智富能源金融(集團)有限公司*
Smart Rich Energy Finance (Holdings) Ltd.

(Incorporated in Bermuda with limited liability)
(Stock Code: 1051)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

GROUP RESULTS

The Board of Directors (the “Board”) of Smart Rich Energy Finance (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2008 together with the comparative figures for the year ended 30 June 2007:

** For identification purpose only*

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June

	Notes	2008 HK$'000	2007 HK$'000
Turnover	(3)	14,673	6,838
Cost of sales		(12,563)	(4,868)
Gross profit		2,110	1,970
Other operating income		4,163	1,456
Distribution costs		(1,413)	(1,237)
Administrative expenses		(59,831)	(42,939)
Share-based payment expenses		(29,152)	(11,324)
Finance costs	(4)	-	(466)
Increase in fair value of investment properties		8,423	-
(Loss)/gain attributable to financial assets at fair value through profit or loss		(4,649)	1,819
Share of loss of a jointly controlled entity		(679)	(784)
Impairment loss recognised in respect of available-for-sale investments		(98,669)	-
Impairment loss recognised in respect of deposit paid for acquisition of a subsidiary		(23,313)	-
Impairment loss recognised in respect of an intangible asset		-	(10,472)
Gain on disposal of partial interest in a jointly controlled entity		-	920
Gain on disposal of available-for-sale investments		-	11,242
Loss before income tax	(5)	(203,010)	(49,815)
Income tax	(6)	(170)	6,263
Loss for the year		(203,180)	(43,552)
Attributable to:			
- Equity holders of the Company		(203,011)	(43,506)
- Minority interests		(169)	(46)
		(203,180)	(43,552)
Dividend		-	-
Loss per share			
Basic	(7)	(5.52) cents	(1.72) cents

CONSOLIDATED BALANCE SHEET

As at 30 June

	Notes	2008 *HK$'000*	2007 *HK$'000*
Non-current assets			
Property, plant and equipment		4,743	3,082
Investment properties		20,227	-
Intangible asset		-	-
Interest in a jointly controlled entity		-	598
Available-for-sale investments	*(8)*	8,813	140,020
Deposits paid for acquisition of properties		-	10,104
Deposit paid for the acquisition of a subsidiary		-	100,000
		33,783	253,804
Current assets			
Temporary payments	*(9)*	-	7,838
Deposit paid for the acquisition of an available-for-sale investment	*(10)*	3,283	3,000
Deposit paid for the acquisition of a subsidiary	*(11)*	-	-
Trade and other receivables	*(12)*	5,661	2,502
Financial assets at fair value through profit or loss		6,689	6,338
Available-for-sale investments	*(8)*	389,072	-
Pledged bank deposits		162	7,076
Bank balances and cash		80,441	24,937
		485,308	51,691
Current liabilities			
Other payables		4,040	2,871
Deposit received for disposal of an available-for-sale investment		50,000	-
Provision for taxation		1,545	1,545
		55,585	4,416
Net current assets		429,723	47,275
Total assets less current liabilities		463,506	301,079
Non-current liability			
Deferred taxation		170	-
Net assets		463,336	301,079
Capital and reserves			
Share capital	*(13)*	37,408	31,443
Reserves		425,928	269,579
Equity attributable to equity holders of the Company		463,336	301,022
Minority interests		-	57
Total equity		463,336	301,079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is incorporated and registered as an exempted company in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The address of the registered office and principal place of business of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and Suite 1606-7, 16 Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong, respectively.

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

The Company acts as an investment holding company.

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

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 July 2007.

Hong Kong Accounting Standard ("HKAS") 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Interpretation ("Int") 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS2 – Group and Treasury Share Transaction

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

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Share-based Payment - Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-INT 12	Service Concession Arrangements[3]
HK(IFRIC)-INT 13	Customer Loyalty Programmes[4]
HK(IFRIC)-INT 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]
HK(IFRIC)-INT 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)-INT 16	Hedges of a Net Investment in a Foreign Operation[5]

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(continued)*

[1] Effective for annual periods beginning on or after 1 January 2009.
[2] Effective for annual periods beginning on or after 1 July 2009.
[3] Effective for annual periods beginning on or after 1 January 2008.
[4] Effective for annual periods beginning on or after 1 July 2008.
[5] Effective for annual periods beginning on or after 1 October 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for the followings:

	2008 *HK$'000*	2007 *HK$'000*
Provision of financial information services	3,872	2,848
Provision of credit card security device and digital network authorisation services	3,993	3,963
Trading of electronic goods and accessories	6,805	-
Others	3	27
	14,673	6,838

