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

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

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

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

CONTENTS

Financial Summary

Annual results for the five years from 2007

	Year ended 31 March 2012 *HK$'000*	Year ended 31 March 2011 *HK$'000*	Period from 1 November 2008 to 31 March 2010 *HK$'000* (As restated)	Year ended 31 October 2008 *HK$'000*	Year ended 31 October 2007 *HK$'000*
Turnover	**53,302**	69,917	179,409	272,078	170,822
(Loss)/profit from operations	**(7,988)**	(57,608)	(54,760)	(80,974)	22,334
(Loss)/profit attributable to owners of the Company	**(10,940)**	(68,299)	(58,193)	(77,371)	15,931

	As at 31 March 2012 *HK$'000*	As at 31 March 2011 *HK$'000*	As at 31 March 2010 *HK$'000*	As at 31 October 2008 *HK$'000*	As at 31 October 2007 *HK$'000*
Total assets	**305,567**	204,812	161,789	191,807	301,235
Total liabilities	**(40,305)**	(39,094)	(28,355)	(43,249)	(126,830)
	265,262	165,718	133,434	148,558	174,405

Corporate Information

Directors

Executive Directors

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

Independent Non-executive Directors

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

Company Secretary

Mr. LI Chik Ming, Edmond *FCCA, FCPA*

Compliance Officer

Mr. LEUNG Ge On, Andy

Authorised Representatives

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

Audit Committee

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

Remuneration and Nomination Committee

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

Legal Adviser on the Bermuda Law

Appleby

Auditors

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

Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head Office and Principal Place of Business in Hong Kong

1/F & 2/F
Morrison Plaza
No. 9 Morrison Hill Road
Wanchai
Hong Kong

Principal Bankers

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

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

Stock Code

8079

Website

http://www.ulcreativity.com

Chairman's Statement

On behalf of the board of Directors (the "Board"), I am pleased to present to the Shareholders the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2012.

REVIEW OF OPERATIONS

Since more resources have been placed in money lending business, there is significantly increase in the revenue from this business and more than 1,000 clients have been served. The amount we lent out was more than $100 million and more than $18 million revenue was brought to the Group. All these figures sign we have entered the money lending market successfully.

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

For our beauty services and clinical services, after the disposal of operations with unsatisfactory performance last year, the loss from these business segments have decreased in a large scale.

PROSPECTS

In expanding the money lending business, caution would also be placed on the recoverability of the loans. A more prudent approval policy will be implemented to minimise the probability of occurrence of bad debts.

Hegemonism exists everywhere in Hong Kong including retail stores selling necessities. In order to provide the public to buy all necessities at a competitive price, as one of our giving to community, the Group, together with Legislative Councillor, Mr. Albert Chan Wai Yip, are forming a retail store in Kwai Chung. Although the profit margin would be thin, huge sales volumes with acceptable profit are foreseen.

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

APPRECIATION

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

Mr. Shiu Yeuk Yuen
Chairman
Hong Kong, 13 June 2012

Management Discussion and Analysis

Operation Review

Due to the disposal of some of our subsidiaries engaging in the provision of beauty services and clinical services in Hong Kong and PRC in October 2010, turnover of the Group for the year ended 31 March 2012 was decreased to approximately HK$53.3 million. Loss attributable to owners of the Company for the year was approximately HK$10.9 million.

Money Lending

Since more resources have been placed, the revenue generated from this business segment substantially increased to HK$18.5 million, more than double than that of last financial year. However, as a prudence policy on impairment has been implemented, provision on impairment loss was also increased. As a result, less than HK$2.0 million loss was recorded in this business segment.

Property Investment

As the residential properties the Group held for getting stable rental income have been disposed last year, even though the loss in rental income was partially compensated by rental income generated from industrial properties acquired during this financial year, the turnover from this segment decreased from HK$0.6 million last financial year to HK$0.5 million this financial year.

Clinical Services

The disposal of our loss making subsidiaries during last financial year also has negative impact on the turnover in the segment of clinical services. The turnover from this segment for this financial year decreased to HK$23.6 million.

Beauty Services and Sale of Beauty Products

The Group's turnover in relation to the operation of beauty services and sale of beauty products for the financial year under review was approximately HK$10.7 million. As most of the loss-making operations have been disposed during last financial year, the loss of this business segment has been significantly reduced to HK$1.6 million.

Securities Investment

For the year under review, the stock market was fluctuated. For the first nine months of this financial year, because of the stock market downturn, substantial loss on fair value change was recorded. However, stepping into the fourth quarter, turnaround occurred in the stock market and so did the securities in the investment portfolio. As a result, HK$7.9 million profit was resulted in this segment.

Outlook

Following the increase in money lending business, undoubtedly, the amount of uncollected loan has also increased. To minimise the uncollected loan, more effort will be placed to select potential clients with comparatively good credit rating. We will enhance our internal control procedure to screen out doubtful clients. Priority will be placed on lending out loan with collateral such as properties to reduce the risk of uncollectable of the loans. By taking the above measures, steady growth in both turnover and profit from this business segment is expected.

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

Liquidity and financial resources

The Group generally financed its operations with internally generated cash flows. As at 31 March 2012, the Group had cash and cash equivalents of approximately HK$35.3 million (2011: HK$35.5 million).

As at 31 March 2012 the Group had bank borrowing of HK$21.7 million (2011: HK$24.4 million) which was using to finance the purchase of the property and the investment property.

Because of the gradually repayment of the bank borrowing, as at 31 March 2012, the Group's gearing ratio, expressed as a percentage of total borrowings, (comprising amounts due to non-controlling interests, and borrowings) over total assets, decreased to approximately 7% (2011: 12%).

Charges on Group's Asset

At 31 March 2012, the Group's land and buildings and investment property with carrying amount of approximately HK$78,700,000 (2011: HK$60,000,000) were pledged to a bank to secure the bank borrowing granted to the Group.

Treasury Policies

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

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

Employees

As at 31 March 2012, the Group had 51 (2011: 62) full-time employees. The total of employee remuneration, including that of the Directors, for the year ended 31 March 2012 amounted to approximately HK$15.9 million (2011: HK$40.3 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

Capital Structure

During the year under review, ordinary shares of 4,200,000 of HK$0.01 each have been issued and allotted upon exercise of share options granted by the Company.

Pursuant to a placing agreement dated 3 May 2011, the Company issued and allotted 105,000,000 ordinary shares of HK$0.01 each to independent third parties at placing price of HK$0.105 each. Funds raised from the placing were approximately HK$10,746,000, net of share issue expenses.

By a special resolution dated 24 August 2011, the Company implemented the capital reorganisation which involved the share consolidation, the capital reduction and the capital increase. The share consolidation involved the consolidation of every ten (10) issued and unissued Shares of HK$0.01 each in the share capital of the Company into one (1) consolidated share of HK$0.10 each ("Consolidated Shares"). The capital reduction involved (i) the reduction of the issued share capital of the Company by cancelling the paid up capital of the Company to the extent of HK$0.09 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Shares will be reduced from HK$0.10 to HK$0.01 ("Adjusted Share"); and (ii) the reduction of the authorised share capital of the Company by reducing the nominal value of all Consolidated Shares from HK$0.10 each to HK$0.01 each resulting in the reduction of the authorised share capital of the Company from HK$300,000,000 divided into 3,000,000,000 Consolidated Shares to HK$30,000,000 divided into 3,000,000,000 ordinary shares of the Company of HK$0.01 each. The capital increase involved the increase of authorised share capital from HK$30,000,000 divided into 3,000,000,000 ordinary shares of HK$0.01 each to HK$300,000,000 divided into 30,000,000,000 ordinary shares of HK$0.01 each.

By an ordinary resolution dated 24 August 2011, the Company implemented to raise fund by way of a rights issue (the "Rights Issue") at the subscription price of HK$0.15 per rights share on the basis of ten rights shares for every one share held on the record date payable in full upon application. In September 2011, the Company issued and allotted 635,634,130 ordinary shares of HK$0.01 each to the then existing qualifying shareholders. Fund raised from the Rights Issue was approximately HK$92,000,000, net of expenses.

Details of the movements in share capital of the Company are set out in note 30 to the consolidated financial statement.

Significant Acquisition and Disposal

On 13 April 2011, an indirect wholly-owned subsidiary of the Company, entered into an agreement with a third party regarding the acquisition of an industrial property in Hong Kong at a cash consideration of HK$10,564,000. The acquisition was completed on 15 July 2011.

On 6 September 2011, an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement with a third party to dispose a residential property located in Hong Kong at a cash consideration of HK$5,238,000. The disposal was completed on 15 December 2011.

Contingent Liabilities

As at 31 March 2012, the Group had no material contingent liabilities (2011: nil).

As at 31 March 2012, the Company has executed corporate guarantees to third parties with respect to general banking facilities granted to subsidiaries of the Company of approximately HK$39,000,000 (2011: $25,000,000).

Event after Reporting Period

On 25 May 2012, an indirect wholly-owned subsidiary of the Company, entered into a provisional agreement with an independent third party to the Company regarding the disposal of a property in Hong Kong at a cash consideration of HK$74,000,000. As the applicable percentage ratios in Rule 19.06 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange ("GEM Listing Rules") with respect to the disposal more than 75%, the Disposal constitutes a very substantial disposal of the Company and is subject to the shareholders' approval in the forthcoming special general meeting in accordance with Chapter 19 of the GEM Listing Rules.

Biographical Details of Directors and Senior Executives

Executive Directors

Mr. Shiu Yeuk Yuen ("Mr. Shiu"), aged 62, is the executive director since December 2010 and appointed as the Chairman of the Group in January 2011. Mr. Shiu has over 35 years' experience in the ceramic tile and marble and granite products industry and over 10 year's experience in securities investment.

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

Mr. Leung Ge On, Andy ("Mr. Leung"), aged 43, is the executive director of the Company. Mr. Leung joined the Group since 2005 and was appointed as an executive director in December 2010. Mr. Leung obtained a Bachelor of Arts degree in Economics at York University in Canada. Mr. Leung has extensive experience in business development, operation and marketing management. Mr. Leung is the nephew of Mr. Shiu.

Independent Non-executive Directors

Mr. SIU Yim Kwan, Sidney ("Mr. Siu"), *S.B.St.J.*, aged 65, was appointed as an independent non-executive director and member of Audit Committee of the Company in December 2004. Mr. Siu is also the non-executive director of Wang On Group Limited, a listed company in Hong Kong since November 1993.

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

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

Mr. TSUI Pui Hung ("Mr. Tsui"), *LL.B. (Hons), LL.M, BSc (Hons)*, aged 37, a practicing solicitor of the High Court of Hong Kong, was appointed as an independent non-executive director and member of Audit Committee of the Company in June 2007. Mr. Tsui holds the degrees of a Master in Laws from University of London, Bachelor of Laws (with Honours) from Manchester Metropolitan University, Bachelor of Science (with Honours) from the Chinese University of Hong Kong, Postgraduate Certificate in Laws from the University of Hong Kong and Diploma in Translation from the Chinese University of Hong Kong. Mr. Tsui has years of management experience and is familiar with internal control issues and regulatory rules of listed company. Mr. Tsui is also an independent non-executive director of China Mandarin Holdings Limited, a company listed on the Main Board of Stock Exchange.

Mr. KAM Tik Lun ("Mr. Kam"), *CPA, ACCA, LL.M (ICFL), CIM*, aged 36, joined the Company in March 2012. Mr. Kam is the Chairman of the Audit Committee of the Company. Mr. Kam holds a Bachelor of Commerce from Concordia University, Canada and a Postgraduate Diploma in International Corporate and Financial Law from The University of Wolverhampton, UK and a Master of Laws in International Corporate and Financial Law from The University of Wolverhampton, UK. He is a member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and The Canadian Institute of Mining, Metallurgy and Petroleum. Mr. Kam has over 9 years of experience in the financial markets. He has vast experience in providing pre-IPO consultancy, business valuation services, financial analysis and corporate advisory. Mr. Kam is also an independent non-executive director of China 3D Digital Entertainment Limited, a company listed on the GEM Board of Stock Exchange.

