田 生 集 團 有 限 公 司*

RICHFIELD GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8136)

2009 Annual Report

* For indentification purposes only

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Pong Wai San, Wilson

Non-Executive Director

Li Chi Chung

Independent Non-Executive Directors

Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

COMPLIANCE OFFICER

Pong Wai San, Wilson

QUALIFIED ACCOUNTANT

Lee Wing Yin ACCA, CPA

COMPANY SECRETARY

Lee Wing Yin

AUDIT COMMITTEE

Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

AUTHORISED REPRESENTATIVES

Pong Wai San, Wilson
Lee Wing Yin

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 1209, 12/F.
Silvercord Tower 2
30 Canton Road
Tsim Sha Tsui
Hong Kong

COMPANY HOMEPAGE

ir.sinodelta.com.hk/richfieldgp/

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
P.O. Box 484
HSBC House
68 West Bay Road
Grand Cayman
KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Hong Kong

AUDITORS

Messrs. Grant Thornton
Certified Public Accountants

LEGAL ADVISOR

As to Hong Kong Law
Michael Li & Co.

As to Cayman Islands Law
Conyers Dill & Pearman

PRINCIPAL BANKER

Hang Seng Bank Limited

STOCK CODE

8136

LETTER FROM CHIEF EXECUTIVE OFFICER

Dear Shareholders,

On behalf of Richfield Group Holdings Limited, I am pleased to provide our business development in the fiscal year of 2009.

Despite the deterioration of local economy and property market in Hong Kong after financial tsunami in September 2008, the operation and financial result of the Group for the fiscal year of 2009 were not severely affected. The Group has continued to expand its core business in provision of property brokerage, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong in view of the long term prospect of the property market in Hong Kong.

Since the first quarter of year 2009, the Hong Kong property market rebounded gradually due to improvement of market sentiment in Hong Kong and China and low interest rate environment. Those factors provide a more favorable business environment for our core business. Besides, along with shortage of land supply, the Hong Kong government proposed to reduce the application threshold for compulsory acquisition from 90% to 80%; this would greatly facilitate redevelopment in private sector, which thus constitutes greater opportunities for the Group. The board of directors (the "Board") considers property assembly business a steady income stream to the Group in the long run.

Owing to the adverse market condition and fierce competition, the profitability of our trading business in recycled computers and bags and accessories had been deteriorated over the past few years and the potential growth for both businesses are considered to be limited. As a result, the Group has suspended both businesses from September 2009 and would consider to terminate the both businesses if the adverse market condition sustains.

Under the current circumstances, our Group will continue to make proactive responses to the property market environment and be pragmatic with all dealings in order to ensure the profitability and sustainability of the property assembly business.

Finally, on behalf of the Board, I would like to take this opportunity to express my gratitude to all members of the Board, staff and those who have supported us for their dedication and contribution to the Group. We will continue to put our best efforts to produce good business results and better return to our shareholders.

Pong Wai San, Wilson
Chief Executive Officer

Hong Kong
21 September 2009

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

Richfield Group Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") is principally engaged in the provision of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopment, property trading in Hong Kong, the trading of recycled computers and the trading of bags and accessories.

The Group is currently engaged in property assembly schemes for approximately 130 redevelopment projects in Hong Kong. Those projects engaged are all residential and commercial properties which are located on Hong Kong Island and Kowloon side.

The products sold in the business of trading of bags and accessories consist principally of business bags, sports bags, backpacks, handbags, wallets, belts and watches. Regarding the trading of recycled computers of the Group, the products mainly include PCs, laptops and computer parts (such as RAM modules, LCD panels, hard disks, DVD-ROMs, plastic covers, and keyboards etc.).

FINANCIAL PERFORMANCE

The Company changed its financial year end from 31 March to 30 June. Consequently, reporting period for this fiscal year covers 15 months from 1 April 2008 to 30 June 2009 (the "Period") and all percentages are comparing a fifteen-month period to a twelve-month period.

During the Period, the Group recorded a turnover of approximately HK$118,399,000, representing a decrease of approximately 17.3% compared with the previous fiscal year of approximately HK$143,155,000. The fall in turnover was mainly due to the decrease in the turnover from trading of recycled computers and trading of bags and accessories. In respect of the business of property assembly and brokerage, it contributes approximately HK$95,222,000 to the turnover of the Group for the Period and this represents an increase of approximately 18% compared with the previous year of approximately HK$80,687,000.

Profit before income tax of the Group for the Period was approximately HK$34,607,000, representing an increase of approximately 1.33% when compared with the previous year of approximately HK$34,153,000, Despite the additional 3 months included in the Period as compared with 12 months last year and the mild improvement in the property assembly and brokerage business since the beginning of year 2009, the profit attributable to equity holders for the Period was decreased to HK$23,627,000 compared with the previous year of approximately HK$27,657,000 as a result of the financial crisis in 2008.

BUSINESS OVERVIEW

The business environment of Hong Kong during the Period has been adversely affected by the drastic downturn of global economy in 2008. The poor market sentiment led to suspension of several property assembly projects. In adapting to the drastic changes and the poor market sentiment, the Group has already shifted its business strategy of property assembly and brokerage business since 2007 by diversifying its sourcing areas from the Mid-Levels property market to those where prevailing prices are less inflated such as Western District, Ho Man Tin and Sham Shui Po, etc. As a result of the change, the operating profit of the Group was maintained steady for the Period, with a slight decrease to approximately HK$34,607,000, while the operating profit for the previous year was approximately HK$36,740,000.

The poor market sentiment and the tightening of credit market causes developers to act with prudence during the Period for their development projects. The progress of most major property assembly projects, such as Central Mansion in Causeway Bay, Western Court in Western District and other major projects in the Mid-Levels Central, Mid-Levels West, Sham Shui Po, Tai Kok Tsui, Western District, etc., has been delayed, so that the result of the Group for the Period was lagging behind the expectation of the directors of the Company ("Directors"). During the Period, the Group has completed 8 major assembly projects only, which are mainly located in densely populated location on Hong Kong Island and Kowloon side, including Causeway Bay, Western District, Sham Shui Po, etc. with the total contract sum and the total gross profit of approximately HK$542,800,000 and HK$57,900,000, respectively.

As at 30 June 2009, the Group had approximately 130 property assembly projects in progress with total site areas of approximately 1,300,000 square feet. Among these projects in progress, there were approximately 90 projects located on Hong Kong Island, mainly in Mid-Levels, Sheung Wan, Causeway Bay, Western District, Shau Kei Wan, Quarry Bay, Aberdeen, etc.. There were approximately 40 projects located in Kowloon side, mainly in Mongkok, Sham Shui Po, Tai Kok Tsui, Ho Man Tin, Kwun Tong, To Kwa Wan, Kowloon City, etc.. To commensurate with the increase in number of property assembly projects, the Group has expanded its property assembly teams from approximately 70 to 90 staff. The Group believes that a high quality real estate agency team is a key to the success of property assembly business. As a result, all agents recruited by the Group have a minimum working experience of 4 years.

The trading business of recycled computers contributed approximately HK$20,221,000 to the Group's turnover, representing approximately 17.1% of the Group's turnover for the Period. It recorded a segment loss of approximately HK$3,631,000 for the Period. The fall in turnover and the segment loss for the Period were mainly caused by fierce competition, shrinking of market of recycled computers in Hong Kong and China and rising operating costs.

The trading business of bags and accessories recorded a turnover and segment loss of approximately HK$2,956,000 and approximately HK$79,000 respectively, which are much worse compared with the previous year. The tumble in turnover and the segment loss were mainly due to keen competition in consumer goods and drastic increase in operating costs over the past two years.

PROSPECTS

Despite the finance turmoil in 2008, the Hong Kong property market rebounded gradually since the first quarter of year 2009 due to the improvement of market sentiment and low interest rate environment. It would foster a favorable business environment to the Group. With the prospering property market, it is expected that the property developers will be more aggressive in building up their land reserve to cater for future demand. In view of the limited supply of land in Hong Kong, property assembly for redevelopment purpose would be one of the major sources of land supply to the developers. The demand for the Group's high-quality property assembly projects, especially in urban district, will inevitably be increased.

After experiencing drastic changes in economic environment and property market from year 2007 to year 2009, most of the owners of our target properties are becoming more realistic and reasonable in determining their property sales price. This can also facilitate and speed up the conclusion of the property assembly projects.

At present, there are about 40,000 buildings which are 40 years' old or above. Among which 8% are over 50 years' old. In the 60's, Hong Kong experienced rapid population and economic growth, which triggered a building boom and massive urban expansion. Due to premature construction technology and without constant maintenance, buildings rapidly deteriorate and decline into slums. The problem of ageing and decaying buildings is most serious in older urban areas, and these areas include Sham Shui Po, Kwun Tong, Mongkok, Western District, Sau Kei Wan, Aberdeen, etc. In view of this, the government policies are expected to be more favourable to redevelopment. The government proposes in a second push to lower the sales threshold needed to 80% from the present 90% (1) for all buildings aged 50 or above and (2) for those industrial buildings aged 30 years or above located in non-industrial zones to trigger compulsory acquisitions of all units in redevelopment project. Such proposed changes would greatly facilitate private sector participation in urban renewal, thus provide more opportunities to the Group in acquiring full ownership of target properties.

Notwithstanding the global economy recession, Hong Kong economic outlook remains optimistic in the forthcoming years because of the close links with the fast-growing mainland economy and the limited supply of land in urban districts in Hong Kong. The Group remains optimistic in property assembly and brokerage business. Looking to the future, the Group is dedicated to develop strategically in the property assembly and brokerage business by adapting to ever-changing business environment, leveraging its extensive experiences in property assembly and actively seeking opportunities for premium property assembly projects so as to drive the growth of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

In respect of the trading businesses of bags and accessories and recycled computers, profit margin and turnover are expected to be tumbled in the forthcoming future due to keen competition and surge of operating costs. Since both businesses are not the core businesses of the Group, the Group has decided to suspend these businesses from September 2009 and has directed the resources to development of the business of property assembly and brokerage. If the adverse market condition sustains, the Group would consider to terminate both businesses.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the Group financed its operations with its own working capital.

As at 30 June 2009, the Group had net current assets of approximately HK$282,873,000 (As at 31 March 2008: approximately HK$623,978,000) including bank and cash balances of approximately HK$247,131,000 (As at 31 March 2008: approximately HK$245,107,000).

As at 30 June 2009, the Group had no other secured loan (As at 31 March 2008: Nil).

As at 30 June 2009, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was Nil (As at 31 March 2008: Nil). The Group has no bank borrowing.

There is no material change in capital structure of the Company during the Period.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in this report, there were no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the Period and there is no plan for material investments or capital assets as at the date of this report.

CONTINGENT LIABILITIES

As at 30 June 2009, the Group had no material contingent liabilities (As at 31 March 2008: Nil).

LEASE AND CONTRACTED COMMITMENTS

The Group leases certain of its office premises under non-cancellable operating lease arrangements with lease terms ranging from one to two years.

