T E M U J I N

TEMUJIN INTERNATIONAL INVESTMENTS LIMITED
泰潤國際投資有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 204)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2011

The Board of Directors (the "Board") of Temujin International Investments Limited (the "Company") and its subsidiaries (collectively, the "Group") announces the audited results of the Group for the year ended 31 March 2011 together with the comparative audited figures of the Group for the year ended 31 March 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2011

	Notes	**2011** **HK$'000**	2010 *HK$'000*
Revenue	*4*	**3,480**	2,421
Other income	*4*	**78**	1,082
Net realised gain on disposal of financial assets held for trading		**–**	26
Administrative expenses		**(9,582)**	(23,007)
Finance costs	*6*	**(7,259)**	(6,319)
Loss before taxation		**(13,283)**	(25,797)
Taxation	*7*	**–**	–
Loss attributable to shareholders of the Company	*8*	**(13,283)**	(25,797)
Dividends	*9*	**–**	–
Loss per share	*10*		
– Basic (HK$ per share)		**(0.45)**	(1.05)
– Diluted (HK$ per share)		**(0.45)**	(1.05)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	2011	2010
	HK$'000	*HK$'000*
Loss attributable to the shareholders of the Company	**(13,283)**	(25,797)
Other comprehensive income (expense):		
Change in fair value of available-for-sale financial assets	**(420)**	–
Exchange differences on translation of financial statements of foreign operations	**990**	3,725
Other comprehensive income for the year, net of tax	**570**	3,725
Total comprehensive expense for the year	**(12,713)**	(22,072)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**393**	1,081
Available-for-sale financial assets	11	**6,767**	7,072
		7,160	8,153
Current assets			
Loans receivable	12	**25,614**	21,246
Other receivables, deposits and prepayments		**1,159**	1,566
Bank and cash balances		**23**	868
		26,796	23,680
Current liabilities			
Bank overdraft		**309**	–
Other payables and accrued charges		**5,522**	2,454
Amounts due to a shareholder		**4,200**	–
		10,031	2,454
Net current assets		**16,765**	21,226
Non-current liability			
Convertible bonds	13	**30,529**	29,162
Net (liabilities)/assets		**(6,604)**	217
Capital and reserves			
Share capital	14	**6,050**	5,050
Reserves	15	**(12,654)**	(4,833)
(Capital deficiency)/Total equity		**(6,604)**	217
Net (liability)/asset value per share	17	**(HK$0.22)**	HK$0.01

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2011

	Share capital *HK$'000*	Share premium *HK$'000*	Investment revaluation reserve *HK$'000*	Warrant reserve *HK$'000*	Convertible bonds equity reserve *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 April 2009	4,209	79,845	(455)	842	–	–	(79,723)	4,718
Issue of unlisted warrant	841	3,367	–	–	–	–	–	4,208
Shares issue expenses	–	(7)	–	–	–	–	–	(7)
Recognition of equity component of convertible bonds	–	–	–	–	13,370	–	–	13,370
Other comprehensive income	–	–	–	–	–	3,725	–	3,725
Loss for the year	–	–	–	–	–	–	(25,797)	(25,797)
At 31 March 2010 and 1 April 2010	5,050	83,205	(455)	842	13,370	3,725	(105,520)	217
Conversion of convertible bonds	1,000	7,566	–	–	(2,674)	–	–	5,892
Other comprehensive income/ (expense)	–	–	(420)	–	–	990	–	570
Loss for the year	–	–	–	–	–	–	(13,283)	(13,283)
At 31 March 2011	6,050	90,771	(875)	842	10,696	4,715	(118,803)	(6,604)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998 and was de-registered on 11 March 2011 and was registered by way of continuation as an exempted company in Bermuda on 2 March 2011. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12 December 2000. Its registered office is located at c/o Quorum International Limited, Thistle House, 4 Burnaby Street, Hamilton, HM11, Bermuda and its principal office in Hong Kong is at Flat C, 5/F., Wah Hen Commercial Centre, 381-383 Hennessy Road, Hong Kong.

