend the payment of any dividend for the year ended 31 March 2010 (2009: Nil).

17. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings HK\$'000	Leasehold Improvements HK\$'000	Furniture, fixtures and motor vehicles HK\$'000	Total HK\$'000
At 1 April 2008				
Cost	49,148	14,621	34,271	98,040
Accumulated depreciation and impairment	(3,700)	(2,955)	(24,113)	(30,768)
Carrying amounts	45,448	11,666	10,158	67,272
Year ended 31 March 2009				
Opening carrying amounts	45,448	11,666	10,158	67,272
Additions	–	3,431	2,507	5,938
Transfer from investment properties (Note 19)	9,915	–	–	9,915
Transfer to investment properties (Note 19)	(2,480)	–	–	(2,480)
Disposal of subsidiaries (Note 43)	(124)	(5,564)	(4,887)	(10,575)
Depreciation	(1,139)	(2,036)	(4,862)	(8,037)
Exchange realignment	(183)	(326)	259	(250)
Closing carrying amounts	51,437	7,171	3,175	61,783
At 31 March 2009				
Cost	54,463	12,045	25,326	91,834
Accumulated depreciation and impairment	(3,026)	(4,874)	(22,151)	(30,051)
Carrying amounts	51,437	7,171	3,175	61,783
Year ended 31 March 2010				
Opening carrying amounts	51,437	7,171	3,175	61,783
Additions	2,523	2,157	511	5,191
Transfer to investment properties (Note 19)	(10,042)	–	–	(10,042)
Written off	–	(32)	(145)	(177)
Disposals	–	(217)	(36)	(253)
Depreciation	(1,050)	(2,244)	(1,212)	(4,506)
Exchange realignment	(249)	476	(142)	85
Closing carrying amounts	42,619	7,311	2,151	52,081
At 31 March 2010				
Cost	46,797	14,024	6,989	67,810
Accumulated depreciation and impairment	(4,178)	(6,713)	(4,838)	(15,729)
Carrying amounts	42,619	7,311	2,151	52,081

The carrying amounts of land and buildings held by the Group are analysed as follows:

	Land and buildings			
	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
In Hong Kong, held under long-term leases	2,472	-	-	-
In Hong Kong, held under medium-term leases	-	10,043	-	-
In Japan, freehold	40,147	41,394	-	-
	<u>42,619</u>	<u>51,437</u>	<u>-</u>	<u>-</u>

As at 31 March 2010, certain of the Group's land and buildings with a carrying amount of approximately HK\$42,619,000 (2009: HK\$51,437,000) has been pledged to secure the Group's borrowings (*Note 31*).

Company

	Furniture, fixtures and motor vehicles HK\$'000
At 1 April 2008	
Cost	4,237
Accumulated depreciation	<u>(2,135)</u>
Carrying amounts	<u>2,102</u>
Year ended 31 March 2009	
Opening carrying amounts	2,102
Additions	6
Depreciation	<u>(516)</u>
Closing carrying amounts	<u>1,592</u>
At 31 March 2009	
Cost	4,243
Accumulated depreciation	<u>(2,651)</u>
Carrying amounts	<u>1,592</u>
Year ended 31 March 2010	
Opening carrying amounts	1,592
Additions	19
Disposals	(30)
Depreciation	<u>(388)</u>
Closing carrying amounts	<u>1,193</u>
At 31 March 2010	
Cost	3,920
Accumulated depreciation	<u>(2,727)</u>
Carrying amounts	<u>1,193</u>

18. PREPAID LEASE PAYMENTS

Group

The Group's prepaid lease payments and their carrying amounts are analysed as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Medium-term leases held in Hong Kong	–	19,692
Long-term leases held in Hong Kong	23,384	–
	<u>23,384</u>	<u>19,692</u>
Opening carrying amounts	19,692	28,699
Additions	23,861	–
Amortisation of prepaid lease payments	(477)	(655)
Transfer to investment properties (<i>Note 19</i>)	(19,692)	(7,500)
Exchange realignment	–	(852)
	<u>23,384</u>	<u>19,692</u>
Closing carrying amounts	<u>23,384</u>	<u>19,692</u>
Prepaid lease payments		
– Non-current portion	22,907	19,162
– Current portion (<i>Note</i>)	477	530
	<u>23,384</u>	<u>19,692</u>

Note: The current portion of prepaid lease payments included in trade and other receivables, deposits and prepayments (*Note 28*).

As at 31 March 2010, the Group's prepaid lease payments of HK\$23,384,000 (2009: HK\$19,692,000) have been pledged to secure the Group's borrowings (*Note 31*).

19. INVESTMENT PROPERTIES

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

Changes to the carrying amounts presented in the statements of financial position can be summarised as follows:

	Group	
	2010 HK\$'000	2009 HK\$'000
Fair value		
Opening carrying amounts	250,506	268,490
Additions	130,713	–
Acquisition of a subsidiary (Note 42)	65,523	–
Transfer from prepaid lease payments (Note 18)	19,692	7,500
Revaluation surplus upon transfer from property, plant and equipment to investment properties	48,205	12,767
Transfer from property, plant and equipment (Note 17)	10,042	2,480
Transfer to property, plant and equipment (Note 17)	–	(9,915)
Fair value gain (loss) on revaluation of investment properties, net	190,083	(12,277)
Exchange realignment	27,737	(18,539)
	<u>742,501</u>	<u>250,506</u>
Closing carrying amounts	<u>742,501</u>	<u>250,506</u>

The Group's interests in investment properties are held under the following lease terms:

	2010 HK\$'000	2009 HK\$'000
Long-term leases in Hong Kong	32,720	–
Medium-term leases in Hong Kong	120,550	37,328
Long-term leases outside Hong Kong	482,811	141,480
Medium-term leases outside Hong Kong	16,317	–
Freehold outside Hong Kong	90,103	71,698
	<u>742,501</u>	<u>250,506</u>

	Company	
	2010 HK\$'000	2009 HK\$'000
Fair value		
Opening carrying amounts	1,050	1,200
Fair value loss on revaluation of investment property	–	(150)
	<u>1,050</u>	<u>1,050</u>
Closing carrying amounts	<u>1,050</u>	<u>1,050</u>

The Company's interests in investment properties are held under the following lease term:

	2010 HK\$'000	2009 HK\$'000
Medium-term leases in Hong Kong	<u>1,050</u>	<u>1,050</u>

The investment properties of the Group and the Company were revalued as at 31 March 2010 by Messrs. Avista Valuation Advisory Limited, an independent firm of professional valuer who hold recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued, on an open market basis based on recent market transactions.

The investment properties in Hong Kong, Canada, United States and Singapore of the Group and the Company were revalued as at 31 March 2009 by Messrs. Malcolm & Associates Limited; whereas the investment property situated in Japan was reassessed as at 31 March 2009 by Messrs. Hokkaido Kantei Co. Ltd. Both Messrs. Malcolm & Associates Limited and Messrs. Hokkaido Kantei Co. Ltd. hold recognised and relevant professional qualification and have recent experience in the location and category of the investment properties being valued, on an open market basis based on recent market transactions.

Rental income earned by the Group from its investment properties, which are leased out under operating leases, amounted to approximately HK\$15,023,000 (2009: HK\$7,259,000).

No income or direct operating expenses were recognised during the year for investment properties that was unlet during the year (2009: HK\$ Nil).

As at 31 March 2010, certain of the Group's investment properties with carrying amounts of approximately HK\$731,376,000 (2009: HK\$159,480,000) have been pledged to secure the Group's borrowings (Note 31).

20. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM (TO) SUBSIDIARIES

Company

	2010 HK\$'000	2009 HK\$'000
Investments at cost		
Unlisted shares	73,184	73,194
Less: Provision for impairment	<u>(68,537)</u>	<u>(50,428)</u>
	<u>4,647</u>	<u>22,766</u>
Amounts due from subsidiaries within one year		
Interest bearing at 2% per annum (2009:10%)	435,030	450,195
Non-interest bearing	<u>510,049</u>	<u>349,319</u>
	945,079	799,514
Less: Provision for impairment	<u>(452,662)</u>	<u>(398,284)</u>
	<u>492,417</u>	<u>401,230</u>
Amounts due to subsidiaries within one year	<u>(273,089)</u>	<u>(155,785)</u>

Particulars of the principal subsidiaries at 31 March 2010 are as follows:

Name	Place/country of incorporation/ operation and kind of legal entity	Particulars of issued share capital/registered capital	Proportion of ownership interest			Principal activities
			Group's effective interest %	Held by the Company %	Held by subsidiaries %	
China Credit Singapore Pte Ltd	Singapore, limited liability company	S\$13,417,282	100	100	-	Investment holding
China Xpress Pte Ltd	Singapore, limited liability company	S\$5,670,002	98.8	-	98.8	Investment holding
eBanker USA Com. Inc.	United States of America, limited liability company	Common stock US\$115,487 One Series A preferred stock	81.8	-	81.8	Financial investment
Expats Residences Pte Ltd	Singapore, limited liability company	S\$25,002	100	-	100	Property investment
Global Growth Management, Inc.	Canada, limited liability company	US\$1,000	100	-	100	Property investment
Heng Fung Capital Company Limited	Hong Kong, limited liability company	HK\$2	100	100	-	Securities investment
Heng Fung Capital (Canada) Inc.	Canada, limited liability company	C\$1	100	100	-	Property investment
Heng Fung Underwriter Limited	Hong Kong, limited liability company	HK\$2	100	100	-	Securities trading
Ichi Ni San Enterprises Company Limited	Hong Kong, limited liability company	HK\$10,000	100	100	-	Property holding
Japan Xpress Hospitality Limited	Japan, limited liability company	JPY495,000,000	100	-	100	Investment holding
Kabushiki Kaisha Aizuya	Japan, limited liability company	JPY30,000,000	100	-	100	Hotel holding
Keng Fong Foreign Investment Co. Ltd	United States of America, limited liability company	US\$250,000	100	-	100	Property investment and development
Sapporo Holdings Inc.	Japan, limited liability company	JPY3,000,000	100	-	100	Hotel holding
Singapore Service Residence Pte Ltd	Singapore, limited liability company	S\$1,250,000	100	-	100	Property holding
SingXpress Investment Pte Ltd	Singapore, limited liability company	S\$800,000	98.8	-	100	Investment holding
SingXpress International Pte Ltd	Singapore, limited liability company	S\$2	100	-	100	Property holding
Wai Kin Investment Company Limited	Hong Kong, limited liability company	HK\$600,000	100	100	-	Investment holding
Xpress Credit Limited	Hong Kong, limited liability company	HK\$1,260,000	100	-	100	Investment holding
Xpress Finance Limited	Hong Kong, limited liability company	HK\$133,866,230	72	-	72	Financing services

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

There were twelve (2009: twenty-one) subsidiaries of the Company, which were incorporated in Hong Kong, were inactive and have completed the procedure of deregistration during the year.

21. INTEREST IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Unlisted shares, at cost	-	-	5,385	5,385
Share of net assets	8,158	7,354	-	-
Goodwill on acquisition	4,552	4,552	-	-
	<u>12,710</u>	<u>11,906</u>	<u>5,385</u>	<u>5,385</u>
Less: impairment loss	<u>(3,600)</u>	<u>(3,600)</u>	<u>(5,385)</u>	<u>(5,385)</u>
	<u>9,110</u>	<u>8,306</u>	<u>-</u>	<u>-</u>
Amounts due from associates within one year	<u>9,528</u>	<u>7,648</u>	<u>2,052</u>	<u>3,809</u>
Amounts due to associates within one year	<u>10</u>	<u>1,387</u>	<u>-</u>	<u>587</u>

As at 31 March 2010 and 2009, amounts due from (to) associates are unsecured, interest free and repayable on demand.

Particulars of the principal associates at 31 March 2010 are as follows:

Name	Particulars of issued shares held	Country of incorporation	Percentage of interest held
SingXpress Ltd. ("SingXpress")	Ordinary share of no par value	Singapore	33.3%
RSI International System Inc. ("RSI")	Ordinary share of no par value	Canada	29.8%

SingXpress is listed in Singapore, the market value of the listed shares held by the Group as at 31 March 2010 is approximately HK\$15,073,000 (2009: HK\$6,635,000).

RSI is listed in Canada, the market value of the listed shares held by the Group as at 31 March 2010 is approximately HK\$1,402,000 (2009: HK\$846,000).

During the year ended 31 March 2010, the Group increased its equity interest in SingXpress from approximately 31.9% to 33.3% (2009: from approximately 30.9% to 31.9%).

The summarised financial information of the Group's associates extracted from their annual reports as at 31 December are as follows:

	2010 HK\$'000	2009 HK\$'000
Assets	44,509	46,700
Liabilities	(24,410)	(23,367)
Revenues	21,338	308,044
Loss for the year ended 31 December	<u>(6,387)</u>	<u>(21,955)</u>

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

SingXpress and RSI have a financial year end date on 31 December, which is not coterminous with the Group. For the purpose of applying the equity method of accounting, the financial statements of SingXpress and RSI for the year ended 31 December 2009 (2009: 31 December 2008) have been used as the Group considers that it is impracticable for SingXpress and RSI to prepare a separate set of financial statements as of 31 March. Appropriate adjustments have been made accordingly for the effects of significant transactions between 31 December 2009 and 31 March 2010. (2009: between 31 December 2008 and 31 March 2009).

22. LONG TERM DEPOSIT

On 28 August 2006 and 8 January 2007, the Group entered into a sale and purchase agreement with a vendor to acquire investment properties in Singapore at a cash consideration of Singapore dollars ("S\$") 13,282,000 (equivalent to HK\$65,748,000) and S\$270,000 (equivalent to HK\$1,389,000) respectively. As at 31 March 2009, the Group had paid approximately S\$2,770,000 (equivalent to HK\$14,095,000) as a deposit for this acquisition. This deposit has been used to settle part of the cost of investment properties during the year ended 31 March 2010.

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

	2010 HK\$'000	2009 HK\$'000
Non-current		
Equity securities		
Listed outside Hong Kong, at fair value	–	10,724
Unlisted, at cost	<u>37</u>	<u>29</u>
	<u>37</u>	<u>10,753</u>
Debt securities, at cost (<i>Note</i>)		
Unlisted in Hong Kong	<u>1,425</u>	<u>1,425</u>
Total	<u>1,462</u>	<u>12,178</u>
Market value of listed equity securities	<u>–</u>	<u>10,724</u>

Note: The debt securities represent club membership which is stated at cost less accumulated impairment loss as they do not have a quoted market price in an active market and fair value cannot be reliably measured.

24. GOODWILL

Group

During the year ended 31 March 2009, the main changes in the carrying amounts of goodwill result from release of goodwill due to the disposal of subsidiaries. The net carrying amounts of goodwill can be analysed as follows:

	2010 HK\$'000	2009 HK\$'000
At 1 April		
Gross carrying amounts	10,544	28,620
Accumulated impairment	—	—
Net carrying amounts	<u>10,544</u>	<u>28,620</u>
Net carrying amounts at 1 April	10,544	28,620
Disposal of subsidiaries (Note 43)	—	(18,048)
Exchange realignment	—	(28)
Net carrying amounts at 31 March	<u>10,544</u>	<u>10,544</u>
At 31 March		
Gross carrying amounts	10,544	10,544
Accumulated impairment	—	—
Net carrying amounts	<u>10,544</u>	<u>10,544</u>

The carrying amount of goodwill is allocated to the following cash generating unit in the annual impairment test:

	2010 HK\$'000	2009 HK\$'000
Hotel operations – in Japan	<u>10,544</u>	<u>10,544</u>

At the end of the reporting period, the Group assessed the recoverable amount of goodwill, and determined that no impairment associated with cash generating unit. The recoverable amounts for the cash generating unit given above were determined based on value-in-use calculations, covering a detailed five (2009: three) years budget plan, followed by an extrapolation of expected cash flows at the growth rates stated below. The growth rates reflect the long-term average growth rates for the respective business operations:

The key assumptions used for value-in-use calculations are:

	Hotel operations	
	2010	2009
Growth rates	5%	0%
Discount rates	5%–10%	5%

The Group's management's key assumptions for the Group have been determined based on past performance and its expectations for the market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Apart from the considerations described in determining the value-in-use of the cash generating unit above, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

25. LOAN RECEIVABLES

Group

	2010 HK\$'000	2009 HK\$'000
Term loans – secured	1,266	6,561
Mortgage loans – secured	4,791	4,791
Installment loans – unsecured	1,802	7,856
	<hr/>	<hr/>
Net carrying amount	7,859	19,208
Less: Provisions	(6,933)	(11,961)
	<hr/>	<hr/>
	926	7,247
Less: Amount due within one year included under current assets	(926)	(6,511)
	<hr/>	<hr/>
Amount due after one year included under non-current assets	–	736
	<hr/> <hr/>	<hr/> <hr/>

The mortgage loans bear interest at 0.5% over prime interest rates in Hong Kong (2009: 0.5% over prime interest rates in Hong Kong) per annum and are repayable by installments up to year 2011. The loans are secured by mortgages over properties placed by the borrowers. The mortgage loans are repayable on demand due to the default on repayment by the borrowers.

The installment loans bear interest ranging from 20% to 40% per annum (2009: 17% to 40% per annum). The repayment terms of the loans are negotiated on an individual basis.