At 30 June 2009, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

	30 June 2009 **HK$'000**	31 March 2008 HK$'000
Within one year	**1,190**	719
In the second to fifth years	**273**	161
	1,463	880

CAPITAL COMMITMENTS

	Group		Company	
	30 June 2009 HK$'000	31 March 2008 HK$'000	**30 June 2009 HK$'000**	31 March 2008 HK$'000
Contracted but not provided for:				
Leasehold land and buildings	**22,994**	–	**–**	–
Available-for-sale financial assets	**10,418**	–	**10,418**	–
	33,412	–	**10,418**	–

FOREIGN EXCHANGE EXPOSURE

The Group's income and expenditure during the Period were denominated in United States dollars ("US$"), HK dollars ("HK$") and Renminbi ("RMB"), and most of the assets and liabilities as at 30 June 2009 were denominated in HK$. Accordingly, the Board is of the view that, to a certain extent, the Group is exposed to foreign currency exchange risk. For the US$ foreign exchange exposure, the Board believes the exposure is small as the exchange rate of US$ to HK$ is comparatively stable. However, the Group is exposed to RMB foreign exchange exposure and fluctuation of exchange rates of RMB against HK$ could affect the Group's results of operations. During the Period, no hedging transaction or arrangement was made.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SEGMENT INFORMATION

The analysis of the principal activities and geographical locations of the operations of the Group are set out in note 5 to the financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2009, the Group had 105 (As at 31 March 2008: 101) employees, including directors of the Company. Total staff costs (including directors' emoluments) were approximately HK$24,774,000 for the Period as compared to approximately HK$12,871,000 in last year. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and share option scheme.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. Pong Wai San, Wilson, aged 40, has been appointed as the executive Director and the chief executive officer of the Company on 23 March 2007. He was also the Chairman of the Company for the period from 23 March 2007 to 5 February 2008. Mr. Pong is responsible for the overall strategic planning, marketing and management function of the Group. He holds a bachelor degree in Applied Science from the University of British Columbia. He held various positions in a number of charity organisations in Hong Kong and had held various senior management positions with various local and international securities houses and a multinational company. Mr. Pong was an executive director of UURG Corporation Limited (formerly known as "Global Solution Engineering Limited") ("UURG") during the period from 19 September 2007 to 30 August 2008. He was also an executive director of Midland IC&I Limited ("Midland IC&I") and resigned on 11 June 2007. UURG and Midland IC&I are listed on the Growth Enterprise Market (the "GEM") and the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), respectively. Mr. Pong is the sole director and sole shareholder of Virtue Partner Group Limited, which is the substantial and controlling shareholder of the Company. Mr. Pong is also the chairman of the remuneration committee and a member of the nomination committee of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Li Chi Chung, aged 40, has been appointed as a non-executive Director on 23 March 2007. Mr Li is currently a solicitor practising in Hong Kong. He obtained a bachelor degree in laws from The University of Sheffield in England in 1990. Mr Li was admitted as a solicitor of the High Court of Hong Kong in 1993 and his practice has been focused on commercial related matters. Mr. Li is an independent non-executive director of Eagle Nice (International) Holdings Limited and Kenford Group Holdings Limited respectively, both of which are companies listed on the main board of the Stock Exchange. He is also an independent non-executive director of PINE Technology Holdings Limited which is a company listed on the GEM. He is the company secretary of Prime Investments Holdings Limited and China Mandarin Holdings Limited which are companies listed on the main board of the Stock Exchange, and China Nonferrous Metals Company Limited which is a company listed on the GEM. From 15 October 2007 to 13 February 2009, Mr. Li was an independent non-executive director of Anhui Tianda Oil Pipe Company Limited, a company listed on the main board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Koo Fook Sun, Louis, aged 53, has been appointed as an independent non-executive Director on 23 March 2007. Mr. Koo is the founder and the managing director of Hercules Capital Limited, a corporate finance advisory firm. Mr. Koo has many years of experience in investment banking and professional accounting. He was a managing director and head of the corporate finance department of a major international bank, and a director and chief executive officer of Enerchina Holdings Limited, a company listed on the main board of the Stock Exchange. He currently also serves as an independent non-executive director of another six companies listed on the main board of the Stock Exchange, namely China Communications Construction Company Limited, Good Friend International Holdings Inc. Li Ning Company Limited, Weichai Power Co., Ltd., Xingda International Holdings Limited and Midland Holdings Limited. He is also vice chairman and chief financial officer of 2020 ChinaCap Acquirco, Inc., a company listed on The New York Stock Exchange Amex. He was an independent non-executive director of Midland IC&I Ltd during the period from 24 June 2005 to 24 June 2008. Mr. Koo graduated with a bachelor's degree in business administration from the University of California at Berkeley and is a member of the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Mr. Koo is also the chairman of the audit committee and members of the remuneration committee and nomination committee of the Company.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lai Hin Wing, Henry, aged 52, has been appointed as an independent non-executive Director on 23 March 2007. He is a partner of Messrs. P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong, and has been practising in the legal field for more than twenty-seven years. Graduated from the University of Hong Kong with a bachelor of law degree, Mr. Lai was admitted as a solicitor in Hong Kong, England and Wales and the State of Victoria, Australia. Mr. Lai is a notary public and a China appointed attesting officer in Hong Kong. He serves on the board of Allied Properties (H.K.) Limited, a company listed on main board of the Stock Exchange, as a non-executive director. He was also an independent non-executive director of UURG, which is listed on the GEM, during the period from 19 September 2007 to 30 August 2008. Mr. Lai was an independent non-executive director of Canton Property Investment Limited, a company admitted to the AIM of the London Stock Exchange and resigned on 9 September 2008. Mr. Lai is also the chairman of the nomination committee and members of the audit committee and remuneration committee of the Company.

Mr. Lung Hung Cheuk, aged 62, has been appointed as an independent non-executive Director on 23 March 2007. He is a retired chief superintendent of the Hong Kong Police Force (the "Hong Kong Police") of Hong Kong. He joined the Hong Kong Police in 1966 as a Probationary Inspector at the age of 19. He was promoted to the rank of chief inspector in 1980, superintendent in 1986, senior superintendent in 1993 and chief superintendent in 1997. He had served in various police posts, namely Special Branch, Police Tactical Unit, Police Public Relations Bureau and in a number of police divisions at management level. Prior to his retirement in April 2002, he was the commander of Sham Shui Po Police District. Mr. Lung was also the secretary and then the chairman of the Superintendents' Association ("SPA") of the Hong Kong Police from 1993 to 2001. The membership of the SPA comprises the top management of the Hong Kong Police from superintendents up to and including the commissioner of Hong Kong Police. He was awarded the Police Meritorious Service Medal by the Chief Executive of Hong Kong in 2000. Mr. Lung currently also acts as an independent non-executive director of UURG, a company listed on the GEM. Mr. Lung is also the members of the nomination committee, the audit committee and remuneration committee of the Company.

SENIOR MANAGEMENT

Mr. Au Wing Wah, aged 52, is the founder and director of Richfield Realty Limited ("Richfield Realty"). He is responsible for the strategic planning and management of property assembly and brokerage business. Mr. Au has over 18 years experience of property brokerage services, carrying out schemes for property consolidation, assembly and redevelopments and property trading in Hong Kong and he is familiar with the price and market demand of sites and buildings in different urban districts in Hong Kong.

Mr. Lee Wing Yin, aged 39, is an associate member of the HKICPA and a fellow member of The Association of Chartered Certified Accountants. He has over ten years working experience in auditing and business advisory services with six years in international accounting firms. He held senior financial management positions with various local companies before joining the Company. Mr. Lee has been appointed as the qualified accountant and company secretary of the Company on 23 March 2007. Mr. Lee has also been appointed as the executive director of iOne Holdings Limited ("iOne"), a company listed on the main board of the Stock Exchange, with effect from the closing date of the general offer of iOne on 18 September 2009.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Company has complied with the code provisions set out in the Code throughout the 15 months ended 30 June 2009, except for the deviation disclosed in this Corporate Governance Report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the Period.

BOARD OF DIRECTORS AND BOARD MEETING

The members of the Board for the Period were:

Executive Director

Pong Wai San, Wilson

Non-executive Director

Li Chi Chung

Independent Non-executive Directors

Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

The Board is responsible for the Group's corporate policy formulation, business strategies planning, business development, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Each of the Directors' biographical information is set out on pages 8 to 9 of this report. All executive Directors have given sufficient time and attention to the affairs of the Group and each of them has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. There is no relationship among the members of the Board.

The Company appointed three independent non-executive Directors who have appropriate and sufficient experience and qualification to carry out their duties so as to protect the interests of shareholders of the Company. All of them have been appointed for a term of one year commencing from the date of their appointment.

Mr. Pong Wai San, Wilson, the executive Director and chief executive officer, and Mr. Li Chi Chung, the non-executive Director, have not signed any service contract or letter of appointment with the Company.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of one year commencing from 23 March 2009 and expiring on 22 March 2010.

CORPORATE GOVERNANCE REPORT

In accordance with article 87(1) of the articles of association of the Company, all Directors (including executive Director, non-executive Director and independent non-executive Directors) are subject to retirement by rotation at least once every three years. Mr. Koo Fook Sun, Louis and Mr. Lai Hin Wing, Henry shall retire from office and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Pursuant to the requirements of the GEM Listing Rule 5.09, the Company has received written confirmation from independent non-executive Director of his independence to the Company. Based on such confirmations of independence, the Company considers all of the independent non-executive Directors to be independent.

The Board meets 5 times during the Period to review the financial and operating performance of the Group.

Details of the attendance of the meetings of the Board are as follows:

	Attendance
Executive Director	
Pong Wai San, Wilson	5/5
Non-executive Director	
Li Chi Chung	4/5
Independent Non-executive Directors	
Koo Fook Sun, Louis	5/5
Lai Hin Wing, Henry	5/5
Lung Hung Cheuk	5/5

Apart from the above regular Board meetings of the Period, the Board will meet on other occasions when a Board-level decision on a particular matter is required.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to the code provision A.2.1 of the Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. During the Period, the roles of the chairman and chief executive officer were performed by Mr. Pong Wai San, Wilson until his resignation as the chairman of the Company on 5 February 2008 for the reason of improving the corporate governance of the Group. No replacement for the post of the chairman has been fixed yet. The Board will review the current structure from time to time. If candidate with suitable leadership, knowledge, skills and experience is identified within or outside the Group, the Company will make necessary arrangement for the new appointment at the appropriate time.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established with written terms of reference in compliance with the code provisions. The Remuneration Committee consists of four members, of which majority are independent non-executive Directors, namely Mr. Pong Wai San, Wilson, Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk. The chairman of the committee is Mr. Pong Wai San, Wilson.

The roles and functions of the Remuneration Committee include the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors.

The Remuneration Committee held 2 meetings during the Period to review the remuneration packages of all the Directors and senior management of the Company. Details of the attendance of the meeting of the Remuneration Committee are as follows:

Members	Attendance
Pong Wai San, Wilson	2/2
Koo Fook Sun, Louis	2/2
Lai Hin Wing, Henry	2/2
Lung Hung Cheuk	2/2

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 12 November 2007 with written terms of reference in compliance with the code provisions. As at the date of this report, it consists of four members, of which majority are independent non-executive Directors, namely Mr. Pong Wai San, Wilson, Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk, and all were appointed on 12 November 2007. The chairman of the Nomination Committee is Mr. Lai Hin Wing, Henry.

The roles and functions of the Nomination Committee include nomination of the potential candidates for directorship, reviewing the nomination of the Directors and making recommendations to the Board for ensuring that all nominations are fair and transparent.

The Nomination Committee held 1 meeting during the Period to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, and make recommendations to the Board relating to the renewal services of independent non-executive Directors. Details of the attendance of the meeting of the Nomination Committee are as follows:

Members	Attendance
Pong Wai San, Wilson	1/1
Koo Fook Sun, Louis	1/1
Lai Hin Wing, Henry	1/1
Lung Hung Cheuk	1/1

AUDITORS' REMUNERATION

The Company has appointed Messrs. Grant Thornton as the auditors of the Company (the "Auditors"). The Board is authorised in the annual general meeting to determine the remuneration of the Auditors. During the Period, the Auditors performed the work of statutory audit for the Period and also involved in non-audit assignment of the Group. The remuneration of the Auditors for the Period is approximately HK$456,000.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group and provide advice and comments on the Company's draft annual reports and accounts, half year reports and quarterly reports to Directors. The Audit Committee comprises three members, Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk, all of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Koo Fook Sun, Louis.