3. TURNOVER AND SEGMENT INFORMATION *(continued)*

(a) Business segments

For management purposes, the Group is currently organised into three (2007: two) operating divisions as detailed above. These divisions are the basis on which the Group reports its primary segment information. An analysis of the Group's turnover and contributions to operating results and segmental assets and liabilities by business segments is as follows:

For the year ended 30 June

	Provision of financial information services		Provision of credit card security device and digital network authorisation services		Trading of electronic goods and accessories		Others		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER										
External sales	3,872	2,848	3,993	3,963	6,805	-	3	27	14,673	6,838
SEGMENT RESULT	(1,278)	(1,076)	(6,595)	(5,412)	43	-	(19)	(443)	(7,849)	(6,931)
Unallocated corporate expenses									(76,274)	(45,143)
Finance costs									-	(466)
(Loss)/gain attributable to financial assets at fair value through profit or loss									(4,649)	1,819
Gain on disposal of available-for-sale investments									-	11,242
Gain on disposal of partial interest in a jointly controlled entity									-	920
Share of loss of a jointly controlled entity									(679)	(784)
Increase in fair value of investment properties									8,423	-
Impairment loss recognised in respect of available-for-sale investments									(98,669)	-
Impairment loss recognised in respect of deposit paid for acquisition of a subsidiary									(23,313)	-
Impairment loss recognised in respect of an intangible asset									-	(10,472)
Loss before income tax									(203,010)	(49,815)
Income tax									(170)	6,263
Loss for the year									(203,180)	(43,552)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

3. TURNOVER AND SEGMENT INFORMATION *(continued)*

(a) Business segments *(continued)*

At 30 June

	Provision of financial information services		Provision of credit card security device and digital network authorisation services		Trading of electronic goods and accessories		Others		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS										
Segment assets	4,707	848	6,086	19,790	-	-	12	40	10,805	20,678
Investment properties									20,227	-
Interest in a jointly controlled entity									-	598
Available-for-sale investments									397,885	140,020
Temporary payments									-	7,838
Deposit paid for the acquisition of properties									-	10,104
Deposit paid for the acquisition of a subsidiary									-	100,000
Deposit paid for the acquisition of an available-for-sale investment									3,283	3,000
Unallocated corporate assets									86,891	23,257
Total assets									519,091	305,495
LIABILITIES										
Segment liabilities	1,724	1,294	1,050	1,542	-	-	-	18	2,774	2,854
Unallocated corporate liabilities									52,981	1,562
Total liabilities									55,755	4,416

3. TURNOVER AND SEGMENT INFORMATION *(continued)*

(a) Business segments *(continued)*

For the year ended 30 June

	Provision of financial information services		Provision of credit card security device and digital network authorisation services		Trading of electronic goods and accessories		Others		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OTHER INFORMATION										
Capital additions	623	117	875	240	-	-	-	-	1,498	357
Unallocated capital expenditure									2,381	709
									3,879	1,066
Depreciation	115	34	521	478	-	-	12	47	648	559
Unallocated depreciation									565	525
									1,213	1,084
Impairment loss recognised in respect of an intangible asset	-	-	-	10,472	-	-	-	-	-	10,472
Unallocated bad debts written off									1,036	-
Allowance for bad and doubtful debts	-	-	568	500	-	-	-	-	568	500
Unallocated allowance for bad and doubtful debts									578	1,010
Unallocated share-based payment expenses									29,152	11,324
Unallocated (gain)/loss on disposal of property, plant and equipment									(7)	16

3. TURNOVER AND SEGMENT INFORMATION *(continued)*

(b) Geographical segments

The following provides an analysis of the Group's turnover and contribution to loss from operations by geographical markets, irrespective of the origin of the services:

	Turnover	
	2008	2007
	HK$'000	*HK$'000*
Hong Kong	12,178	5,756
PRC	2,495	1,082
	14,673	6,838

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

	Carrying amount of segment assets		Capital additions	
	2008	2007	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	494,129	293,691	2,744	706
PRC	24,962	11,804	1,135	360
	519,091	305,495	3,879	1,066

4. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest expenses on:		
- bank borrowings wholly repayable within five years	-	466

5. LOSS BEFORE INCOME TAX

	2008 *HK$'000*	2007 *HK$'000*
Loss before income tax has been arrived at after charging/ (crediting):		
Staff costs:		
Directors' remuneration (excluding share-based payment expenses)	22,614	12,145
Other staff costs	9,874	8,316
Contributions to retirement benefit scheme (excluding directors)	520	605
Share-based payment expenses	29,152	10,331
Total staff costs	62,160	31,397
Auditors' remuneration	1,340	600
Depreciation	1,213	1,084
Bad debts written off	26	-
Allowance for bad and doubtful debts	1,146	1,510
Operating lease charged on rented premises	2,591	2,501
Share-based payment expenses (excluding staff costs)	-	993
(Gain)/loss on disposal of property, plant and equipment	(7)	16
Rental income	(729)	-
Dividend income	(29)	(16)
Interest income	(1,614)	(1,072)
Exchange difference, net	(1,726)	(368)
Cost of inventories recognised as an expense	6,683	-

6. INCOME TAX

	2008 *HK$'000*	2007 *HK$'000*
Income tax comprises:		
Provision for Hong Kong Profits Tax for the year	-	1,545
Deferred taxation	170	(7,808)
	170	(6,263)

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the year ended 30 June 2008.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group incurred a taxation loss for the year. Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profit for the year of 2007.