The maturity profile of the loan receivables at the end of the reporting period, which is analysed by the remaining periods to their contractual maturity dates, is as follows:

Notes:

- (a) The aging analysis of loan receivables that are not impaired is as follows:

	2010 HK\$'000	2009 HK\$'000
On demand	614	614
Within one year	–	5,897
More than one year but not exceeding two years	312	177
More than two years	–	559
	<hr/>	<hr/>
	926	7,247
	<hr/> <hr/>	<hr/> <hr/>

- (b) The directors of the Company consider that the carrying amounts of loan receivables approximate to their fair values.
- (c) The Group has provided fully for all loan receivables that are determined not recoverable. Based on past experience, the management believed that no impairment allowance is necessary in respect of the remaining balances as there had not been a significant change in credit quality and the balances were considered fully recoverable. The movement in the provision of loan receivables is as follows:

	2010 HK\$'000	2009 HK\$'000
At 1 April	11,961	11,798
Written off	(5,294)	–
Impairment loss and allowances charged to the consolidated income statement	<u>266</u>	<u>163</u>
At 31 March	<u><u>6,933</u></u>	<u><u>11,961</u></u>

26. PLEDGED BANK DEPOSITS, BANK BALANCES AND CASH AND BANK OVERDRAFT

Cash and cash equivalents include the following components:

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Cash at banks and in hand	65,983	44,423	13,219	6,517
Short-term bank deposits	<u>71,276</u>	<u>16,378</u>	<u>47,164</u>	<u>10,007</u>
	137,259	60,801	60,383	16,524
Less: Pledged bank deposits	<u>(3,413)</u>	<u>(3,973)</u>	–	–
Bank balances and cash as stated in the statements of financial position	133,846	56,828	60,383	16,524
Bank overdraft	<u>(8,274)</u>	–	–	–
Cash and cash equivalents as stated in the consolidated statement of cash flows	<u><u>125,572</u></u>	<u><u>56,828</u></u>	<u><u>60,383</u></u>	<u><u>16,524</u></u>

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short-term time deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposits at fixed rates ranging from 0.05% to 3.29% (2009: 0.40% to 6.90%) per annum. The carrying amounts of the pledged bank deposits, bank balances and cash and bank overdraft approximate to their fair values.

Included in bank balances of the Group is HK\$31,109,000 (2009: HK\$17,790,000) of bank balances denominated in US dollars ("USD") placed with banks in Hong Kong, US and Singapore, HK\$67,443,000 (2009: HK\$1,213,000) of bank balances denominated in Singapore dollars ("S\$") placed with banks in Hong Kong and Singapore, HK\$3,390,000 (2009: HK\$2,089,000) of bank balances denominated in Japanese Yen ("Yen") placed with banks in Hong Kong and Japan.

As at 31 March 2010, pledged deposits placed as securities for the borrowings.

As at 31 March 2009, the pledged deposits represented the time deposits placed as securities for the credit card business transactions. The pledged deposits are classified as current assets when the liabilities being secured will mature within twelve months after the end of the reporting period.

Cash and cash equivalents mainly include the following foreign currency:

	Group		Company	
	2010 '000	2009 '000	2010 '000	2009 '000
USD	2,164	2,311	1,474	1,289
S\$	3,188	229	62	13
Yen	40,815	26,680	10,976	394
	<u>44,167</u>	<u>29,220</u>	<u>12,512</u>	<u>1,396</u>

27. INVENTORIES

Group

The amounts represent food and beverage and other consumables for hotel operations.

28. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Trade receivables	17,794	17,543	-	-
Less: Allowance for doubtful debts	(10,021)	(10,000)	-	-
	<u>7,773</u>	<u>7,543</u>	<u>-</u>	<u>-</u>
Other receivables, deposits and prepayments	7,729	14,353	1,909	1,050
Prepaid lease payments (Note 18)	477	530	-	-
	<u>15,979</u>	<u>22,426</u>	<u>1,909</u>	<u>1,050</u>

The directors of the Company considered that the fair values of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity period on their inception.

The average credit terms granted by the Group to its trade customers are as follows:

Hotel operations	60 days
Financing operations	30 days

An aging analysis of the trade receivables as at the end of the reporting period is as follow:

	Group	
	2010 HK\$'000	2009 HK\$'000
0-60 days	2,250	2,431
61-90 days	89	7
Over 90 days	5,434	5,105
	<u>7,773</u>	<u>7,543</u>

The Group has recognised a loss of approximately HK\$21,000 for the impairment of its trade receivables during the year ended 31 March 2010. (2009: HK\$ Nil).

The aging analysis of trade receivables that are past due but are not considered impaired as at the end of the reporting period is as follows:

	Group	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
61-90 days	89	44
Over 90 days	5,434	5,435
	<u>5,523</u>	<u>5,479</u>

Trade receivables that are not yet past due relate to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group has hold collaterals over these balances.

The Group has provided fully for all receivables that are determined not recoverable. Based on past experience, the management believed that no impairment allowance is necessary in respect of the remaining balances as there had not been a significant change in credit quality and the balances were considered fully recoverable.

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
At 1 April	10,000	23,377
Bad debts written off	-	(11,826)
Impairment loss charged (reversed) to the consolidated income statement	<u>21</u>	<u>(1,551)</u>
At 31 March	<u>10,021</u>	<u>10,000</u>

At the end of the reporting period, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties. Consequently, specific impairment provision was recognised. The Group has hold collaterals over these balances.

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Listed securities held for trading		
Equity securities – Hong Kong	132,093	13,750
Equity securities – outside Hong Kong	263	3,260
	<hr/>	<hr/>
Market value of listed securities	132,356	17,010
Financial assets designated at fair value through profit or loss		
– Equity-linked notes	3,761	85,875
	<hr/>	<hr/>
Total	<u>136,117</u>	<u>102,885</u>

Company

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Listed securities held for trading		
Equity securities – Hong Kong	92,992	13,662
	<hr/>	<hr/>
Market value of listed securities	92,992	13,662
Financial assets designated at fair value through profit or loss		
– Equity-linked notes	3,761	39,191
	<hr/>	<hr/>
Total	<u>96,753</u>	<u>52,853</u>

The listed securities are held for trading purpose. Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the consolidated statement of cash flows. As at 31 March 2010, an amount of approximately HK\$34,527,000 is secured for providing banking facilities to the Group.

Equity-linked notes are designated as financial assets at fair value through profit or loss upon initial recognition as it contains embedded derivatives, and HKAS 39 permits the entire combined contract to be designed as financial assets at fair value through profit or loss. Terms of the equity-linked notes are as follows:

Principal amount	Maturity
HK\$3,761,000	14 April 2010

The equity-linked notes are subject to mandatory redemption clauses at maturity dates depending on the market prices of a Hong Kong listed securities underlying the equity-linked notes. The equity-linked notes will be redeemed based on the original principal amounts. The equity-linked notes are interest bearing.

At maturity date, if the equity-linked notes, depending on the market prices of the underlying equity securities and certain predetermined price levels, are still outstanding, the equity-linked notes will be redeemed by the issuer at the principal amounts in cash or shares which may be lower than the principal amounts.

The equity-linked notes are measured at fair value at the end of the reporting period. Their fair values are determined based on the valuation provided by the counterparty financial institutions at the end of the reporting period. Accordingly, a fair value change on equity-linked notes of approximately HK\$121,000 (2009: HK\$3,000) is recognised in the consolidated income statement for the years ended 31 March 2010 and 31 March 2009.

30. TRADE AND OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Trade payables	740	27,191	-	-
Other payables and accrued expenses	100,420	11,323	2,088	3,000
	<u>101,160</u>	<u>38,514</u>	<u>2,088</u>	<u>3,000</u>

The Group was granted by its suppliers credit periods ranging from 30 to 60 days (2009: 30 to 60 days). An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
0-60 days	737	27,191	-	-
61-90 days	-	-	-	-
Over 90 days	3	-	-	-
	<u>740</u>	<u>27,191</u>	<u>-</u>	<u>-</u>

31. BORROWINGS

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Non-current				
Bank borrowings	16,528	21,567	-	-
Mortgage loans	71,073	41,375	-	-
	<u>87,601</u>	<u>62,942</u>	<u>-</u>	<u>-</u>
Current				
Bank borrowings	78,648	5,986	31,029	-
Mortgage loans	9,313	5,132	-	-
	<u>87,961</u>	<u>11,118</u>	<u>31,029</u>	<u>-</u>
Total borrowings	<u>175,562</u>	<u>74,060</u>	<u>31,029</u>	<u>-</u>
Secured	174,003	74,060	31,029	-
Unsecured	1,559	-	-	-
Total borrowings	<u>175,562</u>	<u>74,060</u>	<u>31,029</u>	<u>-</u>

At the end of the reporting period, the above borrowings were repayable as follows:

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
On demand or within one year	87,961	11,118	31,029	–
More than one year but not exceeding two years	15,036	10,866	–	–
More than two years but not exceeding five years	31,133	30,338	–	–
More than five years	41,432	21,738	–	–
	<u>175,562</u>	<u>74,060</u>	<u>31,029</u>	<u>–</u>
Less: Amount due within one year shown under current liabilities	<u>(87,961)</u>	<u>(11,118)</u>	<u>(31,029)</u>	<u>–</u>
Amount due after one year shown under non-current liabilities	<u>87,601</u>	<u>62,942</u>	<u>–</u>	<u>–</u>

The ranges of effective interest rates (which are also equal to contracted interest rates) on the borrowings are as follows:

Group

	2010		2009	
	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate
Bank borrowings	3.08% to 3.20%	1.25% over the Bank's cost of funds	3.08% to 3.20%	N/A
Mortgage loans	5.93% to 7.14%	Prime rate in Hong Kong +0.5%, HIBOR (1 month) +1%, HIBOR (3 months) +1.25%, 0.75% over the Commercial Financing Rate, 0.25% above prevailing Enterprise Financing Rate, 1.75% over the Bank's cost of funds or 1.75% over the Bank's SWAP Offer Rate	5.29% to 6.51%	Prime rate in Singapore +0.5%, HIBOR (1 month) +1%, 0.75% over the Commercial Financing Rate or 0.25% above prevailing Enterprise Financing Rate

Company

	2010		2009	
	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate
Bank borrowings	0.86% to 0.99%	N/A	N/A	N/A

The carrying amounts of the borrowings are denominated in the following currencies:

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
HK\$	75,160	18,633	25,130	–
CAD	7,600	6,482	–	–
S\$	64,025	21,392	–	–
Yen	22,878	27,553	–	–
USD	4,652	–	4,652	–
Swiss Franc	1,247	–	1,247	–
	<u>175,562</u>	<u>74,060</u>	<u>31,029</u>	<u>–</u>

The carrying amounts of the borrowings approximate to their fair value.

32. CONVERTIBLE DEBENTURES

Group

The convertible debentures were issued at discount by a subsidiary of the Company, eBanker USA. Com Inc. on 26 May 1998, bearing interest at a rate of 10% per annum, which is payable half-yearly on each 1 February and 1 August, with a nominal value of US\$6,690,000 (HK\$52,091,000) and was matured on 1 August 2008. These debentures are convertible into shares of common stock of the subsidiary at a conversion price of US\$5 per ordinary share of the subsidiary. During the year ended 31 March 2009, the debentures have been matured and fully redeemed.

The convertible debentures recognised in the statement of financial position are calculated as follows:

	2010 HK\$'000	2009 HK\$'000
Fair value of convertible debentures at beginning of the year	–	45,358
Equity component (<i>Note</i>)	<u>–</u>	<u>–</u>
Liability component	–	45,358
Interest expense (<i>Note 7</i>)	–	1,508
Interest paid	–	(2,257)
Redemption	<u>–</u>	<u>(44,609)</u>
Current liability component at 31 March	<u>–</u>	<u>–</u>

Note: In accordance with HKAS 32, convertible debentures are required to split between liability and equity components, on a retrospective basis.

As the interest rate of 10% per annum of the convertible debentures approximated the market interest rate at inception of the convertible debentures for a similar financial instrument without the conversion option, no equity component of convertible debentures was recognised accordingly.

Interest expense on the convertible debentures is calculated using the effective interest method by applying the effective interest rate of 14% to the liability component.

33. DEFERRED TAXATION

Group

The movements on the major deferred tax liabilities recognised by the Group are as follows:

	Fair value gain on revaluation of investment properties HK\$'000	Revaluation of properties HK\$'000	Other taxable differences HK\$'000	Total HK\$'000
At 1 April 2008	22,288	1,705	496	24,489
Exchange realignment	(1,595)	–	–	(1,595)
Credited to consolidated income statement (<i>Note 9</i>)	(1,939)	–	–	(1,939)
At 31 March 2009	18,754	1,705	496	20,955
Exchange realignment	2,632	–	–	2,632
Arising from acquisition of a subsidiary	6,421	–	–	6,421
Charged (credited) to consolidated income statement (<i>Note 9</i>)	32,511	–	(219)	32,292
At 31 March 2010	60,318	1,705	277	62,300

At the end of the reporting period, the Group has estimated unused tax losses of HK\$217,334,000 (2009: HK\$239,626,000). No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit stream. The whole amount of estimated unused tax losses may be carried forward indefinitely.

Company

The movements on the deferred tax liabilities recognised by the Company are as follows:

	Fair value gain on revaluation of investment properties HK\$'000
At 1 April 2008	249
Credited to consolidated income statement	(25)
At 31 March 2009 and 31 March 2010	224

34. PLEDGE OF ASSETS

Group

As at 31 March 2010, the Group's facilities of approximately HK\$175,562,000 (2009: HK\$74,060,000) are secured by:

- its land and buildings and prepaid lease payments (*Notes 17 and 18*) with carrying value of HK\$66,003,000 (2009: HK\$71,129,000);

- its investment properties (*Note 19*) with carrying value of HK\$731,376,000 (2009: HK\$159,480,000);
- its bank deposits of approximately HK\$3,413,000, whereas as at 31 March 2009, bank deposits of approximately HK\$3,973,000 were pledged as securities for banking facilities granted to a subsidiary and as securities for credit card business transactions with MasterCard Worldwide (*Note 26*).

35. SHARE CAPITAL

	Par value per share HK\$	Number of ordinary shares	Amount HK\$'000
Authorised:			
At 31 March 2009 and 2010	0.01	1,000,000,000,000	10,000,000
Issued and fully paid:			
At 1 April 2008	0.01	1,819,089,466	18,191
Exercise of 2009 Warrants subscription rights (<i>Note (a)</i>)	0.01	33,876	–
Exercise of share options (<i>Note 36</i>)	0.01	18,000,000	180
At 31 March 2009	0.01	1,837,123,342	18,371
Exercise of 2009 Warrants subscription rights (<i>Note (a)</i>)	0.01	1,430,359	14
Exercise of share options (<i>Note 36</i>)	0.01	133,376,200	1,334
Open offer (<i>Note c</i>)	0.01	367,424,668	3,674
Issue of consideration shares (<i>Note d</i>)	0.01	301,481,481	3,015
At 31 March 2010	0.01	2,640,836,050	26,408

(a) 2009 Warrants

Pursuant to a written resolution of the board of directors on 16 August 2004, the Company approved a bonus issue of new warrants ("2009 Warrants") to the shareholders of the Company whose names appeared on the register of members on 5 November 2004 on the basis of one 2009 Warrant for every ten shares held by such shareholders. Pursuant to which 162,593,106 units of 2009 Warrants were issued to the shareholders of the Company at an initial subscription price of HK\$0.09 per share as a result of the bonus issue of new warrants.

During the year ended 31 March 2010, registered holders of 2009 Warrants exercised their rights to subscribe for 1,430,359 (2009: 33,876) ordinary shares of the Company at HK\$0.09 per share.

The subscription period of 2009 Warrants has already expired on 30 September 2009, the outstanding 2009 Warrants of 100,989,556 units were lapsed.

(b) 2006 Warrants

On 7 August 2006, the Company issued 172,000,000 unlisted warrants at the issue price of HK\$0.03 per warrant to Mr. Chan Heng Fai (“Mr. Chan”), an executive director of the Company. Each warrant carries the right to subscribe for one new share of the Company at initial exercise price of HK\$0.16 (after adjustment of open offer during the year ended 31 March 2010) per new share, subject to adjustment for, among other things, subdivision or consolidation of shares, right issues, extraordinary stock or cash distribution, and other dilutive events, at any time during a period of 5 years commencing from the date of issue of the warrants. Consideration of HK\$5.16 million was received in respect of warrants issued during the year ended 31 March 2007. During the years ended 31 March 2010 and 2009, none of the warrants has been exercised.

(c) Pursuant to the circular dated 4 May 2009, the Company made an open offer (the “Open Offer”) of 367,424,668 offer shares at a subscription price of HK\$0.05 per offer share on the basis of one offer share for every five existing shares. The certificate for offer shares was dispatched on 27 May 2009 and commenced in dealing on 1 June 2009.

(d) On 8 January 2010, the Group acquired 100% of the share capital of Expats Residences Pte. Ltd (“Expats”) together with a loan due to Mr. Chan of approximately S\$4.39 million from the vendor, Mr. Chan at a consideration of approximately HK\$40.7 million. 301,481,481 shares were issued as the consideration at a price of HK\$0.135 per share.