Corporate Governance Report

A. Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance to protect the interests of the shareholders of the Company. The Company had complied with most of the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 March 2012. This report describes the corporate governance standards and practices used by the Company to direct and manage its business affairs. It also explains the applications of the Code and deviations, if any.

B. Board of Directors

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

The Company's Board is comprised of experienced and highly competent individuals and a balanced composition of Executive and Non-executive Directors. 12 Board meetings were held during the financial year ended 31 March 2012. The composition of the Board and attendance of the Directors are set out below:

Name of Directors	Number of meeting attended/Number of meeting held before deceased or after appointment
Executive Directors	
Mr. Shiu Yeuk Yuen	12/12
Mr. Leung Ge On, Andy	12/12
Independent Non-executive Directors	
Mr. Hung Anckes Yau Keung (deceased on 12 December 2011)	2/9
Mr. Siu Yim Kwan, Sidney	8/12
Mr. Tsui Pui Hung	7/12
Mr. Kam Tik Lun (appointed on 9 March 2012)	1/1

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

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

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

C. Appointment and Succession Planning of Directors

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

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

None of the Independent Non-executive directors is appointed for a specific term except Mr. Kam Tik Lun. Mr. Kam Tik Lun has entered into a letter of appointment with the Company for a term of one year commencing on 9 March 2012 with all the terms being renewed automatically for successive terms of one year unless terminated by three-month notice in writing served by either party. Pursuant to the Company's Bye–laws, all Directors of the Company, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment. The Company in practice will observe Code A.4.2 and will ensure that any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

D. Chairman and Chief Executive Officer

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

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

E. Remuneration Committee

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

Two meetings were held during the financial year ended 31 March 2012. None of the Directors participated in the determination of his/her own remuneration. Attendance of the members of the Remuneration Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held before deceased or after appointment
Mr. Hung Anckes Yau Keung (deceased on 12 December 2011)	1/1
Mr. Siu Yim Kwan, Sidney	2/2
Mr. Tsui Pui Hung	2/2
Mr. Shiu Yeuk Yuen	2/2
Mr. Leung Ge On, Andy	2/2
Mr. Kam Tik Lun (appointed on 9 March 2012)	0/0

F. Audit Committee

The Company established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual report and financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. Currently it consists of three independent non-executive Directors, Mr. Kam Tik Lun, chairman of the Audit Committee, Mr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung. Four meetings were held during the financial year ended 31 March 2012. Attendance of the members of the Audit Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held before deceased or after appointment
Mr. Hung Anckes Yau Keung (deceased on 12 December 2011)	2/3
Mr. Siu Yim Kwan, Sidney	4/4
Mr. Tsui Pui Hung	4/4
Mr. Kam Tik Lun (appointed on 9 March 2012)	0/0

The Company's annual results for the year ended 31 March 2012, has been reviewed by the Audit Committee.

G. Nomination Committee

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

One meeting was held during the financial year ended 31 March 2012. Attendance of the members of the Nomination Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held before deceased or after appointment
Mr. Hung Anckes Yau Keung (deceased on 12 December 2011)	0/0
Mr. Siu Yim Kwan, Sidney	1/1
Mr. Tsui Pui Hung	1/1
Mr. Shiu Yeuk Yuen	1/1
Mr. Leung Ge On, Andy	1/1
Mr. Kam Tik Lun (appointed on 9 March 2012)	0/0

H. Model Code for Securities Transactions

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

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the year ended 31 March 2012.

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

I. Responsibilities in respect of the Financial Reporting

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

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 March 2012.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on page 19.

J. Auditors' Remuneration

For the year ended 31 March 2012, the remuneration paid or payable to the Company's auditor, HLB Hodgson Impey Cheng, is set out as follows:

	Fee	
	HK$'000	HK$'000
Statutory audit services:		
– Current	380	
– Over provision for prior year	(5)	375
Non-statutory audit services:		
– Tax advisory services	40	
– Others	192	232
		607

The fee in relation to the statutory audit in Macau provided by the other external auditors of the Company, amounted to HK$14,000.

K. Internal Controls

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

L. Communications with Shareholders

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

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

M. Shareholder Rights

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll were included in the circular to shareholders in relation to the holding of 2012 annual general meeting and explained during the proceedings of the meeting.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Board will attend the 2012 annual general meeting to answer questions at the meeting.

Separate resolutions were proposed at 2012 annual general meeting on each substantial issue, including the election of individual Director.

Report of the Directors

The directors of the Company ("Directors") present their annual report together with the audited financial statements of the Company and the Group for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in money lending business, property investment, financial instruments and quoted shares investment in Hong Kong and the retailing of beauty products and provision of beauty services, clinical services, in Hong Kong and Macau.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2012 are set out in the consolidated statement of comprehensive income on page 21 of the annual report.

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2012.

FINANCIAL SUMMARY

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 12 to the consolidated financial statements.

ISSUED CAPITAL AND SHARE OPTIONS

On 4 January 2011, the shareholders of the Company approved to adopt a new share option scheme.

At 31 March 2012, the number of issued shares was 699,197,543 ordinary shares.

Details of the movements in issued capital and share options of the Company for the year ended 31 March 2012 are set out in notes 30 and 31, respectively to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group and the Company during the period are set out in the consolidated statement of changes in equity and note 32 to the consolidated financial statements respectively.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2012, the five largest suppliers of the Group accounted for less than 30% of its operating costs for the period.

Sales to the Group's five largest customers accounted for less than 30% of the Group's turnover for the year ended 31 March 2012.

Save as disclosed above, if any, none of the Directors or any of their associates (as defined in the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules") or any shareholders of the Company (who, to the knowledge of the Directors, own more than 5% of the issued share capital of the Company) had any beneficial interest in any of the five largest suppliers or customers of the Group for year ended 31 March 2012.

DONATION

During the year, donation amounting HK$141,000 was made (2011: nil).

DIRECTORS

The Directors who held office during the period are:

Executive Directors

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

Independent Non-executive Directors

Mr. Hung Anckes Yau Keung (deceased on 12 December 2011)
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Tsui Pui Hung, *LL. B. (Hons), LL.M., BSc (Hons)*
Mr. Kam Tik Lun, *CPA, ACCA, LL.M (ICFL), CIM* (appointed on 9 March 2012)

DIRECTORS' SERVICE CONTRACTS

Mr. Shiu Yeuk Yuen, Mr. Leung Ge On, Andy and Mr. Kam Tik Lun have entered into a service contract with the Company and the service contracts shall be renewed automatically after a year unless and until terminated by not less than three months' notice in writing served by either party on the other.

Mr. Siu Yim Kwan, Sidney and Mr. Tsui Pui Hung, have no fixed term of office and all the Directors are subject to the provisions of retirement and rotation of Directors under the Bye-laws of the Company.

SHARE OPTION SCHEMES

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

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

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

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

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

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

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

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

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

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

For the year ended 31 March 2012, no option was granted. 4,200,000 options were exercised and 1,675,714 options were outstanding under the New Scheme.

There is no employee compensation expense which was included in the consolidated statement of comprehensive income for the year ended 31 March 2012 (2011: HK$2,761,000). No liabilities were recognised due to share-based payment transactions.

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

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

As at 31 March 2012, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Name	Personal Interests	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 31 March 2012
Mr. Shiu Yeuk Yuen (note 1)	77,962,000	13,684,117 (note 2)	847,605 (note 3)	92,493,722	13.23%
Mr. Leung Ge On, Andy (note 1)	420,000	–	–	420,000	0.06%

Notes:

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

2. 13,684,117 shares are held by Ms. Hau Lai Mei, the spouse of Mr. Shiu Yeuk Yuen.

3. 847,605 shares are held by Heavenly Blaze Limited. Heavenly Blaze Limited is beneficially owned as to (i) 46% by Mr. Shiu Stephen Junior, son of Mr. Shiu Yeuk Yuen (being the executive Director); (ii) 34% by Mr. Shiu Yeuk Yuen and Ms. Siu York Chee (sister of Mr. Shiu Yeuk Yuen) together hold on behalf of Ms. Shiu Yo Yo and Ms. Shiu Sound Sound, daughters of Mr. Shiu Yeuk Yuen; (iii) 16% by Ms. Shiu Ting Yan, Denise, daughter of Mr. Shiu Yeuk Yuen; (iv) 1% by Mr. Cheng Jut Si; and (v) 3% by One Dollar Productions Limited which is beneficially owned as to 25% by Mr. Shiu Stephen Junior; and 75% by Ms. Hau Lai Mei.

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

So far as known to the Directors, as at 31 March 2012, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

PRE-EMPTIVE RIGHTS

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

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

For the year ended 31 March 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RELATED PARTY TRANSACTIONS

Details of the related party transactions for the period are set out in note 34 to the consolidated financial statements.

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

COMPETING INTEREST

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

SECURITIES TRANSACTIONS BY DIRECTORS

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

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the period ended 31 March 2012.

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

CORPORATE GOVERNANCE

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

SUFFICIENCY OF PUBLIC FLOAT

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

EVENT AFTER THE REPORTING PERIOD

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

AUDITORS

The financial statements of the Company for the year ended 31 March 2012, 31 March 2011 and for the seventeen months ended 31 March 2010 were audited by HLB Hodgson Impey Cheng whose term of office will expire upon the forthcoming annual general meeting. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganised as HLB Hodgson Impey Cheng Limited. A resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

Grant Thornton had been Auditors of our Company for the financial years ended 31 October 2008.

On behalf of the Board
Unlimited Creativity Holdings Limited

Shiu Yeuk Yuen
Chairman

Hong Kong, 13 June 2012

HLB 國衛會計師事務所 Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

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

Independent Auditors' Report

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

We have audited the consolidated financial statements of Unlimited Creativity Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 21 to 87, which comprise the consolidated and company statements of financial positions as at 31 March 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 13 June 2012

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Revenue	4	**53,302**	69,917
Cost of sales		**(9,621)**	(13,231)
Gross profit		**43,681**	56,686
Other revenue and other gains/(losses) – net	4	**12,236**	(15,702)
Servicing, selling and distribution costs		**(11,018)**	(37,456)
Administrative expenses		**(29,280)**	(43,091)
Net gains/(losses) on disposal of subsidiaries	33	**13**	(5,623)
Cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		**27**	–
Other operating expenses		**(23,647)**	(12,422)
Operating loss		**(7,988)**	(57,608)
Finance costs	7	**(344)**	(383)
Share of losses of associates	15	**(682)**	(3,854)
Loss before income tax	6	**(9,014)**	(61,845)
Income tax expenses	8	**(2,082)**	(5,470)
Loss for the year		**(11,096)**	(67,315)
Other comprehensive income:			
Change in fair value			
– available-for-sale financial assets		**103**	1,206
– land and buildings	12	**7,212**	6,828
Release of investment revaluation reserve upon disposal of available-for-sale financial assets		**(27)**	–
Other comprehensive income for the year, net of tax		**7,288**	8,034
Total comprehensive loss for the year		**(3,808)**	(59,281)
Loss attributable to:			
Owners of the Company		**(10,940)**	(68,299)
Non-controlling interests		**(156)**	984
		(11,096)	(67,315)
Total comprehensive loss attributable to:			
Owners of the Company		**(3,652)**	(60,265)
Non-controlling interests		**(156)**	984
		(3,808)	(59,281)
			(Restated)
Loss per share			
Basic and diluted	10	**HK$(0.02)**	HK$(0.65)