No provision for taxation in other jurisdictions for both years has been made in the consolidated financial statements as neither the Company nor any of its subsidiaries had any assessable profits subject to tax in other jurisdictions.

6. INCOME TAX *(continued)*

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

	2008 *HK$'000*	2007 *HK$'000*
Loss before income tax	(203,010)	(49,815)
Tax at Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	(33,497)	(8,717)
Tax effect of expenses not deductible for tax purpose	33,067	2,311
Tax effect of income not taxable for tax purpose	(2,238)	(790)
Tax effect of tax losses not recognised	3,059	791
Effect of different tax rates of subsidiaries operating in other jurisdictions	(223)	142
Others	2	-
Tax charge/(credit) for the year	170	(6,263)

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to equity holders of the Company of approximately HK$203,011,000 (2007: HK$43,506,000) and on the weighted average number of 3,677,256,932 (2007: 2,531,963,617) ordinary shares in issue during the year.

No diluted loss per share has been presented for both years as the share options outstanding during both years had an anti-dilutive effect on the basic loss per share for both years.

8. AVAILABLE-FOR-SALE INVESTMENTS

	Notes	2008 *HK$'000*	2007 *HK$'000*
Unlisted equity securities, at cost			
W-Phone, Inc. ("W-Phone")	*(a)*	3,420	3,420
Madagascar Petroleum International Limited ("MPIL")	*(b)*	487,741	140,020
Easy Link Card Business Services Limited ("Easy Link Card")	*(c)*	8,813	-
		499,974	143,440
Less: Impairment loss recognised		(102,089)	(3,420)
		397,885	140,020
Analysed for reporting purposes as:			
Non-current assets		8,813	140,020
Current assets		389,072	-
		397,885	140,020

8. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

Notes:

(a) W-Phone is a private entity incorporated in the United States of America. The unlisted investment in W-Phone are measured at cost less accumulated impairment losses at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

(b) MPIL is a private entity incorporated in the British Virgin Islands ("BVI"). The unlisted investment as at 30 June 2007 represented 21% equity interests in MPIL, held by two wholly-owned subsidiaries of the Company namely Hopestar Group Limited and Dorson Group Limited. The board of directors of MPIL comprised of three directors, one of whom was nominated by the Company. However, the directors of the Company were of the opinion that a substantial or majority ownership was held by another investor who actually precluded them from having significant influence in MPIL. Therefore, the investment in MPIL was regarded as available-for-sale investment and was measured at cost less accumulated impairment losses at 30 June 2007.

During the year ended 30 June 2008, the Group further increased its equity interests in MPIL by 15% through the acquisition of the entire share capital of Dormer Group Limited, a limited company incorporated in the BVI, as to 96.66% from Udaya Holdings Limited at a consideration of HK$335,921,000, and as to 3.34% from Luck Express Consultants Limited at a consideration of HK$11,800,000. The aggregate consideration of HK$347,721,000 was settled by (i) the HK$100,000,000 deposit paid as at 30 June 2007; (ii) 413,896,104 new shares of the Company of HK$0.01 each issued at published price of HK$0.57 per share on 30 July 2007; and (iii) HK$11,800,000 in cash. Accordingly the effective interest in MPIL held by the Group increased from 21% to 36%. Regardless of the increased shareholding in MPIL, at the material time, the directors of the Company were still of the opinion that a substantial or majority ownership was held by another investor who actually precluded them from having significant influence in MPIL. Therefore, the investment in MPIL was continued to be regarded as an available-for-sale investment and was measured at cost less accumulated impairment losses as at 30 June 2008.

To the best knowledge of directors, MPIL is an investment holding company incorporated in June 2005 and has not commenced any significant business operations other than the entering into the oil and gas product sharing agreement (the "Product Sharing Agreement") on 7 October 2005 with Office Des Mines Nationales Et Des Industries Strategiques ("OMNIS"), the English translation being "The National Office for Mining and Strategic Industries" of the Republic of Madagascar and the service agreement (the "Service Agreement") with BGP Inc., in respect of an onshore block of land ("Block 2104") of approximately 20,100 square kilometers in the Republic of Madagascar for oil and gas exploitation and operation.

8. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

Notes: *(continued)*

(b) *(continued)*

Pursuant to the Product Sharing Agreement, MPIL has the rights of exploitation and operation in respect of Block 2104 and the right for 45% to 73% (the actual percentage depends on the rate of daily crude oil production in the Block 2104 and the more barrels per day Block 2104 produces, the lower percentage of profit that MPIL can share) of the product (or the profit thereof) sharing for a minimum term of 25 years commencing from 7 October 2005. MPIL would be responsible for the arrangement of the required capital commitment, human resources and equipment for the project development of oil and gas in Block 2104 whereas OMNIS would be entitled to the benefit under the product sharing arrangement on the basis of the pre-agreed ratio under the Product Sharing Agreement. Pursuant to the Service Agreement, BGP Inc. will provide exploration and data collection, processing and analyzing services to MPIL regarding the Block 2104. Based on the information disclosed by the management of MPIL and the vendors to the Company, MPIL did not have any long term liability as at the balance sheet date of 30 June 2008 (save for the commitment, cost and expenses incurred and to be incurred pursuant to the Product Sharing Agreement and the Service Agreement).

On 17 April 2008, the Company entered into an agreement with a wholly-owned subsidiary of Sino Union Petroleum & Chemical International Limited ("SUNPEC"), the shares of which are traded on the Stock Exchange. Pursuant to the agreement, the Company has conditionally agreed to dispose of its 36% equity interests ("Disposal") in MPIL at a total consideration of HK$810 million to be satisfied by HK$100 million in cash and HK$710 million by the issue and allotment by SUNPEC of 253,571,428 consideration shares at HK$2.8 per consideration share. On 22 May 2008, the Company has duly received the HK$50,000,000 deposit from SUNPEC in connection to the Disposal.

Subsequent to the balance sheet date, the disposal was completed on 7 August 2008 ("Completion Date"). The Company has duly received the remaining portion of the cash consideration amounted to HK$50,000,000 and 253,571,428 new shares of SUNPEC. Based on the published share price of SUNPEC on Completion Date, impairment loss of approximately HK$98,669,000 was recognised in the consolidated income statement for the year ended 30 June 2008.

(c) On 25 September 2006, Star EPS.com (HK) Limited ("Star EPS (HK)"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party to acquire 10% of the entire registered capital of 廣州易聯商業服務有限公司 ("廣州易聯"), a limited liability company incorporated under the laws of the PRC, at consideration of RMB3,000,000 (equivalent to approximately HK$3,000,000). The consideration has been fully paid as at 30 June 2007.

On 20 December 2007, Star EPS (HK), entered into another agreement for transferring the deposit paid of RMB3,000,000 to the immediate holding company of 廣州易聯, Easy Link Card, which is incorporated in Hong Kong and holds the entire issued capital of 廣州易聯, as a consideration to acquire 10% of the entire issued capital of Easy Link Card. During the year ended 30 June 2008, Star EPS (HK) further contributed HK$5,813,000 to acquire an additional 9% equity interests of Easy Link Card. The acquisition was completed on 5 February 2008. Accordingly, the Group held an aggregate of 19% equity interests in Easy Link Card as at 30 June 2008.

9. TEMPORARY PAYMENTS

On 22 May 2007, the Group entered into an agreement for the option to purchase potential oil assets ("Potential Assets") with Templeton Global Limited ("Templeton Global"). Pursuant to the agreement, the Group was granted with an option ("Purchase Option") to purchase the Potential Assets.

The Potential Assets principally comprise a 60% interest in Кей-Ай-Ойл Кызылорда ("KAOK"), a limited liability company formed under the laws of Kazakhstan. KAOK holds 100% of the mineral right to develop certain oil fields with an area size of 42.2 square kilometer in Aktyubinsk, Kazakhstan which has estimated reserves in excess of 30 million barrels of oil. The mineral right held by KAOK is an oil exploitation and operation agreement dated 15 October 2004 and made between the National Office for Energy and Mining of the Republic of Kazakhstan and the KAOK for a maximum term of 9 years.

The consideration payable for the Purchase Option is a nominal amount of US$100 (equivalent to approximately HK$780). The Company may elect to exercise the Purchase Option by giving notice in writing to Templeton Global from 22 May 2007 to 31 October 2007 ("the Exercise Period"). During the Exercise Period, the Group was entitled to conduct due diligence investigations in respect of the Potential Assets. In order to ensure that the Group acts expeditiously regarding the review and assessment of the acquisition of Potential Assets, the Group had placed a deposit of US$1 million (equivalent to approximately HK$7,837,000) with Templeton Global. The deposit would be repayable to the Group if the Company elected not to pursue the acquisition.