The Audit Committee held 5 meetings during the Period to review the audited financial statements for the year ended 31 March 2008 and the unaudited financial statements for the three months ended 30 June 2008, six months ended 30 September 2008, nine months ended 31 December 2008 and twelve months ended 31 March 2009 respectively with the recommendations to the Board for approval; and to review the accounting principles and policies adopted by the Group and its financial reporting functions and internal control system. Details of the attendance of the meetings of the Audit Committee are as follows:

Members	Attendance
Koo Fook Sun, Louis	5/5
Lai Hin Wing, Henry	5/5
Lung Hung Cheuk	5/5

The Group's unaudited quarterly, interim results and audited annual results for the Period have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The Auditors' responsibilities are set out in the Independent Auditors' Report.

INTERNAL CONTROL

The Board had conducted a review of the effectiveness of the Group's internal control system. The internal control system is designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable, but not absolute assurance against misstatement or loss.

Procedures have been set up for safeguarding assets against unauthorised use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. Qualified management throughout the Group maintains and monitors the internal control system on an ongoing basis.

The Board considered that the internal control system of the Group is effective and the Audit Committee have found no material deficiencies on the internal control system.

DIRECTORS' REPORT

For the period from 1 April 2008 to 30 June 2009

The Directors present their annual report and the audited financial statements of the Group for the 15 months ended 30 June 2009.

PRINCIPAL ACTIVITIES

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

CHANGE OF FINANCIAL YEAR END DATE

The financial year end date of the Company has been changed from 31 March to 30 June commencing from the financial year of 2008/2009. Accordingly, the financial statements for the current period cover 15 months ended from 1 April 2008 to 30 June 2009. For details, please refer to the announcement of the Company dated 18 July 2008.

RESULTS AND APPROPRIATIONS

The results of the Group for the Period and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 23 to 68 of this report.

DIVIDENDS

The Board recommends the payment of a final dividend of HK0.366 cent per share for the Period to the shareholders amounting to HK$10,718,000.

CLOSURE OF REGISTER OF MEMBERS

The registers of the Company will be closed from Saturday, 24 October 2009 to Thursday, 29 October 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend for the 15 months ended 30 June 2009 and to attend the forthcoming annual general meeting, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 October 2009.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the consolidated results and of the consolidated assets and liabilities of the Group for the four years ended 31 March 2008 and 15-month period ended 30 June 2009:

Consolidated results

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year Ended 31 March 2008 HK$'000	2007 HK$'000	2006 HK$'000	2005 HK$'000
Turnover	**118,399**	143,155	89,939	70,913	69,893
Profit/(loss) before income tax	**34,607**	34,153	(11,195)	(5,300)	(9,728)
Income tax	**(10,980)**	(6,496)	(458)	(100)	(223)
Profit/(loss) after income tax	**23,627**	27,657	(11,653)	(5,400)	(9,951)
Attributable to:					
Equity holders of the Company	**23,627**	27,657	(11,653)	(5,359)	(10,045)
Minority interests	**–**	–	–	(41)	94
Net profit/(loss) attributable to shareholders	**23,627**	27,657	(11,653)	(5,400)	(9,951)

Consolidated assets and liabilities

	As at 30 June 2009 HK$'000	As at 31 March 2008 HK$'000	2007 HK$'000	2006 HK$'000	2005 HK$'000
Total assets	**803,451**	809,691	46,965	14,851	26,568
Total liabilities	**(15,574)**	(27,888)	(12,241)	(6,503)	(14,640)
Minority interests	**–**	–	–	(80)	(121)
Net assets	**787,877**	781,803	34,724	8,268	11,807

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital and share options during the Period, are set out in notes 26 and 27 to the financial statements respectively.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Period are set out in the statement of changes in equity of the Group on page 27 of this report and in note 28 to the financial statements respectively.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to shareholders amount to HK$713,737,000 (31 March 2008: HK$718,720,000). Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the reserves of the Company are available for paying distributions or dividends to shareholders subject to the provisions of its memorandum and articles of association. In addition, dividends or distributions may, with the sanction of an ordinary resolution of shareholders of the Company, be declared and paid out of the share premium account of the Company provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the Period, turnover made to the five largest customers of the Group accounted for approximately 75% (Year ended 31 March 2008: 55%) of the Group's total turnover for the Period. Turnover made to the Group's largest customers accounted for approximately 35% (Year ended 31 March 2008: 21%) of the Group's total turnover for the Period.

Purchases from the five largest suppliers of the Group accounted for approximately 51% (Year ended 31 March 2008: 57%) of the Group's total purchases for the Period. Purchases from the Group's largest suppliers accounted for approximately 22% (Year ended 31 March 2008: 21%) of the Group's total purchases for the Period.

At no time during the Period, the Directors, their associates or any shareholders of the Company (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in these major customers or suppliers.

DIRECTORS

The Directors for the Period and up to the date of this report were as follows:

Executive Director

Pong Wai San, Wilson

Non-executive Director

Li Chi Chung

Independent Non-executive Directors

Koo Fook Sun, Louis
Lai Hin Wing, Henry
Lung Hung Cheuk

In accordance with article 87(1) of the articles of association of the Company. Mr. Koo Fook Sun, Louis and Mr. Lai Hin Wing, Henry shall retire from office and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 8 to 9 of this report.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significant to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

DIRECTORS' SERVICE CONTRACTS

Mr. Pong Wai San, Wilson, the executive Director and chief executive officer, and Mr. Li Chi Chung, the non-executive Director, have not signed any service contract or letter of appointment with the Company.

Mr. Koo Fook Sun, Louis, Mr. Lai Hin Wing, Henry and Mr. Lung Hung Cheuk, all independent non-executive Directors of the Company, have each re-entered into a letter of appointment with the Company for a term of one year commencing from 23 March 2009 and expiring on 22 March 2010. Their appointments are subject to retirement by rotation and/or re-election in accordance with the article of association of the Company.

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2009, the interests and short positions of the Directors and chief executives 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 Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

	Number of Shares			Approximate
Director	Personal interest	Corporate interest	Total	percentage of shareholding
Mr. Pong Wai San, Wilson ("Mr. Pong")	352,176,000	936,794,000 (Note)	1,288,970,000	44.01%

Note: These shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong, and therefore Mr. Pong deemed to be interested in the shares owned by Virtue Partner Group Limited, under SFO.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 30 June 2009, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2009, other than the interests of certain directors and chief executive of the Company as disclosed under the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, the interests or short positions of person in the shares, underlying shares and debentures 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, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity in which shares are held	Number of issued shares	Percentage of the issued share capital
Ms. Tung Ching Yee, Helena (Note 1)	Family interest	1,288,970,000	44.01%
Virtue Partner Group Limited (Note 2)	Beneficial owner	936,794,000	31.99%
Richfield (Holdings) Limited (Note 3)	Beneficial owner	760,000,000	25.95%
Mr. Au Wing Wah ("Mr. Au") (Note 3)	Interest in controlled corporation	760,000,000	25.95%
Ms. Kong Pik Fan (Note 4)	Family interest	760,000,000	25.95%
Vastwood Limited (Note 3)	Beneficial owner	760,000,000	25.95%
Richfield Group Holdings Limited (Note 3)	Interest in controlled corporation	760,000,000	25.95%

Notes:

1. Ms. Tung Ching Yee, Helena is the wife of Mr. Pong and accordingly deemed to be interested in the shares beneficially owned by Mr. Pong in his own capacity and through his controlled corporation, Virtue Partner Group Limited, under SFO.

2. These shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong.

3. These shares are beneficially owned by Richfield (Holdings) Limited, a company wholly owned by Mr. Au, and therefore Mr. Au deemed to be interested in the shares owned by Richfield (Holdings) Limited, under SFO. On 12 June 2008, Richfield (Holdings) Limited as a chargor has executed a share charge in favour of Vastwood Limited, a wholly-owned subsidiary of Richfield Group Holdings Limited, as a chargee in respect of the fixed charge over these 760,000,000 shares. Therefore, Richfield Group Holdings Limited deemed to be interested in the shares owned by Vastwood Limited under SFO.

4. Ms. Kong Pik Fan is the wife of Mr. Au and accordingly deemed to be interested in the shares beneficially owned by Mr. Au in his own capacity and through his controlled corporation, Richfield (Holdings) Limited, under SFO.

All the interests disclosed above represent long position in shares of the Company.

Save as disclosed above, as at 30 June 2009, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or 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, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company's share option scheme was adopted on 21 May 2002 for the purpose of granting options to selected persons as incentives or rewards for their contribution to the Group. Under which the Board may, at its discretion, grant options to the eligible participants of the scheme, including any directors, employees, consultants, advisers, suppliers or customers of the Group entitling them to subscribe for shares representing up to a maximum of 10% of the shares in the Company in issue at the date of grant. During the 15 months ended 30 June 2009, no share option was granted, exercised or lapsed under the scheme.

DIRECTOR'S RIGHTS TO ACQUIRE SHARE OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the company or any associated corporation" above, at no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed shares during the Period.

INVESTMENT IN SUBSIDIARIES

The activities of the Company's subsidiaries are set out in note 16 to the financial statements on pages 51 to 52 of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

PUBLIC FLOAT

As far as the information publicly available to the Company is concerned and to the best knowledge of the Directors, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the date of this report, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CONNECTED TRANSACTION

Pursuant to the sales and purchase agreement dated 10 April 2007 (the "Acquisition Agreement") for the acquisition of Richfield Realty (the "Acquisition"), both Richfield (Holdings) Limited, as the vendor of the Acquisition, and Mr. Au Wing Wah, as the guarantor of the Acquisition, were guaranteed that the audited net profit before payment of the bonus payable to the management of Richfield Realty and after tax and any extraordinary or exceptional items of Richfield Realty for the year ended 28 May 2008 (the "Guaranteed Period") should not be less than HK$150,000,000 (the "Guaranteed Profit").

However, according to the audited financial statements of Richfield Realty, the Guaranteed Profit was not met as a result of the unforeseeable economic environment. Having considered the prospects of the business of the property assembly and brokerage and the potential of Richfield Realty, an agreement (the "Settlement Agreement") as supplemented by a supplemental agreement dated 17 July 2008 (the "Supplemental Agreement") was entered into on 12 June 2008 which, among the other things, was proposed to extend the time for fulfillment of an agreed guaranteed profit of approximately HK$345,949,000.

On 18 July 2008, the Company subsequently announced that the financial year end of the Company has been changed from 31 March to 30 June commencing from the financial year of 2008/2009. Having considered the change of financial year end date of the Company, the vendor and Mr. Au entered into the Supplemental Agreement in respect of the amendments of certain terms of the Settlement Agreement on 17 July 2008.

At the EGM held on 25 August 2008, the resolution in respect of the approval of the Settlement Agreement and the transactions contemplated thereunder was duly passed as ordinary resolution by poll, which was demanded by the Chairman of the meeting for voting.

Save as disclosed above, there were no significant connected party transactions entered into by the Group for the Period.

PRE-EMPTIVE RIGHTS

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

AUDITORS

The financial statements were audited by Grant Thornton. A resolution to re-appoint the retiring auditors, Grant Thornton, will be put at the forthcoming annual general meeting. Except for the change of Company's auditors, from Baker Tilly Hong Kong Limited to Grant Thornton during the year ended 31 March 2007, there was no other change in auditors of the Company in any of the proceeding three years.