Consolidated Statement of Financial Position

At 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**72,399**	67,231
Investment properties	13	**14,200**	5,000
Interests in associates	15	**–**	10,282
Held-to-maturity investments	16	**–**	817
Available-for-sale financial assets	17	**6,024**	–
Prepayments, deposits and other receivables	19	**213**	2,841
Loans and advances	20	**32,997**	11,482
		125,833	97,653
Current assets			
Held-to-maturity investments	16	**778**	1,855
Available-for-sale financial assets	17	**5,395**	6,240
Trade receivables	18	**1,046**	787
Prepayments, deposits and other receivables	19	**6,100**	4,339
Loans and advances	20	**64,265**	25,424
Financial assets at fair value through profit or loss	21	**66,132**	25,104
Amounts due from related companies	22	**611**	1,606
Cash and bank balances	23	**35,322**	35,504
Tax recoverable		**85**	85
		179,734	100,944
Assets held for sale	24	**–**	6,215
		179,734	107,159
LIABILITIES			
Current liabilities			
Accruals, receipts in advance and other payables	25	**7,622**	5,949
Amounts due to non-controlling interests	26	**447**	297
Borrowings	28	**21,699**	24,363
Provision for tax		**2,024**	2,054
		31,792	32,663
Net current assets		**147,942**	74,496
Total assets less current liabilities		**273,775**	172,149

Consolidated Statement of Financial Position *(Continued)*

At 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current liabilities			
Deferred tax liabilities	29	**8,513**	6,431
Net assets		**265,262**	165,718
EQUITY			
Equity attributable to owners of the Company			
Share capital	30	**6,991**	5,264
Reserves		**256,967**	159,240
		263,958	164,504
Non-controlling interests		**1,304**	1,214
Total equity		**265,262**	165,718

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 13 June 2012 and were signed on its behalf by:

Shiu Yeuk Yuen
Director

Leung Ge On Andy
Director

Statement of Financial Position

At 31 March 2012

	Notes	**2012**	2011
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Investments in subsidiaries	14	**1,097**	1,097
Prepayments, deposits and other receivables	19	**–**	1,499
		1,097	2,596
Current assets			
Amounts due from subsidiaries	14	**228,998**	135,754
Amounts due from a related company	22	**611**	–
Prepayments, deposits and other receivables	19	**1,810**	2,255
Financial assets at fair value through profit or loss	21	**56,715**	14,142
Cash and bank balances	23	**437**	15,372
		288,571	167,523
LIABILITIES			
Current liabilities			
Accruals, receipts in advance and other payables	25	**311**	287
Amounts due to subsidiaries	14	**30,098**	17,851
Amount due to a related company	27	**12**	–
Provision for tax		**117**	117
		30,538	18,255
Net current assets		**258,033**	149,268
Net assets		**259,130**	151,864
EQUITY			
Equity attributable to owners of the Company			
Share capital	30	**6,991**	5,264
Reserves	32	**252,139**	146,600
Total equity		**259,130**	151,864

The financial statements were approved and authorised for issue by the Board of Directors on 13 June 2012 and were signed on its behalf by:

Shiu Yeuk Yuen
Director

Leung Ge On Andy
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2012

	Equity attributable to owners of the parent												
	Share capital	Share premium*	Capital redemption reserve*	Exchange reserve*	Accumulated losses*	Capital reserve*	Investment revaluation reserve*	Revaluation reserve*	Share option reserve*	Contributed surplus*	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2010	23,633	40,380	278	17	(101,360)	28,327	(1,430)	–	89	143,500	133,434	–	133,434
Comprehensive income													
Loss for the year	–	–	–	–	(68,299)	–	–	–	–	–	(68,299)	984	(67,315)
Other comprehensive income													
Change in fair value													
– available-for-sale financial assets	–	–	–	–	–	–	1,206	–	–	–	1,206	–	1,206
– land and buildings (note 12)	–	–	–	–	–	–	–	6,828	–	–	6,828	–	6,828
Total comprehensive loss	–	–	–	–	(68,299)	–	1,206	6,828	–	–	(60,265)	984	(59,281)
Transactions with owners													
Equity-settled share options arrangement	–	–	–	–	–	–	–	–	2,761	–	2,761	–	2,761
Issue of shares upon exercise of share options	141	3,452	–	–	–	–	–	–	(1,541)	–	2,052	–	2,052
Options expired	–	–	–	–	125	–	–	–	(125)	–	–	–	–
Issue of shares upon placing	13,560	74,665	–	–	–	–	–	–	–	–	88,225	–	88,225
Transaction cost attributable to issue shares upon placing	–	(1,885)	–	–	–	–	–	–	–	–	(1,885)	–	(1,885)
Capital reduction	(32,070)	–	–	–	–	–	–	–	–	32,070	–	–	–
Disposal of part of interest to non-controlling interests (note 35)	–	–	–	–	–	199	–	–	–	–	199	(199)	–
Release upon disposal of subsidiaries	–	–	–	(17)	–	–	–	–	–	–	(17)	429	412
Transactions with owners	(18,369)	76,232	–	(17)	125	199	–	–	1,095	32,070	91,335	230	91,565
Balance at 31 March 2011 and 1 April 2011	5,264	116,612	278	–	(169,534)	28,526	(224)	6,828	1,184	175,570	164,504	1,214	165,718
Loss for the year	–	–	–	–	(10,940)	–	–	–	–	–	(10,940)	(156)	(11,096)
Other comprehensive income													
Change in fair value													
– available-for-sale financial assets	–	–	–	–	–	–	103	–	–	–	103	–	103
– land and buildings (note 12)	–	–	–	–	–	–	–	7,212	–	–	7,212	–	7,212
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	–	–	–	–	–	–	(27)	–	–	–	(27)	–	(27)
Total comprehensive loss	–	–	–	–	(10,940)	–	76	7,212	–	–	(3,652)	(156)	(3,808)
Transactions with owners													
Issue of shares upon placing	1,050	9,975	–	–	–	–	–	–	–	–	11,025	–	11,025
Transaction cost attributable to issue share upon placing	–	(279)	–	–	–	–	–	–	–	–	(279)	–	(279)
Issue of shares upon rights issue	6,356	88,989	–	–	–	–	–	–	–	–	95,345	–	95,345
Transaction cost attributable to issue shares upon rights issue	–	(3,345)	–	–	–	–	–	–	–	–	(3,345)	–	(3,345)
Issue of shares upon exercise of share options	42	1,016	–	–	–	–	–	–	(452)	–	606	–	606
Capital reduction	(5,721)	–	–	–	–	–	–	–	–	5,721	–	–	–
Acquisition of part of interest from non-controlling interests (note 35)	–	–	–	–	–	(246)	–	–	–	–	(246)	246	–
Transactions with owners	1,727	96,356	–	–	–	(246)	–	–	(452)	5,721	103,106	246	103,352
Balance at 31 March 2012	6,991	212,968	278	–	(180,474)	28,280	(148)	14,040	732	181,291	263,958	1,304	265,262

* These reserve accounts comprise the consolidated reserves of HK$256,967,000 (2011: HK$159,240,000) in the consolidated statement of financial position.

Consolidated Statement of Changes in Equity *(Continued)*

For the year ended 31 March 2012

Share premium

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

Capital redemption reserve

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

Exchange reserve

Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the disposal of the foreign operations.

Capital reserve

Capital reserve represented the difference between the nominal value of the shares of subsidiaries acquired and the nominal value of share issued by the Company as consideration thereof pursuant to the Reorganisation.

Investment revaluation reserve

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

Revaluation reserve

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

Share option reserve

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

Contributed surplus

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Cash flows from operating activities			
Loss before income tax		**(9,014)**	(61,845)
Adjustments for:			
– Cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sale financial assets		**(27)**	–
– Depreciation		**2,991**	5,969
– Dividend income from available-for-sale financial assets		**(55)**	(24)
– Dividend income from financial assets at fair value through profit or loss		**(258)**	(517)
– Equity-settled share option expenses		**–**	2,761
– Fair value (gains)/losses on financial assets at fair value through profit or loss		**(10,611)**	21,382
– Fair value gains on investment properties		**(973)**	(2,544)
– Interest expenses		**344**	383
– Interest income from available-for-sale financial assets		**(168)**	(81)
– Interest income from banks		**(127)**	(156)
– Losses on disposal of property, plant and equipment		**90**	4,269
– Net (gains)/losses on disposal of subsidiaries	33	**(13)**	5,623
– Provision for impairment of amounts due from associates		**9,600**	4,000
– Provision for impairment of loans and advances		**13,881**	2,134
– Provision for impairment of trade receivables		**–**	1,842
– Reversal of impairment of amount due from a related company		**–**	(699)
– Share of losses of associates		**682**	3,854
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		**6,342**	(13,649)
Decrease in inventories		**–**	1,727
(Increase)/decrease in trade receivables		**(259)**	4,881
Decrease/(increase) in prepayments, deposits and other receivables		**886**	(385)
Dividend received from financial assets at fair value through profit or loss		**258**	517
Increase in loans and advances		**(74,237)**	(26,427)
Decrease/(increase) in amounts due from related companies		**994**	(32)
Increase/(decrease) in accruals, receipts in advance and other payables		**1,686**	(4,876)
Increase in trade payables		**–**	4,507
Purchase of financial assets at fair value through profit or loss		**(79,243)**	(15,583)
Proceeds from disposal of financial assets at fair value through profit or loss		**48,826**	–
Net cash inflow of derivative financial instruments		**–**	12
Cash used in operations		**(94,767)**	(49,308)
Interest received from banks		**127**	156
Refund of income tax		**1**	–
Income tax paid		**(31)**	(1,342)
Net cash used in operating activities		**(94,670)**	(50,494)

Consolidated Statement of Cash Flows *(Continued)*

For the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Cash flows from investing activities			
Dividend received from available-for-sale financial assets		**55**	24
Interest received from available-for-sale financial assets		**168**	81
Net cash inflow of held-to-maturity financial assets		**1,896**	177
Loan to an associate		**–**	(2,800)
Purchase of investment properties		**(13,465)**	–
Purchase of property, plant and equipment		**(1,037)**	(58,121)
Purchase of available-for-sale financial assets		**(6,101)**	–
Proceeds from disposal of available-for-sale financial assets		**1,025**	–
Proceeds from disposal of assets held for sale		**6,215**	–
Proceeds from disposal of investment properties		**5,238**	7,719
Proceeds from disposal of subsidiaries	33	**–**	4,380
Proceeds from disposal of property, plant and equipment		**–**	30
Net cash used in investing activities		**(6,006)**	(48,510)
Cash flows from financing activities			
Interest paid		**(344)**	(383)
Proceeds from issue of shares upon placing		**11,025**	88,225
Payment for transaction cost attributable to issue of shares upon placing		**(279)**	(1,885)
Proceeds from issue of shares upon exercise of share options		**606**	2,052
Proceeds from issue of shares upon rights issue		**95,345**	–
Payment for transaction cost attributable to issue of shares upon rights issue		**(3,345)**	–
Advance from amounts due to non-controlling interests		**150**	–
Repayments of amounts due to non-controlling interests		**–**	(780)
Repayments of borrowings		**(6,664)**	(9,647)
Drawdown of borrowings		**4,000**	25,000
Decrease in restricted bank deposits		**–**	1,300
Net cash generated from financing activities		**100,494**	103,882
Net (decrease)/increase in cash and cash equivalents		**(182)**	4,878
Cash and cash equivalents at the beginning of the year		**35,504**	30,626
Cash and cash equivalents at the end of the year	23	**35,322**	35,504
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**35,322**	35,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. GENERAL INFORMATION

Unlimited Creativity Holdings Limited (the "Company") was an exempted company continued into Bermuda with limited liability. The address of its registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

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

The principal activities of the Group include the provision of beauty services, sales of beauty products, properties and securities investment, investment holding and money lending.

