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SINO RESOURCES GROUP LIMITED

(carrying on business in Hong Kong as Sino Gp Limited)

神州資源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

The board of directors (the "Board") of Sino Resources Group Limited (the "Company", together with its subsidiaries, the "Group") hereby announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2010 together with the comparative figures of the corresponding period for 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

For the six months ended 30 September 2010

	Notes	**Six months ended 30 September 2010** *HK$'000* **(Unaudited)**	2009 *HK$'000* (Unaudited)
Continuing operations			
Turnover	5	**946**	6,511
Other revenue	5	**4,221**	1,722
Other income		**48**	2,092
Advertising and promotion expenses		**(6,426)**	(6,817)
Agency commission		**(25)**	–
Amortisation and depreciation of trade shows and exhibition operation		**(54)**	(1,027)
Hotel and travel package expenses		**(831)**	(61)
Loss on disposal of property, plant and equipment		**(16)**	(1,681)
Operating lease rentals		**(1,293)**	(5,871)
Staff costs		**(6,942)**	(16,920)
Other operating expenses		**(9,100)**	(11,080)
Gain on disposal of subsidiaries		**991**	–
Loss from operating activities		**(18,481)**	(33,132)
Finance costs	6	**(2,376)**	(2,750)
Loss before tax		**(20,857)**	(35,882)
Taxation	7	**–**	–

	Notes	Six months ended 30 September 2010 HK$'000 (Unaudited)	2009 HK$'000 (Unaudited)
Loss for the period from continuing operations		**(20,857)**	(35,882)
Discontinued operations			
Loss on deconsolidated of a subsidiary		**–**	(612,782)
Impairment of goodwill		**–**	(341,062)
Loss for the period from discontinued operations		**–**	(953,844)
Loss for the period		**(20,857)**	(989,726)
Other comprehensive income			
Exchange differences on translation of foreign currency		**(256)**	(77)
Total comprehensive income for the period		**(21,113)**	(989,803)
Dividends	8	**–**	–
Loss attribute to:			
Owners of the Company		**(20,857)**	(989,726)
Total comprehensive income attributable to:			
Owners of the Company		**(21,113)**	(989,803)
Loss per share attributable to owners of the Company			
For continuing and discounted operations			
– Basic	9	**HK(1.87) cents**	HK(88.9) cents
– Diluted		**N/A**	N/A
For continuing operations			
– Basic	9	**HK(1.87) cents**	HK(3.2) cents
– Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

At 30 September 2010

	Notes	**As at 30 September 2010** ***HK$'000*** **(Unaudited)**	As at 31 March 2010 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**2,520**	1,886
		2,520	1,886
Current assets			
Trade receivables	10	**16**	1,065
Deposits, prepayments and other receivables	11	**26,882**	185,287
Tax prepayment		**–**	881
Cash and cash equivalents		**48,265**	5,514
		75,163	192,747
Less: Current liabilities			
Deferred revenue		**1**	32
Amounts due to shareholders and a director	12	**14,038**	138,517
Accrued liabilities and other payables	13	**172,766**	216,348
Other borrowings	14	**32,309**	5,165
Deposits received in advance	15	**47,495**	1,954
Tax payable		**223**	235
		266,832	362,251
Net current liabilities		**(191,669)**	(169,504)
Total assets less current liabilities		**(189,149)**	(167,618)
Less: Non-current liabilities			
Convertible notes	16	**128,592**	128,592
Deferred tax liabilities		**7,410**	7,410
		136,002	136,002
Net liabilities		**(325,151)**	(303,620)
Equity			
Share capital		**11,138**	11,138
Reserves		**(336,289)**	(314,758)
Total equity attributable to owners of the Company		**(325,151)**	(303,620)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY-1111, Cayman Islands. The principal place of business of the Company is located at Suite 2502, 25/F, No. 9 Queen's Road Central, Central, Hong Kong.