36. SHARE OPTION SCHEME

(a) Company

On 9 May 2003, a share option scheme (the “Share Option Scheme”) was adopted by the Company. The purpose of the Share Option Scheme is to provide incentives and rewards to eligible persons who contribute to the success of the Group’s operations. The Share Option Scheme will remain in force for 10 years from that date, unless otherwise cancelled or amended. Eligible persons of the Share Option Scheme include any employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents, advisers, shareholders, customers, partners or business associates who, in the sole discretion of the board of directors of the Company, have contributed to the Company and / or any of its subsidiaries.

Pursuant to the Share Option Scheme, the maximum number of shares in respect of which options may be granted is such number of shares which, when aggregated with shares subject to any other share option scheme(s), must not exceed 10% of the issued share capital of the Company from time to time. The maximum number of shares issuable under share options to each eligible person in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to the shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors, and commences on a specified date and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the Share Option Scheme, whichever is earlier.

The exercise price of the share options is determinable by the directors of the Company, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of offer of the grant; and (iii) the nominal value of the Company's shares.

Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

The following table discloses details of the Company's share option in issue under the Share Option Scheme during the year:

31 March 2010		Number of share options				
Name or category of participant	Share option type	Outstanding at 1 April 2009 (Note 2)	Adjustments [^] during the year	Cancelled during the year	Exercised during the year	Outstanding at 31 March 2010
Directors						
Mr. Chan Heng Fai	2004(a)	15,000,000	313,500	-	(15,313,500)	-
	2004(b)	147,000,000*	3,072,300	-	(26,186,500)	123,885,800*
	2006(a)	120,000,000	2,508,000	-	(73,500,000)	49,008,000
Mr. Chan Tong Wan	2004(b)	15,000,000	313,500	-	-	15,313,500
	2006(a)	5,000,000	104,500	-	-	5,104,500
	2009(b)	18,000,000	376,200	-	(18,376,200)	-
Mrs. Chan Yoke Keow	2004(a)	15,000,000	313,500	-	-	15,313,500
	2004(b)	35,000,000*	731,500	-	-	35,731,500*
	2009(b)	18,000,000	376,200	-	-	18,376,200
Mr. Fong Kwok Jen	2004(b)	4,500,000	94,050	-	-	4,594,050
Mr. Wong Dor Luk, Peter	2004(b)	3,000,000	62,700	-	-	3,062,700
Mr. Da Roza Joao Paulo	2005	2,000,000	41,800	-	-	2,041,800
Ms. Chian Yat Ping, Ivy	2006(b)	2,000,000	41,800	(2,041,800)	-	-
Sub-total		<u>399,500,000</u>	<u>8,349,550</u>	<u>(2,041,800)</u>	<u>(133,376,200)</u>	<u>272,431,550</u>
Employees and others (Note 1)						
In aggregate	2004(b)	22,000,000	455,202	(1,118,392)	-	21,336,810
	2006(a)	10,000,000 [#]	209,000	-	-	10,209,000 [#]
	2007	1,500,000 ^{**}	31,350	-	-	1,531,350 ^{**}
Sub-total		<u>33,500,000</u>	<u>695,552</u>	<u>(1,118,392)</u>	<u>-</u>	<u>33,077,160</u>
Total		<u>433,000,000</u>	<u>9,045,102</u>	<u>(3,160,192)</u>	<u>(133,376,200)</u>	<u>305,508,710</u>
Weighted average exercise prices of share options (HK\$)		<u>0.1527</u>	<u>0.1495</u>	<u>0.1551</u>	<u>0.1430</u>	<u>0.1523</u>

[^] Following the issue of the offer shares in May 2009, the number of and the exercise price of the outstanding share options were adjusted in accordance with the requirements of Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005.

Note 1: During the year ended 31 March 2010, Mr. Chan Tung Moe and Ms. Chan Sook Jin, Mary-ann were resigned as directors and their options were reclassified from the directors category to other category.

31 March 2009	Name or category of participant	Share option type	Outstanding at 1 April 2008 (Note 2)	Number of share options			Outstanding at 31 March 2009
				Granted during the year	Cancelled during the year	Exercised during the year	
Directors							
	Mr. Chan Heng Fai	2004(a)	15,000,000	-	-	-	15,000,000
		2004(b)	147,000,000*	-	-	-	147,000,000*
		2006(a)	120,000,000	-	-	-	120,000,000
		2009(a)	-	18,000,000	-	(18,000,000)	-
	Mr. Chan Tong Wan	2004(b)	15,000,000	-	-	-	15,000,000
		2006(a)	5,000,000	-	-	-	5,000,000
		2009(b)	-	18,000,000	-	-	18,000,000
	Mrs. Chan Yoke Keow	2004(a)	15,000,000	-	-	-	15,000,000
		2004(b)	35,000,000*	-	-	-	35,000,000*
		2009(b)	-	18,000,000	-	-	18,000,000
	Ms. Chan Sook Jin, Mary-ann	2004(b)	5,000,000	-	-	-	5,000,000
	Mr. Chan Tung Moe	2004(b)	5,000,000	-	-	-	5,000,000
		2006(a)	5,000,000	-	-	-	5,000,000
	Mr. Fong Kwok Jen	2004(b)	4,500,000	-	-	-	4,500,000
	Mr. Wong Dor Luk, Peter	2004(b)	3,000,000	-	-	-	3,000,000
	Mr. Da Roza Joao Paulo	2005	2,000,000	-	-	-	2,000,000
	Ms. Chian Yat Ping, Ivy	2006(b)	2,000,000	-	-	-	2,000,000
	Sub-total		<u>378,500,000</u>	<u>54,000,000</u>	<u>-</u>	<u>(18,000,000)</u>	<u>414,500,000</u>
Employees and others							
	In aggregate	2004(b)	13,840,000	-	(1,840,000)	-	12,000,000
		2006(a)	11,000,000#	-	(6,000,000)	-	5,000,000#
		2007	7,500,000**	-	(6,000,000)	-	1,500,000**
	Sub-total		<u>32,340,000</u>	<u>-</u>	<u>(13,840,000)</u>	<u>-</u>	<u>18,500,000</u>
	Total		<u>410,840,000</u>	<u>54,000,000</u>	<u>(13,840,000)</u>	<u>(18,000,000)</u>	<u>433,000,000</u>
	Weighted average exercise prices of share options (HK\$)		<u>0.1620</u>	<u>0.0692</u>	<u>0.0680</u>	<u>0.2151</u>	<u>0.1527</u>

Note 2: The weighted average share price at the date of exercise of share options during the year is HK\$0.1430 (2009: HK\$0.2151).

Details of the share options are as follows:

Share option type	Date of grant	Exercisable period	2009 Exercise price	2010 Exercise price
2004 (a)	1 November 2004	1 November 2004 to 8 May 2013	HK\$0.16	HK\$0.1567
2004 (b) *	15 November 2004	20 November 2004 to 8 May 2013	HK\$0.1616	HK\$0.1583
2005	27 May 2005	28 May 2005 to 8 May 2013	HK\$0.15	HK\$0.1469
2006 (a)#	22 May 2006	22 May 2006 to 8 May 2013	HK\$0.1566	HK\$0.1534
2006 (b)	21 December 2006	30 January 2007 to 8 May 2013	HK\$0.1566	HK\$0.1534
2007 **	18 April 2007	18 April 2007 to 8 May 2013	HK\$0.29	HK\$0.2841
2009(a)	13 February 2009	13 February 2009 to 8 May 2013	HK\$0.068	HK\$0.0680
2009(b)	18 February 2009	18 February 2009 to 8 May 2013	HK\$0.068	HK\$0.0684

* The exercise of these options was subject to the condition that the audited revenue of the Group on any financial year during the life of the Share Option Scheme was not less than HK\$1 billion, which is calculated based on the accounting policies and presentation adopted by the Group at the date of grant of option and the preparation of the audited financial statements for the year ended 31 March 2005.

** The exercise of these options was subject to the condition that the audited profit before income tax of the certain subsidiaries/associates of the Group for the financial year ended not less than certain prescribed amounts. When it meets the requirement, the share option will be exercised in tranches of 20% per annum for each achieve year.

The exercise of these options was according to the following schedule:

- a. 20% of the option shares be exercisable at the date of acceptance; and
- b. the balance will be exercisable in equal yearly installments over 4 years with the first installment commencing 1 January 2006.

The vesting period of other share options is the period from the date of grant until the commencement of the exercise period.

At the end of the reporting period, the Company had 248,848,760 (2009: 350,500,000) remaining exercisable share options outstanding under the Share Option Scheme. The exercise in full of the remaining exercisable share options were represented to subscribe for 248,848,760 (2009: 350,500,000) ordinary shares in the Company at HK\$35,417,000 (2009: HK\$52,984,000). The weighted average remaining contractual life of these outstanding share options is approximately 3 years (2009: 4 years).

133,376,200 (2009: 18,000,000) share option were exercised during the year.

The fair values of options granted were determined using the Black-Scholes valuation model. Significant inputs into the calculation included a weighted average share price of HK\$0.05 (2009: HK\$0.05) and exercise prices as illustrated above. Furthermore, the calculation takes into account of no future dividend and a volatility rate of 95.21% (2009: 95.21%), based on expected share price. Risk-free interest rate was determined at 1.9% (2009: 1.9%).

The underlying expected volatility was determined by reference to historical data. No special features immanent to the options granted were incorporated into measurement of fair value.

In total, for the year ended 31 March 2010, employee share-based compensation expenses amounted to HK\$303,000 (2009: HK\$3,097,000) has been included in the consolidated income statement which gave rise to additional paid-in capital. As at 31 March 2010, the estimated fair value of the option granted which was included in the employee share-based compensation reserve, amounted to HK\$2,450,000 (2009: HK\$4,219,000).

(b) Subsidiary*eBanker*

In January 1999, the board of directors of eBanker authorised the eBanker 1999 Incentive and Nonstatutory Stock Option Plan, with effective from 18 January 1999 through 17 January 2009, unless sooner terminated. The eBanker's board of directors granted to certain eBanker's directors, options to purchase 620,000 shares of eBanker's common stock at US\$3.00 per share, exercisable immediately and for a period of ten years.

The following table presents the activity for options outstanding as of 31 March 2009:

	Number of share options
Directors	600,000
Employees	<u>20,000</u>
At 1 April 2008	620,000
Lapsed during the year	<u>(620,000)</u>
At 31 March 2009	<u><u>–</u></u>

There was no movement in share options granted by eBanker and no share option was exercised by the grantees for the year ended 31 March 2009. These options were lapsed during the year ended 31 March 2009.

37. RESERVES**Group**

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

As at 31 March 2010 and 2009, investment revaluation reserve represents aggregate changes in fair value on available-for-sale financial assets, while assets revaluation reserve represents change in carrying amount of owner-occupied property when it becomes an investment property that will be carried at fair value.

Company

	Share premium HK\$'000	Employee share-based compensation reserve HK\$'000	Warrant reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2008	729,399	3,393	5,160	(335,921)	402,031
Exercise of 2009 Warrants subscription right (Note 35(a))	3	-	-	-	3
Exercise of share options (Note 36)	1,044	-	-	-	1,044
Employee share-based compensation expenses recognised	-	3,097	-	-	3,097
Transfer to reserves upon exercise of share options	900	(900)	-	-	-
Transfer to reserves upon cancellation of options	-	(1,358)	-	1,358	-
Loss for the year	-	-	-	(83,268)	(83,268)
At 31 March 2009 and 1 April 2009	731,346	4,232	5,160	(417,831)	322,907
Open offer (Note 35(c))	14,697	-	-	-	14,697
Exercise of 2009 Warrants subscription right (Note 35(a))	115	-	-	-	115
Exercise of share options (Note 35)	17,743	-	-	-	17,743
Issue of consideration shares (Note 35(d))	37,685	-	-	-	37,685
Employee share-based compensation expenses recognised	-	303	-	-	303
Transfer to reserves upon exercise of share options	1,814	(1,814)	-	-	-
Transfer to reserves upon cancellation of options	-	(329)	-	329	-
Loss for the year	-	-	-	(65,884)	(65,884)
At 31 March 2010	<u>803,400</u>	<u>2,392</u>	<u>5,160</u>	<u>(483,386)</u>	<u>327,566</u>

38. OPERATING LEASE ARRANGEMENTS

Group*(a) As lessee*

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	2010 HK\$'000	2009 HK\$'000
Within one year	496	937
In the second to fifth year inclusive	757	1,179
	<u>1,253</u>	<u>2,116</u>

The Group leases a number of rented premises and fixed asset under operating leases. The leases run for an initial period of one to five years (2009: one to five years). None of the leases includes contingent rentals.

(b) As lessor

At the end of the reporting period, the Group had future minimum lease receipts under non-cancellable operating leases in respect of investment properties which fall due as follows:

	2010 HK\$'000	2009 HK\$'000
Within one year	11,569	7,684
In the second to fifth year inclusive	7,462	8,508
	<u>19,031</u>	<u>16,192</u>

The Group leases its investment properties (Note 19) under operating lease arrangements which run for an initial period of two to five years (2009: two to five years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. None of the leases includes contingent rentals. The properties are expected to generate rental yields of 2% (2009: 3%) on an ongoing basis.

Company

The Company does not have any significant operating lease commitments or any minimum lease receipts under non-cancellable operating leases as at 31 March 2010 and 31 March 2009.

39. CAPITAL COMMITMENTS

Group

The Group had the following capital commitments at the end of the reporting period:

	2010 HK\$'000	2009 HK\$'000
Contracted but not provided in the consolidated financial statements		
Investment properties	–	54,876
Renovation	–	–
	<u>–</u>	<u>54,876</u>

Company

The Company does not have any significant commitments as at 31 March 2010 and 31 March 2009.

40. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities of the Group and the Company were as follows:

	Group		Company	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees given to a financial institution in respect of banking facilities granted to subsidiaries	–	–	251,539	63,080

The extent of the facilities utilised as at 31 March 2010 by the subsidiaries amounted to approximately HK\$111,035,000 (2009: HK\$19,524,000).

41. RETIREMENT BENEFIT SCHEME

The Group operates defined contribution retirement benefit schemes (“Defined Contribution Scheme”) for all qualifying employees in Hong Kong and Singapore. The assets of the Defined Contribution Scheme of Hong Kong are held separately from those of the Group and are under the control of trustees. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. The assets of the Deferred Contribution Scheme of Singapore is regulated and managed by the Singapore Government.

Effective from 1 December 2000, the Group has joined the MPF Scheme for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at the rate specified in the rules. The only obligation of the Group in respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The retirement benefit scheme contributions arising from these schemes charged to the consolidated income statement represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

No contribution was forfeited during the year (2009: Nil).

42. BUSINESS COMBINATIONS

On 8 January 2010, the Group acquired 100% of the share capital of Expats Residences Pte. Ltd (“Expats”) together with a loan due to Mr. Chan Heng Fai (“Mr. Chan”) of approximately S\$4.39 million from the vendor, Mr. Chan at a consideration of approximately HK\$40.7 million. Mr. Chan is a substantial shareholder, the chairman of the board of director and an executive director of the Company. Expats is principally engaged in property investment. It was incorporated in Singapore with limited liability and is wholly-owned by Mr. Chan. The acquisition has been completed on 5 March 2010.

	Acquiree's carrying amount <i>HK\$'000</i>	Fair value <i>HK\$'000</i>
Cash and cash equivalents	18,927	18,927
Investment properties	65,523	65,523
Deferred taxation	(6,421)	(6,421)
Borrowings	(1,461)	(1,461)
Trade and other payables	(17,730)	(17,730)
	<hr/>	<hr/>
Net assets acquired	58,838	58,838
Total consideration satisfied by:		
Loan due to Mr.Chan		24,355
Issue of shares		16,345
		<hr/>
		40,700
		<hr/>
Net cash inflow arising from acquisition		
Cash and cash equivalents in subsidiary acquired		18,927
		<hr/> <hr/>

The acquired businesses did not contribute any revenues or result to the Group for the period from the date of acquisitions to 31 March 2010.