If the Group elects to exercise the Purchase Option, the purchase price payable by the Company to Templeton Global should be an amount equal to but not exceeding US$18 million subject to adjustment for cash and debt.

In addition, an independent consultant had been appointed for the transaction (the "Consultant"). The consideration for the service rendered amounted to US$1 million (the "Service Fee"). Both parties have agreed in writing that the Service Fee would be payable by the Group if it failed to enter into a formal sale and purchase agreement with Templeton Global in respect to the acquisition of the Potential Assets on or before 31 October 2007. Otherwise, the Service Fee would be payable by Templeton Global.

During the year ended 30 June 2008, the Group failed to conclude a formal sale and purchase agreement with Templeton Global in connection with the acquisition of the Potential Assets. Accordingly, Templeton Global refunded the entire temporary payment of approximately HK$7,837,000 to the Consultant directly to settle the Service Fee under the instruction of the Company.

10. DEPOSIT PAID FOR THE ACQUISITION OF AN AVAILABLE-FOR-SALE INVESTMENT

As at 30 June 2007, the Group had paid a deposit of RMB3,000,000 (equivalent to approximately HK$3,000,000) for the acquisition of 10% equity interests in 廣州易聯. The acquisition was completed during the current year and respective deposit was transferred to available-for-sale investments as set out in Note 8(c).

On 24 January 2008, Star Financial Limited, a wholly-owned subsidiary of the Company, entered into a share transfer agreement to acquire 7% equity interests of an unlisted company. During the year ended 30 June 2008, the Company paid RMB3,000,000 (equivalent to HK$3,283,000), as a deposit for the acquisition of an available-for-sale investment. As of the date of approval of the consolidated financial statements, the Group was still in the process of obtaining the legal title of the relevant investment.

11. DEPOSIT PAID FOR THE ACQUISITION OF A SUBSIDIARY

On 23 October 2007, Triple Winner International Limited ("Triple Winner"), a wholly-owned subsidiary of the Company entered into a framework agreement (the "Framework Agreement") with Guoye PRC Inc. ("Guoye") in relation to the acquisition of 51% equity interests in Mongol Oil Shale LLC which holds coal resources in Mongolia (the "Proposed Acquisition"). As at 30 June 2008, the Company paid a refundable cash deposit of US$3,000,000 (equivalent to approximately HK$23,313,000) to Guoye.

Pursuant to the terms as set out in the Framework Agreement, if Triple Winner and Guoye fail to enter into a definitive agreement in relation to the Proposed Acquisition on or before 31 January 2008, the Framework Agreement shall lapse and the parties have no further obligation to each other, save and except that Guoye shall refund to Triple Winner the deposit paid in the amount of US$3,000,000 without interest.

Since Triple Winner and Guoye did not enter into any definitive agreement on or before 31 January 2008, the Framework Agreement lapsed. On 7 March 2008, Guoye brought an action in High Court against Triple Winner and the Company for the damages for the breach of the Framework Agreement. Accordingly, the Company and Triple Winner brought an action in High Court against Guoye on 11 August 2008 to recover the deposit of US$3,000,000 which has been paid to Guoye. Details of the litigation are set out in Note 16.

The Group is seeking to resolve the litigation, however the timing and the final amounts involved are uncertain and in this regard, a full impairment of the refundable deposit of HK$23,313,000 paid to Guoye was recognised in the consolidated income statement for the year ended 30 June 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

12. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 60 days to its trade customers. Included in trade and other receivables are trade debtors with the following ageing analysis:

	2008 *HK$'000*	2007 *HK$'000*
0-60 days	3,350	550
61-90 days	56	510
Over 90 days	12	296
Trade receivables	3,418	1,356
Other receivables	3,889	2,656
Less:		
Allowance for bad and doubtful debts	(1,646)	(1,510)
	2,243	1,146
	5,661	2,502

Movement in the allowance for bad and doubtful debts:

	2008 *HK$'000*	2007 *HK$'000*
Balance at beginning of the year	1,510	-
Amount written off as uncollectible	(1,010)	-
Increase in impairment on other receivables	1,146	1,510
Balance at the end of the year	1,646	1,510

At balance sheet date, the Group's trade receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. The Group does not hold any collateral over these balances.