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

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements were approved and authorised for issue by the Board of Directors on 13 June 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

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

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2011.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC)-Int 14 (Amendments)	Prepayment of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosure set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity. In the current year, for each component of equity, the Group has chosen to present the analysis of each component of other comprehensive income in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these consolidated financial statements have been modified to reflect the change (see the consolidated statement of changes in equity).

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 (as revised in 2009) has been revised on the following two aspects: (a) HKAS 24 (as revised in 2009) has changed the definition of a related party and (b) HKAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

The Company and its subsidiaries are not government-related entities. The application of the revised definition of related party set out in HKAS 24 (as revised in 2009) in the current year has resulted in the identification of related parties that were not identified as related parties under the previous Standard. The adoption of the revised Standard did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 32 Classification of Rights Issues

The amendments to HKAS 32 require rights, options or warrants issued by an entity for the holders to acquire a fixed number of the entity's equity instruments for a fixed amount of any currency are classified as equity instruments in the financial statements of the entity provided that the offer is made pro rata to all of its existing owners of the same class of its non-derivative equity instruments. Before the amendments to HKAS 32, rights, options or warrants to acquire a fixed number of an entity's equity instruments for a fixed amount in foreign currency were classified as derivatives. The amendments require retrospective application.

The application of the amendments to HKAS 32 has had no impact on the Group's financial performance and positions for the current and prior years because the Group has not issued instruments of this nature.

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

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(a) New and amended standards adopted by the Group (Continued)

Amendments to HK(IFRIC) – Int 14 Prepayments of a Minimum Funding Requirement

The Interpretation addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of HKAS 19; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions. The application of the amendments has not had material effect on the Group's consolidated financial statements.

HK(IFRIC) – Int 19 Extinguishing Financial Liabilities with Equity Instruments

The Interpretation gives guidance on the accounting for the extinguishment of a financial liabilities with equity instruments. Specifically, under HK (IFRIC) – Int 19, equity instruments issued under in order to extinguish financial liabilities are recognised initially at their fair value, with any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognised as profit or loss.

The application of HK (IFRIC) – Int 19 has had no effect on the Group's financial performance and positions for the current and prior years because the Group has not entered into any transactions of this nature.

(b) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 April 2011 and have not been early adopted

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[1]
HKAS 19 (As revised in 2011)	Employee Benefits[3]
HKAS 27 (As revised in 2011)	Separate Financial Statements[3]
HKAS 28 (As revised in 2011)	Investments in Associates and Joint Ventures[3]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 1 (Amendments)	Government Loans[3]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[3]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[5]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosures of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[3]

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

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 April 2011 and have not been early adopted (Continued)

[1] Effective for annual periods beginning on or after 1 January 2012.
[2] Effective for annual periods beginning on or after 1 July 2012.
[3] Effective for annual periods beginning on or after 1 January 2013.
[4] Effective for annual periods beginning on or after 1 January 2014.
[5] Effective for annual periods beginning on or after 1 January 2015.

The Group is the process of assessing the potential impact of these new HKFRSs but is not yet in position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented.

2.2 Consolidation

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2.2 Consolidation *(Continued)*

2.2.2 Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is ceased, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of comprehensive income.

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

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

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

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

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

2.4 Foreign currency translation *(Continued)*

2.4.3 Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates for the year; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate with corresponding exchange differences arising are recognised in equity.

2.5 Property, plant and equipment

Land and buildings comprise mainly offices, leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated, using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

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

2.6 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at costs, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the statement of comprehensive income as part of a valuation gain or loss in other income.

2.7 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: held-to-maturity, at fair value through profit or loss, loans and receivable and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Held-to-maturity financial assets
Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(b) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

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

2.8 Financial assets *(Continued)*

2.8.1 Classification (Continued)

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "loans and advances", "trade receivables", "deposits and other receivables", "amounts due from related companies" and "cash and bank balances" in the consolidated statement of financial position.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2.8.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset). Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the consolidated statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of comprehensive income as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of comprehensive income as "gains and losses from investment securities".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of comprehensive income as part of other income when the Group's right to receive payments is established.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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

2.10 Impairment of financial assets

2.10.1 Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

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

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

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

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

2.10 Impairment of financial assets *(Continued)*

2.10.2 Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria refer to 3.2(a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated statement of comprehensive income. Impairment losses recognised in the separate consolidated statement of comprehensive income on equity instruments are not reversed through the separate consolidated statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of comprehensive income.

2.11 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

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

2.15 Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.16 Convertible notes

For convertible notes identified as a share-based payment transaction with cash alternative, the convertible notes and the goods or services acquired are measured at the fair value. Until the convertible notes are settled, they are remeasured at the fair value at each reporting date and at the date of settlement, with any changes in fair value recognised in the consolidated statement of comprehensive income for the period.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

2.18 Retirement benefit costs and short term employee benefits

2.18.1 Retirement benefit costs

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

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income 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.

The employees of the Group's subsidiary which operates in the People's Republic of China (the "PRC") are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the central pension scheme.

2.18.2 Short-term employee benefits

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

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

2.19 Share-based employee compensation

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

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 (for example, profitability and sales growth targets).

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

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

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

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Revenue recognition

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

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

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

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

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

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

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

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

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

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

2.22 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.23 Financial guarantees issued

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

Where the Company issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the consolidated statement of comprehensive income on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in statement of comprehensive income over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Company under the guarantee and the amount of that claim on the Company is expected to exceed the current carrying amount of the guarantee i.e. the amount initially recognised less accumulated amortisation, where appropriate.

2.25 Dividend distribution

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

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

2.26 Related parties

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

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

(b) the party is an associate;

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

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

(e) the party is a close member of the family of any individual referred to in (a) or (d);

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

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

3. 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.

3.1 Critical accounting estimates and assumptions

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 addressed below.

(a) Income taxes

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

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

3.1 Critical accounting estimates and assumptions *(Continued)*

(b) Estimated fair value of investment properties

The investment properties of the Group were stated at fair value in accordance with the accounting policy stated in note 2.6. The fair value of the investment properties are determined by RHL Appraisal Limited ("RHL"), an independent qualified professional valuer. The valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

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

(c) Deferred tax assets

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

(d) Useful lives of property, plant and equipment

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

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

3.2 Critical judgements in applying the entity's accounting policies

(a) Impairment of other non-financial assets

The Group assesses at each reporting period whether there is any indication that other non-financial assets with finite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets in accordance with the accounting policy stated in note 2.7. In assessing whether there is any indication that other non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions, economic environment and customers' tastes. These assessments are subjective and require management's judgements and estimations.

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

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

(b) *Impairment of receivables*

The policy for making allowance for impairment of receivables of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer/debtor. If the financial conditions of the customers/debtors of the Group deteriorate thus resulting in impairment as to their ability to make payments, additional allowance for impairment may be required. If the financial conditions of the customers/debtors of the Group, on whose account allowance for impairment has been made, were improved and no impairment of their ability to make payments were noted reversal of allowance for impairment may be required.

(c) *Held-to-maturity investments*

The Group follows the HKAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the group evaluates its intention and ability to hold such investments to maturity.

If the Group fails to keep these investments to maturity other than for specific circumstances explained in HKAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would, therefore, be measured at fair value instead of amortised cost.

4. REVENUE AND OTHER REVENUE AND OTHER GAINS/(LOSSES) – NET

Revenue, which is also the Group's turnover, represents total invoiced value of beauty products, net of discounts and sales returns, the appropriate proportion of contract revenue generated from the provision of beauty and clinical services, the appropriate proportion of rental income based on the terms of the lease of investment properties, and time-proportionate interest income from rendering money lending services.

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Beauty services and sale of beauty products	**10,680**	23,161
Clinical services	**23,593**	39,207
Money lending	**18,541**	6,948
Rental income from investment properties	**488**	601
	53,302	69,917
Other revenue and other gains/(losses) – net		
Dividend income from available-for-sale financial assets	**55**	24
Dividend income from financial assets at fair value through profit or loss	**258**	517
Fair value gains/(losses) on financial assets at fair value through profit or loss	**10,611**	(21,382)
Fair value gains on investment properties	**973**	2,544
Franchise fee income	**–**	256
Interest income from available-for-sale financial assets	**168**	81
Interest income from banks	**127**	156
Rental income from sublet of office premises	**–**	994
Others	**44**	1,108
	12,236	(15,702)

5. SEGMENT INFORMATION

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

Management assesses the performance based on the nature of the Group's businesses which are principally located in Hong Kong, the PRC and Macau, and comprises (i) money lending; (ii) property investment; (iii) provision of clinical services; (iv) provision of beauty services and sale of beauty products; and (v) securities investment.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 March 2012 is as follows:

	Money lending *HK$'000*	Property investment *HK$'000*	Clinical services *HK$'000*	Beauty services and sale of beauty products *HK$'000*	Securities investment *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue from external customers	18,541	488	23,593	10,680	–	53,302
Other revenue and other gains - net	–	973	–	–	11,092	12,065
	18,541	1,461	23,593	10,680	11,092	65,367
Segment results	(1,953)	2,232	(1,538)	(1,630)	7,856	4,967
Unallocated income						171
Unallocated expenses						(13,166)
Net gain on disposal of a subsidiary						13
Cumulative gains reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	–	–	–	–	27	27
Operating loss						(7,988)
Finance costs	–	(330)	–	–	(14)	(344)
Share of losses of associates						(682)
Loss before income tax						(9,014)
Income tax expenses						(2,082)
Loss for the year						(11,096)

5. SEGMENT INFORMATION *(Continued)*

As at 31 March 2012

	Money lending *HK$'000*	Property investment *HK$'000*	Clinical services *HK$'000*	Beauty services and sale of beauty products *HK$'000*	Securities investment *HK$'000*	Total *HK$'000*
Segment assets	107,117	82,374	7,438	1,548	99,008	297,485
Interests in associates						–
Unallocated assets						8,082
Total assets						305,567
Segment liabilities	617	21,822	2,422	2,920	200	27,981
Unallocated liabilities						12,324
Total liabilities						40,305
Other segment information						
Capital expenditure	70	328	–	117	–	515
Unallocated portion						522
Total capital expenditure						1,037
Interest income	–	–	–	–	168	168
Unallocated portion						127
Total interest income						295
Depreciation	11	249	1,114	409	–	1,783
Unallocated portion						1,208
Total depreciation						2,991
Other non-cash expenses other than depreciation						
– Losses on disposal of property, plant and equipment	–	–	64	–	–	64
– unallocated portion						26
– Provision for impairment of loans and advances	13,881	–	–	–	–	13,881
– Provision for impairment of amounts due from associates						9,600
Total other non-cash expenses other than depreciation						23,571

5. SEGMENT INFORMATION *(Continued)*

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 March 2011 is as follows:

	Money lending *HK$'000*	Property investment *HK$'000*	Clinical services *HK$'000*	Beauty services and sale of beauty products *HK$'000*	Securities investment *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue from external customers	6,948	601	39,207	23,161	–	69,917
Other revenue and other gains/(losses) - net	–	2,544	–	–	(20,841)	(18,297)
	6,948	3,145	39,207	23,161	(20,841)	51,620
Segment results	1,773	9,326	1,055	(15,183)	(29,665)	(32,694)
Unallocated income						2,595
Unallocated expenses						(21,886)
Net losses on disposal of subsidiaries						(5,623)
Operating loss						(57,608)
Finance costs	–	(178)	–	–	(205)	(383)
Share of losses of associates						(3,854)
Loss before income tax						(61,845)
Income tax expenses						(5,470)
Loss for the year						(67,315)

5. SEGMENT INFORMATION *(Continued)*

As at 31 March 2011

	Money lending HK$'000	Property investment HK$'000	Clinical services HK$'000	Beauty services and sale of beauty products HK$'000	Securities investment HK$'000	Total HK$'000
Segment assets	36,906	71,280	5,275	1,256	18,051	132,768
Interests in associates						10,282
Unallocated assets						61,762
Total assets						204,812
Segment liabilities	743	25,101	1,359	1,377	210	28,790
Unallocated liabilities						10,304
Total liabilities						39,094
Other segment information						
Capital expenditure	–	53,260	255	1,171	–	54,686
Unallocated portion						3,435
Total capital expenditure						58,121
Interest income	–	–	–	–	81	81
Unallocated portion						156
Total interest income						237
Depreciation	–	–	2,310	2,895	–	5,205
Unallocated portion						764
Total depreciation						5,969
Other non-cash expenses other than depreciation						
– Losses on disposal of property, plant and equipment	–	–	–	4,269	–	4,269
– Provision for impairment of trade receivables, net	–	–	(200)	2,042	–	1,842
– Provision for impairment of loans and advances	2,134	–	–	–	–	2,134
– Provision for impairment of amounts due from associates						4,000
Total other non-cash expenses other than depreciation						12,245

5. SEGMENT INFORMATION *(Continued)*

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31 March 2012 (2011: nil).