FOR AND ON BEHALF OF THE BOARD
Pong Wai San, Wilson
Executive Director

Hong Kong
21 September 2009

INDEPENDENT AUDITORS' REPORT

Grant Thornton
均富

Member of Grant Thornton International Ltd

To the members of Richfield Group Holdings Limited
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Richfield Group Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 23 to 68, which comprise the consolidated and company balance sheets as at 30 June 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the period from 1 April 2008 to 30 June 2009, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2009 and of the Group's profit and cash flows for the period from 1 April 2008 to 30 June 2009 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton
Certified Public Accountants
6th Floor, Nexxus Building
41 Connaught Road Central
Hong Kong

21 September 2009

CONSOLIDATED INCOME STATEMENT

For the period from 1 April 2008 to 30 June 2009

	Notes	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Revenue	6	118,399	143,155
Cost of sales		(64,498)	(88,046)
Gross profit		53,901	55,109
Other income	6	5,104	6,812
Selling and distribution expenses		(3,529)	(10,102)
Administrative expenses		(20,869)	(15,079)
Operating profit	7	34,607	36,740
Finance costs	8	–	(2,587)
Profit before income tax		34,607	34,153
Income tax expense	9	(10,980)	(6,496)
Profit attributable to equity holders of the Company	10	23,627	27,657
Dividends	11	10,718	20,997
Earnings per share for profit attributable to equity holders of the Company			
Basic	12	HK 0.81 cent	HK 1.06 cents
Diluted	12	N/A	N/A

CONSOLIDATED BALANCE SHEET

As at 30 June 2009

	Notes	30 June 2009 HK$'000	31 March 2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**1,457**	791
Goodwill	17	**474,000**	156,200
Available-for-sale financial assets	18	**28,612**	–
Rental and sundry deposits		**205**	161
Long term trade receivables	21	**730**	673
		505,004	157,825
Current assets			
Amount due from a shareholder	19	**–**	317,800
Properties held for trading	20	**40,973**	42,917
Trade receivables	21	**4,466**	39,386
Prepayments, deposits and other receivables		**2,875**	3,138
Financial assets at fair value through profit or loss	22	**3,002**	3,518
Cash and cash equivalents	23	**247,131**	245,107
		298,447	651,866
Current liabilities			
Trade payables	24	**1,994**	16,390
Accrued expenses and other payables		**1,859**	2,569
Taxes payable		**11,721**	8,929
		15,574	27,888
Net current assets		**282,873**	623,978
Net assets		**787,877**	781,803
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	26	**29,285**	29,285
Reserves	28	**758,592**	752,518
Total equity		**787,877**	781,803

Pong Wai San Wilson
Director

Li Chi Chung
Director

BALANCE SHEET

As at 30 June 2009

	Notes	30 June 2009 HK$'000	31 March 2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries	16	**8**	8
Available-for-sale financial assets	18	**28,612**	–
		28,620	8
Current assets			
Prepayments, deposits and other receivables		**599**	14
Amounts due from subsidiaries	16	**520,205**	512,465
Financial assets at fair value through profit or loss	22	**3,002**	3,518
Cash and cash equivalents	23	**194,165**	232,322
		717,971	748,319
Current liabilities			
Accrued expenses and other payables		**100**	322
Amount due to a subsidiary	16	**25**	–
		125	322
Net current assets		**717,846**	747,997
Net assets		**746,466**	748,005
EQUITY			
Share capital	26	**29,285**	29,285
Reserves	28	**717,181**	718,720
Total equity		**746,466**	748,005

Pong Wai San Wilson
Director

Li Chi Chung
Director

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 April 2008 to 30 June 2009

	Notes	**Period from 1 April 2008 to 30 June 2009 HK$'000**	Year ended 31 March 2008 HK$'000
Cash flows from operating activities			
Profit before income tax		**34,607**	34,153
Adjustments for:			
Interest income	6	**(4,273)**	(6,020)
Depreciation	7	**735**	411
Net fair value loss on financial assets at fair value through profit or loss	7	**3,673**	367
Impairment loss on goodwill	7	**–**	3,555
Loss on disposals of property, plant and equipment	7	**25**	12
Loss on disposals of subsidiaries	7	**–**	37
Interest expenses	8	**–**	2,587
Operating profit before working capital changes		**34,767**	35,102
Decrease in inventories		**–**	1,693
Decrease/(Increase) in properties held for trading		**1,944**	(42,917)
Decrease/(Increase) in trade receivables		**34,863**	(32,866)
Decrease in prepayments, deposits and other receivables		**818**	11,825
(Decrease)/Increase in trade payables		**(14,396)**	8,570
Decrease in accrued expenses and other payables		**(710)**	(1,727)
Cash generated from/(used in) operations		**57,286**	(20,320)
Interest received		**3,674**	6,020
Hong Kong profits tax paid		**(8,188)**	(138)
Net cash generated from/(used in) operating activities		**52,772**	(14,438)
Cash flows from investing activities			
Acquisition of a subsidiary	30	**–**	(20,544)
Net proceeds from disposals of subsidiaries	31	**–**	940
Purchases of property, plant and equipment	15	**(1,432)**	(864)
Purchases of financial assets at fair value through profit or loss		**(109,962)**	(3,885)
Purchases of available-for-sale financial assets		**(25,168)**	–
Sales proceeds of disposals of financial assets at fair value through profit or loss		**106,805**	–
Sales proceeds of disposals of property, plant and equipment		**6**	5
Net cash used in investing activities		**(29,751)**	(24,348)
Cash flows from financing activities			
Proceeds from issue of shares		**–**	269,005
Issuing cost		**–**	(8,170)
Repayments of other borrowings		**–**	(83)
Dividends paid		**(20,997)**	–
Net cash (used in)/generated from financing activities		**(20,997)**	260,752
Net increase in cash and cash equivalents		**2,024**	221,966
Cash and cash equivalents at beginning of period/year		**245,107**	23,141
Cash and cash equivalents at end of period/year	23	**247,131**	245,107

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 April 2008 to 30 June 2009

	Equity attributable to equity holders of the Company					
	Share capital HK$'000	Share premium account* HK$'000	Revaluation reserve* HK$'000	Convertible bond equity reserve* HK$'000	(Accumulated losses)/ Retained profits* HK$'000	Total HK$'000
At 1 April 2007	18,000	39,632	–	–	(22,908)	34,724
Profit for the year	–	–	–	–	27,657	27,657
Total recognised income and expense for the year	–	–	–	–	27,657	27,657
Issue of new shares	3,685	265,320	–	–	–	269,005
Issuing cost	–	(8,170)	–	–	–	(8,170)
Equity component of convertible bonds (note 25)	–	–	–	149,101	–	149,101
Issue of shares upon conversion of convertible bonds	7,600	450,987	–	(149,101)	–	309,486
At 31 March 2008 and 1 April 2008	**29,285**	**747,769**	**–**	**–**	**4,749**	**781,803**
Fair value gain on available-for-sale financial assets and net income recognised directly in equity	**–**	**–**	**3,444**	**–**	**–**	**3,444**
Profit for the period	**–**	**–**	**–**	**–**	**23,627**	**23,627**
Total recognised income and expense for the period	**–**	**–**	**3,444**	**–**	**23,627**	**27,071**
Dividends paid (note 11)	**–**	**(20,997)**	**–**	**–**	**–**	**(20,997)**
At 30 June 2009	**29,285**	**726,772**	**3,444**	**–**	**28,376**	**787,877**

* These reserve accounts comprise the consolidated reserves of HK$758,592,000 (31 March 2008: HK$752,518,000) in the consolidated balance sheet.

1. GENERAL INFORMATION

Richfield Group Holdings Limited (the "Company") was incorporated in the Cayman Islands on 10 January 2002 as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Unit 1209, 12th Floor, Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Hong Kong. The Company's shares are listed on The Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Pursuant to a resolution passed on 26 July 2007 at an annual general meeting, the Company's name was changed from Maxitech International Holdings Limited to Richfield Group Holdings Limited.

The principal activity of the Company is investment holding. Details of its subsidiaries (together with the Company referred to as the "Group") are set out in note 16 to the financial statements. Since, in May 2007, the completion of the acquisition (the "Acquisition") of the entire equity interests in Richfield Realty Limited ("Richfield Realty") (note 30), the Group is principally engaged in the provision of property brokerage services, provision of schemes for property consolidation, assembly and redevelopment and property trading in Hong Kong (the "Property Assembly and Brokerage Business"). During the period, the Group is also engaged in the trading of recycled computers and the trading of bags and accessories. There have been no significant changes in the Group's business during the period.

Pursuant to a resolution passed by the board of directors on 17 July 2008, the Company's financial year end was changed from 31 March to 30 June each year. Accordingly, the financial statements for the current period cover the fifteen months ended 30 June 2009 whilst the corresponding comparative amounts shown on the consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and related notes cover the twelve-month period from 1 April 2007 to 31 March 2008. The comparative information may not be comparable with amounts shown for the current period.

The consolidated financial statements on pages 23 to 68 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK$'000") unless otherwise stated.

The consolidated financial statements for the period from 1 April 2008 to 30 June 2009 were approved for issue by the board of directors on 21 September 2009.

2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current period, the Group has applied for the first time the new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, in which HKAS 39 & HKFRS 7 (Amendments) – Reclassification of Financial Assets is relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2008. It had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

2. ADOPTION OF NEW OR AMENDED HKFRSs *(cont'd)*

At the date of authorisation of these financial statements, the following new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 28	Investments in Associates – Consequential Amendments Arising from Amendments to HKFRS 3[2]
HKAS 31	Interests in Joint Ventures – Consequential Amendments Arising from Amendments to HKFRS 3[2]
HKAS 39 (Amendment)	Eligible Hedged Items[2]
HKAS 39 (Amendment)	Embedded Derivatives[5]
HKFRS 1 (Revised)	First-time adoption of HKFRSs[2]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate[1]
HKFRS 1 (Amendments)	First-time adoption of HKFRSs – Additional Exemptions for First-time Adopters[9]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[1]
HKFRS 2 (Amendment)	Share-based Payment – Group Cash-settled Share-based Payment Transactions[9]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 2	Members' Shares in Co-operative Entities and Similar Instruments[1]
HK(IFRIC) – Int 9 (Amendment)	Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives[7]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[4]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[2]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]
Amendment to HKAS 32, HKAS 39 and HKFRS 7	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
Various – Annual Improvements to HKFRS 2008[5]	
Various – Annual Improvements to HKFRS 2009[6]	

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
5 Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRS
6 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate
7 Effective for annual periods ending on or after 30 June 2009
8 Effective for transfer of assets from customers received on or after 1 July 2009
9 Effective for annual periods beginning on or after 1 January 2010

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

2. ADOPTION OF NEW OR AMENDED HKFRSs *(cont'd)*

Amongst these new standards and interpretations, HKAS 1 (Revised) Presentation of Financial Statements is expected to materially change the presentation of the Group's financial statements. These amendments affect the presentation of owner changes in equity and introduce a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The amendments do not affect the financial position or results of the Group but will give rise to additional disclosures.

The directors of the Company are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these HKFRSs is unlikely to have a significant impact on the Group's results and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements have been prepared on the historical cost convention, except for financial assets at fair value through profit or loss and available-for-sale financial assets which are stated at fair value. The measurement bases are fully described in the accounting policies below.

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 to the financial statements.

3.2 Basis of consolidation

During the period, the consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2009. The comparative information includes the financial statements of the Company and its subsidiaries made up to 31 March 2008.

3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's balance sheet, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.4 Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The cost of the business combination 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, plus any costs directly attributable to the business combination.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 3.8).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in the income statement.

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

3.5 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the balance sheet date retranslation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognised in the income statement.