The principal activities of the Group are acting as show manger of exhibitions and trade shows and providing ancillary services.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("Listing Rules"). These condensed consolidated interim financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

These condensed consolidated interim financial statements should be read in conjunction with the Group's audited annual financial statements for the year ended 31 March 2010.

The accounting policies and method of computation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2010 except that the Group has adopted certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include HKASs and Interpretations) as disclosed in Note 3 below.

In preparing these condensed consolidated interim financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the Group's net current liabilities of approximately HK$191.7 million (31 March 2010: HK$169.5 million). The following items with an aggregate of amount of HK$340,949,000, which are included in current liabilities and non-current liabilities, are related to the legal proceedings with Mr. Hung Chen Richael ("Mr. Hung") in the High Court of Hong Kong (the "High Court"): (i) HK$158,600,000 (31 March 2010: HK$158,600,000) was consideration payable for the acquisition of Wealth Gain Global Investment Limited ("Wealth Gain") and its subsidiary (the "Wealth Gain Group"); (ii) HK$14,038,000 (31 March 2010: HK$44,335,000) was shareholder's loan from Mr. Hung; (iii) HK$32,309,000 (31 March 2010: HK$Nil) was assigned from Mr. Hung to Mr. Wong Ching Ping Alex which was not admitted by the Company and the balance was included as amount due to shareholder for the year ended 31 March 2010; and (iv) convertible notes of HK$128,592,000 (31 March 2010: HK$128,592,000) and respective deferred tax liabilities of HK$7,410,000 (31 March 2010: HK$7,410,000) under non-current liabilities. Furthermore, the amounts of HK$44,349,000 deposits received in advance will be recognised as revenue upon the completion of the exhibitions event which was being held on October 2010. The Board of the Company considers the liquidity of the Group is good enough as at 30 September 2010.

In addition, a substantial shareholder of the Company, has agreed to provide continuing financial support to the Group. As such, the directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, these condensed consolidated interim financial statements have been prepared on a going concern basis.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies used in the preparation of the interim financial information are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2010, included in the annual report of the Group for the year ended 31 March 2010.

In the current interim period, the Group has adopted, for the first time, the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the HKICPA, which are relevant and effective for the Group's financial statements for accounting periods beginning on or after 1 April 2010.

HKFRSs (Amendments)	Amendments to HKRFS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK (IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

HKFRS 3 Business combinations (2008 Revised)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard requires the use of the purchase method (now renamed as acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interests) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKAS 27 Consolidated and separate financial statements (2008 Revised)

The revised standard is applicable in reporting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirement for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests have a deficit balance.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The adoption of other new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early adopted the following new or revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 9	Financial Instruments[4]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a 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 January 2013

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All the debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors anticipate that the application of other new or revised Standards, Amendments or interpretations will have no material impact on the results and financial position of the Group.

4. SEGMENT INFORMATION

The Group organised into two operating divisions: trade shows and exhibition operation and resources operation in coal. These divisions are the basis on which the Group reports its segment information.

The two operating and reportable segments are as follows:

Trade shows and exhibition operation	Trade shows and exhibition operation and providing ancillary services in Hong Kong, United Kingdom and the PRC
Resources operation in coal	Production and sale of coal in the PRC

During the year ended 31 March 2010, the Group lost its resources operation in coal.