The Company is principally engaged in investment holding for medium to long-term capital appreciation purposes, and in trading of listed and unlisted securities.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Notwithstanding that the Group incurred loss attributable to shareholders of the Company of approximately HK$13,282,913 for the year ended 31 March 2011 and that the Group's total liabilities have exceeded its total assets by HK$6,603,468 as at 31 March 2011, these consolidated financial statements have been prepared on a going concern basis as the directors of the Company are satisfied that the liquidity of the Group can be maintained in the coming year taking into consideration of the following arrangements:

On 6 April 2011, the Company had issued and allotted for cash 600,000,000 new shares at the subscription price of HK$0.1 per share. The proceeds were used to settle the outstanding convertible bonds and for working capital of the Company.

During the subsequent period, the Group had collected HK$18,000,000 of loans receivable and the remaining balance will be settled within six months in accordance with repayment schedule from the end of this reporting period.

The directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, these consolidated financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should the Group fail to continue as a going concern.

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

The following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group in the current year. The impact of the application of the new and revised Standards and Interpretations is discussed below.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

In line with the amendments to HKAS 1, the Group has classified the liability component of convertible bonds issued in the current year as non-current based on when cash settlement is required to be made. This amendment has had no effect on amounts reported in prior years because the Group has not previously issued instruments of this nature.

Amendments to HKFRS 7 Financial Instruments: Disclosures (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKFRS 7 clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans. The Group has applied the amendments in advance of their effective date (annual periods beginning on or after 1 January 2011). The amendments have been applied retrospectively.

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 present the required analysis of items of other comprehensive income either in the consolidated statement of changes in equity or in the notes to the consolidated financial statements. The Group has applied the amendments in advance of their effective date (annual periods beginning on or after 1 January 2011). The amendments have been applied retrospectively.

New and revised Standards and Interpretations applied with no material effects on the consolidated financial statements

The following new and revised Standards and Interpretations have also been applied in these consolidated financial statements. The application of these new and revised Standards and Interpretations does not have any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*	The amendments provide two exemptions when adopting HKFRSs for the first time relating to oil and gas assets, and the determination as to whether an arrangement contains a lease.
Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*	The amendments clarify the scope of HKFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements to HKFRSs issued in 2008)*	The amendments clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Group is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Group will retain in a non-controlling interest in the subsidiary after the sale.
Amendments to HKAS 7 *Statement of Cash Flows (as part of Improvements to HKFRSs issued in 2009)*	The amendments specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.
Amendments to HKAS 17 *Leases*	The amendments clarify that classification of unexpired leases should be reassessed based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payment to property, plant and equipment retrospectively.
Amendments to HKAS 32 *Classification of Rights Issues*	The amendments address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability.
Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*	The amendments provide clarification on two aspects of hedge accounting: identifying inflation as hedged risk or portion and hedging with options.
HK-Int 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*	HK Int 5 clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities.
HK (IFRIC) – Int 17 *Distributions of Non-cash Assets to Owners*	The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.
HK (IFRIC) – Int 18 *Transfers of Assets from Customers*	The Interpretation addresses the accounting by recipients for transfer of property, plant and equipment from "customers" and concludes that when the items of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit rating being recognised as revenue in accordance with HKAS 18 *Revenue*.
Improvements to HKFRSs issued in 2009	The application of *Improvements to HKFRSs issued in 2009* does not have any material effect on amounts reported in the consolidated financial statements.

New and revised Standards and Interpretations in issue but not yet effective

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 7 and HKAS 1[1]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 1 (Amendments)	Severe hyperinflation and fixed dates for first-time adopters[4]
HKFRS 3 (Amendments)	Business Combination (2008) – Improvements to HKFRSs (2010)[2]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[2]
HKFRS 9 (Revised)	Financial Instruments[6]
HKAS 1 (Amendments)	Presentation of Financial Statements – Improvements to HKFRSs (2010)[3]
HKAS 12 (Amendments)	Income Taxes – Amendments[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[3]
HK(IFRIC) – Int 13 (Amendments)	Customer Loyalty Programmes – Improvements to HKFRSs (2010)[3]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of Minimum Funding Requirement[3]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2011
5 Effective for annual periods beginning on or after 1 January 2012
6 Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in December 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost of fair value. Specifically, debt investments that are within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measurement at their fair values at the end of subsequent accounting period.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may have an impact on amounts reported in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 *titled Disclosures – Transfers of Financial Assets* increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 *Related Party Disclosures* (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity.