The accounting policies of the reporting segments are the same as the Group's accounting policies. Segment results represents the loss generated by each of the segment without allocation of central administration costs, share-based payments, share of losses of associates, bank interest income and income tax expenses. This is the measure reported to the Executive Directors for the purposes of resources allocation and assessment of segment performance.

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

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

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

Information about major customers

No other single customer contributed 10% or more to the Group's revenue for both years ended 31 March 2012 and 31 March 2011.

Geographical information

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

Revenue from external customers by geographical markets:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**37,322**	47,797
Macau	**15,980**	15,968
The PRC	**–**	6,152
	53,302	69,917

	2012		2011	
	Segment assets	**Capital expenditures**	Segment assets	Capital expenditures
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Hong Kong	**301,075**	**920**	202,806	57,001
Macau	**4,492**	**117**	2,006	248
The PRC	**–**	**–**	–	872
	305,567	**1,037**	204,812	58,121

6. LOSS BEFORE INCOME TAX

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

	2012	2011
	HK$'000	*HK$'000*
Auditors' remuneration	**389**	415
Cost of inventories recognised as expenses	**–**	653
Depreciation	**2,991**	5,969
Losses on disposal of property, plant and equipment	**90**	4,269
Net exchange losses	**76**	159
Net (gains)/losses on disposal of subsidiaries	**(13)**	5,623
Minimum lease payments under operating leases in respect of land and buildings	**6,090**	9,109
Provision for impairment of trade receivables	**–**	1,842
Provision for impairment of loans and advances	**13,881**	2,134
Provision for impairment of amounts due from associates	**9,600**	4,000
Reversal of impairment of amount due from a related company	**–**	(699)
Rental income net of outgoings in respect of investment properties	**(364)**	(104)
Employee benefit expenses (including directors' remuneration) (note 11)		
Basic salaries and allowances	**15,631**	36,708
Equity-settled share option expenses	**–**	2,761
Retirement benefit scheme contributions	**294**	812
Total employee benefit expenses	**15,925**	40,281

7. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest expenses on:		
– bank borrowings not wholly repayable within five years which contain a repayment on demand clause	**330**	178
– other loans wholly repayable within five years	**2**	205
– bank overdrafts	**12**	–
	344	383

8. INCOME TAX EXPENSES

Hong Kong Profits Tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made for the companies in the Group as they either have no assessable profits or have available tax losses brought forward from prior years to offset against current period's estimated assessable profits. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2012	2011
	HK$'000	*HK$'000*
Current tax		
Hong Kong		
– Charge for the year	**–**	–
	–	–
Deferred tax: (note 29)		
– Current year	**2,082**	5,470
	2,082	5,470
Income tax expenses	**2,082**	5,470

The tax charge for the year can be reconciled to the losses per the consolidated statement of comprehensive income as follows:

	2012	2011
	HK$'000	*HK$'000*
Loss before income tax	**(9,014)**	(61,845)
Tax on loss before income tax, calculated at the rates applicable to loss in the tax jurisdiction concerned	**(1,370)**	(11,939)
Tax effect of non-taxable revenue	**(3,207)**	(518)
Tax effect of non-deductible expenses	**5,844**	1,218
Tax effect of unused tax loss not recognised	**625**	10,801
Utilisation of tax losses previously not recognised	**(1,887)**	–
Utilisation of temporary difference previously not recognised	**(117)**	(198)
Tax effect of unrecognised deferred tax items	**2,082**	5,470
Tax effect of share of losses of associates	**112**	636
Income tax expenses	**2,082**	5,470

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

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$3,914,000 (2011: loss of HK$72,324,000).

10. LOSS PER SHARE

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

	2012	2011
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(10,940)**	(68,299)

	2012	2011
	'000	*'000*
		(Restated)
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**438,043**	104,276

The weighted average number of shares for the purposes of calculating basis and diluted loss per share for both years has been adjusted to reflect the share consolidation and rights issue occurred during the year. Details of the share consolidation and rights issue are set out in note 30 to the consolidated financial statements.

Diluted loss per share for the years ended 31 March 2012 and 2011 were the same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the exercise of the Company's outstanding share options were anti-dilutive.

11. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

Directors' emoluments

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

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

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

Directors' emoluments *(Continued)*

The remuneration of every director for the year ended 31 March 2011 is set out below:

		For the year ended 31 March 2011			
	Notes	Fees *HK$'000*	Salaries, allowances, and benefits in kind *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Total *HK$'000*
Executive directors					
– Mr. Shiu Yeuk Yuen	(i)	–	716	4	720
– Mr. Leung Ge On, Andy	(i)	–	840	4	844
– Ms. Siu York Chee, Doreen	(ii)	–	525	–	525
– Mr. Leung Kwok Kui	(iii)	–	790	13	803
– Ms. Leung Ge Yau	(iii)	–	721	9	730
		–	3,592	30	3,622
Independent non-executive directors					
– Mr. Hung Yau Keung, Anckes	(iv)	71	–	–	71
– Mr. Siu Yim Kwan, Sidney		133	–	–	133
– Mr. Tsui Pui Hung		90	–	–	90
		294	–	–	294
		294	3,592	30	3,916

Notes:

(i) Appointed on 1 December 2010.
(ii) Resigned on 14 January 2011.
(iii) Resigned on 1 December 2010.
(iv) Deceased on 12 December 2011.
(v) Appointed on 9 March 2012.

Except as disclosed above, there were no remuneration paid to the other directors for the years ended 31 March 2012 and 2011.

During the year, no emolument was paid by the Group to its directors as an inducement to join or upon joining the Group or as compensation for loss of office (2011: nil).

None of the Directors has waived any emoluments during the year (2011: none).

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

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one Director (2011: one Director) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2011: four) individuals during the year are as follows:

	2012	2011
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**8,103**	12,198
Retirement benefit scheme contributions	**30**	54
Equity-settled share options expense	**–**	862
	8,133	13,114

The emoluments fell within the following bands:

	Number of individuals	
	2012	2011
Emoluments bands		
Nil – HK$1,000,000	**1**	2
HK$1,000,001 – HK$1,500,000	**2**	1
HK$1,500,001 – HK$3,000,000	**–**	–
HK$3,000,001 – HK$4,500,000	**–**	–
HK$4,500,001 – HK$6,000,000	**1**	–
HK$6,000,001 – HK$7,500,000	**–**	1
	4	4

12. PROPERTY, PLANT AND EQUIPMENT – GROUP

	Land and Buildings	Leasehold improvements	Equipment	Furniture and fixtures	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost/valuation						
At 1 April 2010	–	20,912	36,158	1,401	1,177	59,648
Additions	53,260	3,400	1,450	11	–	58,121
Disposals	–	(7,071)	(30)	(1)	–	(7,102)
Disposal of subsidiaries (note 33)	–	(7,455)	(24,649)	(826)	–	(32,930)
Change in fair value	6,828	–	–	–	–	6,828
At 31 March 2011 and 1 April 2011	60,088	9,786	12,929	585	1,177	84,565
Additions	–	606	386	45	–	1,037
Disposals	–	(1,587)	(2,276)	(434)	–	(4,297)
Change in fair value	7,212	–	–	–	–	7,212
At 31 March 2012	**67,300**	**8,805**	**11,039**	**196**	**1,177**	**88,517**
Accumulated depreciation and impairment						
At 1 April 2010	–	12,962	23,397	866	593	37,818
Reversal upon disposal	–	(2,803)	–	–	–	(2,803)
Reversal upon disposal of subsidiaries (note 33)	–	(5,140)	(17,930)	(580)	–	(23,650)
Depreciation	88	2,146	3,395	140	200	5,969
At 31 March 2011 and 1 April 2011	88	7,165	8,862	426	793	17,334
Reversal upon disposal	–	(1,587)	(2,257)	(363)	–	(4,207)
Depreciation	212	826	1,706	79	168	2,991
At 31 March 2012	**300**	**6,404**	**8,311**	**142**	**961**	**16,118**
Carrying amounts						
Representing:						
At cost	–	2,401	2,728	54	216	5,399
At valuation	67,000	–	–	–	–	67,000
At 31 March 2012	**67,000**	**2,401**	**2,728**	**54**	**216**	**72,399**
Representing:						
At cost	–	2,621	4,067	159	384	7,231
At valuation	60,000	–	–	–	–	60,000
At 31 March 2011	60,000	2,621	4,067	159	384	67,231

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

Notes:

(i) At 31 March 2012, the Group has pledged its land and buildings at valuation of approximately HK$67,000,000 (2011: HK$60,000,000) to bank to secure the Group's bank borrowings (note 28).

(ii) Land and buildings were revalued at 31 March 2012 which has been arrived at on the basis of valuation carried out on that date by RHL. RHL is a firm of independent qualified professional valuers with no connection with the Group. RHL is a member of Hong Kong Institute of Surveyors ("HKIS") and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations, which conform to HKIS Valuation Standards on properties (1st Edition 2005), were arrived by reference to market evidence of recent transaction prices for similar properties.

(iii) If the land and buildings had not been revalued, they would have been included in these consolidated financial statements at cost less accumulated depreciation at HK$52,960,000 (2011: HK$53,173,000).

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

13. INVESTMENT PROPERTIES – GROUP

	2012	2011
	HK$'000	*HK$'000*
At fair value		
Balance at the beginning of the year	**5,000**	16,390
Additions	**13,465**	–
Disposals	**(5,238)**	(7,719)
Classified as held for sales (note 24)	**–**	(6,215)
Net increase in fair value recognised in profit or loss	**973**	2,544
Balance at the end of the year	**14,200**	5,000

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

The carrying amounts of investment properties shown above comprise:

	2012	2011
	HK$'000	*HK$'000*
In Hong Kong		
Long–term lease	**11,700**	–
Medium–term lease	**2,500**	5,000
	14,200	5,000

The fair value of the Group's investment properties at 31 March 2012 are stated at fair value which have been arrived at on the basis of valuations carried out on that date by RHL. RHL is a firm of independent qualified professional valuers with no connection with the Group. RHL is members of HKIS and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations, which conform to HKIS Valuation Standards on properties (1st Edition 2005), were arrived by reference to market evidence of recent transaction prices for similar properties.