Details of the net assets acquired and goodwill are as follows:

	<i>HK\$'000</i>
Purchase consideration	40,700
Fair value of net assets acquired	(58,838)
	<hr/>
Bargain purchase	(18,138)
	<hr/> <hr/>

43. DISPOSAL OF MAJOR SUBSIDIARIES

Year ended 31 March 2009

On 14 November 2008, a Japan subsidiary of the Company, Xpress Travel Limited (“Japan Travel”), filed a petition for the liquidation of Japan Travel in Japan in shortly after, a liquidation trustee was appointed by the court to deal with the rights and claims that creditors have against Japan Travel. Up to the report date, Japan Travel is still under the liquidation process. In the opinion of the directors of the Company, it is unlikely to have material adverse financial impact on the Group. The fair values of net assets of Japan Travel attributable to the Group as at the date of disposal of Japan Travel were as follows:

	<i>HK\$'000</i>
Net liabilities disposed of:	
Goodwill	11,663
Property, plant and equipment	7,488
Trade and other receivables, deposits and prepayments	60,938
Cash and cash equivalents	2,785
Trade and other payables and accruals	(99,523)
Borrowings	(40,545)
Finance lease payables	(1,125)
	<u>(58,319)</u>
Gain on disposal of a subsidiary	<u>20,432</u>
Total consideration	<u><u>(37,887)</u></u>
Satisfied by:	
Debts forfeited by the Group	<u><u>(37,887)</u></u>
Net cash outflow arising on disposal	
Cash and cash equivalents disposed of	<u><u>(2,785)</u></u>

On 14 November 2008, the Group entered into a sale and purchase agreement for the disposal of the 56.46% of the issued and paid-up capital of Makino Air Travel Service Co., Ltd (“Makino”) at a consideration of JPY30 million. The fair values of net assets of Makino attributable to the Group as at the date of disposal of Makino were as follows:

	<i>HK\$'000</i>
Net liabilities disposed of:	
Property, plant and equipment	854
Available-for-sale financial assets	684
Financial assets at fair value through profit or loss	4,060
Trade and other receivables, deposits and prepayments	20,355
Cash and cash equivalents	2,365
Trade and other payables and accruals	(27,763)
Borrowings	(13,539)
Finance lease payables	(595)
	<u>(13,579)</u>
Gain on disposal of a subsidiary	<u>13,579</u>
Total consideration	<u><u>–</u></u>
Satisfied by:	
Other receivables	1,835
Debts forfeited by the Group	(2,293)
Cash	458
	<u><u>–</u></u>
Net cash outflow arising on disposal	
Cash consideration	458
Cash and cash equivalents disposed of	<u>(2,365)</u>
	<u><u>(1,907)</u></u>

On 11 December 2008, the Group entered into a sale and purchase agreement for the disposal of the 60% of the issued and paid-up capital of Anglo-French Travel Pte Ltd (“Anglo-French”) at a consideration of S\$2,100,000. The fair values of net assets of Anglo-French attributable to the Group as at the date of disposal of Anglo-French were as follows:

	<i>HK\$'000</i>
Net liabilities disposed of:	
Goodwill	6,385
Available-for-sale financial assets	890
Property, plant and equipment	2,233
Trade and other receivables, deposits and prepayments	28,437
Cash and cash equivalents	21,773
Trade and other payables and accruals	(37,210)
Borrowings	(5,152)
Finance lease payables	(54)
Non-controlling interests	(2,301)
	<hr/>
	15,001
Loss on disposal of a subsidiary	(3,691)
	<hr/>
Total consideration	11,310
	<hr/> <hr/>
Satisfied by:	
Cash	11,310
	<hr/> <hr/>
Net cash outflow arising on disposal	
Cash consideration	11,310
Cash and cash equivalents disposed of	(21,773)
	<hr/>
	(10,463)
	<hr/> <hr/>

44. RELATED PARTIES TRANSACTIONS

Group

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following transactions with related parties during the year ended 31 March 2010 and 2009.

- (a) Accountancy fee income of approximately HK\$244,000 (2009: Nil) received from an associate of the Group, SingXpress.
- (b) Consultancy fee income of approximately HK\$156,000 (2009: Nil) received from an associate of SingXpress.
- (c) Rental income of approximately HK\$84,000 (2009: HK\$226,000) received from a wholly-owned subsidiary of SingXpress.
- (d) On 9 April 2009, Mr. Chan entered into an underwriting agreement with the Company in relation to the Open Offer (Note 35). Mr Chan has received approximately HK\$235,000 as underwriter’s commission.
- (e) On 8 January 2010, the Group acquired 100% of the share capital of Expats together with a loan due to Mr. Chan of approximately S\$4.39 million from the vendor, Mr. Chan at a consideration of approximately HK\$40.7 million. Mr. Chan is a substantial shareholder, the chairman of the board of director and an executive director of the Company.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risk such as market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk, which result from both its operating and investing activities. According to the Group's written risk management policies and guidelines, the financial risk shall be assessed continuously by the management taken into account of the prevailing conditions of the financial market and other relevant variables to avoid excessive concentrations of risk. The Group has not used any derivatives or other instruments for hedging purpose. The most significant financial risks to which the Group is exposed to are described below.

Foreign currency risk

The Group mainly operates in Hong Kong, Singapore, Japan and USA with most of the transactions denominated and settled in Hong Kong dollars, Singapore dollars, Yen and United States dollars respectively. Foreign currency risk arises from financial assets, liabilities and transactions which were denominated in currencies other than the functional currencies of the group entities. The Group manages its foreign currency risks by closely monitoring the movement of the foreign currency rates and will consider entering into foreign currency forward contracts or other instruments to hedge significant foreign currency exposure when necessary.

At the end of the reporting period, foreign currency denominated financial assets and liabilities, translated into HK\$ at the rates, are as follows:

	Group		Company	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net financial assets (liabilities)				
Hong Kong dollars (HKD)	22,914	10,078	–	–
Singapore dollars (SGD)	61,752	498	46,685	70
Japanese Yen (JPY)	1,027	31	911	31
United States dollars (USD)	30,529	12,175	12,034	10,011
Australian dollars (AUD)	2,794	1,687	–	3
Renminbi (RMB)	–	4	–	4
	<u>119,016</u>	<u>24,473</u>	<u>59,630</u>	<u>10,119</u>

The Group is mainly exposed to HKD, USD and SGD. The following table details the Group's sensitivity analysis, the analysis assumes a 5% increase and decrease in HKD, USD and SGD against the HK\$, with all other variable held constant. 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 until the next of the end of the reporting period. The sensitivity analysis includes only outstanding items denominated in foreign currencies other than the functional currencies of the group entities and adjusts their translation at the year end for a 5% change in foreign currency rates.

	HKD Impact		USD Impact		SGD Impact		Total Impact	
	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit after taxation	<u>939</u>	<u>410</u>	<u>1,277</u>	<u>510</u>	<u>2,594</u>	<u>21</u>	<u>4,810</u>	<u>941</u>

As HKD is linked to USD, the Group does not have material exchange risk on such currencies.

Interest rate risk

The Group income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from bank borrowings. Bank borrowings arranged at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. As at 31 March 2010, approximately 64% (2009: 46%) of the bank borrowings bore interest at floating rates. The interest rate and repayment terms of the bank borrowings outstanding at year end are disclosed in Note 31.

The Group's bank balances also expose it to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on the bank balances. The directors consider the Group's exposure of the bank deposits and bank borrowings to fair value interest rate risk is not significant as interest bearing bank deposits and borrowings at fixed rate are within short maturity periods in general.

At 31 March 2010, if interest rates had increased or decreased by 1% and all other variables were held constant, the Group's profit after tax for the year and retained profits would increase or decrease by approximately HK\$1,756,000 (2009: HK\$595,000). This is mainly attributable to the Group's exposure to floating interest rates of the floating rate bank borrowings.

Price risk

The Group is exposed to other price risk arising from listed investments classified as financial assets at fair value through profit or loss.

Management's best estimate of the effect on the Group's profit after tax due to a reasonably possible change in the relevant stock market index, with all other variables held constant, at the end of the reporting period is as follows (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

	2010 HK\$'000	2009 HK\$'000
Increase (decrease) in profit after tax		
Hong Kong – Hang Seng Index		
+ 30%	39,628	4,125
– 30%	(39,628)	(4,125)
Singapore – Straits Times Index		
+ 20%	53	2,778
– 20%	(53)	(2,778)
U.S.A.–Dow Jones Industrial Average Index		
+ 20%	–	18
– 20%	–	(18)
	<u> </u>	<u> </u>

Fair value

All financial instruments are carried at amount not materially different from their fair values as at 31 March 2010 and 2009.

Credit risk

The carrying amounts of trade and other receivables, loan receivables, amounts due from associates and bank balances represent the Group's maximum exposure to credit risk in relation to its financial assets. The carrying amounts of these financial assets presented in the statements of financial position are net of impairment losses, if any. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, loan receivables and amounts due from associates, individual credit evaluations are performed on all debtors requiring credit and loan receivables over a certain amount. These evaluations focus on the debtors' past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtors operates. Trade receivables are due within 60 days from the date of billing. The Group does not obtain collateral from customers in respect of trade receivables, while for loan receivables, collateral are usually obtained.

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-ratings agencies.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables and loan receivables are set out in Note 28 and 25, respectively.

The Company's maximum exposure to credit risk in relation to its financial assets represents the carrying amounts of other receivables, amounts due from subsidiaries, amounts due from associates and bank balances. The carrying amounts of these financial assets presented in the Company's statement of financial position are net of impairment losses, if any. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Liquidity risk

In the management of liquidity risk, the directors monitor and maintain a level of bank balances deemed adequate to finance the Group's operations investment opportunities and expected expansion. The Group finances its working capital requirements mainly by the funds generated from operations and from fund raising activities such as placement of new shares and issuance of warrants.

As at 31 March 2010, the Group's financial liabilities have contractual maturities which are summarised below:

As at 31 March 2010

	Current within one year	After one but within two years	Non-current after two but within five years	Over five years
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade and other payables and accruals	101,160	–	–	–
Bank overdraft	8,274	–	–	–
Borrowings	87,961	15,036	31,133	41,432
Amounts due to associates	10	–	–	–
	<u>197,405</u>	<u>15,036</u>	<u>31,133</u>	<u>41,432</u>

As at 31 March 2009

	Current within one year HK\$'000	After one but within two years HK\$'000	Non-current after two but within five years HK\$'000	Over five years HK\$'000
Trade and other payables and accruals	38,514	–	–	–
Borrowings	11,118	10,866	30,338	21,738
Amounts due to associates	1,387	–	–	–
	<u>51,019</u>	<u>10,866</u>	<u>30,338</u>	<u>21,738</u>

The above contractual maturities reflect the undiscounted cash flows, which may differ to the carrying values of the liabilities at the end of the reporting period.

Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities recognised at the end of the reporting period may also be categorised as follows. See Note 3.13 for explanations about how the category of financial instruments affects their subsequent measurement.

(i) Financial assets

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Non-current assets				
Available-for-sale financial assets	1,462	12,178	–	–
Loans and receivables:				
– Loan receivables	–	736	–	–
	<u>1,462</u>	<u>12,914</u>	<u>–</u>	<u>–</u>
Current assets				
Financial assets at fair value through profit or loss	136,117	102,885	96,753	52,853
Loans and receivables:				
– Trade and other receivables	15,345	20,778	1,630	729
– Loan receivables	926	6,511	–	–
– Amounts due from subsidiaries	–	–	492,417	401,230
– Amounts due from associates	9,528	7,648	2,052	3,809
– Pledged bank deposits	3,413	3,973	–	–
– Bank balances and cash	133,846	56,828	60,383	16,524
	<u>299,175</u>	<u>198,623</u>	<u>653,235</u>	<u>475,145</u>

(ii) *Financial liabilities*

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Current liabilities				
Financial liabilities measured at amortised cost				
– Trade and other payables and accruals	101,160	38,514	2,088	3,000
– Bank overdraft	8,274	–	–	–
– Borrowings	87,961	11,118	31,029	–
– Amounts due to associates	10	1,387	–	587
– Amounts due to subsidiaries	–	–	273,089	155,785
	<u>197,405</u>	<u>51,019</u>	<u>306,206</u>	<u>159,372</u>
Non-current liabilities				
Financial liabilities measured at amortised cost				
– Borrowings	<u>87,601</u>	<u>62,942</u>	<u>–</u>	<u>–</u>

46. FAIR VALUE HIERARCHY

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2010			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	<u>136,117</u>	<u>–</u>	<u>–</u>	<u>136,117</u>

During the year ended 31 March 2010, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

47. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholder

The directors of the Company also balance its overall capital structure periodically. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, new shares issue as well as of warrants. The directors of the Company will also consider the raise of long-term borrowings as second resource of capital when investment opportunities arise and the return of such investments will justify the cost of debts from the borrowings and bank overdraft.

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Debt	183,836	74,060
Less: Bank balances and cash and pledged bank deposits	<u>(137,259)</u>	<u>(60,801)</u>
Net debt	<u>46,577</u>	<u>13,259</u>
Capital represented by total equity excluding non-controlling interests	<u>772,679</u>	<u>427,704</u>
Gearing ratio	<u>6%</u>	<u>3%</u>

The directors of the Company also endeavour to ensure the steady and reliable cash flow from the normal business operation.

48. MAJOR NON CASH TRANSACTIONS

During the year ended 31 March 2010, acquisition of 100% equity interests in Expats amounting to HK\$40.7 million was settled by issuance of share capital of the Company. Details disclosed in Note 42 to this report.

There was no major non cash transactions during the year ended 31 March 2010.

49. EVENTS AFTER THE REPORTING PERIOD

- (a) As set out in the Company's announcement dated 9 April 2010, one of the indirect wholly-owned subsidiaries of the Company was granted 8 options to purchase 8 units situated at No. 36 Dakota Crescent #10-07, #09-07 and #11-07, Singapore 399937, No. 38 Dakota Crescent #01-09, #08-09 and #14-09, Singapore 299938, and No. 40 Dakota Crescent #08-13 and #09-13, Singapore 299939 with purchase price of S\$15,415,170 (approximately HK\$85,708,000) from an independent third party. The Group was bound to capital commitment of S\$12,332,136 due to the acquisition.
- (b) As set out in the Company's announcement dated 9 April 2010, one of the indirect wholly-owned subsidiaries of the Company entered into formal sale and purchase agreement with independent third party in relation to dispose a property which located at No. 981 Nelson Street, Vancouver, British Columbia, Canada at a consideration of CAD3,000,000 (approximately HK\$23,100,000) on 12 March 2010. The transaction has been completed on 15 April 2010.

- (c) As set out in the Company's announcement dated 2 July 2010, the Company entered into the agreement with SingXpress and ACT Holdings Pte Ltd ("ACT"), pursuant to which, SingXpress and ACT agreed to jointly establish a joint venture company ("JV Company") to carry out a project of owning and redeveloping the existing block of 21 units of walk-up apartments located in Foh Pin Mansion at Charlton Road, Singapore (the "Project"). JV Company shall be owned 80% by SingXpress and 20% by ACT for the purpose of holding and re-developing the properties. If SingXpress is unable to go ahead with the Project for any reason, the Company has agreed to stand behind the transaction and will assume all the rights and obligations in the JV Company in respect of the Project from SingXpress.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November, 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group has outstanding borrowings of approximately HK\$425.5 million, comprising mortgage loans of approximately HK\$317.1 million, bank loans of approximately HK\$79.5 million, amounts due to a director of approximately HK\$28.9. The Group's bank borrowings were secured by certain leasehold properties and investment properties of the Group with carrying value of HK\$1,131.5 million. On the other hand, bank deposits of approximately HK\$3.6 million were pledged as securities for banking facilities granted to subsidiaries.

A subsidiary of the Company was involved in legal proceedings against it for the alleged breach of agreement for damages which are not quantified. In the opinion of the Directors, it is not practicable at this stage to determine with certainty the outcome of the litigation. Further details of the litigation is set out in section headed "Litigation" in Appendix V in this Prospectus.

Save as aforesaid and apart from the intra-group liabilities, none of the companies in the Group had outstanding at the close of business on 30 November, 2010 has any mortgages, charges or debentures, loan capital, bank overdraft, loans, debt securities or other similar indebtedness or any hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing at the close of business on 30 November, 2010.

Except as disclosed above, the Directors are not aware of any material changes in the Group's indebtedness and contingent liabilities at the close of business on 30 November, 2010.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2010 (being the date to which the latest published audited financial statements of the Company were made up).

Interest payment date	Last Registration Date	Interest payable HK\$
10 September, 2011	5 September, 2011	60.16
10 March, 2012	5 March, 2012	59.84
10 September, 2012	5 September, 2012	60.49
10 March, 2013	5 March, 2013	59.51
10 September, 2013	5 September, 2013	60.49
10 March, 2014	5 March, 2014	59.51
10 September, 2014	5 September, 2014	60.49
10 March, 2015	5 March, 2015	59.51
10 September, 2015	5 September, 2015	60.49
10 March, 2016	5 March, 2016	59.84

Daily accrued interest Table for the life of Bonds (11 March 2011 to 10 March 2016)

Bonds Board Lot/Authorized Denomination: HK\$800

Interest rate: 15% p.a. payable semi-annually in arrear

Interest Calculation: Based on a 365-day year on the actual number of days elapsed.

Interest on Bonds will be paid to the holder of those Bonds shown on the register of Bondholders at the close of business on the fifth day before the relevant interest payment Date. Interest accrued during the period commencing immediately after the fifth day preceding each interest payment date and ending on the relevant interest payment date is shown in negative numbers.