Based on past experience, the management believes that no impairment allowance is necessary in respect of these past due but not impaired balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Ageing of trade receivables which are past due but not impaired:

	2008 *HK$'000*	2007 *HK$'000*
0-60 days	137	-
61-90 days	56	510
Over 90 days	12	296
Total	205	806

13. SHARE CAPITAL

	Number of shares	Value *HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each at 1 July 2006, 30 June 2007 and 30 June 2008	60,000,000,000	600,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each at 1 July 2006	2,399,314,349	23,993
Issue of shares *(Note d)*	479,000,000	4,790
Issue of shares upon exercise of share options *(Note e)*	265,999,996	2,660
Ordinary shares of HK$0.01 each at 30 June 2007 and 1 July 2007	3,144,314,345	31,443
Issue of shares *(Note a)*	181,800,000	1,818
Issue of shares for acquisition of a subsidiary *(Note b)*	413,896,104	4,139
Issue of shares upon exercise of share options *(Note c)*	833,333	8
Ordinary shares of HK$0.01 each at 30 June 2008	3,740,843,782	37,408

The movements in the ordinary share capital for the year ended 30 June 2008 are as follows:

(a) On 31 July 2007, 81,800,000 shares of HK$0.01 each were issued and allotted to independent third parties at a price of HK$0.63 per share under private share placements.

On 27 September 2007, 100,000,000 shares of HK$0.01 each were issued and allotted to independent third parties at a price of HK$0.47 per share under private share placements.

(b) As part of the consideration for the acquisition of a subsidiary, 413,896,104 shares of HK$0.01 each were issued and allotted to vendors at a price of HK$0.57 per share on 30 July 2007. The fair value of the ordinary share of the Company, determined by the published price available at the date of acquisition was HK$0.57 per share.

(c) On 13 July 2007, 17 July 2007 and 23 July 2007 respectively, 833,333 share options were exercised by the directors of the Company at a subscription price of HK$0.348 per share for a total consideration of approximately HK$289,000 resulting in the issue of 833,333 new shares of HK$0.01 each.

The movements in the ordinary share capital for the year ended 30 June 2007 are as follows:

(d) On 26 April 2007, 479,000,000 shares of HK$0.01 each were issued and allotted to independent third parties at a price of HK$0.245 per share.

(e) During the year, 165,000,000, 30,500,000, 18,000,000 and 52,499,996 shares options were exercised by the directors, employees and consultants of the Company at subscription prices of HK$0.132, HK$0.152, HK$0.153 and HK$0.348 respectively for a total consideration of approximately HK$47,440,000 resulting in the issue of 265,999,996 new shares of HK$0.01 each.

All the new ordinary shares issued during the years ended 30 June 2007 and 2008 ranked pari passu in all respects with the then existing ordinary shares of the Company.

14. OPERATING LEASES

The Group as lessee

Operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

	2008 *HK$'000*	2007 *HK$'000*
Within one year	1,076	1,553
In the second to fifth year inclusive	250	432
	1,326	1,985

Operating lease payments represent rental payables by the Group for certain of its office properties and warehouse. Leases are negotiated for terms ranging from one to two years.

Operating lease commitments for future minimum lease payment under non-cancellable operating leases of a jointly controlled entity in respect of land and buildings which fall due as follows:

	2008 *HK$'000*	2007 *HK$'000*
Within one year	-	133

Operating lease payments represent rental payables by a jointly controlled entity of the Group for certain of its office premises. Leases are negotiated for a one-year term.

The Group as lessor

Property rental income earned during the year was approximately HK$729,000. All of the properties held have committed tenants for the next two years. They generated a rental yield of 3.6% (2007: nil) for the year ended 30 June 2008.

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

	2008 *HK$'000*	2007 *HK$'000*
Within one year	1,024	-
In the second to fifth year inclusive	939	-
	1,963	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

15. CAPITAL COMMITMENTS

At the balance sheet date, the Group had the following commitments, so far as not provided for in the consolidated financial statements, in respect of:

	2008	2007
	HK$'000	*HK$'000*
Authorised and contracted for		
- acquisition of interests in subsidiaries	-	255,742
- acquisition of property, plant and equipment	227	-
Authorised but not contracted for		
- capital injection in a subsidiary	4,368	-

16. CONTINGENT LIABILITIES

As at 30 June 2008, a number of lawsuits and claims arising from acquisition of subsidiaries were lodged against and by the Group which remains outstanding as at the date of this announcement as follow:

(a) On 7 March 2008, Guoye brought an action in High Court of Hong Kong under HCA 364 of 2008 against Triple Winner and the Company for damages for breach of the Framework Agreement dated 23 October 2007 together with interest and/or further relief and costs (the "1st Damages"). The writ was served on the Company on 11 March 2008 and on Triple Winner on 6 June 2008. Accordingly, Acknowledgement of Services was filed by the Company on 20 March 2008 and by Triple Winner on 2 July 2008. On 27 August 2008, the statement of claims was served on the Company and Triple Winner for the 1st Damages.