The investment properties held by the Group are leased to third parties under operating leases, further summary details of which are included in note 36 to the consolidated financial statements.

At 31 March 2012, the Group has pledged its investment properties with carrying value of approximately HK$11,700,000 (2011: HK$nil) to banks to secure the Group's bank borrowings (note 28).

14. INVESTMENTS IN SUBSIDIARIES – COMPANY

	2012	2011
	HK$'000	*HK$'000*
Investment at cost		
– Unlisted shares	**1,097**	1,097

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

Particulars of the principal subsidiaries at 31 March 2012 and 31 March 2011 are as follows:

Name of subsidiaries	Place/country of incorporation and kind of legal entity	Particulars of issued/registered capital	Percentage of issued/ registered capital held by the Company				Principal activities and place of operations
			Directly		Indirectly		
			2012	2011	2012	2011	
Rainbow Cosmetic (BVI) Limited	British Virgin Islands, limited liability company	50,000 ordinary shares of US$1 each	100%	100%	–	–	Investment holding, Hong Kong
Be A Lady (Macau) Limited	Macau, limited liability company	60,000 ordinary shares of MOP1 each	–	–	90%	90%	Provision of beauty services and sale of beauty products, Macau
Be A Lady (Site 1) Medical Limited	Macau, limited liability company	30,000 ordinary shares of MOP1 each	–	–	90%	90%	Provision of clinical services, Macau
Be Cool Limited	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Securities investment and sale of beauty products, Hong Kong
Thailand (HK) Plastic Surgery Service Limited	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Property investment, Hong Kong
The Specialists Limited	Hong Kong, limited liability company	1,000 ordinary shares of HK$1 each	–	–	90%	87.75%	Provision of clinical services, Hong Kong
Top Euro Limited	Hong Kong, limited liability company	1 ordinary share of HK$1 each	–	–	100%	100%	Property investment, Hong Kong
Top Legend Investment Limited	Hong Kong, limited liability company	10,000 ordinary shares of HK$1 each	–	–	100%	100%	Securities investment, Hong Kong
Yvonne Credit Service Company Limited	Hong Kong, limited liability company	10,000 ordinary shares of HK$1 each	–	–	100%	100%	Provision of money lending business, Hong Kong

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

15. INTERESTS IN ASSOCIATES – GROUP

	2012	2011
	HK$'000	*HK$'000*
Cost of investment in associates		
– unlisted	**682**	4,536
Share of losses of associates	**(682)**	(3,854)
	-	682
Loan to associates	**9,600**	13,600
Less: provision for impairment	**(9,600)**	(4,000)
	–	9,600
	–	10,282

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

The Group performed impairment assessment on loan to associates as at 31 March 2012. The recoverable amounts of these loan to associates were determined based on a value-in-use calculation using discounted cashflow analysis to estimate the present value of the estimated future cash flows expected to be generated by associates. This calculation used cash flow projections based on financial budgets approved by management of the Group using a growth rate of zero%.

Since the recoverable amounts of the loan to associates were lower than their carrying amounts as at 31 March 2012, the Directors of the Company were of the opinion that impairment on loan to associates were considered necessary.

Particulars of the associate at 31 March 2012 and 31 March 2011 are as follows:

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

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

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

	2012 HK$'000	2011 HK$'000
Total assets	**5,228**	10,463
Total liabilities	**(20,235)**	(22,296)
Net liabilities	**(15,007)**	(11,833)
Group's share of net liabilities of associates	**(6,003)**	(4,733)
Total revenue	**4,320**	2,528
Total losses for the year	**(2,232)**	(9,637)
Group's share of losses of associates	**(682)**	(3,854)
Group's share of other comprehensive income	**–**	–

The Group has not recognised losses amounting to HK$211,000 (2011: HK$nil). The accumulated losses not recognised were HK$211,000 (2011: HK$nil).

16. HELD-TO-MATURITY INVESTMENTS – GROUP

	2012 HK$'000	2011 HK$'000
Debt securities listed outside Hong Kong		
– Non-current portion	**–**	817
– Current portion	**778**	1,855
	778	2,672

At 31 March 2012, the debt securities represent bonds with fixed interest rates 5.625% per annum, and mature on 27 August 2012. The Group receives related interest payments semi-annually.

At 31 March 2011, the debt securities represent bonds with fixed interest rates ranging from 2.25% to 5.625% per annum, and mature on 23 July 2011, 4 September 2011 and 27 August 2012. The Group receives related interest payments semi-annually.

At 31 March 2011, the held-to-maturity investments amounted to approximately HK$1,855,000 were held on trust for the Group by Madam Siu York Chee, Mr. Leung Kwok Kui and Ms. Leung Ge Yau, the ex-directors of the Company, respectively.

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP

	2012 *HK$'000*	2011 *HK$'000*
Investment funds listed outside Hong Kong, at market value	**5,395**	6,240
Debt securities listed outside Hong Kong, at market value (note i)	**6,024**	–
Total	**11,419**	6,240
Analysed for reporting purposes as:		
– Current assets	**5,395**	6,240
– Non-current assets	**6,024**	–
	11,419	6,240

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

Note:

(i) The debt securities comprised of (i) bonds carrying at fixed interest rates ranging from 7.625% to 9.5% per annum with maturity date ranging from January 2015 to April 2017 and (ii) bond initially carrying at fixed interest rates at 7.25% per annum till May 2016 and later carrying at floating interest rate per annum with maturity date in November 2099. As such, they were classified as non-current assets. The Group receives related interest payments semi-annually.

18. TRADE RECEIVABLES – GROUP

	2012 *HK$'000*	2011 *HK$'000*
Trade receivables	**1,046**	787
Less: provision for impairment of trade receivables	**–**	–
Trade receivables - net	**1,046**	787

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

	2012 *HK$'000*	2011 *HK$'000*
Macao Pataca ("MOP")	**1,019**	616

18. TRADE RECEIVABLES – GROUP *(Continued)*

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

	2012	2011
	HK$'000	*HK$'000*
Within three months	**1,046**	787
Over three months but within six months	**–**	–
Over six months and within one year	**–**	–
Over one year	**–**	–
	1,046	787

The movements in the provision for impairment of trade receivables are as follows:

	2012	2011
	HK$'000	*HK$'000*
Balance at the beginning of the year	**–**	2,764
Provision for impairment recognised during the year	**–**	1,842
Receivables written off during the year	**–**	(4,606)
Balance at the end of the year	**–**	–

At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. Based on these assessments, no impairment loss at 31 March 2012 (2011: HK$1,842,000) has been recognised. The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments.

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

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

	2012	2011
	HK$'000	*HK$'000*
Neither past due nor impaired	**1,046**	787
Within three months past due	**–**	–
Over three months but within six months past due	**–**	–
Over six months but within one year past due	**–**	–
	1,046	787

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

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Prepayments	**2,649**	4,576	**1,797**	3,722
Deposits	**1,456**	2,024	**8**	32
Other receivables (note a)	**2,208**	580	**5**	–
	6,313	7,180	**1,810**	3,754
Less: Non–current portion				
Prepayments	**–**	(2,082)	**–**	(1,499)
Deposits	**(213)**	(759)	**–**	–
Non–current portion	**(213)**	(2,841)	**–**	(1,499)
Current portion	**6,100**	4,339	**1,810**	2,255

Notes:

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

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

20. LOANS AND ADVANCES – GROUP

	2012	2011
	HK$'000	*HK$'000*
Loans and advances to customers		
Term loans	**108,611**	39,040
Less: impairment allowances	**(11,349)**	(2,134)
Loans and advances to customers – net	**97,262**	36,906
Analysed for reporting purpose as:		
Current portion	**64,265**	25,424
Non-current portion	**32,997**	11,482
	97,262	36,906

At 31 March 2012, certain term loans amounted to approximately HK$76,300,000 (2011: HK$5,029,000) are secured by customers' pledged properties at fair value of approximately HK$263,153,000 (2011: HK$11,580,000).

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

All term loans and advances are denominated in Hong Kong dollars. The loan receivables carry fixed effective interest ranging approximately from 3% to 57% per annum. An ageing analysis of loans and advances net of impairment loss at the end of reporting period, based on the repayment terms is as follows:

Ageing analysis of loans and advances to customers:

	2012	2011
	HK$'000	*HK$'000*
Within one year	**64,265**	25,424
Over one year but within five years	**22,642**	11,482
Over five years	**10,355**	–
	97,262	36,906

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

	2012	2011
	HK$'000	*HK$'000*
Balance at the beginning of the year	**2,134**	–
Provision for impairment recognised during the year	**13,881**	2,134
Amount written off during the year	**(4,666)**	–
Balance at the end of the year	**11,349**	2,134

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

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

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Listed equity securities – held-for-trading				
– Hong Kong	**63,333**	22,512	**54,607**	11,550
– Overseas	**2,799**	2,592	**2,108**	2,592
	66,132	25,104	**56,715**	14,142

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

22. AMOUNTS DUE FROM RELATED COMPANIES – GROUP AND COMPANY

Particulars of the amounts due from related companies are as follows:

	Group			Company		
	Highest balance outstanding during the year	**2012**	2011	**Highest balance outstanding during the year**	**2012**	2011
	HK$'000	***HK$'000***	*HK$'000*	***HK$'000***	***HK$'000***	*HK$'000*
Name						
One Dollar Productions Limited	**1,596**	**611**	1,596	**611**	**611**	–
China 3D Digital Entertainment Limited	**10**	**–**	10	**–**	**–**	–
		611	1,606		**611**	–

Amounts due from related companies are unsecured, interest free and repayable on demand. These related companies are beneficially owned and controlled by certain family members of Mr. Shiu Yeuk Yuen, the Executive Director.

23. CASH AND BANK BALANCES – GROUP AND COMPANY

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Cash at banks	**35,289**	35,480	**437**	15,372
Cash on hand	**33**	24	**–**	–
	35,322	35,504	**437**	15,372

At 31 March 2012, cash at banks carry interest at floating rates based on daily bank deposit rates. The effective interest rate on short-term time deposits ranged from 0.09% to 1.4% (2011: nil) per annum. At 31 March 2012, the deposits had a maturity of 3 days (2011: nil).

At 31 March 2012, the Group had cash and bank balances of approximately HK$21,000 (2011: HK$1,095,000) denominated in RMB and placed with banks in Hong Kong and the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash and cash equivalents with aggregate amount of approximately HK$51,000 and HK$511,000 were held on trust for the Group by Madam Siu York Chee, Mr. Leung Kwok Kui and Ms. Leung Ge Yau at 31 March 2012 and 31 March 2011, respectively.

24. ASSETS HELD FOR SALE – GROUP

	2012 *HK$'000*	2011 *HK$'000*
Balance at the beginning of the year	**6,215**	–
Transfer from investment properties (note 13)	**–**	6,215
Disposals	**(6,215)**	–
Balance at the end of the year	**–**	6,215

As at 31 March 2011, the Group intended to dispose the investment properties with aggregate fair value of approximately HK$6,215,000. For the year ended 31 March 2011, no impairment loss was recognised on reclassification of investment properties to held for sale.

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

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

	Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK'000*	***HK$'000***	*HK$'000*
Accruals	**3,240**	3,927	**311**	287
Receipts in advance	**2,340**	1,190	**–**	–
Deposits received and other payables	**2,042**	832	**–**	–
	7,622	5,949	**311**	287

26. AMOUNTS DUE TO NON-CONTROLLING INTERESTS – GROUP

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

27. AMOUNT DUE TO A RELATED COMPANY – COMPANY

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

28. BORROWINGS – GROUP

	2012 *HK$'000*	2011 *HK$'000*
Bank borrowings		
– Portion of term loans from bank due for repayment within one year	**1,745**	1,523
– Portion of term loans from bank due for repayment after one year which contain a repayment on demand clause	**19,954**	22,840
	21,699	24,363

At 31 March 2012 and 31 March 2011, the bank borrowings of the Group were secured by the charges over the Group's entire land and buildings (note 12) and investment properties (note 13) and corporate guarantees executed by the Company (note 37). For the year ended 31 March 2012, the Group's entire bank borrowings are denominated in HK$, bearing floating interest rate of 1.19% to 2.36% and (2011: 1.11% to 1.21%) per annum.