The following is an analysis of the Group's revenue and results by reportable segment:

For the six months ended 30 September 2010 (Unaudited)

	Continuing operations Trade shows and exhibition operation *HK$'000*	**Discontinued operations Resources operation in coal** *HK$'000*	**Consolidated** *HK$'000*
Turnover			
Turnover from external customers	**946**	**–**	**946**
Result			
Segment result	**(13,697)**	**–**	**(13,697)**
Unallocated income			**104**
Unallocated corporate expenses			**(5,879)**
Gain on disposal of subsidiaries	**991**		**991**
Finance costs			**(2,376)**
Loss before tax			**(20,857)**
Taxation			**–**
Loss for the period			**(20,857)**

For the six months ended 30 September 2009 (Unaudited)

	Continuing operations Trade shows and exhibition operation *HK$'000*	Discontinued operations Resources operation in coal *HK$'000*	Consolidated *HK$'000*
Turnover			
Turnover from external customers	6,511	–	6,511
Result			
Segment result	6,511	–	6,511
Unallocated income			3,814
Unallocated corporate expenses			(43,457)
Loss on deconsolidation of a subsidiary		(612,782)	(612,782)
Impairment of goodwill		(341,062)	(341,062)
Finance costs			(2,750)
Loss before tax			(989,726)
Taxation			–
Loss for the period			(989,726)

Turnover reported above represents revenue generated from external customers. There was no inter-segment sales in the period (six months ended 30 September 2009: nil).

Segment results represent the loss generated by each segment without allocation of corporate expenses, finance costs and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment measurement.

Segment assets and liabilities

As at 30 September 2010 (Unaudited)

	Continuing operations Trade shows and exhibition operation *HK$'000*	**Discontinued operations Resources operation in coal** *HK$'000*	**Consolidated** *HK$'000*
Assets			
Segment assets	**16,441**	**–**	**16,441**
Unallocated corporate assets			**61,242**
			77,683
Liabilities			
Segment liabilities	**60,509**	**–**	**60,509**
Unallocated corporate liabilities			**342,325**
			402,834

As at 30 September 2009 (Unaudited)

	Continuing operations Trade shows and exhibition operation *HK$'000*	Discontinued operations Resources operation in coal *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	121,759	–	121,759
Unallocated corporate assets			163,928
			285,687
Liabilities			
Segment liabilities	220,050	156,716	376,766
Unallocated corporate liabilities			364,354
			741,120

Segment assets and liabilities

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

- all assets are allocated to reportable segments other than corporate assets and goodwill; and
- all liabilities are allocated to reportable segments other than corporate liabilities, convertible notes and deferred tax liabilities.

Other segment information

	Six months ended 30 September			
	Depreciation and amortisation		**Additions to non-current assets**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Trade shows and exhibition operation	**54**	927	**–**	47
Unallocated	**167**	100	**909**	32
	221	1,027	**909**	79

Geographical information

The Group's operations are mainly located in Hong Kong, UK and the PRC. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

	Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong	**188**	5,076
UK	**70**	1,435
The PRC	**688**	–
	946	6,511

The following is an analysis of the carrying amount of non-current assets (excluding deferred tax assets and derivate financial instrument) analysed by the geographical area in which the assets are located:

	As at 30 September Carrying amount of non-current assets	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong	**2,520**	3,353
The PRC	**–**	–
	2,520	3,353

5. TURNOVER AND OTHER REVENUE

Turnover represents the aggregate of participation fee income, hotel and travel package income, and advertising fee income from exhibitions and trade shows. All of the Group's operations are classed as continuing.

"Mega Show Part 1" and "Mega Show Part 2" organised by the Group were held and completed in October 2010 and the unaudited turnover and net profit from the trade shows and exhibition operation business for the period from 1 April 2010 to 31 October 2010 were approximately HK$71,356,000 and HK$15,000,000 respectively (seven months ended 31 October 2009: HK$62,000,000 and HK$9,700,000).

An analysis of the Group's turnover and other revenue are as follows:

	Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Turnover		
Participation fee income	**31**	1,173
Hotel and travel package income	**915**	1,109
Advertising fee income	**–**	4,229
	946	6,511
Other revenue		
Interest income	**111**	7
Sundry income	**4,110**	1,715
	4,221	1,722
Total revenue	**5,167**	8,233

6. **FINANCE COSTS**

	Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interests on amounts due to shareholders and a director wholly repayable within five years	**1,705**	2,750
Interests on other borrowings wholly repayable within five years	**671**	–
	2,376	2,750

7. **TAXATION**

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profit for the period (six months ended 30 September 2009: Nil).