HK(IFRIC) – Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC) – Int 19 will affect the required accounting. In particular, under HK(IFRIC) – Int 19, equity instruments issued under such arrangements will be measured at their fair value, and difference between the carrying amount of financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

The directors of the Group anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the consolidated financial statements.

4. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	2011 ***HK$'000***	2010 *HK$'000*
Revenue:		
Interest income on loans to third parties	**3,480**	2,298
Investment income	**–**	123
	3,480	2,421
Other income:		
Forfeiture of amount due to a director	**78**	1,082
Total revenue	**3,558**	3,503

The Group's revenue represents interest income earned from loans to 3 independent third parties which is loans receivable included in consolidated statement of financial position. No other source of income contributed to the Group's revenue for both 2011 and 2010.

5. SEGMENT INFORMATION

During the years ended 31 March 2011 and 2010, the Group's revenue and net losses were mainly derived from the interest income. The directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses.

The Group operates in three principal geographical areas – Hong Kong SAR, the People's Republic of China (excluding Hong Kong) ("the PRC") and The Republic of Korea. The Group's segment assets and liabilities for the year, analysed by geographical area, are as follows:

	Hong Kong, SAR		**The PRC**		**The Republic of Korea**		**Total**	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS AND LIABILITIES								
Assets								
Segment assets	**110**	721	**1,117**	1,537	**30,225**	25,987	**31,452**	28,245
Unallocated corporate assets							**2,504**	3,588
Total assets							**33,956**	31,833
Liabilities								
Segment liabilities	**–**	–	**–**	–	**1,291**	1,249	**1,291**	1,249
Unallocated corporate liabilities							**39,269**	30,367
Total liabilities							**40,560**	31,616
Other information:								
Addition to non-current assets	**87**	717	**–**	–	**–**	432	**87**	1,149
Depreciation	**209**	90	**–**	–	**85**	68	**294**	158

6. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on borrowings wholly repayable within five years:		
Interest expenses on convertible bonds	**3,916**	3,787
Imputed interest on convertible bonds	**3,343**	2,532
	7,259	6,319

7. TAXATION

No provision for profits tax is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the year (2010: Nil).

8. LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Loss attributable to shareholders of the Company is stated after charging the following:

	2011	2010
	HK$'000	*HK$'000*
Directors' remunerations		
Fees	**723**	3,295
Other remunerations and benefits	**103**	–
Provident fund contributions	**–**	18
Total directors' remunerations	**826**	3,313
Staff costs		
Salaries	**902**	2,290
Provident fund contributions	**32**	33
Total staff costs (excluding directors' remunerations)	**934**	2,323
Auditors' remuneration	**171**	160
Annual listing fee	**145**	145
Depreciation	**294**	158
Investment manager's fee	**100**	110
Legal and professional fees	**3,418**	1,711
Rent and rates	**880**	1,314
Travelling and entertainment	**313**	1,033

9. DIVIDENDS

The directors do not recommend the payment of a dividend for both years.

10. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	2011	2010
	HK$'000	*HK$'000*
Loss for the purposes of basic loss per share	**(13,283)**	(25,797)
Number of shares:		
Weighted average number of shares for the purpose of basic loss per share	**29,811,200**	24,522,373

The calculation of diluted loss per share for the year ended 31 March 2011 and 31 March 2010 does not assume the conversion of warrant and convertible bonds since their exercise would result in a decrease in loss per share. Therefore, the basic and diluted loss per share is the same.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2011	2010
	HK$'000	*HK$'000*
Unlisted equity securities overseas, at fair value	**1,117**	1,537
Unlisted equity securities overseas, at cost	**5,650**	5,535
	6,767	7,072

12. LOANS RECEIVABLE

The balances comprise loans and interests receivable as follow:

	2011	2010
	HK$'000	*HK$'000*
Loans to third parties	**21,275**	20,586
Accrued interest	**4,339**	660
	25,614	21,246
Less: Balances due within one year included in current assets	**(25,614)**	(21,246)
Non-current portion	**–**	–

Notes:

(a) At the end of the reporting period, loans receivable carry fixed interest rates at 30% per annum (2010: ranging from 12% per annum to 15% per annum) and all loans receivable are due within one year.

(b) The loans had granted to each of three independent parties of the Group of KRW1 billion equivalent to approximately HK$6.8 million.

(c) The loans and receivable are dominated in Korean Won amounting to KRW3 billion.