28. BORROWINGS – GROUP *(Continued)*

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

	2012	2011
	HK$'000	*HK$'000*
Portion of term loans due for repayment within one year	**1,745**	1,523
Term loans due for repayment after one year (note a)		
After one year but within two years	**1,772**	1,548
After two years but within five years	**5,479**	4,767
After five years	**12,703**	16,525
	19,954	22,840
	21,699	24,363

Note:

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

29. DEFERRED INCOME TAX – GROUP

The gross movement on deferred income tax account is as follows:

	2012	2011
	HK$'000	*HK$'000*
Balance at the beginning of the year	**(6,431)**	(1,140)
Charged to the consolidated statement of comprehensive income (note 8)	**(2,082)**	(5,470)
Disposal of subsidiaries (note 33)	**–**	179
Balance at the end of the year	**(8,513)**	(6,431)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities

	2012	2011
	HK$'000	*HK$'000*
Balance at the beginning of the year	**(6,431)**	(1,140)
Charged to the consolidated statement of comprehensive income	**(2,082)**	(5,470)
Disposal of subsidiaries (note 33)	**–**	179
Balance at the end of the year	**(8,513)**	(6,431)

Deferred tax assets

	Accelerated tax depreciation		Tax losses		Total	
	2012	2011	2012	2011	2012	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Deferred tax assets	**(571)**	(571)	**571**	571	**–**	–

29. DEFERRED INCOME TAX – GROUP *(Continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has estimated tax losses of approximately HK$47,676,000 and HK$55,327,000 arising in subsidiaries that have been loss-making for some time which will be carried forward against future taxable income at 31 March 2012 and 31 March 2011, respectively. No deferred tax assets has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

30. SHARE CAPITAL – GROUP AND COMPANY

	Notes	**Number of share**	***HK$'000***
Authorised:			
At 1 April 2010		30,000,000,000	300,000
Ordinary shares of HK$0.1 each			
Share consolidation	(ii)	(27,000,000,000)	–
Ordinary shares of HK$0.01 each			
Capital reduction	(iii)	–	(270,000)
Ordinary shares of HK$0.01 each			
Capital increase	(iv)	27,000,000,000	270,000
At 31 March 2011 and 1 April 2011		**30,000,000,000**	**300,000**
Ordinary shares of HK$0.1 each			
Share consolidation	(xii)	**(27,000,000,000)**	**–**
Ordinary shares of HK$0.01 each			
Capital reduction	(xiii)	**–**	**(270,000)**
Ordinary shares of HK$0.01 each			
Capital increase	(xiv)	**27,000,000,000**	**270,000**
At 31 March 2012		**30,000,000,000**	**300,000**
Issued and fully paid:			
At 1 April 2010		2,363,341,300	23,633
Ordinary shares of HK$0.01 each			
Share consolidation	(ii)	(3,207,007,170)	–
Ordinary shares of HK$0.1 each			
Capital reduction	(iii)	–	(32,070)
Ordinary shares of HK$0.01 each			
Issue of shares upon exercise of share option	(vii), (viii)	14,100,000	141
Issue of shares upon placing	(i), (v), (vi)	1,356,000,000	13,560
At 31 March 2011 and 1 April 2011		526,434,130	5,264
Ordinary shares of HK$0.1 each			
Share consolidation	(xii)	**(572,070,717)**	**–**
Ordinary shares of HK$0.01 each			
Capital reduction	(xiii)	**–**	**(5,721)**
Issue of shares upon exercise of share option	(ix), (x)	**4,200,000**	**42**
Issue of shares upon rights issue	(xv)	**635,634,130**	**6,356**
Issue of shares upon placing	(xi)	**105,000,000**	**1,050**
At 31 March 2012		**699,197,543**	**6,991**

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

Notes:

For the year ended 31 March 2011

(i) By ordinary resolution dated on 20 May 2010, 1,200,000,000 ordinary shares of the Company of HK$0.01 each were allotted at a subscription price of HK$0.05 each. Funds raised from the allotment were approximately HK$58,720,000, net of share issue expenses.

(ii) By a special resolution dated 8 September 2010, authorised share capital for ordinary shares of HK$0.01 each ("Reorganised Shares") was consolidated on the basis of every ten into one from 30,000,0000,000 ordinary shares of HK$0.01 each to 3,000,000,000 ordinary shares of HK$0.10 each. The issued share capital was consolidated on the basis of ten into one from 3,563,341,300 ordinary shares of HK$0.01 each to 356,334,130 ordinary shares of HK$0.10 each.

(iii) By a special resolution dated 8 September 2010, the nominal value of each share in issue was reduced from HK$0.10 to HK$0.01 by cancelling paid up capital to the extent of HK$0.09 on each issued share and the authorised share capital of the Company was reduced to HK$30,000,000 divided into 3,000,0000,000 Reorganised Shares of HK$0.01 each.

(iv) By a special resolution dated 8 September 2010, the authorised share capital from HK$30,000,000 dividend into 3,000,000,000 Reorganised Shares of HK$0.01 each increased to HK$300,000,000 dividend into 30,000,000,000 Reorganised Shares of HK$0.01 each.

(v) On 27 September 2010, 71,000,000 ordinary shares of the Company of HK$0.01 each were allotted at a price of HK$0.20 per share by way of general mandate. The net proceeds were approximately HK$13,916,000.

(vi) On 26 January 2011, 85,000,000 ordinary shares of the Company of HK$0.01 each were allotted at a price of HK$0.165 per share by way of general mandate. The net proceeds were approximately HK$13,704,000.

(vii) 8,400,000 and 4,200,000 new ordinary shares of HK$0.01 each were issued upon the exercise of 12,600,000 units of share option on 10 March 2011 at the subscription price of HK$0.1396 and HK$0.1542 respectively.

(viii) 1,500,000 new ordinary shares of HK$0.01 each were issued upon the exercise of 1,500,000 units of share option on 18 March 2011 at the subscription price of HK$0.1542.

For the year ended 31 March 2012

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

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

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

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

(xiii) By a special resolution dated 24 August 2011, the nominal value of each share in issue was reduced from HK$0.10 to HK$0.01 by cancelling paid up capital to the extent of HK$0.09 on each issued share and the authorised share capital of the Company was reduced to HK$30,000,000 divided into 3,000,0000,000 Reorganised Shares of HK$0.01 each.

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

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

31. SHARE-BASED EMPLOYEE COMPENSATION

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

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

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

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

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

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

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

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

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

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

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

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

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

For the year ended 31 March 2012

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

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

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

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

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

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

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

For the year ended 31 March 2011

Type of grantee	At 1 April 2010	Granted	Exercised	Expired/ cancelled/ lapsed	At 31 March 2011	Date of grant	Exercise period of the share options	Exercise price per share *HK$*
Directors								
– In aggregate	–	4,200,000	(4,200,000)#	–	–	15 February 2011	15 February 2011 to 14 February 2014	0.1542
– In aggregate	–	4,200,000	(4,200,000) #	–	–	23 February 2011	23 February 2011 to 22 February 2014	0.1396
Employees								
– In aggregate	399,980	–	–	(399,980)	–	5 May 2008	5 May 2008 to 4 May 2010	0.2830
– In aggregate	–	12,600,000	(4,200,000)#	–	8,400,000	23 February 2011	23 February 2011 to 22 February 2014	0.1396
Other eligible persons								
– In aggregate	–	4,200,000	(1,500,000)##	–	2,700,000	15 February 2011	15 February 2011 to 14 February 2014	0.1542
Total	399,980	25,200,000	(14,100,000)	(399,980)	11,100,000			
Weighted average exercise price	0.2830	0.1445	0.1315	0.2830	0.1431			

For the year ended 31 March 2011, the weighted average closing price of the shares immediately before the date on which the options being exercised was HK$0.135. The weighted average closing share price on the date of exercise was HK$0.139.

For the year ended 31 March 2011, the weighted average closing price of the shares immediately before the date on which the options being exercised was HK$0.135. The weighted average closing share price on the date of exercise was HK$0.132.

The fair values of options granted for the year ended 31 March 2011 were determined using the Black-Scholes valuation model.

For the share options granted on 15 February 2011, significant inputs into the calculation included a weighted average share price of HK$0.1191 and exercise prices as illustrated above. Furthermore, the calculation takes into account option life of 3 years and volatility of 140.072%, based on expected share price. Risk-free interest rates of 1.241% were determined.

For the share options granted on 23 February 2011, significant inputs into the calculation included a weighted average share price of HK$0.1026 and exercise prices as illustrated above. Furthermore, the calculation takes into account option life of 3 years and volatility of 140.557%, based on expected share price. Risk-free interest rates of 1.071% were determined.

For the year ended 31 March 2012, no employee compensation expenses has been included in the consolidated statement of comprehensive income (2011: approximately HK$ 2,761,000 which has been credited to share option reserve). No liabilities were recognised due to these share-based payment transactions.

32. RESERVES – GROUP AND COMPANY

Group

The amounts of the Group's reserves and the movements therein for the current year and prior years are presented in the consolidated statement of changes in equity on page 25 of the consolidated financial statements.

Company	**Share premium** *HK$'000*	**Capital redemption reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Share option reserve** *HK$'000*	**Contributed surplus** *HK$'000* *(note (i) & (ii))*	**Total** *HK$'000*
At 1 April 2010	40,380	278	(74,845)	89	143,500	109,402
Loss for the year (note 9)	–	–	(72,324)	–	–	(72,324)
Equity-settled share options arrangement (note 31)	–	–	–	2,761	–	2,761
Issue of shares upon exercise of share options	3,452	–	–	(1,541)	–	1,911
Options expired	–	–	125	(125)	–	–
Issue of shares upon placing	74,665	–	–	–	–	74,665
Transaction cost attributable to issue shares upon placing	(1,885)	–	–	–	–	(1,885)
Capital reduction	–	–	–	–	32,070	32,070
At 31 March 2011 and 1 April 2011	116,612	278	(147,044)	1,184	175,570	146,600
Profit for the year (note 9)	–	–	3,914	–	–	3,914
Issue of shares upon placing	9,975	–	–	–	–	9,975
Transaction cost attributable to issue shares upon placing	(279)	–	–	–	–	(279)
Issue of shares upon rights issue	88,989	–	–	–	–	88,989
Transaction cost attributable to issue shares upon rights issue	(3,345)	–	–	–	–	(3,345)
Issue of shares upon exercise of share options	1,016	–	–	(452)	–	564
Capital reduction	–	–	–	–	5,721	5,721
At 31 March 2012	**212,968**	**278**	**(143,130)**	**732**	**181,291**	**252,139**

Notes:

(i) Pursuant to a special resolution passed at the special general meeting of the Company on 8 September 2010, the Company reduced its issued share capital by an amount of approximately HK$32,070,000 (note 30) and transferred the same amount to the contributed surplus account of the Company.

(ii) Pursuant to a special resolution passed at the special general meeting of the Company on 24 August 2011, the Company reduced its issue of share capital by an amount of approximately HK$5,721,000 (note 30) and transferred the same amount to the contributed surplus account of the Company.