8. DIVIDENDS

The Board of the Company do not recommend a payment of an interim dividend for the six months ended 30 September 2010 (six months ended 30 September 2009: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

For continuing and discontinued operations

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

	Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company for the purpose of basic loss per share	**(20,857)**	(989,726)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,113,768,400**	1,113,768,400
Effect of dilutive potential ordinary shares: Convertible notes	**347,000,000**	347,000,000
Weighted average number of ordinary shares for the purposes of diluted loss per share	**1,460,768,400**	1,460,768,400

For continuing operations

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

	Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company for the purpose of basic loss per share	**(20,857)**	(35,882)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,113,768,400**	1,113,768,400
Effect of dilutive potential ordinary shares:		
Convertible notes	**347,000,000**	347,000,000
Weighted average number of ordinary shares for the purposes of diluted loss per share	**1,460,768,400**	1,460,768,400

For discontinued operations

Basic loss per share for the discontinued operations is HK$Nil cents per share (six months ended 30 September 2009: HK$85.6 cents per share) and diluted loss per share for the discontinued operations is HK$Nil per cents (six months ended 30 September 2009: HK$85.6 cents per share), based on the loss for the period from the discontinued operations of approximately HK$Nil (six months ended 30 September 2009: HK$953,844,000) and the denominators details above for both basic and diluted loss per share.

For the six months ended 30 September 2010, no diluted loss per share for continuing and discontinued operations has been presented as the effect of the conversion of the outstanding convertible notes would result in a decrease in loss per share during the six months ended 30 September 2010.

10. TRADE RECEIVABLES

The credit period granted to customers ranges from 30 to 90 days. The aged analysis of the trade receivables is as follow:

	As at 30 September 2010	As at 31 March 2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**16**	569
31 to 60 days	**–**	322
61 to 90 days	**–**	174
	16	1,065

11. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	As at 30 September 2010	As at 31 March 2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Deposits	**577**	1,651
Prepayments	**15,903**	4,929
Other receivables	**10,402**	178,707
	26,882	185,287

Included in other receivables of HK$10,000,000 (31 March 2010: HK$10,000,000) was the deposit paid to the High Court for the Injunction Order of Mr. Hung, Mega Wealth Capital Limited ("Mega Wealth") and Webright Limited ("Webright").

As at 31 March 2010, included in other receivables, approximately HK$159,320,000 was the deposits previously paid into Heilongjiang Haerbin Intermediate People's Court. The deposits were returned to the Group subsequent to the year ended 31 March 2010.

12. AMOUNTS DUE TO SHAREHOLDERS AND A DIRECTOR

	As at 30 September 2010 *HK$'000* **(Unaudited)**	As at 31 March 2010 *HK$'000* (Audited)
Amount due to Mr. Hung *(note i)*	**14,038**	44,335
Amount due to ACE Channel Limited *(note ii)*	**–**	88,960
Amount due to a director *(note iii)*	**–**	5,222
	14,038	138,517

Notes:

(i) The amount due to Mr. Hung is the principal amount and interests and details terms are summarised as follows:

(1) HK$3,000,000 loan is unsecured, bearing interest at a fixed rate of 8% per annum due on 3 December 2009;

(2) HK$8,000,000 loan is unsecured, bearing interest at a fixed rate of 8% per annum due on 8 March 2010; and

(3) HK$1,600,000 advanced is unsecured, non-interest bearing and repayable on demand.

(ii) The amount due to ACE Channel Limited, beneficially owned by Mr. Gao Feng, a director of the Company and the amount had already been repaid on 9 April 2010.

(iii) The loan from a director had already been repaid on 7 April 2010.