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
12 March, 2011	0.33	3 April, 2011	7.56	25 April, 2011	14.79
13 March, 2011	0.66	4 April, 2011	7.89	26 April, 2011	15.12
14 March, 2011	0.99	5 April, 2011	8.22	27 April, 2011	15.45
15 March, 2011	1.32	6 April, 2011	8.55	28 April, 2011	15.78
16 March, 2011	1.64	7 April, 2011	8.88	29 April, 2011	16.11
17 March, 2011	1.97	8 April, 2011	9.21	30 April, 2011	16.44
18 March, 2011	2.30	9 April, 2011	9.53	1 May, 2011	16.77
19 March, 2011	2.63	10 April, 2011	9.86	2 May, 2011	17.10
20 March, 2011	2.96	11 April, 2011	10.19	3 May, 2011	17.42
21 March, 2011	3.29	12 April, 2011	10.52	4 May, 2011	17.75
22 March, 2011	3.62	13 April, 2011	10.85	5 May, 2011	18.08
23 March, 2011	3.95	14 April, 2011	11.18	6 May, 2011	18.41
24 March, 2011	4.27	15 April, 2011	11.51	7 May, 2011	18.74
25 March, 2011	4.60	16 April, 2011	11.84	8 May, 2011	19.07
26 March, 2011	4.93	17 April, 2011	12.16	9 May, 2011	19.40
27 March, 2011	5.26	18 April, 2011	12.49	10 May, 2011	19.73
28 March, 2011	5.59	19 April, 2011	12.82	11 May, 2011	20.05
29 March, 2011	5.92	20 April, 2011	13.15	12 May, 2011	20.38
30 March, 2011	6.25	21 April, 2011	13.48	13 May, 2011	20.71
31 March, 2011	6.58	22 April, 2011	13.81	14 May, 2011	21.04
1 April, 2011	6.90	23 April, 2011	14.14	15 May, 2011	21.37
2 April, 2011	7.23	24 April, 2011	14.47	16 May, 2011	21.70

APPENDIX IV

INTEREST TABLE

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
17 May, 2011	22.03	13 July, 2011	40.77	8 September, 2011	(0.66)
18 May, 2011	22.36	14 July, 2011	41.10	9 September, 2011	(0.33)
19 May, 2011	22.68	15 July, 2011	41.42	10 September, 2011	0
20 May, 2011	23.01	16 July, 2011	41.75	11 September, 2011	0.33
21 May, 2011	23.34	17 July, 2011	42.08	12 September, 2011	0.66
22 May, 2011	23.67	18 July, 2011	42.41	13 September, 2011	0.99
23 May, 2011	24.00	19 July, 2011	42.74	14 September, 2011	1.32
24 May, 2011	24.33	20 July, 2011	43.07	15 September, 2011	1.64
25 May, 2011	24.66	21 July, 2011	43.40	16 September, 2011	1.97
26 May, 2011	24.99	22 July, 2011	43.73	17 September, 2011	2.30
27 May, 2011	25.32	23 July, 2011	44.05	18 September, 2011	2.63
28 May, 2011	25.64	24 July, 2011	44.38	19 September, 2011	2.96
29 May, 2011	25.97	25 July, 2011	44.71	20 September, 2011	3.29
30 May, 2011	26.30	26 July, 2011	45.04	21 September, 2011	3.62
31 May, 2011	26.63	27 July, 2011	45.37	22 September, 2011	3.95
1 June, 2011	26.96	28 July, 2011	45.70	23 September, 2011	4.27
2 June, 2011	27.29	29 July, 2011	46.03	24 September, 2011	4.60
3 June, 2011	27.62	30 July, 2011	46.36	25 September, 2011	4.93
4 June, 2011	27.95	31 July, 2011	46.68	26 September, 2011	5.26
5 June, 2011	28.27	1 August, 2011	47.01	27 September, 2011	5.59
6 June, 2011	28.60	2 August, 2011	47.34	28 September, 2011	5.92
7 June, 2011	28.93	3 August, 2011	47.67	29 September, 2011	6.25
8 June, 2011	29.26	4 August, 2011	48.00	30 September, 2011	6.58
9 June, 2011	29.59	5 August, 2011	48.33	1 October, 2011	6.90
10 June, 2011	29.92	6 August, 2011	48.66	2 October, 2011	7.23
11 June, 2011	30.25	7 August, 2011	48.99	3 October, 2011	7.56
12 June, 2011	30.58	8 August, 2011	49.32	4 October, 2011	7.89
13 June, 2011	30.90	9 August, 2011	49.64	5 October, 2011	8.22
14 June, 2011	31.23	10 August, 2011	49.97	6 October, 2011	8.55
15 June, 2011	31.56	11 August, 2011	50.30	7 October, 2011	8.88
16 June, 2011	31.89	12 August, 2011	50.63	8 October, 2011	9.21
17 June, 2011	32.22	13 August, 2011	50.96	9 October, 2011	9.53
18 June, 2011	32.55	14 August, 2011	51.29	10 October, 2011	9.86
19 June, 2011	32.88	15 August, 2011	51.62	11 October, 2011	10.19
20 June, 2011	33.21	16 August, 2011	51.95	12 October, 2011	10.52
21 June, 2011	33.53	17 August, 2011	52.27	13 October, 2011	10.85
22 June, 2011	33.86	18 August, 2011	52.60	14 October, 2011	11.18
23 June, 2011	34.19	19 August, 2011	52.93	15 October, 2011	11.51
24 June, 2011	34.52	20 August, 2011	53.26	16 October, 2011	11.84
25 June, 2011	34.85	21 August, 2011	53.59	17 October, 2011	12.16
26 June, 2011	35.18	22 August, 2011	53.92	18 October, 2011	12.49
27 June, 2011	35.51	23 August, 2011	54.25	19 October, 2011	12.82
28 June, 2011	35.84	24 August, 2011	54.58	20 October, 2011	13.15
29 June, 2011	36.16	25 August, 2011	54.90	21 October, 2011	13.48
30 June, 2011	36.49	26 August, 2011	55.23	22 October, 2011	13.81
1 July, 2011	36.82	27 August, 2011	55.56	23 October, 2011	14.14
2 July, 2011	37.15	28 August, 2011	55.89	24 October, 2011	14.47
3 July, 2011	37.48	29 August, 2011	56.22	25 October, 2011	14.79
4 July, 2011	37.81	30 August, 2011	56.55	26 October, 2011	15.12
5 July, 2011	38.14	31 August, 2011	56.88	27 October, 2011	15.45
6 July, 2011	38.47	1 September, 2011	57.21	28 October, 2011	15.78
7 July, 2011	38.79	2 September, 2011	57.53	29 October, 2011	16.11
8 July, 2011	39.12	3 September, 2011	57.86	30 October, 2011	16.44
9 July, 2011	39.45	4 September, 2011	58.19	31 October, 2011	16.77
10 July, 2011	39.78	5 September, 2011	58.52	1 November, 2011	17.10
11 July, 2011	40.11	6 September, 2011	(1.32)	2 November, 2011	17.42
12 July, 2011	40.44	7 September, 2011	(0.99)	3 November, 2011	17.75

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
4 November, 2011	18.08	31 December, 2011	36.82	26 February, 2012	55.56
5 November, 2011	18.41	1 January, 2012	37.15	27 February, 2012	55.89
6 November, 2011	18.74	2 January, 2012	37.48	28 February, 2012	56.22
7 November, 2011	19.07	3 January, 2012	37.81	29 February, 2012	56.55
8 November, 2011	19.40	4 January, 2012	38.14	1 March, 2012	56.88
9 November, 2011	19.73	5 January, 2012	38.47	2 March, 2012	57.21
10 November, 2011	20.05	6 January, 2012	38.79	3 March, 2012	57.53
11 November, 2011	20.38	7 January, 2012	39.12	4 March, 2012	57.86
12 November, 2011	20.71	8 January, 2012	39.45	5 March, 2012	58.19
13 November, 2011	21.04	9 January, 2012	39.78	6 March, 2012	(1.32)
14 November, 2011	21.37	10 January, 2012	40.11	7 March, 2012	(0.99)
15 November, 2011	21.70	11 January, 2012	40.44	8 March, 2012	(0.66)
16 November, 2011	22.03	12 January, 2012	40.77	9 March, 2012	(0.33)
17 November, 2011	22.36	13 January, 2012	41.10	10 March, 2012	0
18 November, 2011	22.68	14 January, 2012	41.42	11 March, 2012	0.33
19 November, 2011	23.01	15 January, 2012	41.75	12 March, 2012	0.66
20 November, 2011	23.34	16 January, 2012	42.08	13 March, 2012	0.99
21 November, 2011	23.67	17 January, 2012	42.41	14 March, 2012	1.32
22 November, 2011	24.00	18 January, 2012	42.74	15 March, 2012	1.64
23 November, 2011	24.33	19 January, 2012	43.07	16 March, 2012	1.97
24 November, 2011	24.66	20 January, 2012	43.40	17 March, 2012	2.30
25 November, 2011	24.99	21 January, 2012	43.73	18 March, 2012	2.63
26 November, 2011	25.32	22 January, 2012	44.05	19 March, 2012	2.96
27 November, 2011	25.64	23 January, 2012	44.38	20 March, 2012	3.29
28 November, 2011	25.97	24 January, 2012	44.71	21 March, 2012	3.62
29 November, 2011	26.30	25 January, 2012	45.04	22 March, 2012	3.95
30 November, 2011	26.63	26 January, 2012	45.37	23 March, 2012	4.27
1 December, 2011	26.96	27 January, 2012	45.70	24 March, 2012	4.60
2 December, 2011	27.29	28 January, 2012	46.03	25 March, 2012	4.93
3 December, 2011	27.62	29 January, 2012	46.36	26 March, 2012	5.26
4 December, 2011	27.95	30 January, 2012	46.68	27 March, 2012	5.59
5 December, 2011	28.27	31 January, 2012	47.01	28 March, 2012	5.92
6 December, 2011	28.60	1 February, 2012	47.34	29 March, 2012	6.25
7 December, 2011	28.93	2 February, 2012	47.67	30 March, 2012	6.58
8 December, 2011	29.26	3 February, 2012	48.00	31 March, 2012	6.90
9 December, 2011	29.59	4 February, 2012	48.33	1 April, 2012	7.23
10 December, 2011	29.92	5 February, 2012	48.66	2 April, 2012	7.56
11 December, 2011	30.25	6 February, 2012	48.99	3 April, 2012	7.89
12 December, 2011	30.58	7 February, 2012	49.32	4 April, 2012	8.22
13 December, 2011	30.90	8 February, 2012	49.64	5 April, 2012	8.55
14 December, 2011	31.23	9 February, 2012	49.97	6 April, 2012	8.88
15 December, 2011	31.56	10 February, 2012	50.30	7 April, 2012	9.21
16 December, 2011	31.89	11 February, 2012	50.63	8 April, 2012	9.53
17 December, 2011	32.22	12 February, 2012	50.96	9 April, 2012	9.86
18 December, 2011	32.55	13 February, 2012	51.29	10 April, 2012	10.19
19 December, 2011	32.88	14 February, 2012	51.62	11 April, 2012	10.52
20 December, 2011	33.21	15 February, 2012	51.95	12 April, 2012	10.85
21 December, 2011	33.53	16 February, 2012	52.27	13 April, 2012	11.18
22 December, 2011	33.86	17 February, 2012	52.60	14 April, 2012	11.51
23 December, 2011	34.19	18 February, 2012	52.93	15 April, 2012	11.84
24 December, 2011	34.52	19 February, 2012	53.26	16 April, 2012	12.16
25 December, 2011	34.85	20 February, 2012	53.59	17 April, 2012	12.49
26 December, 2011	35.18	21 February, 2012	53.92	18 April, 2012	12.82
27 December, 2011	35.51	22 February, 2012	54.25	19 April, 2012	13.15
28 December, 2011	35.84	23 February, 2012	54.58	20 April, 2012	13.48
29 December, 2011	36.16	24 February, 2012	54.90	21 April, 2012	13.81
30 December, 2011	36.49	25 February, 2012	55.23	22 April, 2012	14.14

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
23 April, 2012	14.47	19 June, 2012	33.21	15 August, 2012	51.95
24 April, 2012	14.79	20 June, 2012	33.53	16 August, 2012	52.27
25 April, 2012	15.12	21 June, 2012	33.86	17 August, 2012	52.60
26 April, 2012	15.45	22 June, 2012	34.19	18 August, 2012	52.93
27 April, 2012	15.78	23 June, 2012	34.52	19 August, 2012	53.26
28 April, 2012	16.11	24 June, 2012	34.85	20 August, 2012	53.59
29 April, 2012	16.44	25 June, 2012	35.18	21 August, 2012	53.92
30 April, 2012	16.77	26 June, 2012	35.51	22 August, 2012	54.25
1 May, 2012	17.10	27 June, 2012	35.84	23 August, 2012	54.58
2 May, 2012	17.42	28 June, 2012	36.16	24 August, 2012	54.90
3 May, 2012	17.75	29 June, 2012	36.49	25 August, 2012	55.23
4 May, 2012	18.08	30 June, 2012	36.82	26 August, 2012	55.56
5 May, 2012	18.41	1 July, 2012	37.15	27 August, 2012	55.89
6 May, 2012	18.74	2 July, 2012	37.48	28 August, 2012	56.22
7 May, 2012	19.07	3 July, 2012	37.81	29 August, 2012	56.55
8 May, 2012	19.40	4 July, 2012	38.14	30 August, 2012	56.88
9 May, 2012	19.73	5 July, 2012	38.47	31 August, 2012	57.21
10 May, 2012	20.05	6 July, 2012	38.79	1 September, 2012	57.53
11 May, 2012	20.38	7 July, 2012	39.12	2 September, 2012	57.86
12 May, 2012	20.71	8 July, 2012	39.45	3 September, 2012	58.19
13 May, 2012	21.04	9 July, 2012	39.78	4 September, 2012	58.52
14 May, 2012	21.37	10 July, 2012	40.11	5 September, 2012	58.85
15 May, 2012	21.70	11 July, 2012	40.44	6 September, 2012	(1.32)
16 May, 2012	22.03	12 July, 2012	40.77	7 September, 2012	(0.99)
17 May, 2012	22.36	13 July, 2012	41.10	8 September, 2012	(0.66)
18 May, 2012	22.68	14 July, 2012	41.42	9 September, 2012	(0.33)
19 May, 2012	23.01	15 July, 2012	41.75	10 September, 2012	0
20 May, 2012	23.34	16 July, 2012	42.08	11 September, 2012	0.33
21 May, 2012	23.67	17 July, 2012	42.41	12 September, 2012	0.66
22 May, 2012	24.00	18 July, 2012	42.74	13 September, 2012	0.99
23 May, 2012	24.33	19 July, 2012	43.07	14 September, 2012	1.32
24 May, 2012	24.66	20 July, 2012	43.40	15 September, 2012	1.64
25 May, 2012	24.99	21 July, 2012	43.73	16 September, 2012	1.97
26 May, 2012	25.32	22 July, 2012	44.05	17 September, 2012	2.30
27 May, 2012	25.64	23 July, 2012	44.38	18 September, 2012	2.63
28 May, 2012	25.97	24 July, 2012	44.71	19 September, 2012	2.96
29 May, 2012	26.30	25 July, 2012	45.04	20 September, 2012	3.29
30 May, 2012	26.63	26 July, 2012	45.37	21 September, 2012	3.62
31 May, 2012	26.96	27 July, 2012	45.70	22 September, 2012	3.95
1 June, 2012	27.29	28 July, 2012	46.03	23 September, 2012	4.27
2 June, 2012	27.62	29 July, 2012	46.36	24 September, 2012	4.60
3 June, 2012	27.95	30 July, 2012	46.68	25 September, 2012	4.93
4 June, 2012	28.27	31 July, 2012	47.01	26 September, 2012	5.26
5 June, 2012	28.60	1 August, 2012	47.34	27 September, 2012	5.59
6 June, 2012	28.93	2 August, 2012	47.67	28 September, 2012	5.92
7 June, 2012	29.26	3 August, 2012	48.00	29 September, 2012	6.25
8 June, 2012	29.59	4 August, 2012	48.33	30 September, 2012	6.58
9 June, 2012	29.92	5 August, 2012	48.66	1 October, 2012	6.90
10 June, 2012	30.25	6 August, 2012	48.99	2 October, 2012	7.23
11 June, 2012	30.58	7 August, 2012	49.32	3 October, 2012	7.56
12 June, 2012	30.90	8 August, 2012	49.64	4 October, 2012	7.89
13 June, 2012	31.23	9 August, 2012	49.97	5 October, 2012	8.22
14 June, 2012	31.56	10 August, 2012	50.30	6 October, 2012	8.55
15 June, 2012	31.89	11 August, 2012	50.63	7 October, 2012	8.88
16 June, 2012	32.22	12 August, 2012	50.96	8 October, 2012	9.21
17 June, 2012	32.55	13 August, 2012	51.29	9 October, 2012	9.53
18 June, 2012	32.88	14 August, 2012	51.62	10 October, 2012	9.86