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 and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the balance sheet date. Income and expenses have been converted into HK$ at the exchange rates ruling at the transaction dates or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with separately in the exchange reserve in equity.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments are taken to equity holders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or is a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

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

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

3.7 Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost less their estimated residual values over their estimated useful lives, using the straight-line method at the following rates per annum:

Furniture, fixtures and equipment	20% to 30%
Leasehold improvements	20% or over the lease terms, whichever is shorter

The assets' estimated residual values, if any, depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Impairment of non-financial assets

Goodwill, property, plant and equipment and interests in subsidiaries are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that it is impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit ("CGU")). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods including impairment losses recognised in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Operating leases

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

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the income statement on the straight-line method over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rental are charged to the income statement in the accounting period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Financial assets

The Group's financial assets are classified into the loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date, that is, the date that the Group commits to purchase or sell the asset. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

(i) *Loan and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(ii) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are mainly financial assets held for trading and they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

– the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or

– the assets are part of a group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or

– the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial assets included in this category are measured at fair value with changes in fair value recognised in income statement. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's policies in note 3.18 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Financial assets *(cont'd)*

(iii) Available-for-sale financial assets

Available-for-sale financial assets are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised directly in equity, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recycled to income statement. Interest calculated using the effective interest method is recognised in the income statement.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in the income statement, and other changes are recognised in equity.

For available-for-sale investments in equity securities 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 instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

Impairment of financial assets

At each balance sheet date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

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

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

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

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

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Financial assets *(cont'd)*

Impairment of financial assets (cont'd)

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

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the income statement of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the income statement of the period in which the reversal occurs.

(ii) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in the income statement as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Reversals in respect of investment in equity instruments classified as available-for-sale are not recognised in the income statement. The subsequent increase in fair value is recognised directly in equity.

(iii) Financial assets carried at cost

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

Impairment losses recognised in an interim period in respect of available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.11 Properties held for trading

Properties held for trading are carried at the lower of cost and net realisable value. Cost comprises all costs of purchase. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

3.12 Accounting for income taxes

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period/year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash at bank 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 the purpose of cash flow statement presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3.14 Share capital

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

Any transaction costs associated with the issuing of shares are deducted from share premium to the extent they are incremental costs directly attributable to the equity transaction.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.15 Retirement benefit costs and short-term employee benefits

(i) Defined contribution plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

(ii) Short-term employee benefits

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

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

3.16 Financial liabilities

The Group's financial liabilities include trade and other payables and convertible bonds.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are derecognised when the obligations under the liability are discharged, cancelled or expired. All interest related charges are recognised as an expense in finance costs in the income statement.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

(i) Trade and other payables

These are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

(ii) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

Convertible bonds issued by the Group that contain both financial liability and equity components are classified separately into respective liability and equity components 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 bonds and the fair value assigned to the liability component, representing the call option for conversion of the bond into equity, is included in equity as convertible bond equity reserve.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.16 Financial liabilities *(cont'd)*

(ii) Convertible bonds (cont'd)

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 bond.

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

3.17 Provisions and contingent liabilities

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

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

3.18 Revenue recognition

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

Commission income is recognised in the accounting period in which the services are rendered and the Group's entitlement to commission income becomes unconditional or irrevocable;

Trading of property is recognised upon the signing of the sale and purchase agreement;

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

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

Dividend income is recognised when the right to receive payment is established; and

Management fee income is recognised pro-rata over the duration of the underlying agreement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.19 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

3.20 Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

In respect of business segment reporting, unallocated costs include corporate expenses and other expenses that cannot be allocated to a reasonable basis to the reportable segments. Segment assets consist primarily of property, plant and equipment, goodwill, properties held for trading, receivables and operating cash, and mainly exclude corporate assets. Segment liabilities comprise operating liabilities and exclude items such as tax payable and certain corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment, including additions resulting from acquisitions through purchases of a subsidiary.

In respect of geographical segment reporting, revenue is based on the country in which the customers are located and total assets and capital expenditure are where the assets are located.

3.21 Share-based payments

The Group operates equity-settled share-based compensation plans for remuneration of its employees, directors, consultants, advisors, suppliers or customers of the Company and its subsidiaries.

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 value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in the income statement unless it qualifies for recognition as asset, with a corresponding credit to share-based payment 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.

At the time when the share options are exercised, the amount previously recognised in share-based payment 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-based payment reserve will be transferred to retained profits.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

4.1 Estimated results of profit guarantee

As described in note 30, the purchase consideration of the acquisition of the entire equity interests in Richfield Realty was contingent on the profit of Richfield Realty. Based on the profit forecast, management makes estimates on the profit guarantee. The actual profit of Richfield Realty may be lower than estimated one at the balance sheet date, which would affect the purchase consideration and goodwill accordingly.

4.2 Estimated impairment of goodwill

The Group tests goodwill annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.8. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require estimations of the value in use of the CGUs to which the goodwill is allocated. If the actual growth rate had been higher or the pre-tax discounted rate lower than management's estimates, the Group would not be able to reverse any impairment losses that arose on goodwill.

4.3 Net realisable value of properties held for trading

Net realisable value of properties held for trading is the estimated selling price in the ordinary course of business, less selling expenses. These estimates are based on the current market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. Management reassesses these estimations at the balance sheet date to ensure properties held for trading are accounted for at the lower of cost and net realisable value.

4.4 Impairment of receivables

The impairment loss on trade receivables of the Group is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

4.5 Taxation

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

5. SEGMENT INFORMATION

Primary reporting format – business segments

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 business 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 business segments. Summary details of the business segments are as follows:

(a) the Property Assembly and Brokerage Business, details of which have been set out in note 1;

(b) Trading of bags and accessories segment represents the selling of bags and accessories; and

(c) Trading of recycled computers segment (the "Recycled Computer Business").

5. SEGMENT INFORMATION *(cont'd)*

Primary reporting format – business segments *(cont'd)*

	Property Assembly and Brokerage Business		Trading of bags and accessories		Recycled Computer Business		Total	
	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000	**Period from 1 April 2008 to 30 June 2009 HK$'000**	Year ended 31 March 2008 HK$'000	**Period from 1 April 2008 to 30 June 2009 HK$'000**	Year ended 31 March 2008 HK$'000	**Period from 1 April 2008 to 30 June 2009 HK$'000**	Year ended 31 March 2008 HK$'000 (Restated)
Segment revenue:								
Sales to or commission from external customers	**95,222**	80,687	**2,956**	31,406	**20,221**	31,062	**118,399**	143,155
Segment results	**40,222**	36,340	**(79)**	124	**(3,631)**	(2,928)	**36,512**	33,536
Unallocated revenue							**4,738**	6,119
Unallocated costs							**(6,643)**	(2,915)
Operating profit							**34,607**	36,740
Finance costs							**–**	(2,587)
Profit before income tax							**34,607**	34,153
Income tax expense							**(10,980)**	(6,496)
Profit for the period/year							**23,627**	27,657

	30 June 2009 HK$'000	31 March 2008 HK$'000	**30 June 2009 HK$'000**	31 March 2008 HK$'000	**30 June 2009 HK$'000**	31 March 2008 HK$'000	**30 June 2009 HK$'000**	31 March 2008 HK$'000 (Restated)
Assets								
Segment assets	**575,303**	557,023	**2**	157	**1,768**	3,872	**577,073**	561,052
Unallocated assets							**226,378**	248,639
Total assets							**803,451**	809,691
Liabilities								
Segment liabilities	**3,020**	17,898	**463**	618	**270**	170	**3,753**	18,686
Unallocated liabilities							**11,821**	9,202
Total liabilities							**15,574**	27,888

As at 30 June 2009, the corporate segment, which represented investment holding, was no longer reported as an independent segment as it was below all of the thresholds of significance. It was included as an unallocated reconciling item. The figures for the previous year have been adjusted accordingly. In the previous year, no sale to external customers, segment results of HK$367,000 and segment assets of HK$3,518,000 were reported.

5. SEGMENT INFORMATION *(cont'd)*

Primary reporting format – business segments *(cont'd)*

	Property Assembly and Brokerage Business		Trading of bags and accessories		Recycled Computer Business		Total	
	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000	**Period from 1 April 2008 to 30 June 2009 HK$'000**	Year ended 31 March 2008 HK$'000	**Period from 1 April 2008 to 30 June 2009 HK$'000**	Year ended 31 March 2008 HK$'000	**Period from 1 April 2008 to 30 June 2009 HK$'000**	Year ended 31 March 2008 HK$'000
Other segment information:								
Depreciation	**708**	172	**–**	210	**27**	29	**735**	411
Unallocated							**–**	–
							735	411
Capital expenditure	**1,430**	881	**–**	147	**2**	55	**1,432**	1,083
Unallocated							**–**	–
							1,432	1,083
Impairment loss on goodwill	**–**	–	**–**	–	**–**	3,555	**–**	3,555

Secondary reporting format – geographical segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods and services.

Segment revenue by geographical markets:

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Hong Kong	**118,399**	137,304
Peoples' Republic of China ("PRC") (Not including Hong Kong)	**–**	3,317
Taiwan	**–**	785
Singapore	**–**	845
Others	**–**	904
	118,399	143,155

5. SEGMENT INFORMATION *(cont'd)*

Secondary reporting format – geographical segments *(cont'd)*

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located.

	Segment assets		Capital expenditure	
	30 June 2009 HK$'000	31 March 2008 HK$'000 (Restated)	**30 June 2009 HK$'000**	31 March 2008 HK$'000
Hong Kong	**577,073**	561,052	**1,432**	1,083
Unallocated	**226,378**	248,639	**–**	–
	803,451	809,691	**1,432**	1,083

6. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and net value of services rendered, after allowances for returns and trade discounts. All significant transactions amongst the companies comprising the Group have been eliminated on consolidation. Revenue and other income recognised during the period/year are as follows:

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Revenue		
Commission income	**53,320**	59,673
Sales of properties	**41,902**	21,014
Sales of goods	**23,177**	62,468
	118,399	143,155
Other income		
Interest income	**4,273**	6,020
Dividend income	**465**	–
Management income	**–**	250
Exchange gain, net	**–**	99
Sundry income	**366**	443
	5,104	6,812
	123,503	149,967

7. OPERATING PROFIT

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Operating profit is arrived at after charging the following:		
Auditors' remuneration	**456**	380
Cost of inventories recognised as expense	**38,235**	59,777
Contingent rents	**–**	563
Depreciation	**735**	411
Directors' remuneration (note 14)	**150**	150
Exchange loss, net	**29**	–
Net fair value loss on financial assets at fair value through profit or loss	**3,673**	367
Impairment loss on goodwill (note 17)	**–**	3,555
Loss on disposals of property, plant and equipment	**25**	12
Loss on disposals of subsidiaries (note 31)	**–**	37
Minimum lease payments under operating lease rentals for land and buildings	**2,010**	6,218

8. FINANCE COSTS

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Effective interest expense on convertible bonds (note 25)	**–**	2,587

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (Year ended 31 March 2008: 17.5%) on the estimated assessable profits arising in Hong Kong for the period/year.

(a) The amount of income tax in the consolidated income statement represents:

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Hong Kong		
Current tax for the period/year	**11,662**	6,469
(Over)/Under-provision in respect of prior years	**(682)**	27
Total income tax expense	**10,980**	6,496

Reconciliation between tax expense and accounting profit at applicable tax rates:

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Profit before income tax	**34,607**	34,153
Tax calculated at 16.5% (Year ended 31 March 2008: 17.5%)	**10,162**	5,976
Tax effect of non-deductible expenses	**242**	1,831
Tax effect of non-taxable revenue	**(772)**	(1,228)
Tax effect of temporary difference not recognised	**(74)**	(83)
Tax effect of unused tax losses not recognised	**2,102**	36
(Over)/Under-provision in prior years	**(682)**	27
Others	**2**	(63)
Income tax expense	**10,980**	6,496

The Hong Kong SAR Government enacted a reduction in the Profits Tax Rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. Accordingly, the relevant current and deferred tax liabilities have been calculated using the new tax rate of 16.5%.