On 11 August 2008, the Company and Triple Winner brought an action in High Court of Hong Kong under HCA 1492 of 2008 against Guoye for recovery of the deposit of US$3,000,000 which was paid to Guoye under the agreement dated 23 October 2007, with interests, damages and/or relief and costs.

With the advice from the Group's legal adviser, the directors of the Company are of the opinion that the Group has proper and valid defence to Guoye's action, accordingly, no provision has been provided for the year ended 30 June 2008 in respect of the 1st Damages and any legal costs associated with this litigation.

(b) On 23 April 2008, Ms. Susan So ("Susan"), a director of Guoye, brought an action in High Court of Hong Kong under HCA 699 of 2008 against the Company for damages for breach of the consultancy service agreement to be assessed, interest and other relief and costs (the "2nd Damages"). The Company has already filed a defence on 3 June 2008. On 11 August 2008, the Company brought an action in High Court of Hong Kong under HCA 1493 of 2008 against Susan for the 2nd Damages.

The legal advisers of the Group on these claims are of opinion that the Group has a reasonably good chance to resist the claim of Susan and has a valid and strong claim against Susan. No provision has been recorded for the year ended 30 June 2008 in respect of the 2nd Damages and legal costs associated with this litigation.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 30 June 2008 (For the year ended 30 June 2007: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 30 June 2008, the Group's turnover amounted to approximately HK$14.67 million, comparing to approximately HK$6.84 million reported for the financial year of 2007. The increment of approximately 115% is mainly contributed by the steadily growth in the existing business segment in the provision of financial information services and the new business segment in trading of electronics goods and accessories which was commenced in March 2008. Loss attributable to equity holders of the Company for the current year was approximately HK$203.01 million, compared to loss of approximately HK$43.51 million in the corresponding year of 2007, representing an increase of 367%. Such increment was mainly due to (i) the recognition of share-based payment expense of approximately HK$29.15 million upon the granting of share options under the Share Option Scheme during the year; (ii) the recognition of an impairment loss in the amount of approximately HK$98.67 million in respect of the fair value of the available-for-sale investments of 36% equity interests in Madagascar Petroleum International Limited ("MPIL") as at 30 June 2008 in considering the market value of 253,571,428 ordinary shares of Sino Union Petroleum & Chemical International Limited ("SUNPEC") (Stock code: 346) (being consideration shares received by the Company from the Company's disposal of its 36% equity interest in MPIL) as at the date of completion of the Company's disposal of its 36% equity interest in MPIL (i.e. 7 August 2008); (iii) recognition of impairment loss in respect of the refundable deposit of HK$23.31 million paid to Guoye PRC Inc. ("Guoye") as described in Note 11 in considering the litigation with Guoye and Susan So and the possibility of recovering same; (iv) additional operating expenses incurred for business expansion during the year; and (v) increased administrative expenses in relation to the Company's search of new business opportunities in different countries including Mongolia, Kazakhstan and Indonesia.

Business Review

During the year ended 30 June 2008, DNA security service, DNA Mobile email services and financial information services (WINFCS) were still the Group's core business segment. Apart from these, the Group continued to diversify its business scope into natural resources exploitation industry by investing in MPIL and looking for business opportunities in natural resources in Mongolia, Kazakhstan and Indonesia. In addition, the Group commenced a new line of business on trading of electronic goods and accessories in March 2008. This new business segment contributed a turnover of approximately HK$6.81 million, which accounted for 46% of the total turnover of the Group for the financial year ended 30 June 2008.

During the year ended 30 June 2008, the Group's financial information service (WINFCS) recorded a turnover of approximately HK$3.87 million (2007: approximately HK$2.85 million) which accounted for 26% of the total turnover.

The DNA security service and DNAPAY service contributed HK$3.99 million to the Group's total turnover for the year ended 30 June 2008, representing 27% of the turnover. The performance of this business segment is fairly stable in the years of 2008 and 2007.

Net Asset Value

As at 30 June 2008, the Group's total net asset amounted to approximately HK$463.34 million, represented an increase of 54% comparing to approximately HK$301.08 million as at 30 June 2007. Based on the total number of 3,740,843,782 Shares issued as at 30 June 2008, net asset value per Share was HK12.39 cents.

Liquidity and Financial Resources

The Group recorded a net cash inflow of approximately HK$54.12 million during the year ended 30 June 2008. At 30 June 2008, cash and bank balances of the Group amounted to approximately HK$80.44 million (30 June 2007: approximately HK$24.94 million). The bank deposit of approximately HK$6.92 million pledged to a bank to secure general banking facilities granted to a subsidiary of the Group as at 30 June 2007 was released upon the expiry of the respective general banking facilities during the year ended 30 June 2008, and a bank deposit of approximately HK$0.16 million (as at 30 June 2008) was pledged to a bank to secure a merchant account of a subsidiary (30 June 2007: approximately HK$0.16 million).