13. ACCRUED LIABILITIES AND OTHER PAYABLES

	As at 30 September 2010 *HK$'000* **(Unaudited)**	As at 31 March 2010 *HK$'000* (Audited)
Accrued liabilities	**158,731**	165,584
Other payables	**14,035**	50,764
	172,766	216,348

Included in accrued liabilities of HK$158,600,000 (31 March 2010: HK$158,600,000) was consideration payables for acquisition of the Wealth Gain Group. On 15 December 2009, the Company issued legal proceeding against Mr. Hung in the High Court in connection with the acquisition of the Wealth Gain Group and also filed a statement of claim against Mr. Hung for, inter alia, the rescission of the Agreement on 1 February 2010.

14. OTHER BORROWINGS

	As at 30 September 2010	As at 31 March 2010
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unsecured borrowings	**32,309**	5,165

On 28 July 2010, Mr. Hung informed the Company that a sum of HK$31,500,000 plus interest under the loan agreement dated 16 July 2009 made between Mr. Hung and the Company was assigned to Mr. Wong Ching Ping Alex ("Mr. Wong") ("Wong's Assignment") which was not admitted by the Company.

On 7 August 2009 at the request of Mr. Hung, the Company made repayment of a sum of HK$3,000,000.

The amount allegedly due to Mr. Wong under the Wong's Assignment, which was and still is not admitted by the Company is the principal amount and interests and details terms are summarised as follows :

HK$28,500,000 loan is unsecured, bearing interest at prime rate plus 5% (i.e. 10%) per annum due on 15 October 2009.

15. DEPOSITS RECEIVED IN ADVANCE

The deposits received in advance from participants who pay the participation fee or hotel and travel package on the exhibitions and trade shows. The amounts of HK$44,349,000 deposits received in advance will be recognised as revenue upon the completion of the exhibitions event which was being held in October 2010.

16. CONVERTIBLE NOTES

On 31 March 2008, the Company issued HK$345,000,000 zero coupon convertible note ("the Convertible Notes") as part of the consideration for the acquisition of the Wealth Gain Group.

Up to 30 September 2010, the convertible note with an aggregate amount HK$171,500,000 was converted into the ordinary shares of the Company. Total number of ordinary shares converted was 343,000,000. The remaining convertible notes is in the principal amount of HK$173,500,000 convertible into ordinary shares of the Company at a conversion price of HK$0.5 per share. As at 30 September 2010, the fair value of the derivate component embedded in the Convertible Notes was HK$Nil (31 March 2010: HK$Nil).

On 15 December 2009, the Company issued legal proceedings against Mr. Hung in the High Court and also filed a statement of claim of the Convertible Notes which was being issued to Mr. Hung on 1 February 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Company has been engaged as show manager of exhibitions and trade fairs as well as provision of ancillary services.

EXHIBITION BUSINESS

During the period under review, the Group had continued its cost reduction measures and improved the operating efficiency of its exhibition business. The Group will continue enhancing the cost structure of its exhibition business. With better market sentiments, it is expected that favourable response will be received for the upcoming events to be held in the second half of this financial year.

UNCONVENTIONAL GAS BUSINESS

Apart from the stable exhibition business, the Group has endeavored to explore new source of revenue and investment opportunities in the resources sector, particularly in the clean energy segment.

Development and use of clean energy is a global trend and is highly supported by the PRC government. Unconventional gas (including coalbed methane, coal mine methane, tight sand gas, shale gas and gas hydrates) is a major source of clean energy apart from other forms of renewable energy, for instance, solar, wind and nuclear energy. Though the PRC has abundant unconventional gas resources, it lacks adequate technology, equipment and experts to explore and develop unconventional gas, which led to numerous coal mine explosion accidents in recent years. There has been a strong demand in the unconventional gas industry for skilled manpower and advanced technology and equipment.