Approximately HK$18,000,000 of the loans receivable is subsequently settled after the reporting period, and the remaining balance will be settled within six months in accordance with repayment schedule from the end of this reporting period. The directors assess the collectability of loans receivable individually with reference to borrowers' current creditworthiness, and consider that there was no indication of deterioration in the collectability of the loans receivable and thus no allowance was considered necessary.

13. CONVERTIBLE BONDS

On 17 June 2009, the Company issued 12% coupon convertible bonds due on 17 June 2012 in the aggregate principal amount of HK$40,000,000 with a conversion price of HK$1.60 per ordinary share of HK$0.20 (subject to adjustment) of the Company.

The fair value of the liability component and equity conversion component were determined upon the issuance of the convertible bonds.

The fair value of the liability component, included in non-current liabilities, was calculated based on the estimated discounted cash flow over the remaining contractual terms of the convertible bonds and discounted using a market interest rate for an equivalent non-convertible bond. The discounted rate of the liabilities component of the convertible bonds was approximately 33.6%. The residual amount, representing the value of equity conversion component, was included in the shareholders' equity under "convertible bonds equity reserve".

The movement of liabilities component of the convertible bonds for the years is set out below:

	HK$'000
Proceeds of issue	40,000
Equity component	(13,370)
Liability component at date of issue	26,630
Interest charged	3,787
Imputed interest charged	2,532
Interest paid	(3,787)
Liability component at 31 March 2010 and 1 April 2010	29,162
Interest charged	3,916
Imputed interest charged	3,343
Converted into ordinary shares	(5,892)
Liability component at 31 March 2011	30,529

Imputed interest on the convertible bonds is calculated on the effective yield basis by applying the effective interest rate for an equivalent non-convertible bond to the liability component of the convertible bonds.

The liability component is measured at amortised cost. The interest charged on convertible bonds for the year of HK$3,916,000 (2010: HK$3,787,000) is calculated based on 12% on principal amount of convertible bonds. The imputed interest charged for the year of HK$3,343,000 (2010: HK$2,532,000) is calculated by applying an effective interest rate of 29.47% to the outstanding liability component. Interest paid in the current year is HK$Nil (2010: HK$3,787,000). The effective interest rate is determined by independent valuer at the date of issuing of convertible bonds.

Pursuant to the terms and conditions of the convertible bonds, so long as any bond remains outstanding, the Company will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure, guarantee or indemnify in respect of any present or future indebtedness of the Company other than loans from banks or licensed or registered financial institutions unless, at the same time or prior thereto, the Company's obligation under the bonds (a) are secured equally and ratably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the bondholders shall approve by an ordinary resolution.

14. SHARE CAPITAL

	Number of ordinary shares of HK$0.2 each	*HK$'000*
Authorised:		
At 1 April 2009	50,000,000	10,000
Increase in authorised share capital *(note a)*	450,000,000	90,000
At 31 March 2010, 1 April 2010 and 31 March 2011	500,000,000	100,000
Issued and fully paid:		
At 1 April 2009	21,042,300	4,209
Issue of ordinary shares *(note b)*	4,208,460	841
At 31 March 2010 and 1 April 2010	25,250,760	5,050
Conversion of convertible bonds *(note c)*	5,000,000	1,000
At 31 March 2011	30,250,760	6,050

Notes:

(a) On 24 April 2009, the Company's authorised share capital was increased from HK$10,000,000 to HK$100,000,000 by the creation of additional 450,000,000 shares of HK$0.2 each.

(b) On 3 June 2009, the Company had issued 4,208,460 new shares of HK$0.2 each at HK$1.0 per share.

(c) On 3 May 2010, the convertible bonds were converted into 5,000,000 ordinary shares with principal amount of HK$8,000,000 at a conversion price of HK$1.6 per conversion share.