The Group's gearing ratio, expressed as the percentage of the Group's total borrowings over shareholders' equity, was nil at 30 June 2008 (30 June 2007: nil) as the Group did not have any borrowings as at 30 June 2007 and 2008.

The Group conducted most of its business in Renminbi, United States dollars and Hong Kong dollars. It does not have any significant exposure to foreign exchange fluctuation.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

During the year ended 30 June 2008, the Group has increased its investment in the equity interest of MPIL, through its acquisition of the entire issued capital of Dormer Group Limited ("Dormer"), from 21% to 36%. Subsequent on 17 April 2008, Hopestar Group Limited, Dorson Group Limited and Dormer, wholly owned subsidiaries of the Company, entered into a sale and purchase agreement with Rich Theme Holdings Limited, a wholly owned subsidiary of Sino Union Petroleum & Chemical International Limited, to dispose of the 36% equity interest in MPIL (the "Disposal"). The Disposal was duly completed subsequent to the balance sheet date on 7 August 2008.

Save as disclosed above, there was no material acquisitions or disposals of subsidiaries and associated companies during the year.

Business Outlook

The Board is pleased to advise the shareholders that we have timely realized the Group's investment in MPIL. Through the disposal of the Group's 36% equity interest in MPIL, the Group has received HK$100 million in cash and 253,571,428 new share of SUNPEC (the "SUNPEC shares"). The issued price of HK$2.8 per each SUNPEC shares was agreed based on reliance of certain representations made by SUNPEC. The Board believes that when SUNPEC delivers those representations, the Group will be benefited from the appreciation of value of the SUNPEC shares held by the Group.

The Board is aware of the limitation of growth and development in its existing businesses, namely DNA Security services, financial information services (WINFCS) and trading of electronic goods and accessories. Accordingly, the Board will continue to search for investment opportunities in the energy and natural resources sectors. The Deputy Chairman of the Group, Dr. Lew Mon Hung, and our Managing Director, Mr. Wah Wang Kei, Jackie, visited Ghana of Africa in September 2008. They have met with His Excellency, the President of Ghana, and the Managing Director of Ghana National Petroleum Corporation ("GNPC"). GNPC has provided preliminary information on one oilfield block and one exploration suggestion for the Company's consideration. The Company is talking to a prospective partner who is a major player specialized in offshore oilfield exploration to cooperate to invest in Ghana. Ghana found oil in 2007. The Board is also keeping their eyes open for investment opportunities in other countries, like Mongolia and Indonesia.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Business Outlook *(continued)*

Looking forward, the Board takes the view that the investment environment in the remaining months of 2008 and for the whole year of 2009 will be very difficult. Having said that, however, the Board also believes that asset price and project valuation will be becoming more reasonable. The Board shall continue to search for new business opportunities to plant the seed for the future. At the same time the Board is taking steps to streamline the Company's operations to save operation costs.

Human Resources

As at 30 June 2008, the Group had 27 and 50 employees in Hong Kong and Mainland China respectively. Employees are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include medical scheme, group insurance, mandatory provident fund and performance bonus.

According to the share option scheme adopted by the Company on 30 July 2004, share options may be granted to directors and eligible employees of the Group to subscribe for shares in accordance with the terms and conditions stipulated therein.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its securities during the year ended 30 June 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year ended 30 June 2008, and they all confirmed that they had fully complied with the required standard set out in the Model Code.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

Throughout the year ended 30 June 2008, the Company has applied the principles of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules and complied with all the applicable code provisions of the Code, except that the existing independent non-executive directors of the Company were not appointed for a specific term as required under the Code Provision A.4.1 but are subject to retirement by rotation and re-election at each annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company comprises Mr. Wong Che Man, Eddy, Mr. Tang King Fai and Mr. Dai Zhongcheng, all of them are independent non-executive directors. The audited consolidated financial statements of the Group for the year ended 30 June 2008 have been reviewed by the audit committee.

APPRECIATION

On behalf of the Board, I would take this opportunity to express my appreciation to the continuous support of our shareholders and dedication of all our staff over the past year.

By Order of the Board
Smart Rich Energy Finance (Holdings) Limited
Wah Wang Kei, Jackie
Managing Director

Hong Kong, 3 October 2008

As at the date of this announcement, the Board comprises Mr. Wong Kam Fu, Dr. Lew Mon Hung, Mr. Tam Wai Keung, Billy, Mr. Wah Wang Kei, Jackie, Mr. Wong Hong Loong and Mr. Sin Chi Keung, Mega as executive Directors and Mr. Wong Che Man, Eddy, Mr. Tang King Fai and Mr. Dai Zhongcheng as independent non-executive Directors.