(b) Details of deferred taxation of the Group are set out in note 29.

10. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated profit attributable to the equity holders of the Company of HK$23,627,000 (Year ended 31 March 2008: HK$27,657,000), a profit of HK$16,014,000 (Year ended 31 March 2008: loss of HK$1,744,000) has been dealt with in the financial statements of the Company.

11. DIVIDENDS

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Final dividend proposed after the balance sheet date of HK 0.366 cent per ordinary share (Year ended 31 March 2008: HK 0.717 cent)	**10,718**	20,997

The final dividends proposed after the balance sheet date have not been recognised as a liability at the balance sheet date.

12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK$23,627,000 (Year ended 31 March 2008: HK$27,657,000) and the weighted average of 2,928,500,000 (Year ended 31 March 2008: 2,605,781,421) ordinary shares in issue during the period.

Diluted earnings per share for the period from 1 April 2008 to 30 June 2009 was not presented because there is no potential ordinary share in existence during the period. Diluted earnings per share for the year ended 31 March 2008 was not presented as the impact of the exercise of convertible bonds was anti-dilutive.

13. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Directors' fees	**150**	150
Salaries	**23,864**	12,268
Pension costs – defined contribution plans	**760**	453
	24,774	12,871

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

14.1 Directors' emoluments

	Group				
	Fees HK$'000	**Salaries, allowances and benefits in kind HK$'000**	**Share-based payment HK$'000**	**Contributions to pension scheme HK$'000**	**Total HK$'000**
Period from 1 April 2008 to 30 June 2009					
Executive director					
Mr. Pong Wai San Wilson	**–**	**–**	**–**	**–**	**–**
Non-executive director					
Mr. Li Chi Chung	**–**	**–**	**–**	**–**	**–**
Independent non-executive directors					
Mr. Koo Fook Sun Louis	**50**	**–**	**–**	**–**	**50**
Mr. Lai Hin Wing Henry	**50**	**–**	**–**	**–**	**50**
Mr. Lung Hung Cheuk	**50**	**–**	**–**	**–**	**50**
	150	**–**	**–**	**–**	**150**

	Group				
	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Share-based payment HK$'000	Contributions to pension scheme HK$'000	Total HK$'000
Year ended 31 March 2008					
Executive director					
Mr. Pong Wai San Wilson	–	–	–	–	–
Non-executive director					
Mr. Li Chi Chung	–	–	–	–	–
Independent non-executive directors					
Mr. Koo Fook Sun Louis	50	–	–	–	50
Mr. Lai Hin Wing Henry	50	–	–	–	50
Mr. Lung Hung Cheuk	50	–	–	–	50
	150	–	–	–	150

There was no arrangement under which a director waived or agreed to waive any remuneration during the period (Year ended 31 March 2008: Nil).

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

14.2 Five highest paid individuals

Of the five individuals whose emoluments were the highest in the Group for the period from 1 April 2008 to 30 June 2009, none (Year ended 31 March 2008: None) is director whose emoluments are reflected in the analysis presented above. The emoluments payable to the five (Year ended 31 March 2008: five) individuals during the period are as follows:

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Basic salaries, housing benefits, other allowances, share option and benefits in kind	**6,698**	6,518
Pension scheme contributions	**57**	39
	6,755	6,557

Their emoluments fell within the following bands:

	Number of individuals	
	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Emolument bands		
Nil to HK$1,000,000	**3**	4
HK$2,000,001 to HK$2,500,000	**1**	–
HK$2,500,001 to HK$3,000,000	**1**	–
HK$3,500,001 to HK$4,000,000	**–**	1

During the period, no emoluments were paid by the Group to any of the directors of the Company or the highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office (Year ended 31 March 2008: Nil).

There was no arrangement under which any of the five highest paid employees waived or agreed to waive any remuneration during the period (Year ended 31 March 2008: Nil).

15. PROPERTY, PLANT AND EQUIPMENT – GROUP

	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
At 1 April 2007			
Cost	2,841	2,389	5,230
Accumulated depreciation	(2,606)	(2,003)	(4,609)
Net book amount	235	386	621
Year ended 31 March 2008			
Opening net book amount	235	386	621
Additions	501	363	864
Acquisition of a subsidiary (note 30)	219	–	219
Disposals of subsidiaries (note 31)	(124)	(361)	(485)
Disposals	(17)	–	(17)
Depreciation	(211)	(200)	(411)
Closing net book amount	603	188	791
At 31 March 2008			
Cost	786	226	1,012
Accumulated depreciation	(183)	(38)	(221)
Net carrying amount	603	188	791
Period from 1 April 2008 to 30 June 2009			
Opening net book amount	603	188	791
Additions	1,141	291	1,432
Disposals	(31)	–	(31)
Depreciation	(529)	(206)	(735)
Closing net book amount	1,184	273	1,457
At 30 June 2009			
Cost	1,883	518	2,401
Accumulated depreciation	(699)	(245)	(944)
Net carrying amount	1,184	273	1,457

16. INTERESTS IN AND DUE FROM/(TO) SUBSIDIARIES – COMPANY

	30 June 2009 HK$'000	31 March 2008 HK$'000
Non-current		
Unlisted investments, at cost	**8**	8
Current		
Due from subsidiaries	**520,205**	512,465
Due to a subsidiary	**25**	–

Amounts due are unsecured, interest free and repayable on demand.

The directors of the Company are of the opinion that a complete list of the particulars of all the subsidiaries is of excessive length and therefore the following list contains only the particulars of the subsidiaries which materially affect the results or assets of the Group. Details of principal subsidiaries are as follows:

Company	**Place of incorporation/ registration and operations**	**Nominal value of issued ordinary share capital**	**Percentage of equity attributable to the Company**		**Principal activities**
			Direct	**Indirect**	
Genius Regent Limited	British Virgin Islands ("BVI")	Ordinary US$1	100	–	Investment holding
Multi Merchant Investments Limited	BVI	Ordinary US$1,000	100	–	Investment holding
Super Reach Limited	BVI	Ordinary US$1	100	–	Investment holding
Trigreat Investment Limited	BVI	Ordinary US$1	100	–	Investment holding
Vastwood Limited	BVI	Ordinary US$1	100	–	Investment holding
A-Join Property Agency Limited	Hong Kong ("HK")	Ordinary HK$1	–	100	Property agency
Beverly Win Limited	HK	Ordinary HK$1	–	100	Property holding
Favour Choice International Limited	BVI	Ordinary US$1	–	100	Property holding
Fruitful Year International Limited	HK	Ordinary HK$1	–	100	Property holding
FX International Limited	HK	Ordinary HK$1,000,000	–	100	Trading of bags and accessories

16. INTERESTS IN AND DUE FROM/(TO) SUBSIDIARIES – COMPANY *(cont'd)*

Company	Place of incorporation/ registration and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Joys Management Limited	HK	Ordinary HK$1	–	100	Provision of property assembly consultancy service
Mantex Enterprises Limited	HK	Ordinary HK$1	–	100	Property holding
Maxitech System Company Limited ("Maxitech System")	HK	Ordinary HK$2,500,000	–	100	Trading of recycled computers
Merit Chance Limited	BVI	Ordinary US$1	–	100	Property holding
Mutual Wave Limited	HK	Ordinary HK$1	–	100	Property holding
Richfield Realty (note 1)	HK	Ordinary HK$1	–	100	Property agency and site assembly
Richfull Consultants Limited	HK	Ordinary HK$1	–	100	Consultancy services

Note 1: The company was acquired during the year ended 31 March 2008 (note 30).

17. GOODWILL – GROUP

Goodwill in 2009 and 2008 arose from the acquisitions of Richfield Realty and Maxitech System in previous years. The net carrying amount of goodwill can be analysed as follows:

	30 June 2009 HK$'000	31 March 2008 HK$'000
Net carrying amount at 1 April	**156,200**	3,555
Arising from acquisition of Richfield Realty (note 30)	**–**	156,200
Adjustment on the purchase consideration of Richfield Realty pursuant to settlement agreements (note 30)	**317,800**	–
Impairment loss on Maxitech System within the Recycled Computer Business	**–**	(3,555)
Net carrying amount at the end of period/year attributable to the Property Assembly and Brokerage Business	**474,000**	156,200

17. GOODWILL – GROUP *(cont'd)*

Notes:

(i) **Property Assembly and Brokerage Business**

The recoverable amounts of the CGU engaged in the Property Assembly and Brokerage Business were determined based on value-in-use calculations, using cash flow projections based on financial budgets covering a five-year period approved by management and valued by the professional valuers. For the period from 1 April 2008 to 30 June 2009, the cash flows beyond the five-year period (Year ended 31 March 2008: five-year period) were extrapolated using no average growth rate (Year ended 31 March 2008: growth rate of 10%). The growth rates reflected the long-term average growth rates of this CGU. The discount rate applied to cash flow calculation was 13 % (Year ended 31 March 2008: 14%).

(ii) **Recycled Computer Business**

For the year ended 31 March 2008, the recoverable amounts of the CGU engaged in the Recycled Computer Business were determined based on value-in-use calculations, using cash flow projections based on financial budgets covering a five-year period approved by management. The discount rate applied to cash flow projection was 5.25% and the cash flows beyond the five-year period were extrapolated using a reduction rate of 1%. In view of continuous competition encountered and continuing loss incurred by the CGU, namely Maxitech Systems, engaged in the Recycled Computer Business, goodwill of HK$3,555,000 was written off under administrative expenses in the income statement for the year ended 31 March 2008.

Management's key assumptions include stable profit margins, which are determined based on past performance and its expectations for market share after taking into consideration of published market forecast and research. Management believes that this is the best available input for forecasting the property market. The growth rates used are generally 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 above in determining the value-in-use of the CGUs, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

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

	30 June 2009 HK$'000	31 March 2008 HK$'000
Listed equity securities – Hong Kong	**19,700**	–
Unlisted investment funds	**8,912**	–
	28,612	–
Market value of listed investments	**19,700**	–

Listed equity securities and unlisted investment funds with carrying amounts of HK$19,700,000 and HK$7,636,000 respectively are stated at fair value. The fair values have been determined directly by reference to published price and quotations in active markets.

Unlisted investment funds with a carrying amount of HK$1,276,000 are measured at cost less impairment losses as these cannot be traded prior to their maturity dates. The directors of the Company are of the opinion that the fair value cannot be measured reliably.

19. AMOUNT DUE FROM A SHAREHOLDER – GROUP

The balance as at 31 March 2008 arose from the shortfall of the estimated results of a subsidiary over its guaranteed results and was unsecured, interest free and repayable on demand. During the period, pursuant to approval of the independent shareholders at the extraordinary general meeting, the balance was transferred to the purchase consideration on the acquisition of Richfield Realty, details of which are set out in note 30 to the financial statements and the Company's announcement dated 13 June 2008.

20. PROPERTIES HELD FOR TRADING – GROUP

The analysis of carrying amount of properties held for sale is as follows:

	30 June 2009 HK$'000	31 March 2008 HK$'000
In Hong Kong		
– 10 to 50 years (medium leases)	**18,948**	18,508
– 50 years or more (long leases)	**22,025**	24,409
	40,973	42,917

21. TRADE RECEIVABLES – GROUP

	30 June 2009 HK$'000	31 March 2008 HK$'000
Non-current	**730**	673
Current	**4,466**	39,386
	5,196	40,059

For the trading of bags and accessories and the Recycled Computer Business, the Group's trading terms with its customers are mainly on credit, which generally have credit periods of up to 90 days (Year ended 31 March 2008: 90 days) and do not bear any interest.