15. RESERVES

	Share premium HK$'000	Investment revaluation reserve HK$'000	Warrant reserve HK$'000	Convertible bonds equity reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2009	79,845	(455)	842	–	–	(79,723)	509
Issue of unlisted warrant	3,367	–	–	–	–	–	3,367
Shares issue expenses	(7)	–	–	–	–	–	(7)
Recognition of equity component of convertible bonds	–	–	–	13,370	–	–	13,370
Other comprehensive income	–	–	–	–	3,725	–	3,725
Loss for the year	–	–	–	–	–	(25,797)	(25,797)
At 31 March 2010	83,205	(455)	842	13,370	3,725	(105,520)	(4,833)
Conversion of convertible bonds	7,566	–	–	(2,674)	–	–	4,892
Other comprehensive income/ (expense)	–	(420)	–	–	990	–	570
Loss for the year	–	–	–	–	–	(13,283)	(13,283)
At 31 March 2011	90,771	(875)	842	10,696	4,715	(118,803)	(12,654)

16. WARRANTS

The Company has a total of 4,208,460 warrants outstanding at 31 March 2011 and its movement is as follows:

Date of grant	Outstanding at 1/4/2010	Issued during the year	Exercised/ lapsed during the year	Outstanding at 31/3/2011	Exercise period	Exercise price per share
6 February 2009	4,208,460	–	–	4,208,460	6 February 2009 to 5 February 2012	HK$1.00

Note:

On 6 February 2009, the Company placed a total of 4,208,460 unlisted warrants ("Warrants") to certain independent third parties at an issue price of HK$1.00 each. No Warrants has been exercised during the year ended 31 March 2011.

17. NET LIABILITY/ASSET VALUE PER SHARE

Net liability/asset value per share is calculated by dividing the net liabilities included in the consolidated statement of financial position of approximately HK$6,603,000 (2010: net assets of HK$217,000) and the number of ordinary shares in issue as at 31 March 2011, being 30,250,760 (2010: 25,250,760).

18. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel, including the directors and other members of key management, during the year is as follows:

	2011	2010
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**826**	3,295

(b) The investment manager was remunerated based on their respective investment management agreement as follows:

	2011	2010
	HK$'000	*HK$'000*
United Gain Investment Limited ("United Gain")	**100**	110

Note:

The Company and United Gain entered into an investment management agreement for appointing United Gain as investment manager of the Group. The annual investment management fee is equivalent to the higher of HK$100,000 or 1.25% of the Group's net asset value, provided that such annual fee shall not exceed HK$600,000.

19. OPERATING LEASE COMMITMENTS

The Group had no certain leased office premises and motor vehicles under non-cancelable operating lease arrangements.

	2011	2010
	HK$'000	*HK$'000*
Minimum lease payments paid under operating leases during the year:		
Office premises	**–**	1,011
Motor vehicles	**–**	665
	–	1,676

At the end of reporting period, the Group had no commitments for future minimum lease payments under non-cancellable operating leases:

	2011	2010
	HK$'000	*HK$'000*
Within one year	–	1,306
In the second to fifth year inclusive	–	370
	–	1,676

20. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 April 2011 (Bermuda time), the capital reorganisation of the Company was effected by way of a reduction of share capital which involved a subdivision of each ordinary share of HK$0.20 each into 20 new ordinary shares of HK$0.01 each and the cancellation of 19 out of every 20 issued shares in the share capital of the Company after the subdivision of shares. The amount of the share capital reduction was used to offset the accumulated losses of the Company.

On 6 April 2011, 600,000,000 new shares of the Company were issued and allotted at the subscription price of HK$0.1 per share. The new shares had been issued and fully paid.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2011 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.

Emphasis of matter

The accompanying consolidated financial statements for the year ended 31 March 2011 have been prepared assuming that the Group will continue as a going concern. Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements which indicate that the Group incurred a net loss of HK$13,282,913 during the year ended 31 March 2011 and, as of that date, the Group's total liabilities exceed its total assets by HK$6,603,468. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. To address the going concern issue, the Group had issued and allotted new shares amounting to HK$60,000,000 for future working capital and collected HK$18,000,000 of loans receivable during the subsequent period (described in Note 2 to the consolidated financial statements). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

FINANCIAL RESULTS

For the year ended 31 March 2011, the Group recorded a revenue of approximately HK$3,480,000 represented an increase of approximately 43.7% as compared with that of last year. The Group recorded a net loss attributable to shareholders for the year amounting to approximately HK$13.3 million, which was reduced by approximately HK$12.5 million or 48.5% as compared with the net loss of approximately HK$25.8 million recorded in last year.

The Group's revenue was generated from interest income on loans to third parties during the year. The decrease of net loss were mainly attributed to no impairment loss on financial assets held for trading during the year, the decrease of directors' remuneration and other administrative expenses.