On 30 October 2010, the Company (through its subsidiary) entered into a subscription and shareholders' agreement with Multi Century Technology Development Limited ("Multi Century", together with its subsidiary, "Multi Century Group"), pursuant to which the Company will acquire 51% interest in Multi Century and may provide a shareholder's loan to Multi Century upon completion. Multi Century will be engaged in technical consulting and operation services such as unconventional gas well drilling, completion and stimulation for exploration and development work, import and export of technical equipment for the unconventional gas industry in the PRC. The Company's announcement dated 2 November 2010 has set out the details of the transaction.

The investment will enable the Company to enter into the China unconventional gas market which is supported by the PRC government since the Eleventh Five-Year Plan adopted by the National Development and Reform Commission of the PRC in 2006 and to explore a new income source for the Company by expanding its existing business.

LATEST DEVELOPMENTS OF THE LITIGATIONS

Injunction Order

During the period under review, Mr. Hung (through his solicitors) had applied by way of a Summons to vary the injunction order (the "Injunction Order") against him and his companies (the "Defendants"). The judgment was handed down on 6 October 2010. The Court of Appeal dismissed the appeal and the Injunction Order remained unchanged. The Court of Appeal also ordered the costs of the appeal to be paid by the Defendants to the Company, to be taxed if not agreed, save that the costs of preparing the Company's own "core bundles" be deducted.

Application for Appointment of Provisional Liquidators to the Company by Mr. Hung

Regarding Mr. Hung's application for the appointment of provisional liquidators to the Company (the "Application"), Mr. Hung (the "Petitioner") and the Company made a joint application by way of consent summons dated 4 November 2010 and the Company has undertaken to the Court, inter alias, that it shall deposit the sum of HK$10,658,922 into a designated interest-bearing bank account opened in the name of the Company as security for the petitioning debt claimed by the Petitioner in the proceedings. On 5 November 2010, the Court made the following Order: (i) Without prejudice to the respective contentions advanced by the Petitioner and the Company, leave to the Petitioner to withdraw the Summons dated 1 February 2010 for appointment of Provisional Liquidators ("PL Summons"); (ii) the hearing of the PL Summons before the Honourable Mr Justice Barma on 9 November 2010 at 10:00 am be vacated; (iii) the costs of the PL Summons as between the Petitioner and the Company be the Company's costs in the cause of the Amended Petition; (iv) the Petitioner is to pay the Official Receiver's costs of the PL Summons in the agreed amount of HK$5,000; and (v) there be liberty to apply.

Winding-up Petition

At the second hearing held in the High Court on 12 April 2010, upon hearing submissions by the parties, the Companies Judge made an order that, among other things, the Winding-up Petition presented by Mr. Hung in respect of a total outstanding alleged indebtedness of HK$41,722,630 ("Alleged Indebtedness") be adjourned to the second Monday after the date of handing down of judgment in the Company's proceedings against Mr. Hung and his companies for, inter alia, rescission of the agreement dated 25 September 2007 in relation to acquisition of Wealth Gain Global Investment Limited (the "High Court Action"). On 24 August 2010, the Court made an order by consent of both parties to grant leave to the Petitioner to amend the Winding-up Petition and costs of and occasioned by the amendment of the Winding-up Petition be paid by the Petitioner to the Company in any event. The Petitioner amended the Winding-up Petition, including, among others, a reduction of the Alleged Indebtedness to HK$9,600,000. The Company may seek to set-off against the Alleged Indebtedness the claims which the Company is asserting against Mr. Hung in the High Court Action. The Company is of the view that it has a bona fide claim on substantial grounds and should succeed in the High Court Action.

The Board has taken, and will take appropriate actions against Mr. Hung and persons with whom he is associated, and will follow closely on the development of the above matters. The Board will inform the shareholders of any progress of these litigations on a timely basis.

PROSPECT AND OUTLOOK

The investment in the Multi Century Group is an important step for the Group's further business development in the clean energy sector. The Group will continue its inorganic growth strategy and explore investment and acquisition opportunities in the resources sector, with a focus on clean energy projects.