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
11 October, 2012	10.19	7 December, 2012	28.93	2 February, 2013	47.67
12 October, 2012	10.52	8 December, 2012	29.26	3 February, 2013	48.00
13 October, 2012	10.85	9 December, 2012	29.59	4 February, 2013	48.33
14 October, 2012	11.18	10 December, 2012	29.92	5 February, 2013	48.66
15 October, 2012	11.51	11 December, 2012	30.25	6 February, 2013	48.99
16 October, 2012	11.84	12 December, 2012	30.58	7 February, 2013	49.32
17 October, 2012	12.16	13 December, 2012	30.90	8 February, 2013	49.64
18 October, 2012	12.49	14 December, 2012	31.23	9 February, 2013	49.97
19 October, 2012	12.82	15 December, 2012	31.56	10 February, 2013	50.30
20 October, 2012	13.15	16 December, 2012	31.89	11 February, 2013	50.63
21 October, 2012	13.48	17 December, 2012	32.22	12 February, 2013	50.96
22 October, 2012	13.81	18 December, 2012	32.55	13 February, 2013	51.29
23 October, 2012	14.14	19 December, 2012	32.88	14 February, 2013	51.62
24 October, 2012	14.47	20 December, 2012	33.21	15 February, 2013	51.95
25 October, 2012	14.79	21 December, 2012	33.53	16 February, 2013	52.27
26 October, 2012	15.12	22 December, 2012	33.86	17 February, 2013	52.60
27 October, 2012	15.45	23 December, 2012	34.19	18 February, 2013	52.93
28 October, 2012	15.78	24 December, 2012	34.52	19 February, 2013	53.26
29 October, 2012	16.11	25 December, 2012	34.85	20 February, 2013	53.59
30 October, 2012	16.44	26 December, 2012	35.18	21 February, 2013	53.92
31 October, 2012	16.77	27 December, 2012	35.51	22 February, 2013	54.25
1 November, 2012	17.10	28 December, 2012	35.84	23 February, 2013	54.58
2 November, 2012	17.42	29 December, 2012	36.16	24 February, 2013	54.90
3 November, 2012	17.75	30 December, 2012	36.49	25 February, 2013	55.23
4 November, 2012	18.08	31 December, 2012	36.82	26 February, 2013	55.56
5 November, 2012	18.41	1 January, 2013	37.15	27 February, 2013	55.89
6 November, 2012	18.74	2 January, 2013	37.48	28 February, 2013	56.22
7 November, 2012	19.07	3 January, 2013	37.81	1 March, 2013	56.55
8 November, 2012	19.40	4 January, 2013	38.14	2 March, 2013	56.88
9 November, 2012	19.73	5 January, 2013	38.47	3 March, 2013	57.21
10 November, 2012	20.05	6 January, 2013	38.79	4 March, 2013	57.53
11 November, 2012	20.38	7 January, 2013	39.12	5 March, 2013	57.86
12 November, 2012	20.71	8 January, 2013	39.45	6 March, 2013	(1.32)
13 November, 2012	21.04	9 January, 2013	39.78	7 March, 2013	(0.99)
14 November, 2012	21.37	10 January, 2013	40.11	8 March, 2013	(0.66)
15 November, 2012	21.70	11 January, 2013	40.44	9 March, 2013	(0.33)
16 November, 2012	22.03	12 January, 2013	40.77	10 March, 2013	0
17 November, 2012	22.36	13 January, 2013	41.10	11 March, 2013	0.33
18 November, 2012	22.68	14 January, 2013	41.42	12 March, 2013	0.66
19 November, 2012	23.01	15 January, 2013	41.75	13 March, 2013	0.99
20 November, 2012	23.34	16 January, 2013	42.08	14 March, 2013	1.32
21 November, 2012	23.67	17 January, 2013	42.41	15 March, 2013	1.64
22 November, 2012	24.00	18 January, 2013	42.74	16 March, 2013	1.97
23 November, 2012	24.33	19 January, 2013	43.07	17 March, 2013	2.30
24 November, 2012	24.66	20 January, 2013	43.40	18 March, 2013	2.63
25 November, 2012	24.99	21 January, 2013	43.73	19 March, 2013	2.96
26 November, 2012	25.32	22 January, 2013	44.05	20 March, 2013	3.29
27 November, 2012	25.64	23 January, 2013	44.38	21 March, 2013	3.62
28 November, 2012	25.97	24 January, 2013	44.71	22 March, 2013	3.95
29 November, 2012	26.30	25 January, 2013	45.04	23 March, 2013	4.27
30 November, 2012	26.63	26 January, 2013	45.37	24 March, 2013	4.60
1 December, 2012	26.96	27 January, 2013	45.70	25 March, 2013	4.93
2 December, 2012	27.29	28 January, 2013	46.03	26 March, 2013	5.26
3 December, 2012	27.62	29 January, 2013	46.36	27 March, 2013	5.59
4 December, 2012	27.95	30 January, 2013	46.68	28 March, 2013	5.92
5 December, 2012	28.27	31 January, 2013	47.01	29 March, 2013	6.25
6 December, 2012	28.60	1 February, 2013	47.34	30 March, 2013	6.58

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
31 March, 2013	6.90	27 May, 2013	25.64	23 July, 2013	44.38
1 April, 2013	7.23	28 May, 2013	25.97	24 July, 2013	44.71
2 April, 2013	7.56	29 May, 2013	26.30	25 July, 2013	45.04
3 April, 2013	7.89	30 May, 2013	26.63	26 July, 2013	45.37
4 April, 2013	8.22	31 May, 2013	26.96	27 July, 2013	45.70
5 April, 2013	8.55	1 June, 2013	27.29	28 July, 2013	46.03
6 April, 2013	8.88	2 June, 2013	27.62	29 July, 2013	46.36
7 April, 2013	9.21	3 June, 2013	27.95	30 July, 2013	46.68
8 April, 2013	9.53	4 June, 2013	28.27	31 July, 2013	47.01
9 April, 2013	9.86	5 June, 2013	28.60	1 August, 2013	47.34
10 April, 2013	10.19	6 June, 2013	28.93	2 August, 2013	47.67
11 April, 2013	10.52	7 June, 2013	29.26	3 August, 2013	48.00
12 April, 2013	10.85	8 June, 2013	29.59	4 August, 2013	48.33
13 April, 2013	11.18	9 June, 2013	29.92	5 August, 2013	48.66
14 April, 2013	11.51	10 June, 2013	30.25	6 August, 2013	48.99
15 April, 2013	11.84	11 June, 2013	30.58	7 August, 2013	49.32
16 April, 2013	12.16	12 June, 2013	30.90	8 August, 2013	49.64
17 April, 2013	12.49	13 June, 2013	31.23	9 August, 2013	49.97
18 April, 2013	12.82	14 June, 2013	31.56	10 August, 2013	50.30
19 April, 2013	13.15	15 June, 2013	31.89	11 August, 2013	50.63
20 April, 2013	13.48	16 June, 2013	32.22	12 August, 2013	50.96
21 April, 2013	13.81	17 June, 2013	32.55	13 August, 2013	51.29
22 April, 2013	14.14	18 June, 2013	32.88	14 August, 2013	51.62
23 April, 2013	14.47	19 June, 2013	33.21	15 August, 2013	51.95
24 April, 2013	14.79	20 June, 2013	33.53	16 August, 2013	52.27
25 April, 2013	15.12	21 June, 2013	33.86	17 August, 2013	52.60
26 April, 2013	15.45	22 June, 2013	34.19	18 August, 2013	52.93
27 April, 2013	15.78	23 June, 2013	34.52	19 August, 2013	53.26
28 April, 2013	16.11	24 June, 2013	34.85	20 August, 2013	53.59
29 April, 2013	16.44	25 June, 2013	35.18	21 August, 2013	53.92
30 April, 2013	16.77	26 June, 2013	35.51	22 August, 2013	54.25
1 May, 2013	17.10	27 June, 2013	35.84	23 August, 2013	54.58
2 May, 2013	17.42	28 June, 2013	36.16	24 August, 2013	54.90
3 May, 2013	17.75	29 June, 2013	36.49	25 August, 2013	55.23
4 May, 2013	18.08	30 June, 2013	36.82	26 August, 2013	55.56
5 May, 2013	18.41	1 July, 2013	37.15	27 August, 2013	55.89
6 May, 2013	18.74	2 July, 2013	37.48	28 August, 2013	56.22
7 May, 2013	19.07	3 July, 2013	37.81	29 August, 2013	56.55
8 May, 2013	19.40	4 July, 2013	38.14	30 August, 2013	56.88
9 May, 2013	19.73	5 July, 2013	38.47	31 August, 2013	57.21
10 May, 2013	20.05	6 July, 2013	38.79	1 September, 2013	57.53
11 May, 2013	20.38	7 July, 2013	39.12	2 September, 2013	57.86
12 May, 2013	20.71	8 July, 2013	39.45	3 September, 2013	58.19
13 May, 2013	21.04	9 July, 2013	39.78	4 September, 2013	58.52
14 May, 2013	21.37	10 July, 2013	40.11	5 September, 2013	58.85
15 May, 2013	21.70	11 July, 2013	40.44	6 September, 2013	(1.32)
16 May, 2013	22.03	12 July, 2013	40.77	7 September, 2013	(0.99)
17 May, 2013	22.36	13 July, 2013	41.10	8 September, 2013	(0.66)
18 May, 2013	22.68	14 July, 2013	41.42	9 September, 2013	(0.33)
19 May, 2013	23.01	15 July, 2013	41.75	10 September, 2013	0
20 May, 2013	23.34	16 July, 2013	42.08	11 September, 2013	0.33
21 May, 2013	23.67	17 July, 2013	42.41	12 September, 2013	0.66
22 May, 2013	24.00	18 July, 2013	42.74	13 September, 2013	0.99
23 May, 2013	24.33	19 July, 2013	43.07	14 September, 2013	1.32
24 May, 2013	24.66	20 July, 2013	43.40	15 September, 2013	1.64
25 May, 2013	24.99	21 July, 2013	43.73	16 September, 2013	1.97
26 May, 2013	25.32	22 July, 2013	44.05	17 September, 2013	2.30

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
18 September, 2013	2.63	14 November, 2013	21.37	10 January, 2014	40.11
19 September, 2013	2.96	15 November, 2013	21.70	11 January, 2014	40.44
20 September, 2013	3.29	16 November, 2013	22.03	12 January, 2014	40.77
21 September, 2013	3.62	17 November, 2013	22.36	13 January, 2014	41.10
22 September, 2013	3.95	18 November, 2013	22.68	14 January, 2014	41.42
23 September, 2013	4.27	19 November, 2013	23.01	15 January, 2014	41.75
24 September, 2013	4.60	20 November, 2013	23.34	16 January, 2014	42.08
25 September, 2013	4.93	21 November, 2013	23.67	17 January, 2014	42.41
26 September, 2013	5.26	22 November, 2013	24.00	18 January, 2014	42.74
27 September, 2013	5.59	23 November, 2013	24.33	19 January, 2014	43.07
28 September, 2013	5.92	24 November, 2013	24.66	20 January, 2014	43.40
29 September, 2013	6.25	25 November, 2013	24.99	21 January, 2014	43.73
30 September, 2013	6.58	26 November, 2013	25.32	22 January, 2014	44.05
1 October, 2013	6.90	27 November, 2013	25.64	23 January, 2014	44.38
2 October, 2013	7.23	28 November, 2013	25.97	24 January, 2014	44.71
3 October, 2013	7.56	29 November, 2013	26.30	25 January, 2014	45.04
4 October, 2013	7.89	30 November, 2013	26.63	26 January, 2014	45.37
5 October, 2013	8.22	1 December, 2013	26.96	27 January, 2014	45.70
6 October, 2013	8.55	2 December, 2013	27.29	28 January, 2014	46.03
7 October, 2013	8.88	3 December, 2013	27.62	29 January, 2014	46.36
8 October, 2013	9.21	4 December, 2013	27.95	30 January, 2014	46.68
9 October, 2013	9.53	5 December, 2013	28.27	31 January, 2014	47.01
10 October, 2013	9.86	6 December, 2013	28.60	1 February, 2014	47.34
11 October, 2013	10.19	7 December, 2013	28.93	2 February, 2014	47.67
12 October, 2013	10.52	8 December, 2013	29.26	3 February, 2014	48.00
13 October, 2013	10.85	9 December, 2013	29.59	4 February, 2014	48.33
14 October, 2013	11.18	10 December, 2013	29.92	5 February, 2014	48.66
15 October, 2013	11.51	11 December, 2013	30.25	6 February, 2014	48.99
16 October, 2013	11.84	12 December, 2013	30.58	7 February, 2014	49.32
17 October, 2013	12.16	13 December, 2013	30.90	8 February, 2014	49.64
18 October, 2013	12.49	14 December, 2013	31.23	9 February, 2014	49.97
19 October, 2013	12.82	15 December, 2013	31.56	10 February, 2014	50.30
20 October, 2013	13.15	16 December, 2013	31.89	11 February, 2014	50.63
21 October, 2013	13.48	17 December, 2013	32.22	12 February, 2014	50.96
22 October, 2013	13.81	18 December, 2013	32.55	13 February, 2014	51.29
23 October, 2013	14.14	19 December, 2013	32.88	14 February, 2014	51.62
24 October, 2013	14.47	20 December, 2013	33.21	15 February, 2014	51.95
25 October, 2013	14.79	21 December, 2013	33.53	16 February, 2014	52.27
26 October, 2013	15.12	22 December, 2013	33.86	17 February, 2014	52.60
27 October, 2013	15.45	23 December, 2013	34.19	18 February, 2014	52.93
28 October, 2013	15.78	24 December, 2013	34.52	19 February, 2014	53.26
29 October, 2013	16.11	25 December, 2013	34.85	20 February, 2014	53.59
30 October, 2013	16.44	26 December, 2013	35.18	21 February, 2014	53.92
31 October, 2013	16.77	27 December, 2013	35.51	22 February, 2014	54.25
1 November, 2013	17.10	28 December, 2013	35.84	23 February, 2014	54.58
2 November, 2013	17.42	29 December, 2013	36.16	24 February, 2014	54.90
3 November, 2013	17.75	30 December, 2013	36.49	25 February, 2014	55.23
4 November, 2013	18.08	31 December, 2013	36.82	26 February, 2014	55.56
5 November, 2013	18.41	1 January, 2014	37.15	27 February, 2014	55.89
6 November, 2013	18.74	2 January, 2014	37.48	28 February, 2014	56.22
7 November, 2013	19.07	3 January, 2014	37.81	1 March, 2014	56.55
8 November, 2013	19.40	4 January, 2014	38.14	2 March, 2014	56.88
9 November, 2013	19.73	5 January, 2014	38.47	3 March, 2014	57.21
10 November, 2013	20.05	6 January, 2014	38.79	4 March, 2014	57.53
11 November, 2013	20.38	7 January, 2014	39.12	5 March, 2014	57.86
12 November, 2013	20.71	8 January, 2014	39.45	6 March, 2014	(1.32)
13 November, 2013	21.04	9 January, 2014	39.78	7 March, 2014	(0.99)

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
8 March, 2014	(0.66)	4 May, 2014	18.08	30 June, 2014	36.82
9 March, 2014	(0.33)	5 May, 2014	18.41	1 July, 2014	37.15
10 March, 2014	0	6 May, 2014	18.74	2 July, 2014	37.48
11 March, 2014	0.33	7 May, 2014	19.07	3 July, 2014	37.81
12 March, 2014	0.66	8 May, 2014	19.40	4 July, 2014	38.14
13 March, 2014	0.99	9 May, 2014	19.73	5 July, 2014	38.47
14 March, 2014	1.32	10 May, 2014	20.05	6 July, 2014	38.79
15 March, 2014	1.64	11 May, 2014	20.38	7 July, 2014	39.12
16 March, 2014	1.97	12 May, 2014	20.71	8 July, 2014	39.45
17 March, 2014	2.30	13 May, 2014	21.04	9 July, 2014	39.78
18 March, 2014	2.63	14 May, 2014	21.37	10 July, 2014	40.11
19 March, 2014	2.96	15 May, 2014	21.70	11 July, 2014	40.44
20 March, 2014	3.29	16 May, 2014	22.03	12 July, 2014	40.77
21 March, 2014	3.62	17 May, 2014	22.36	13 July, 2014	41.10
22 March, 2014	3.95	18 May, 2014	22.68	14 July, 2014	41.42
23 March, 2014	4.27	19 May, 2014	23.01	15 July, 2014	41.75
24 March, 2014	4.60	20 May, 2014	23.34	16 July, 2014	42.08
25 March, 2014	4.93	21 May, 2014	23.67	17 July, 2014	42.41
26 March, 2014	5.26	22 May, 2014	24.00	18 July, 2014	42.74
27 March, 2014	5.59	23 May, 2014	24.33	19 July, 2014	43.07
28 March, 2014	5.92	24 May, 2014	24.66	20 July, 2014	43.40
29 March, 2014	6.25	25 May, 2014	24.99	21 July, 2014	43.73
30 March, 2014	6.58	26 May, 2014	25.32	22 July, 2014	44.05
31 March, 2014	6.90	27 May, 2014	25.64	23 July, 2014	44.38
1 April, 2014	7.23	28 May, 2014	25.97	24 July, 2014	44.71
2 April, 2014	7.56	29 May, 2014	26.30	25 July, 2014	45.04
3 April, 2014	7.89	30 May, 2014	26.63	26 July, 2014	45.37
4 April, 2014	8.22	31 May, 2014	26.96	27 July, 2014	45.70
5 April, 2014	8.55	1 June, 2014	27.29	28 July, 2014	46.03
6 April, 2014	8.88	2 June, 2014	27.62	29 July, 2014	46.36
7 April, 2014	9.21	3 June, 2014	27.95	30 July, 2014	46.68
8 April, 2014	9.53	4 June, 2014	28.27	31 July, 2014	47.01
9 April, 2014	9.86	5 June, 2014	28.60	1 August, 2014	47.34
10 April, 2014	10.19	6 June, 2014	28.93	2 August, 2014	47.67
11 April, 2014	10.52	7 June, 2014	29.26	3 August, 2014	48.00
12 April, 2014	10.85	8 June, 2014	29.59	4 August, 2014	48.33
13 April, 2014	11.18	9 June, 2014	29.92	5 August, 2014	48.66
14 April, 2014	11.51	10 June, 2014	30.25	6 August, 2014	48.99
15 April, 2014	11.84	11 June, 2014	30.58	7 August, 2014	49.32
16 April, 2014	12.16	12 June, 2014	30.90	8 August, 2014	49.64
17 April, 2014	12.49	13 June, 2014	31.23	9 August, 2014	49.97
18 April, 2014	12.82	14 June, 2014	31.56	10 August, 2014	50.30
19 April, 2014	13.15	15 June, 2014	31.89	11 August, 2014	50.63
20 April, 2014	13.48	16 June, 2014	32.22	12 August, 2014	50.96
21 April, 2014	13.81	17 June, 2014	32.55	13 August, 2014	51.29
22 April, 2014	14.14	18 June, 2014	32.88	14 August, 2014	51.62
23 April, 2014	14.47	19 June, 2014	33.21	15 August, 2014	51.95
24 April, 2014	14.79	20 June, 2014	33.53	16 August, 2014	52.27
25 April, 2014	15.12	21 June, 2014	33.86	17 August, 2014	52.60
26 April, 2014	15.45	22 June, 2014	34.19	18 August, 2014	52.93
27 April, 2014	15.78	23 June, 2014	34.52	19 August, 2014	53.26
28 April, 2014	16.11	24 June, 2014	34.85	20 August, 2014	53.59
29 April, 2014	16.44	25 June, 2014	35.18	21 August, 2014	53.92
30 April, 2014	16.77	26 June, 2014	35.51	22 August, 2014	54.25
1 May, 2014	17.10	27 June, 2014	35.84	23 August, 2014	54.58
2 May, 2014	17.42	28 June, 2014	36.16	24 August, 2014	54.90
3 May, 2014	17.75	29 June, 2014	36.49	25 August, 2014	55.23