The net liability value per share of the Group as at 31 March 2011 amounted to HK$0.22 (2010: net asset value per share was HK$0.01).

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments

As at 31 March 2011, the Group held investments in three unlisted companies namely Shanghai Health Bio-Pharmaceutical Co., Ltd. in the People's Republic of China, Ergomics Co., Ltd. and ILC Co, Ltd. in the Republic of Korea and the carrying values of these investments were approximately HK$1,117,000, HK$2,104,000 and HK$3,546,000 respectively.

The Group had loans receivable in the amount of approximately HK$25,614,000 remained outstanding as at 31 March 2011.

Financial resources and liquidity

As at 31 March 2011, the Group had current assets of approximately HK$26,796,000 (2010: approximately HK$23,680,000) while the net liabilities amounted to approximately HK$6,604,000 (2010: net assets of approximately HK$217,000). There was cash and bank balances of approximately HK$23,000 (2010: approximately HK$868,000) as at 31 March 2011.

Save for the liability portion of convertible bonds in the amount of approximately HK$30,529,000 (2010: approximately HK$29,162,000), the Group had no material borrowings as at 31 March 2011.

Current ratio, calculated on the basis of total current assets over total current liabilities at year-end date, was approximately 2.7 (2010: 9.6) and the gearing ratio, calculated on the basis of the total liabilities over total shareholders' fund as at 31 March 2011, was approximately -6.14 (2010: approximately 145.70).

CAPITAL STRUCTURE

On 3 May 2010, the convertible bonds in principal amount of HK$8,000,000 were converted into 5,000,000 ordinary shares of HK$0.20 each at a conversion price of HK$1.60 per conversion share. Save as above, there was no change in the capital structure of the Company during the year.

PROSPECT

In line with our investment policy and strategy, the Company will continue to seek opportunistic investments in the public and private equities markets that fit our investment criteria. These investments will generate more consistent and less volatile returns and also have the potential to offer positive returns even in times of falling markets.

The Group will also consider fund raising exercise to strengthen the financial position of the Group when suitable situation arise. With more financial resources, the Group could expand its investment opportunities which will have attractive return to the Group's operating results in the years to come.

FOREIGN CURRENCY FLUCTUATION

Most of the business transactions of the Group are denominated in Hong Kong dollars and Korean Won. Management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 31 March 2011, the Group does not have any hedging activities its foreign exchange exposure nor does it adopt any formal hedging policies. The Group had not entered into any financial derivatives during the year.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2011, assets of the Group were free from any form of legal charge. In addition, the Group did not have any contingent liabilities.

EMPLOYEES

As at 31 March 2011, the Group has 2 (2010: 9) employees and the total remuneration paid to staff was approximately of HK$0.9 million (2010: approximately HK$2.3 million) during the year. The employees were remunerated based on their responsibilities and performance.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 March 2011.

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

During the year, the Company had not purchased, sold or redeemed any of its listed securities.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices ("the CG Code") contained in Appendix 14 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), except for the following deviation:

Under the Code Provision A.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be preformed by the same individual. The chief executive officer of the Company was not appointed during the year until Mr. Liu Hui was appointed as the chief executive officer of the Company on 6 April 2011.

Under the Code Provision A.4.1, non-executive directors should be appointed for specific terms, subject to re-election at the general meeting of the Company. Currently, all the Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the forthcoming annual general meeting in accordance with the Company's Articles of Association. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting that in the CG Code.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all the directors have complied with the required standard set out in the Model Code throughout the year.

AUDIT COMMITTEE

The Company sets up an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. Fong Wo, Mr. Ba Shusong and Mr. Tang Ping Sum. The financial statements of the Group for the year ended 31 March 2011 have been reviewed by the Audit Committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be published on the Stock Exchange's and the Company's websites in due course.

By the Order of the Board
Temujin International Investments Limited
Chen Yibiao
Chairman

Hong Kong, 29 June 2011

As at the date of this announcement, the board of directors of the Company is comprised of Mr. Liu Hui (chief executive officer), Mr. Zhang Ying Hui and Mr. Wong Chak Keung as executive directors, Mr. Chen Yibiao (chairman) as non-executive director, and Mr. Fong Wo, Mr. Ba Shusong and Mr. Tang Ping Sum as independent non-executive directors.