For the Property Assembly and Brokerage Business, the Group generally allows a credit period from 1 month to 3 years (Year ended 31 March 2008: 1 month to 3 years) to its trade customers, in accordance with the terms of the mutual agreements after individual negotiations.

Based on the invoice dates, ageing analysis of trade receivables is as follows:

	30 June 2009 HK$'000	31 March 2008 HK$'000
Within 90 days	**5,196**	39,108
91 to 180 days	**–**	278
181 to 365 days	**–**	673
	5,196	40,059

21. TRADE RECEIVABLES – GROUP *(cont'd)*

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regards to trade receivables, as the amounts recognised resemble a large number of receivables from various customers. Impairment on trade receivables is recognised when the debts are identified to be irrecoverable.

Based on due date, ageing analysis of trade receivables is as follows:

	30 June 2009 HK$'000	31 March 2008 HK$'000
Neither past due nor impaired	**5,169**	8,539
Less than 90 days past due	**27**	31,520
Trade receivables that are past due but not impaired	**27**	31,520
	5,196	40,059

Included in trade receivables are amounts of RMB144,000 denominated in a currency other than the functional currency of the entity to which they relate (31 March 2008: RMB1,389,000).

Receivables that were neither past due nor impaired are due from a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had 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 to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

As at 30 June 2009, the carrying amount of long term trade receivables of HK$730,000 (31 March 2008: HK$673,000) was determined based on the present value of the estimated future cash outflows discounted using the effective interest rate of 6.75% (31 March 2008: 6.75%) per annum.

The directors of the Company considered that the fair values of current trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods. The fair values of long term trade receivables are not materially different from their carrying amounts because there is immaterial interest rate differentiation.

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

Financial assets at fair value through profit or loss at the balance sheet dates represented the unlisted investment funds in United Kingdom. These are held for trading purposes and stated at fair value which have been determined by reference to the quoted bid prices at the balance sheet dates.

23. CASH AND CASH EQUIVALENTS

	Group		Company	
	30 June 2009	31 March 2008	**30 June 2009**	31 March 2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**64,540**	14,178	**12,175**	5,454
Time deposits	**182,591**	230,929	**181,990**	226,868
	247,131	245,107	**194,165**	232,322

Cash at bank earns interest at floating rates of 0.1% to 2.7% (31 March 2008: 0.5% to 4.0%) per annum based on the daily bank deposits rates. Time deposits earn interest of 0.8% to 1.2% (31 March 2008: 0.8% to 4.0 %) per annum and are eligible for immediate cancellation without receiving any interest for the last deposit period.

The directors of the Company considered that the fair value of time deposits is not materially different from its carrying amount because of the short maturity period on its inception.

24. TRADE PAYABLES – GROUP

The Group was granted by its suppliers' credit periods ranging from 30 days to 90 days (Year ended 31 March 2008: 30 days to 90 days). Based on the invoices dates, ageing analysis of trade payables is as follows:

	30 June 2009	31 March 2008
	HK$'000	HK$'000
Within 90 days	**–**	15,317
91 to 180 days	**–**	600
Over 1 year but less than 2 years	**1,994**	473
	1,994	16,390

The directors of the Company considered that the carrying amounts approximate their fair value.

25. CONVERTIBLE BONDS – GROUP AND COMPANY

In May 2007, the Group completed the acquisition of the entire equity interests in Richfield Realty ("Acquisition") which is engaged in the Property Assembly and Brokerage Business. Details of the Acquisition were set out in the Company's circular dated 10 May 2007 (the "Circular").

As a part of the consideration of the Acquisition, the Company issued convertible bonds in the principal amount of HK$456,000,000. The convertible bonds bore interest at 1% per annum with maturity date of 5 years from the date of issuance and were repayable after 5 years from the date of issuance or convertible into shares of the Company at the conversion price of HK$0.6 per share at any time from the date of issuance.

The fair value of the liability component of the convertible bonds was calculated using a market interest rate for an equivalent non-convertible bond (i.e. 9% per annum). The residual amount, representing the value of the equity conversion component, was included in convertible bond equity reserve.

Interest expense was calculated using the effective interest method by applying the effective interest rate of 9% to the liability component.

On 30 May 2007 and 15 August 2007, convertible bonds with the principal amounts of HK$255,000,000 and HK$201,000,000 respectively were converted into 760,000,000 shares of the Company at the price of HK$0.60 per share respectively. Accordingly, the amounts of HK$7,600,000 and HK$450,987,000 were credited to the share capital and share premium accounts respectively and the amount of HK$149,101,000 was debited to the convertible bond equity reserve for the year ended 31 March 2008.

No convertible bonds have been granted during the period.

26. SHARE CAPITAL

	30 June 2009		31 March 2008	
	Number of shares '000	**HK$'000**	Number of shares '000	HK$'000
Authorised:				
Ordinary shares of HK$0.01 each	**10,000,000**	**100,000**	10,000,000	100,000

	Number of shares '000	**Ordinary shares HK$'000**	Number of shares '000	Ordinary shares HK$'000
Issued and fully paid:				
At the beginning of the period/year	**2,928,500**	**29,285**	1,800,000	18,000
Conversion of convertible bonds (note i)	**–**	**–**	760,000	7,600
Issue of new shares (note ii)	**–**	**–**	368,500	3,685
At the end of the period/year	**2,928,500**	**29,285**	2,928,500	29,285

26. SHARE CAPITAL *(cont'd)*

Notes:

(i) On 30 May 2007 and 15 August 2007, convertible bonds with principal amounts of HK$255,000,000 and HK$201,000,000 respectively were converted into 760,000,000 shares of the Company at the price of HK$0.60 per share.

(ii) On 26 July 2007, the Company entered into a subscription agreement with Virtue Partner Group Limited where the Company allotted and issued 368,500,000 shares at HK$0.73 per share.

27. SHARE-BASED PAYMENTS

The Company operates a share option scheme (the "Scheme") for the main purpose of recognising contributions of the employees of the Group to the growth of the Group, by rewarding them with opportunities to obtain an ownership interest in the Company and to further motivate and give an incentive to these persons to continue to contribute to the Group's long terms success and prosperity.

Eligible participants of the Scheme include any employees, consultants, advisers, suppliers or customers of the Group, including any directors of the Company and its subsidiaries. The Scheme became effective on 21 May 2002 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period up to the date of grant, is limited to 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted in writing within 21 days 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 shall be determined by the board of directors and notified to the relevant grantee, but must not be more than ten years from the date of grant of the share options.

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

For the period from 1 April 2008 to 30 June 2009 and for the year ended 31 March 2008, no share options have been granted pursuant to the Scheme. No share options granted under the Scheme were outstanding as at 31 March 2008 and 30 June 2009.

28. RESERVES

Group

The amounts of the Group's reserves and the movements therein during the period/year are presented in the consolidated statement of changes in equity.

Company

	Share premium account HK$'000	Revaluation reserve HK$'000	Convertible bond equity reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2007	39,632	–	–	(27,305)	12,327
Issue of new shares	265,320	–	–	–	265,320
Issuing cost	(8,170)	–	–	–	(8,170)
Equity component of convertible bonds	–	–	149,101	–	149,101
Issue of shares upon conversion of convertible bonds	450,987	–	(149,101)	–	301,886
Loss for the year	–	–	–	(1,744)	(1,744)
At 31 March 2008 and 1 April 2008	**747,769**	**–**	**–**	**(29,049)**	**718,720**
Dividends paid (note 11)	**(20,997)**	**–**	**–**	**–**	**(20,997)**
Fair value gain on available-for-sale financial assets	**–**	**3,444**	**–**	**–**	**3,444**
Profit for the period	**–**	**–**	**–**	**16,014**	**16,014**
At 30 June 2009	**726,772**	**3,444**	**–**	**(13,035)**	**717,181**

The share premium account mainly arises from the shares issued at a premium. Under the Companies Law of the Cayman Islands, share premium is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividends, the Company is also able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles of Association of the Company, with the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium.

29. DEFERRED TAX – GROUP

At the balance sheet date, the Group had unrecognised deferred taxation assets and liabilities as follows:

	30 June 2009 HK$'000	31 March 2008 HK$'000
Taxation effect of temporary differences arising as a result of:		
Deferred tax assets:		
Tax losses available to set off against future assessable profits	**2,067**	1,823
Deferred tax liabilities:		
Excess of depreciation allowance claimed for tax proposes over depreciation charged in the financial statements	**145**	79

No provision for deferred taxation has been recognised in respect of the tax losses as this has not yet been all agreed with the Inland Revenue Department and there is the unpredictability of future profit streams. The tax losses do not expire under current tax legislation.

30. ACQUISITION OF A SUBSIDIARY

On 29 May 2007, the Group completed the acquisition of the entire equity interests in Richfield Realty which is engaged in the Property Assembly and Brokerage Business, at a consideration of HK$597,000,000 which was satisfied as to HK$120,000,000 by the issue of the promissory notes, HK$456,000,000 by the issue of the convertible bonds and HK$21,000,000 by cash. Details of the Acquisition were set out in the Circular. Thus, at the acquisition date (i.e. 29 May 2007), the fair value of the consideration of the Acquisition was HK$556,956,000 which was assessed based on the fair value of the following:

	HK$'000
Fair value of promissory notes issued	79,956
Fair value of convertible bonds issued (note 25)	456,000
Cash paid	21,000
Purchase consideration	556,956

As described in the Circular, as a part of the consideration of the Acquisition, the Company issued promissory notes with a principal amount of HK$120,000,000. These notes were unsecured, interest bearing at 1% per annum and were repayable on 28 May 2012. The fair value at the date of issue amounting to HK$79,956,000 was calculated at the discounted borrowing rate of 9% per annum.

As described in the Circular, the purchase consideration was contingent on the results of Richfield Realty where its guarantee profit for the year ended 28 May 2008 should be no less than HK$150,000,000 (the "Original Guarantee Profit"). When the results of Richfield Realty for the period from 29 May 2007 to 28 May 2008 (the "Actual Profit") were less than the Original Guarantee Profit, the vendor, who subsequently became a shareholder of the Company upon conversion of convertible bonds as described in note 25 to the financial statements, should compensate an amount, which is equivalent to 3.98 times of the difference between the Original Guarantee Profit and the Actual Profit, to the Group. This compensation was first to be setoff against the carrying value of the promissory notes and the remaining amount was therefore repayable by this shareholder (i.e. the vendor of the Acquisition and ex-convertible bond holder) to the Group.

As at 31 March 2008, as the directors of the Company were of the view that the Original Guarantee Profit was not achievable and the approval of the settlement agreement from the independent shareholders was not then obtained as at 31 March 2008, the carrying value of the promissory notes of HK$79,956,000 was thus written back and the remaining amount of the compensation due from this shareholder, amounting to HK$317,800,000 was deducted from the cost of consideration and goodwill. Consequently, the fair value of the purchase consideration was restated as HK$159,200,000 as at 31 March 2008 when goodwill arisen from the Acquisition was thus HK$156,200,000 calculated as follows:

	31 March 2008 HK$'000
Purchase consideration:	
Fair value of promissory notes issued	79,956
Fair value of convertible bonds issued (note 25)	456,000
Cash paid	21,000
Less: Compensation to be received from a shareholder,	
(i.e. vendor of the Acquisition) (note 19)	(317,800)
Cancellation of promissory notes	(79,956)
	159,200
Fair value of net assets acquired – shown as below	(3,000)
Goodwill (note 17)	156,200

30. ACQUISITION OF A SUBSIDIARY *(cont'd)*

Pursuant to the agreement dated 12 June 2008 and another supplemental settlement agreement dated 17 July 2008 entered into between this shareholder and the Group (the "Settlement Agreement") and pursuant to the resolution for the approval of the Settlement Agreement by the independent shareholders in the extraordinary general meeting held on 25 August 2008, the repayment for the amount due from this shareholder (note 19) was now compensated by a new guarantee profit of Richfield Realty, under which this shareholder has irrevocably warranted and guaranteed to the Group the revised guarantee profit of Richfield Realty for the 36-month period commencing from 1 July 2008 is no less than HK$345,949,000 (the "Revised Guarantee Profit"). This amount is determined based on 3.98 times of the difference between the Original Guarantee Profit of HK$150,000,000 and the actual profit of Richfield Realty for the period from 29 May 2007 to 28 May 2008 and deduction of the face value of the promissory note of HK$120,000,000 and multiple of 1.06. Details of Settlement Agreement have been set out in the Company's announcement dated 13 June 2008 and 28 July 2008.