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
26 August, 2014	55.56	22 October, 2014	13.81	18 December, 2014	32.55
27 August, 2014	55.89	23 October, 2014	14.14	19 December, 2014	32.88
28 August, 2014	56.22	24 October, 2014	14.47	20 December, 2014	33.21
29 August, 2014	56.55	25 October, 2014	14.79	21 December, 2014	33.53
30 August, 2014	56.88	26 October, 2014	15.12	22 December, 2014	33.86
31 August, 2014	57.21	27 October, 2014	15.45	23 December, 2014	34.19
1 September, 2014	57.53	28 October, 2014	15.78	24 December, 2014	34.52
2 September, 2014	57.86	29 October, 2014	16.11	25 December, 2014	34.85
3 September, 2014	58.19	30 October, 2014	16.44	26 December, 2014	35.18
4 September, 2014	58.52	31 October, 2014	16.77	27 December, 2014	35.51
5 September, 2014	58.85	1 November, 2014	17.10	28 December, 2014	35.84
6 September, 2014	(1.32)	2 November, 2014	17.42	29 December, 2014	36.16
7 September, 2014	(0.99)	3 November, 2014	17.75	30 December, 2014	36.49
8 September, 2014	(0.66)	4 November, 2014	18.08	31 December, 2014	36.82
9 September, 2014	(0.33)	5 November, 2014	18.41	1 January, 2015	37.15
10 September, 2014	0	6 November, 2014	18.74	2 January, 2015	37.48
11 September, 2014	0.33	7 November, 2014	19.07	3 January, 2015	37.81
12 September, 2014	0.66	8 November, 2014	19.40	4 January, 2015	38.14
13 September, 2014	0.99	9 November, 2014	19.73	5 January, 2015	38.47
14 September, 2014	1.32	10 November, 2014	20.05	6 January, 2015	38.79
15 September, 2014	1.64	11 November, 2014	20.38	7 January, 2015	39.12
16 September, 2014	1.97	12 November, 2014	20.71	8 January, 2015	39.45
17 September, 2014	2.30	13 November, 2014	21.04	9 January, 2015	39.78
18 September, 2014	2.63	14 November, 2014	21.37	10 January, 2015	40.11
19 September, 2014	2.96	15 November, 2014	21.70	11 January, 2015	40.44
20 September, 2014	3.29	16 November, 2014	22.03	12 January, 2015	40.77
21 September, 2014	3.62	17 November, 2014	22.36	13 January, 2015	41.10
22 September, 2014	3.95	18 November, 2014	22.68	14 January, 2015	41.42
23 September, 2014	4.27	19 November, 2014	23.01	15 January, 2015	41.75
24 September, 2014	4.60	20 November, 2014	23.34	16 January, 2015	42.08
25 September, 2014	4.93	21 November, 2014	23.67	17 January, 2015	42.41
26 September, 2014	5.26	22 November, 2014	24.00	18 January, 2015	42.74
27 September, 2014	5.59	23 November, 2014	24.33	19 January, 2015	43.07
28 September, 2014	5.92	24 November, 2014	24.66	20 January, 2015	43.40
29 September, 2014	6.25	25 November, 2014	24.99	21 January, 2015	43.73
30 September, 2014	6.58	26 November, 2014	25.32	22 January, 2015	44.05
1 October, 2014	6.90	27 November, 2014	25.64	23 January, 2015	44.38
2 October, 2014	7.23	28 November, 2014	25.97	24 January, 2015	44.71
3 October, 2014	7.56	29 November, 2014	26.30	25 January, 2015	45.04
4 October, 2014	7.89	30 November, 2014	26.63	26 January, 2015	45.37
5 October, 2014	8.22	1 December, 2014	26.96	27 January, 2015	45.70
6 October, 2014	8.55	2 December, 2014	27.29	28 January, 2015	46.03
7 October, 2014	8.88	3 December, 2014	27.62	29 January, 2015	46.36
8 October, 2014	9.21	4 December, 2014	27.95	30 January, 2015	46.68
9 October, 2014	9.53	5 December, 2014	28.27	31 January, 2015	47.01
10 October, 2014	9.86	6 December, 2014	28.60	1 February, 2015	47.34
11 October, 2014	10.19	7 December, 2014	28.93	2 February, 2015	47.67
12 October, 2014	10.52	8 December, 2014	29.26	3 February, 2015	48.00
13 October, 2014	10.85	9 December, 2014	29.59	4 February, 2015	48.33
14 October, 2014	11.18	10 December, 2014	29.92	5 February, 2015	48.66
15 October, 2014	11.51	11 December, 2014	30.25	6 February, 2015	48.99
16 October, 2014	11.84	12 December, 2014	30.58	7 February, 2015	49.32
17 October, 2014	12.16	13 December, 2014	30.90	8 February, 2015	49.64
18 October, 2014	12.49	14 December, 2014	31.23	9 February, 2015	49.97
19 October, 2014	12.82	15 December, 2014	31.56	10 February, 2015	50.30
20 October, 2014	13.15	16 December, 2014	31.89	11 February, 2015	50.63
21 October, 2014	13.48	17 December, 2014	32.22	12 February, 2015	50.96

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
13 February, 2015	51.29	11 April, 2015	10.52	7 June, 2015	29.26
14 February, 2015	51.62	12 April, 2015	10.85	8 June, 2015	29.59
15 February, 2015	51.95	13 April, 2015	11.18	9 June, 2015	29.92
16 February, 2015	52.27	14 April, 2015	11.51	10 June, 2015	30.25
17 February, 2015	52.60	15 April, 2015	11.84	11 June, 2015	30.58
18 February, 2015	52.93	16 April, 2015	12.16	12 June, 2015	30.90
19 February, 2015	53.26	17 April, 2015	12.49	13 June, 2015	31.23
20 February, 2015	53.59	18 April, 2015	12.82	14 June, 2015	31.56
21 February, 2015	53.92	19 April, 2015	13.15	15 June, 2015	31.89
22 February, 2015	54.25	20 April, 2015	13.48	16 June, 2015	32.22
23 February, 2015	54.58	21 April, 2015	13.81	17 June, 2015	32.55
24 February, 2015	54.90	22 April, 2015	14.14	18 June, 2015	32.88
25 February, 2015	55.23	23 April, 2015	14.47	19 June, 2015	33.21
26 February, 2015	55.56	24 April, 2015	14.79	20 June, 2015	33.53
27 February, 2015	55.89	25 April, 2015	15.12	21 June, 2015	33.86
28 February, 2015	56.22	26 April, 2015	15.45	22 June, 2015	34.19
1 March, 2015	56.55	27 April, 2015	15.78	23 June, 2015	34.52
2 March, 2015	56.88	28 April, 2015	16.11	24 June, 2015	34.85
3 March, 2015	57.21	29 April, 2015	16.44	25 June, 2015	35.18
4 March, 2015	57.53	30 April, 2015	16.77	26 June, 2015	35.51
5 March, 2015	57.86	1 May, 2015	17.10	27 June, 2015	35.84
6 March, 2015	(1.32)	2 May, 2015	17.42	28 June, 2015	36.16
7 March, 2015	(0.99)	3 May, 2015	17.75	29 June, 2015	36.49
8 March, 2015	(0.66)	4 May, 2015	18.08	30 June, 2015	36.82
9 March, 2015	(0.33)	5 May, 2015	18.41	1 July, 2015	37.15
10 March, 2015	0	6 May, 2015	18.74	2 July, 2015	37.48
11 March, 2015	0.33	7 May, 2015	19.07	3 July, 2015	37.81
12 March, 2015	0.66	8 May, 2015	19.40	4 July, 2015	38.14
13 March, 2015	0.99	9 May, 2015	19.73	5 July, 2015	38.47
14 March, 2015	1.32	10 May, 2015	20.05	6 July, 2015	38.79
15 March, 2015	1.64	11 May, 2015	20.38	7 July, 2015	39.12
16 March, 2015	1.97	12 May, 2015	20.71	8 July, 2015	39.45
17 March, 2015	2.30	13 May, 2015	21.04	9 July, 2015	39.78
18 March, 2015	2.63	14 May, 2015	21.37	10 July, 2015	40.11
19 March, 2015	2.96	15 May, 2015	21.70	11 July, 2015	40.44
20 March, 2015	3.29	16 May, 2015	22.03	12 July, 2015	40.77
21 March, 2015	3.62	17 May, 2015	22.36	13 July, 2015	41.10
22 March, 2015	3.95	18 May, 2015	22.68	14 July, 2015	41.42
23 March, 2015	4.27	19 May, 2015	23.01	15 July, 2015	41.75
24 March, 2015	4.60	20 May, 2015	23.34	16 July, 2015	42.08
25 March, 2015	4.93	21 May, 2015	23.67	17 July, 2015	42.41
26 March, 2015	5.26	22 May, 2015	24.00	18 July, 2015	42.74
27 March, 2015	5.59	23 May, 2015	24.33	19 July, 2015	43.07
28 March, 2015	5.92	24 May, 2015	24.66	20 July, 2015	43.40
29 March, 2015	6.25	25 May, 2015	24.99	21 July, 2015	43.73
30 March, 2015	6.58	26 May, 2015	25.32	22 July, 2015	44.05
31 March, 2015	6.90	27 May, 2015	25.64	23 July, 2015	44.38
1 April, 2015	7.23	28 May, 2015	25.97	24 July, 2015	44.71
2 April, 2015	7.56	29 May, 2015	26.30	25 July, 2015	45.04
3 April, 2015	7.89	30 May, 2015	26.63	26 July, 2015	45.37
4 April, 2015	8.22	31 May, 2015	26.96	27 July, 2015	45.70
5 April, 2015	8.55	1 June, 2015	27.29	28 July, 2015	46.03
6 April, 2015	8.88	2 June, 2015	27.62	29 July, 2015	46.36
7 April, 2015	9.21	3 June, 2015	27.95	30 July, 2015	46.68
8 April, 2015	9.53	4 June, 2015	28.27	31 July, 2015	47.01
9 April, 2015	9.86	5 June, 2015	28.60	1 August, 2015	47.34
10 April, 2015	10.19	6 June, 2015	28.93	2 August, 2015	47.67

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
3 August, 2015	48.00	29 September, 2015	6.25	25 November, 2015	24.99
4 August, 2015	48.33	30 September, 2015	6.58	26 November, 2015	25.32
5 August, 2015	48.66	1 October, 2015	6.90	27 November, 2015	25.64
6 August, 2015	48.99	2 October, 2015	7.23	28 November, 2015	25.97
7 August, 2015	49.32	3 October, 2015	7.56	29 November, 2015	26.30
8 August, 2015	49.64	4 October, 2015	7.89	30 November, 2015	26.63
9 August, 2015	49.97	5 October, 2015	8.22	1 December, 2015	26.96
10 August, 2015	50.30	6 October, 2015	8.55	2 December, 2015	27.29
11 August, 2015	50.63	7 October, 2015	8.88	3 December, 2015	27.62
12 August, 2015	50.96	8 October, 2015	9.21	4 December, 2015	27.95
13 August, 2015	51.29	9 October, 2015	9.53	5 December, 2015	28.27
14 August, 2015	51.62	10 October, 2015	9.86	6 December, 2015	28.60
15 August, 2015	51.95	11 October, 2015	10.19	7 December, 2015	28.93
16 August, 2015	52.27	12 October, 2015	10.52	8 December, 2015	29.26
17 August, 2015	52.60	13 October, 2015	10.85	9 December, 2015	29.59
18 August, 2015	52.93	14 October, 2015	11.18	10 December, 2015	29.92
19 August, 2015	53.26	15 October, 2015	11.51	11 December, 2015	30.25
20 August, 2015	53.59	16 October, 2015	11.84	12 December, 2015	30.58
21 August, 2015	53.92	17 October, 2015	12.16	13 December, 2015	30.90
22 August, 2015	54.25	18 October, 2015	12.49	14 December, 2015	31.23
23 August, 2015	54.58	19 October, 2015	12.82	15 December, 2015	31.56
24 August, 2015	54.90	20 October, 2015	13.15	16 December, 2015	31.89
25 August, 2015	55.23	21 October, 2015	13.48	17 December, 2015	32.22
26 August, 2015	55.56	22 October, 2015	13.81	18 December, 2015	32.55
27 August, 2015	55.89	23 October, 2015	14.14	19 December, 2015	32.88
28 August, 2015	56.22	24 October, 2015	14.47	20 December, 2015	33.21
29 August, 2015	56.55	25 October, 2015	14.79	21 December, 2015	33.53
30 August, 2015	56.88	26 October, 2015	15.12	22 December, 2015	33.86
31 August, 2015	57.21	27 October, 2015	15.45	23 December, 2015	34.19
1 September, 2015	57.53	28 October, 2015	15.78	24 December, 2015	34.52
2 September, 2015	57.86	29 October, 2015	16.11	25 December, 2015	34.85
3 September, 2015	58.19	30 October, 2015	16.44	26 December, 2015	35.18
4 September, 2015	58.52	31 October, 2015	16.77	27 December, 2015	35.51
5 September, 2015	58.85	1 November, 2015	17.10	28 December, 2015	35.84
6 September, 2015	(1.32)	2 November, 2015	17.42	29 December, 2015	36.16
7 September, 2015	(0.99)	3 November, 2015	17.75	30 December, 2015	36.49
8 September, 2015	(0.66)	4 November, 2015	18.08	31 December, 2015	36.82
9 September, 2015	(0.33)	5 November, 2015	18.41	1 January, 2016	37.15
10 September, 2015	0	6 November, 2015	18.74	2 January, 2016	37.48
11 September, 2015	0.33	7 November, 2015	19.07	3 January, 2016	37.81
12 September, 2015	0.66	8 November, 2015	19.40	4 January, 2016	38.14
13 September, 2015	0.99	9 November, 2015	19.73	5 January, 2016	38.47
14 September, 2015	1.32	10 November, 2015	20.05	6 January, 2016	38.79
15 September, 2015	1.64	11 November, 2015	20.38	7 January, 2016	39.12
16 September, 2015	1.97	12 November, 2015	20.71	8 January, 2016	39.45
17 September, 2015	2.30	13 November, 2015	21.04	9 January, 2016	39.78
18 September, 2015	2.63	14 November, 2015	21.37	10 January, 2016	40.11
19 September, 2015	2.96	15 November, 2015	21.70	11 January, 2016	40.44
20 September, 2015	3.29	16 November, 2015	22.03	12 January, 2016	40.77
21 September, 2015	3.62	17 November, 2015	22.36	13 January, 2016	41.10
22 September, 2015	3.95	18 November, 2015	22.68	14 January, 2016	41.42
23 September, 2015	4.27	19 November, 2015	23.01	15 January, 2016	41.75
24 September, 2015	4.60	20 November, 2015	23.34	16 January, 2016	42.08
25 September, 2015	4.93	21 November, 2015	23.67	17 January, 2016	42.41
26 September, 2015	5.26	22 November, 2015	24.00	18 January, 2016	42.74
27 September, 2015	5.59	23 November, 2015	24.33	19 January, 2016	43.07
28 September, 2015	5.92	24 November, 2015	24.66	20 January, 2016	43.40

Settlement Date	Accrued interest	Settlement Date	Accrued interest	Settlement Date	Accrued interest
21 January, 2016	43.73	7 February, 2016	49.32	24 February, 2016	54.90
22 January, 2016	44.05	8 February, 2016	49.64	25 February, 2016	55.23
23 January, 2016	44.38	9 February, 2016	49.97	26 February, 2016	55.56
24 January, 2016	44.71	10 February, 2016	50.30	27 February, 2016	55.89
25 January, 2016	45.04	11 February, 2016	50.63	28 February, 2016	56.22
26 January, 2016	45.37	12 February, 2016	50.96	29 February, 2016	56.55
27 January, 2016	45.70	13 February, 2016	51.29	1 March, 2016	56.88
28 January, 2016	46.03	14 February, 2016	51.62	2 March, 2016	57.21
29 January, 2016	46.36	15 February, 2016	51.95	3 March, 2016	57.53
30 January, 2016	46.68	16 February, 2016	52.27	4 March, 2016	57.86
31 January, 2016	47.01	17 February, 2016	52.60	5 March, 2016	58.19
1 February, 2016	47.34	18 February, 2016	52.93	6 March, 2016	(1.32)
2 February, 2016	47.67	19 February, 2016	53.26	7 March, 2016	(0.99)
3 February, 2016	48.00	20 February, 2016	53.59	8 March, 2016	(0.66)
4 February, 2016	48.33	21 February, 2016	53.92	9 March, 2016	(0.33)
5 February, 2016	48.66	22 February, 2016	54.25	10 March, 2016	0
6 February, 2016	48.99	23 February, 2016	54.58		