33. DISPOSAL OF SUBSIDIARIES

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

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

(b) On 31 August 2010, the Group disposed of its entire equity interests in Be A Lady Limited and its subsidiaries ("BAL Group"), New Creative Limited ("New Creative"), B.A.L. Clinic Limited ("Clinic") and Excel Future Enterprise Limited ("Excel") at a cash consideration of HK$4,380,000.

The assets and liabilities of these disposed subsidiaries at the date of disposal were as follows:

	BAL Group *HK$'000*	**New Creative** *HK$'000*	**Clinic** *HK$'000*	**Excel** *HK$'000*	**Total** *HK$'000*
Property, plant equipment (note 12)	7,165	943	1,172	–	9,280
Trade receivables	8,642	(4,124)	(4,734)	–	(216)
Other receivables	7,633	198	285	–	8,116
Trade payables	(2,869)	(2,491)	767	(17)	(4,610)
Other payables	(1,761)	(192)	(847)	–	(2,800)
Deferred tax liabilities (note 29)	–	(179)	–	–	(179)
Net assets disposal of	18,810	(5,845)	(3,357)	(17)	9,591
Loss on disposal of subsidiaries	(14,888)	5,835	3,413	17	(5,623)
Non-controlling interests	475	10	(56)	–	429
Cumulative exchange difference released	(17)	–	–	–	(17)
Total cash consideration	4,380	–	–	–	4,380
Net cash inflow arising on disposal:					
Consideration received in cash and cash equivalent	4,380	–	–	–	4,380

34. RELATED PARTY TRANSACTIONS

(i) In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

	Notes	**2012** **HK$'000**	2011 *HK$'000*
Rental income	(a),(b)	**–**	54

Notes:

(a) For the year ended 31 March 2011, rental income of HK$30,000 was received from the Company controlled by Madam Siu York Chee, the ex-director of the Company.

(b) For the year ended 31 March 2011, rental income of HK$24,000 was received from the Company controlled by Mr. Shiu Yeuk Yuen and Mr. Shiu Stephen Junior, the son of Mr. Shiu Yeuk Yuen.

(ii) Key management compensation

	2012 **HK$'000**	2011 *HK$'000*
Short term employee benefits	**9,227**	13,139
Share-based payments	**–**	931
Other long term benefits	**54**	56
	9,281	14,126

(iii) At 31 March 2012, certain financial assets, including held-to-maturity investments of approximately HK$nil (2011: HK$1,855,000) and cash and bank balances of approximately HK$51,000 (2011: HK$511,000) which are held by certain Directors of the subsidiaries on trust for the Group, are included in "Held-to-maturity investments" and "Cash and bank balances" respectively in the consolidated statement of financial position.

35. TRANSACTIONS WITH NON-CONTROLLING INTERESTS – GROUP

Acquisition of part of non–controlling interests

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

	HK$'000
Carrying amount of non-controlling interest acquired of	**246**
Consideration paid	**–**
Negative movement in parent equity	**(246)**

Disposal of part of its interest to non–controlling interests

For the year ended 31 March 2011, the Company disposed of 2.5% of interest in The Specialists Limited at a consideration of HK$nil. The carrying amount of the non-controlling interests in The Specialists Limited on the date of disposal was approximately HK$199,000. The Group recognised a decrease in non-controlling interests of approximately HK$199,000 and an increase in equity attributable to owners of the parent of approximately HK$199,000. The effect of changes in the ownership interest of The Specialists Limited on the equity attributable to owners of the Company during the year is summarised as follows:

	HK$'000
Carrying amount of non-controlling interest disposed of	199
Consideration received	–
Positive movement in parent equity	199

36. COMMITMENTS – GROUP

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

The Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2012	2011
	HK$'000	*HK$'000*
Within one year	**6,427**	4,508
In the second to fifth year, inclusive	**2,024**	2,214
	8,451	6,722

36. COMMITMENTS – GROUP *(Continued)*

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

The Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

	2012	2011
	HK$'000	*HK$'000*
Within one year	**500**	432
In the second to fifth year, inclusive	**163**	241
	663	673

The Group leases its investment properties (note 13) under operating lease arrangements which run for an initial period of two years and three years respectively, without an option to renew the lease terms at the expiry date. The terms of the leases generally also require the tenants to pay security deposits.

37. CORPORATE GUARANTEES – COMPANY

At 31 March 2012, the Company has executed general banking facilities granted to certain subsidiaries of the Company of approximately HK$39,000,000 (2011: HK$25,000,000).

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

38. FINANCIAL RISK MANAGEMENT

38.1 Financial instruments by category

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

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.1 Financial instruments by category *(Continued)*

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

	Held-to-maturity investments	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2011					
Financial assets					
Held-to-maturity investments	2,672	–	–	–	2,672
Available-for-sale financial assets	–	6,240	–	–	6,240
Trade receivables	–	–	787	–	787
Loans and advances	–	–	36,906	–	36,906
Deposits and other receivables	–	–	2,604	–	2,604
Held for trading investments	–	–	–	25,104	25,104
Amounts due from related companies	–	–	1,606	–	1,606
Cash and bank balances	–	–	35,504	–	35,504
	2,672	6,240	77,407	25,104	111,423

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.1 Financial instruments by category *(Continued)*

	Financial liabilities measured at amortised cost HK$'000	Total HK$'000
31 March 2011		
Financial liabilities		
Accruals and other payables	4,759	4,759
Amounts due to non-controlling interests	297	297
Borrowings	24,363	24,363
	29,419	29,419

38.2 Financial risk factors

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

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

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

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.2 Financial risk factors *(Continued)*

(a) Market risk

(i) Foreign currency risk

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

Summary of exposure

Foreign currency denominated financial assets and liabilities, translated into Hong Kong dollars at the closing rates, are as follows:

	At 31 March 2012			At 31 March 2011		
	Financial assets	**Financial liabilities**	**Net exposure**	Financial assets	Financial liabilities	Net exposure
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
RMB	**1,406**	**–**	**1,406**	1,855	–	1,855
NT$	**2,106**	**–**	**2,106**	2,592	–	2,592
US$	**11,221**	**–**	**11,221**	7,081	–	7,081
JPY	**–**	**–**	**–**	1,358	–	1,358

Sensitivity analysis

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

At 31 March 2012, if a general appreciation/depreciation of 1% (2011: 1%) in HK$ against NT$, 3% (2011: 8%) against RMB and 1% (2011: 5%) against JPY is estimated, with all other variable held constant, each of loss after income tax for the year and other components of equity would increase/decrease by approximately HK$21,000 (2011: HK$26,000), HK$42,000 (2011: HK$148,000) and HK$nil (2011: HK$68,000) respectively.

The Group indicated the sensitivity of 3% and 1% (2011: 8% and 5%) decrease in Hong Kong dollars against RMB and JPY respectively. The management adjusted the sensitivity rate from 8% and 5% to 3% and 1% for the purpose of assessing foreign currency risk against RMB and JPY respectively. Hence, 3% and 1% (2011: 8% and 5%) are the sensitivity rate used in the current year when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

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

Sensitivity analysis

The following table illustrates the sensitivity of the Group's loss after income tax and other components of equity to a possible change in interest rates of +/- 0.5% (2011: +/- 0.5%) higher/ lower, with effect from the beginning of the year. The calculations are based on the Group's financial assets and liabilities held at the end of the reporting period. All other variables are held constant.

	Higher/(lower) in interest rate	Increase/ (decrease) in profit after income tax	Increase/ (decrease) in equity
	%	*HK$'000*	*HK$'000*
Year ended 31 March 2012	**0.5**	**68**	**68**
	(0.5)	**(68)**	**(68)**
Year ended 31 March 2011	0.5	56	56
	(0.5)	(56)	(56)

(iii) Price risk

Equity and debt security price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to equity and debt security price risk arising from individual equity and debt investments classified as financial assets at fair value through profit or loss (note 21) and available-for-sale financial assets (note 17) at 31 March 2012.

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

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(iii) Price risk *(continued)*

Sensitivity analysis

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

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

Year ended 31 March 2012			Year ended 31 March 2011		
Increase/ (decrease) in securities market price	**Effect on profit/loss after income tax**	**Effect on other components of equity**	Increase/ (decrease) in securities market price	Effect on profit/loss after income tax	Effect on other components of equity
%	***HK$'000***	***HK$'000***	*%*	*HK$'000*	*HK$'000*
10	**6,613**	**1,142**	10	2,510	624
(10)	**(6,613)**	**(1,142)**	(10)	(2,510)	624

(b) Credit risk

Credit risk refers to the risk that the borrowers or counterparties may default on their payment obligations due to the Group. These obligations arise from the Group's lending and investment activities. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statement of financial positions which are summarised in note 38.1.

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

All the Group's bank balances are deposited with major banks located in Hong Kong, Macau and the PRC.

Sales to customers are made in cash or via major credit cards. The maximum exposure to credit risk is represented by the carrying amount of each trade receivable in the reporting date after deducting any provision for impairment of trade receivables, if any. The Group's exposure of credit risk arising from trade receivables is set out in note 18 to the consolidated financial statements.

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.2 Financial risk factors *(Continued)*

(c) Liquidity risk

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

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

Analysed below is the Group's remaining contractual maturities for its non-derivative and derivative financial liabilities at 31 March 2012 and 31 March 2011. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay. Bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights within one year after the reporting date. The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

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

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

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.2 Financial risk factors *(Continued)*

(c) Liquidity risk (Continued)

	On demand HK$'000	Within one year HK$'000	Over one year HK$'000	Total undiscounted cash flows HK'000	Carrying amount HK$'000
At 31 March 2011					
Non-derivative financial instruments					
– Accruals and other payables	4,759	–	–	4,759	4,759
– Amounts due to non-controlling interests	297	–	–	297	297
– Borrowings	24,363	–	–	24,363	24,363
	29,419	–	–	29,419	29,419

38.3 Fair value estimation

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.3 Fair value estimation *(Continued)*

31 March 2012

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

31 March 2011

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets				
Available-for-sale financial assets	6,240	–	–	6,240
Financial assets at fair value through profit or loss	25,104	–	–	25,104
Total assets	31,344	–	–	31,344

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

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

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

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

38. FINANCIAL RISK MANAGEMENT *(Continued)*

38.4 Capital risk management

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

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

The net debt to total equity ratio at the end of the reporting period was:

	2012	2011
	HK$'000	*HK$'000*
Borrowings	**21,699**	24,363
Cash and bank balances	**(35,322)**	(35,504)
Net debt	**(13,623)**	(11,141)
Total equity	**265,262**	165,718
Total debt to capital ratio	**N/A**	N/A

39. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2012 (2011: nil).

40. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation to align with the financial statements presentation of the Group.

41. EVENT AFTER THE REPORTING PERIOD

On 25 May 2012, Top Euro Limited entered into a provisional sale and purchase agreement with an independent third party relating to the disposal of properties located at 1st Floor and 2nd Floor of Morrison Plaza, No. 9 Morrison Hill Road, Wanchai, Hong Kong together with External Wall Area I, External Wall Area II and External Wall Area III at cash consideration of HK$74,000,000. Details of the disposal were set out in the Company's announcement dated 28 May 2012.

Particulars of Investment Properties

The particulars of the Group's investment properties as at 31 March 2012 are as follows:

Location		Lot number	Usage	Category of the lease term	Group's interest
1.	Portion 2 of Unit B on 14th Floor, Chaiwan Industrial Centre, No.20 Lee Chung Street, Hong Kong.	1/141st shares of Chai Wan Inland Lot Nos. 54 and 47.	Industrial	Long	100%
2.	Workshop No.1 on 16/F Favor Industrial Centre, Nos.2-6 Kin Hong Street, Kwai Chung, New Territories.	367/84161st shares of The Remaining Portion of Kwai Chung Town Lot No. 361.	Industrial	Medium	100%