The Settlement Agreement together with the sales and purchase agreement dated 10 April 2007 for the acquisition of Richfield Realty are constituted as one transaction as a whole and therefore are read together for the Acquisition. As a result, the fair value of the purchase consideration is restated as HK$477,000,000 during the period. Goodwill arising from the Acquisition is thus HK$474,00,000 calculated as follows:

	30 June 2009 **HK$'000**
Purchase consideration as at 31 March 2008 – shown as above	**159,200**
Add: Adjustment on purchase consideration	
– based on the Original Guarantee Profit	**(8,567)**
– based on the Revised Guarantee Profit	**326,367**
	317,800
	477,000
Fair value of net assets acquired – shown as below	**(3,000)**
Goodwill (note 17)	**474,000**

The assets and liabilities as of 29 May 2007 arising from the Acquisition are as follows:

	Acquiree's carrying amount and fair value HK$'000
Property, plant and equipment (note 15)	219
Trade receivables	1
Deposits and other receivables	737
Amounts due from a shareholder	4,540
Deferred tax assets	226
Bank balances	456
Accrued expenses and other payables	(962)
Tax payables	(2,217)
Net assets	3,000

30. ACQUISITION OF A SUBSIDIARY *(cont'd)*

Cash outflow on Acquisition:

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Purchase consideration settled in cash	–	21,000
Cash and cash equivalents in a subsidiary acquired	–	(456)
Cash outflow on acquisition	–	20,544

Richfield Realty contributed revenues of HK$80,687,000 and net profit of HK$29,784,000 to the Group for the period from 29 May 2007 to 31 March 2008. Had the combination taken place at 1 April 2007, the Group's revenue and profit after income tax for the year ended 31 March 2008 would have been HK$143,207,000 and HK$26,484,000 respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2007, nor are they intended to be a projection of future results.

31. DISPOSALS OF SUBSIDIARIES

For the year ended 31 March 2008, the Group's subsidiaries, New Sonic Investments Limited, Resource Base Enterprises Limited, FX Creations International Limited and Million Hero Investments Limited were disposed of and Join Forever Limited and Antex Development Limited had completed the de-registration. Details of the disposals and its impact on the consolidated cash flow statements were summarised as follows:

	Year ended 31 March 2008 HK$'000
Net assets disposed of:	
Property, plant and equipment (note 15)	485
Cash and bank balances	60
Financial assets at fair value through profit or loss	245
Trade receivables	473
Other receivables	90
Deposits and prepayments	108
Tax prepaid	82
Accrued expenses and other payables	(6)
Other loans	(500)
	1,037
Total consideration	1,000
Loss on disposals of subsidiaries	37

31. DISPOSALS OF SUBSIDIARIES *(cont'd)*

Cash inflow on disposals:

	Year ended 31 March 2008 HK$'000
Sale consideration settled in cash	1,000
Cash and cash equivalents in a subsidiary disposed	(60)
Cash inflow on disposals	940

There were no disposals of subsidiaries during the period.

32. OPERATING LEASE COMMITMENTS

At 30 June 2009, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

	30 June 2009 HK$'000	31 March 2008 HK$'000
Within one year	**1,190**	719
In the second to fifth years	**273**	161
	1,463	880

The Group leases a number of properties under operating leases. The lease run for an initial period of two to three years, with an option to renew the lease and renegotiated the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. As at 31 March 2008 and 30 June 2009, none of the leases include contingent rentals.

The Company does not have any operating lease commitments as at 31 March 2008 and 30 June 2009.

33. CAPITAL COMMITMENTS

	Group		**Company**	
	30 June 2009 HK$'000	31 March 2008 HK$'000	**30 June 2009 HK$'000**	31 March 2008 HK$'000
Contracted but not provided for:				
Leasehold land and buildings	**22,994**	–	**–**	–
Available-for-sale financial assets	**10,418**	–	**10,418**	–
	33,412	–	**10,418**	–

34. MATERIAL RELATED PARTY TRANSACTIONS

34.1 The following transactions were carried out with the related party:

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Rental expenses paid to a related company owned by one of the key management personal of the Group	**1,181**	722
Professional fees paid to a related company in which one director of the Company is a partner	**503**	192
	1,684	914

These transactions were conducted at pre-determined prices in accordance with terms mutually agreed between the Group and this related party. These transactions are conducted in the normal course of business.

34.2 Key management personnel compensation

	Period from 1 April 2008 to 30 June 2009 HK$'000	Year ended 31 March 2008 HK$'000
Short-term employee benefits	**2,150**	150

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group has various financial assets and liabilities such as trade receivables, trade payables, other receivables and other payables, which arise directly from its daily operations.

The main risks arising from the Group's financial instruments are market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. As the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

35.1 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Besides time deposits which earn interest at fixed rates, cash at banks earn interest at floating rates of 0.1% to 2.7% (31 March 2008: 0.5% to 4.0%) per annum, based on the daily bank deposits rates for the period. Other than deposits held in banks, the Group does not have significant interest-bearing financial assets. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Group.

There were no borrowings as at 30 June 2009 and 31 March 2008 and thus the Group does not have floating interest-bearing financial liabilities. As the interest rate risk exposure is considered as minimal, management did not consider it necessary to use interest rate swaps to hedge their exposure to interest rate risk because the Group does not have significant interest-bearing financial assets and financial liabilities with variable interest rates.

The policies to manage interest rate risk have been followed by the Group since prior year and are considered to be effective.

35.2 Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's transactions are carried out in HK$ which is the functional currency of the group entities to which the transaction relate. Exposures to currency exchange rates arise from the Group's overseas sales, which is primarily denominated in RMB. Analysis of trade receivables in RMB is disclosed in note 21.

To mitigate the impact of exchange rate fluctuations, the Group's continually assesses and monitors the exposure to foreign currency risk. During the period, management did not consider it necessary to use foreign currency forward contracts to hedge the exposure to foreign currency risk as most of the financial assets and financial liabilities denominated in currencies other than the functional currency of the entity to which they related are short term foreign currency cash flows (due within 6 months).

As at 31 March 2008 and 30 June 2009, if a general depreciation of 5% in HK$ against RMB is estimated, with all other variable held constant, profit after income tax for the year/period and retained profits will increase by HK$57,000 and HK$6,000 for the year ended 31 March 2008 and for the period from 1 April 2008 to 30 June 2009 respectively. A general appreciation of the same percentage in HK$ against US$ would have had the equal but opposite effect on the profit after tax for the year/period and retained profits to the amount shown above, on the basis that all other variables remain constant.

The appreciation and depreciation of 5% in HK$ exchange rate against RMB represents management's assessment of a reasonably possible change in currency exchange rate over the period until the next annual balance sheet date.

The policies to manage foreign currency risk have been followed by the Group since prior year and are considered to be effective.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

35.3 Price risk

Price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to change in market prices of listed equity securities and unlisted investment funds in respect of its investments classified as available-for-sale financial assets and financial assets at fair value through profit or loss.

To manage its market price risk arising from these investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the board of directors. The policies to manage the price risk have been followed by the Group since prior years and are considered to be effective.

For listed equity securities and unlisted investment funds in the available-for-sale financial assets category, if the quoted price for these securities increased or decreased by 5%, profit or loss for the period and retained profits would not be affected but other components of equity would have increased by decreased by HK$1,367,000 (Year ended 31 March 2008: Nil).

For unlisted investment funds in United Kingdom in the financial assets at fair value through profit or loss category, if the market price had increased or decreased by 5%, profit or loss for the period and retained profits would have increased or decreased by HK$125,000 (Year ended 31 March 2008: HK$100,000).

The increase and decrease of 5% in market price of investment represents management's assessment of a reasonably possible change in market price of investments over the period until the next annual balance sheet date.

35.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The carrying amounts of cash and cash equivalents, trade receivables, other receivables, available-for-sale financial assets and financial assets at fair value through profit or loss represent the Group's maximum exposure to credit risk in relation to financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. Most of the Group's cash and cash equivalents are held in major financial institutions in Hong Kong, which management believes are of high credit quality.

The Group's trade and other receivables are actively monitored to avoid significant concentration of credit risk. Normally, the Group does not obtain collateral from customers. The Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are not available.

Available-for-sale financial assets and financial assets at fair value through profit or loss represented the listed equity securities and unlisted investment funds from the well-established banks or financial institutes and are not used for hedging purpose. These are mainly entered with banks or financial institutes with sound credit rating and management does not expect any investment counterparty to fail to meet its obligations. In this regard, the Group does not expect to incur material credit losses on managing these financial assets.

The credit and investment policies have been followed by the Group since prior year and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

35.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligation associated with its financial liabilities. Individual operating entities within the Group are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover the expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

35.5 Liquidity risk *(cont'd)*

At the balance sheet date, the Group's undiscounted cash flows under financial liabilities that have contractual maturities are summarised below:

		Contractual undiscounted cash flow		
	Carrying amount HK$'000	Total HK$'000	Within 1 year or on demand HK$'000	In 2 to 5 years HK$'000
30 June 2009				
Trade payables	**1,994**	**1,994**	**1,994**	**–**
31 March 2008				
Trade payables	16,390	16,390	16,390	–

35.6 Categories of financial assets and financial liabilities

	Group		Company	
	30 June 2009 HK$'000	31 March 2008 HK$'000	**30 June 2009 HK$'000**	31 March 2008 HK$'000
Loans and receivables:				
Trade receivables	**5,196**	40,059	**–**	–
Other receivables	**2,046**	1,067	**599**	14
Amounts due from subsidiaries	**–**	–	**520,205**	512,465
Amount due from a shareholder	**–**	317,800	**–**	–
Cash and cash equivalents	**247,131**	245,107	**194,165**	232,322
Available-for-sale financial assets:	**28,612**	–	**28,612**	–
Financial assets at fair value through profit or loss:	**3,002**	3,518	**3,002**	3,518
	285,987	607,551	**746,583**	748,319

	Group		Company	
	30 June 2009 HK$'000	31 March 2008 HK$'000	**30 June 2009 HK$'000**	31 March 2008 HK$'000
Financial liabilities measured at amortised cost:				
Trade payables	**1,994**	16,390	**–**	–
Amount due to a subsidiary	**–**	–	**25**	–
	1,994	16,390	**25**	–

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

35.7 Fair value

The fair values of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

The fair value of non-current financial assets closely approximates their carrying value due to the immaterial interest rate differentiation.

36. CAPITAL RISK MANAGEMENT

The Group's capital management objectives are:

(a) to ensure the Group's ability to continue as a going concern;

(b) to provide an adequate return to shareholders;

(c) to support the Group's sustainable growth; and

(d) to provide capital for the purpose of potential mergers and acquisitions.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (represented by total liabilities less current and deferred income tax as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debts. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

	30 June 2009 **HK$'000**	31 March 2008 HK$'000
Total borrowings	**3,853**	18,959
Less: cash and cash equivalents	**(247,131)**	(245,107)
Net debts	**(243,278)**	(226,148)
Total capital	**787,877**	781,803
Gearing ratio	**N/A**	N/A