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. CORPORATE INFORMATION

Registered office	24th Floor, Wyndham Place 40-44 Wyndham Street Central, Hong Kong
Joint Company secretaries	Chan Suk King, Zoe Yuen Ping Man
Authorized Representatives	Chan Yoke Keow 24th Floor, Wyndham Place 40-44 Wyndham Street Central, Hong Kong Chan Tong Wan 24th Floor, Wyndham Place 40-44 Wyndham Street Central, Hong Kong
Auditors	Certified Public Accountants Lo and Kwong C.P.A. Company Limited Suite 216-218, 2/F Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
Registrar	Tricor Friendly Limited 26/F, Tesbury Centre 28 Queen's Road East Hong Kong
Paying and transfer agent	Tricor Friendly Limited 26/F, Tesbury Centre 28 Queen's Road East Hong Kong

Solicitors	Herbert Smith 23/F, Gloucester Tower 15 Queen's Road Central Hong Kong
Principal bankers	Standard Chartered Bank (Hong Kong) Limited 4-4A Des Voeux Road Central Hong Kong
	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong

3. PARTICULARS OF DIRECTORS

Executive Directors

Mr. Chan Heng Fai, aged 66, is the Managing Chairman of the Company. He has been a director of the Company since September 1992. Mr. Chan is responsible for the overall business development of the Group. He has significant experience in the finance and banking sectors and expertise in restructuring companies. Mr. Chan is the Executive Chairman of SingXpress Ltd, a company listed on the Singapore Stock Exchange. Mr. Chan was (i) the Executive Chairman of China Gas Holdings Limited (www.chinagasholdings.com.hk), a company listed on The Stock Exchange of Hong Kong Limited which under Mr. Chan's guidance and direction, was restructured from a formerly failing fashion retail company to become one of a few large participants in the investment, operation and management of city gas pipeline infrastructure, distribution of natural gas and LPG to residential, commercial and industrial users in China; (ii) a director of Global Med Technologies, Inc (www.globalmedtech.com), a medical company listed on NASDAQ which engaged in the design, develop, market and support information management software products for blood banks, hospitals, centralized transfusion centers and other healthcare related facilities; (iii) a director of Skywest Ltd (www.skywest.com.au), a Australia listed airline company; and (iv) the chairman and director of American Pacific Bank (the "Bank"), a commercial bank publicly listed on NASDAQ from 1988 to 2005. The Bank was acquired as a bankruptcy bank in 1986 and under Mr. Chan's leadership, it was rated as the No. 1 best performance bank in U.S.A for asset quality and loan lost ratio was 0% for 5 years running before the Bank was acquired in 2005. Mr. Chan had restructured over 35 companies in different industries and countries in the past 40 years. He is the spouse of Ms. Chan Yoke Keow.

Mr. Chan Tong Wan, Tony, aged 36, is the Managing Director of the Company and an executive director of SingXpress Ltd. Mr. Chan began his career by working in two international companies as an investment banker specialising in Asian equity financial products. Subsequently, Mr. Chan worked for a finance and technology company in the United States as the Chief Operating Officer with a focus on its investment banking and merchant banking activities. Mr. Chan joined the Group as a non-executive director in January 2000, was appointed as an executive director in

September 2002 and was appointed as Managing Director in August 2003. Mr. Chan holds a Bachelor of Commerce degree with honours, with a Finance specialization, from the University of British Columbia. Mr. Chan is the son of Mr. Chan Heng Fai and Ms. Chan Yoke Keow.

Ms. Chan Yoke Keow, aged 62, has been a director of the Company since January 1992. She is responsible for the general administration and financial planning of the Group. She has over 25 years' experience in financial management and administration. Ms. Chan is also a non-executive director of SingXpress Ltd. Ms. Chan is a member of the Hong Kong Securities Institute. She is the spouse of Mr. Chan Heng Fai.

Non-executive Director

Mr. Fong Kwok Jen, aged 61. Mr. Fong is a Director of Fong Law Corporation, a legal practice. Mr. Fong graduated from the University of Singapore with a LL.B. (Honours). In 1976/77 he was awarded the Colombo Plan Award to attend the Government Legal Officer's Course in the United Kingdom. In 1986, he attended the NITA Advocacy Programme at Harvard Law School. He was appointed to the Board in 1995. He served as Chairman of the Disciplinary Committee of SGX-ST from 1995 to 2007 and was member of the Securities Industry Council between 1992 and 2003. He was also a Council Member of the Law Society of Singapore from 1990 to 1992. He is a director of CapitaCommercial Trust Management Limited and WBL Corporation Limited, companies listed on the Singapore Stock Exchange.

Independent non-executive Directors

Mr. Wong Dor Luk, Peter, aged 68, has over 32 years experience in the fashion industry including distribution, sourcing, overseeing manufacturing and exporting to international clients in France, the United Kingdom, Germany and the United States. Mr. Wong was appointed as an independent non-executive director in September 1998.

Mr. Da Roza Joao Paulo, aged 59, has over 20 years' experience in human resources, China trade and real estates industry. Mr. Da Roza was appointed as an independent non-executive director of the Company in July 2004. Mr. Da Roza is also an independent non-executive director of SingXpress Ltd.

Mr. Wong Tat Keung, aged 40, has more than 15 years of audit, taxation, accounting and business advisory experience. Mr. Wong was appointed as an independent non-executive director of the Company in December 2009. Mr. Wong is an independent non-executive director of SingXpress Ltd. From 2006 to February 2010, he was the proprietor of Aston Wong & Co., Certified Public Accountants practicing in Hong Kong. Since January 2010, he has been a director of his own corporate practice namely ASTON WONG CPA LIMITED. Mr. Wong is also an independent non-executive director of SingXpress Ltd.

4. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, 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 meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long Positions*(a) Ordinary shares of HK\$0.01 each of the Company*

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company %
Chan Heng Fai	Beneficial owner	1,053,615,486	39.90
Chan Yoke Keow	Beneficial owner	133,950,093	5.07
	Held by controlled corporations (<i>Note 1</i>)	<u>585,800,065</u>	<u>22.18</u>
		719,750,158	27.25
Fong Kwok Jen	Beneficial owner	7,333,600	0.28
Chan Tong Wan	Beneficial owner	11,325,522	0.43
Wong Dor Luk, Peter	Beneficial owner	280,000	0.01
Da Roza Joao Paulo	Beneficial owner	4,800	0
	Held by spouse (<i>Note 2</i>)	<u>360,000</u>	<u>0.01</u>
		<u>364,800</u>	<u>0.01</u>
		<u><u>1,792,669,566</u></u>	<u><u>67.88</u></u>

(b) Share options

Name of director	Date granted	Exercisable period	Exercise price per share HK\$	Number of share options outstanding as at the Latest Practicable Date	Percentage of the issued share capital of the Company
Chan Heng Fai	11.15.2004	11.20.2004 – 5.8.2013	0.1583	123,885,800	4.69
	5.22.2006	5.22.2006 – 5.8.2013	0.1534	49,008,000	1.86
	8.6.2010	8.6.2010 – 5.8.2013	0.1340	400,000,000	15.15
Chan Yoke Keow	11.1.2004	11.1.2004 – 5.8.2013	0.1567	15,313,500	0.58
	11.15.2004	11.20.2004 – 5.8.2013	0.1583	35,731,500	1.35
	2.18.2009	2.18.2009 – 5.8.2013	0.0684	18,376,200	0.70
Chan Tong Wan	11.15.2004	11.20.2004 – 5.8.2013	0.1583	15,313,500	0.58
	5.22.2006	5.22.2006 – 5.8.2013	0.1534	5,104,500	0.19
Fong Kwok Jen	11.15.2004	11.20.2004 – 5.8.2013	0.1583	4,594,050	0.17
Wong Dor Luk, Peter	11.15.2004	11.20.2004 – 5.8.2013	0.1583	3,062,700	0.12
Da Roza Joao Paulo	5.27.2005	5.28.2005 – 5.8.2013	0.1469	2,041,800	0.08
				672,431,550	25.47

(c) Warrants

Name of director	Capacity	Number of warrants held	Number of underlying shares	Percentage of Issued share Capital of the Company %
Chan Heng Fai	Beneficial owner	172,000,000	172,000,000	9.46

Notes:

- These shares are owned by Prime Star Group Co. Ltd., in which Mrs. Chan has 100% equity interests.
- These shares are owned by Ms. Josephina B. Ozorio, the spouse of Mr. Da Roza Joao Paulo.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

5. SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (other than a Director or the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and any other member of the Group:

(i) *The Company*

Name	Nature of interest	Number of shares/ underlying shares held	%
Prime Star Group Co., Ltd. (Note 1)	Beneficial owner	585,800,062	22.18

Note:

(1) Prime Star Group Co. Ltd. is wholly owned by Ms. Chan Yoke Keow.

(ii) *Subsidiaries of the Company*

Name of subsidiaries	Name of substantial shareholder	Percentage of shareholding (%)
Japan Xpress Limited	Planet Marketing Communications Inc.	40%
Xpress Finance Limited	MBf Asia Capital Corporation Holdings Limited	18%
Charlton Residences Pte Ltd	ACT Holdings Pte Ltd	20%
SingXpress Ltd	Sin Keng Choo	10.7%

Save as disclosed above, the Directors are not aware of any person as at the Latest Practicable Date who had an interest or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and any other member of the Group.

6. LITIGATION

Actions were brought by Pricerite Stores Limited and CASH Retail Management Group Limited (together referred to as "Pricerite") respectively claiming that a subsidiary of the Company has, among others, divulged confidential information of Pricerite in breach of agreement for damages which are not quantified. The litigation was arises due to the acquisition of such subsidiary by the Group in 2000. In the opinion of the Directors, it is not practicable at this stage to determine with certainty the outcome of the litigation. Further details of the litigation is set out in section headed "The Compromise Agreement" in the Letter from the Board in the circular of the Company dated July 8, 2002. The litigation has been standstill for more than 7 years.

Save as aforesaid, neither the Company nor any of its subsidiaries is engaged in litigation or arbitration of material importance and so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against the Company or any of its subsidiaries.

7. SERVICE CONTRACTS

Save as set out below, (i) none of the Directors has any existing or proposed service contract with any member of the Group which does not expire or is not terminable by the Group within one year without payment of compensation (other than statutory compensation); and (ii) none of the Directors has any service contracts with the Company or any of its subsidiaries or associated companies in force for Directors which have more than 12 months to run:

On January 29, 2010, a service contract was entered into between the Company and Mr. Chan for a term of three years commencing from February 1, 2010. The service contract provides for the payment of an annual salary equal to 5.9% of the net assets value of the Company as shown in its consolidated audited accounts at each financial year end. In addition, Mr. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month. In the event that either party terminate the service contract, the terminated party shall be entitled to receive, and the terminating party shall pay and transfer to the terminated party, as liquidated damages, a lump sum equal to the sum which would have been payable by the Company to Mr. Chan as gross salary (excluding bonus, if applicable), not to exceed 12 months of salary, in respect of the unexpired term of the service contract on the date notice of termination is given.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2010 (being the date to which the latest published audited financial statements of the Company were made up).

9. COMPETING INTERESTS

As at the Latest Practicable Date, none of the directors or their respective associates had any interests in a business which competes or may compete with the businesses of the Group or had any other conflict of interest with the Group.

10. NO MATERIAL CONTRACTS

The Directors confirmed there is no contract or arrangement subsisting at the Latest Practicable Date in which a Director is materially interested and which is significant in relation to the business of the Group.

11. MATERIAL CONTRACTS

- (a) On November 19, 2008, Japan Xpress Travel Holdings Limited, an indirect wholly owned subsidiary of the Company, entered into a sale and purchaser agreement with the purchaser, Mr. Hisakazu Gonoï for the disposal of the 56.46% of the issued and paid-up capital of Makino Air Travel Service Co., Ltd for a total of cash consideration of JPY30 million.
- (b) On 11 December, 2008, SingXpress Investment Pte Ltd, an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement with the purchaser, Corporate Travel Singapore Holding Pte Ltd for the disposal of the 60% of the issued and paid-up capital of Anglo-French Travel Pte Ltd for a total of cash consideration of S\$2.1 million.
- (c) On 12 June 2009, Heng Fung Capital Company Limited, a wholly owned subsidiary of the Company, entered into formal sale and purchase agreement with the vendor, Primaster Limited for the acquisition of property located in Hong Kong at a consideration of HK\$24,000,000.
- (d) On 14 August 2009, SingXpress Service Residence Pte Ltd, an indirect wholly owned subsidiary of the Company, entered into sale and purchase agreements with individuals who are independent third parties to acquire two properties situated in Singapore for an aggregate consideration of S\$2.65 million.
- (e) On 8 January 2010, Corporate Space Pte Ltd, an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement with the vendor, Mr. Chan Heng Fai for the purchase of the 100% equity interest in Expats Residences Pte Ltd, a property investment company incorporated in

Singapore, and the shareholder loan at an aggregate consideration of HK\$40.7 million which was satisfied by the issuance of approximately 301.5 million shares of the Company.

- (f) On 11 January 2010, Heng Fung Capital Company Limited, a wholly owned subsidiary of the Company, entered into formal sale and purchase agreement with the vendor, Legacy Advisors Ltd. for the acquisition of property located in Hong Kong at a consideration of HK\$32,016,000.
- (g) 12 March 2010, Global Growth Management Inc, an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement with the purchaser, Timesing Education Group Inc. to dispose a property situated in Canada for an aggregate consideration of CAD3 million. The transaction was completed in April 2010.
- (h) On 8 April 2010, Expats Residences Pte Ltd, an indirect wholly owned subsidiary of the Company, entered into sale and purchase agreements with the vendor, Rivershore Pte Ltd. to acquire 8 properties situated in Singapore for an aggregate consideration of approximately S\$15.42 million.
- (i) On 28 June 2010, the Company entered into a term sheet with SingXpress Ltd (“SingXpress”) and ACT Holdings Pte Ltd (“ACT”) relating to, inter alia, the establishment of the joint venture company which shall be owned 80% by SingXpress and 20% by ACT for the purpose of holding and re-developing the existing block of 21 units of walk-up apartments located in Foh Pin Mansion at Charlton Road, Singapore (“Properties”) and if SingXpress is unable to go ahead with the project for any reason, the Company has agreed to stand behind the transaction and will assume all the rights and obligations in the joint venture company in respect of the Project from SingXpress. On 29 June 2010, SingXpress together with ACT have made a successful tender for the Properties at a price of S\$21,200,000 (amended to S\$21,400,000 after the S\$200,000 adjustment under the closing condition that 100% vendors’ consent to sale has been obtained before 28 July 2010).
- (j) On, 13 August 2010, Xpress Credit Limited, an indirect wholly owned subsidiary of the Company, has undertaken to make applications in excess of its pro rata entitlement to the convertible bonds under the rights issue of SingXpress Ltd and pay for not less than S\$7 million in aggregate principal amount of the convertible bonds (except the S\$5,431,800 in aggregate principal amount of the convertible bonds (approximately HK\$30,961,000) provisionally allotted to the Group of which the Group has undertaken to take up.
- (k) On 24 November 2010, Corporate Residence Pte Ltd, an indirect wholly owned subsidiary of the Company, received an acceptance letter confirming the successful tender for the purpose of holding and re-developing the existing block of 16 residential units located in 235 Balestier Road, Waldorf Mansions, Singapore 329699 Properties at a price of S\$21,000,000 (approximately HK\$124,530,000).

Save as aforesaid, no material contracts (not being contracts entered into in the ordinary course of business carried on by the Group) have been entered into by any member of the Group within the two years preceding the date of this Prospectus.

12. MISCELLANEOUS

- (a) None of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to, or which are proposed to be acquired, disposed of or leased to, the Company or any of its subsidiaries since March 31, 2010, the date to which the latest published audited financial statements of the Group were made up.
- (b) The registered office of the Company is at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong.
- (c) The joint secretaries of the Company are Ms. Chan Suk King, Zoe ACCA, CPA, ACIS, ACS. and Mr. Yuen Ping Man, MBA, FCIS, FCS, MHKSI, MIHRM(HK), MIPS(HK), MCIM, SMHKIM, RFP.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this Prospectus and the Application Forms have been registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies Ordinance.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong from the date of this Prospectus and up to and including 4 March 2011.

- (a) the memorandum of association and the articles of association of the Company;
- (b) the Deed Poll;
- (c) the material contracts referred to in the section headed "material contracts" of this Appendix;
- (d) the annual reports of the Company for each of the two financial years ended 31 March 2010 and the interim report of the Company for the six months ended 30 September 2010; and
- (e) this Prospectus.