RESULTS ANALYSIS

For the six months ended 30 September 2010, the Group recorded turnover of HK$946,000, representing a decrease of 85.5% over last interim period. For the six months ended 30 September 2010, the Group recorded a net loss of approximately HK$20,857,000 (six months ended 30 September 2009: approximately HK$989,726,000) and a loss attributable to owners of the Company of approximately HK$20,857,000 (six months ended 30 September 2009: approximately HK$989,726,000); basic losses per share was approximately HK$1.87 cents (six months ended 30 September 2009: HK$88.9 cents).

The decrease in turnover was mainly due to no advertising of Mega Show Part 1 exhibitor information on the Megasia Website from last year and accordingly no advertising income and subscription income have been received. Notwithstanding, net loss attributable to owners of the Company has been improved during the period as: (i) the deconsolidation of a subsidiary since 1 April 2009 which was a one-off transaction in last period and (ii) effective cost saving in cutting directors' remuneration (included in staff costs) and some of exhibition events operations were outsourced. The Board believes that the Group can achieve a better result in this year.

As "Mega Show Part 1" and "Mega Show Part 2" organised by the Group are held and completed in October every year and the turnover of the Group is principally from the participation fee received from these shows, disclosing the unaudited turnover and net profit from 1 April to 31 October every year in the interim report will give a better understanding of the business operations of the Group.

The unaudited turnover and the net profit from the trade shows and exhibition operation business for the period from 1 April 2010 to 31 October 2010 were approximately HK$71,356,000 and HK$15,000,000 respectively (seven months ended 31 October 2009: HK$62,000,000 and HK$9,700,000).

INTERIM DIVIDEND

The Board of the Company did not recommend payment of an interim dividend for the six months ended 30 September 2010 (six months ended 30 September 2009: Nil).

FINANCIAL REVIEW

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group derived its working capital mainly from internal cash flow from operating activities and other financing activities.

As at 30 September 2010, the Group has convertible notes amounted to approximately HK$128,592,000 (30 September 2009: HK$115,988,000). The Group's shareholders' funds of the Group aggregately amounted to HK$11,138,000 (30 September 2009: HK$11,138,000). The Group's assets-liabilities ratio (total liabilities to total assets) was approximately 518.6% (30 September 2009: 273.3%). Net current liabilities of the Group amounted to approximately HK$191,669,000 (30 September 2009: HK$333,372,000). The following items with an aggregate of amount of HK$340,949,000, which are included in current liabilities and non-current liabilities, are related to the legal proceedings with Mr. Hung in the High Court: (i) HK$158,600,000 (31 March 2010: HK$158,600,000) was consideration payable for the acquisition of the Wealth Gain Group; (ii) HK$14,038,000 (31 March 2010: HK$44,335,000) was shareholder's loan from Mr. Hung; (iii) HK$32,309,000 (31 March 2010: HK$Nil) was assigned from Mr. Hung to Mr. Wong Ching Ping Alex which was not admitted by the Company and the balance was included as amount due to shareholder for the year ended 31 March 2010; and (iv) convertible notes of HK$128,592,000 (31 March 2010: HK$128,592,000) and respective deferred tax liabilities of HK$7,410,000 (31 March 2010: HK$7,410,000) under non-current liabilities. Furthermore, the amounts of HK$44,349,000 deposits received in advance will be recognised as revenue upon the completion of the exhibitions event which was being held on October 2010. The Board of the Company considers the liquidity of the Group is good enough as at 30 September 2010. Current assets of the Group was approximately HK$75,163,000 (30 September 2009: HK$259,491,000), of which cash and cash equivalents amounted to approximately HK$48,265,000 (30 September 2009: HK$31,363,000) and deposit of HK$10,000,000 (31 March 2010: HK$10,000,000) paid into the High Court for the Injunction Order against Mr. Hung, Mega Wealth and Webright. The Company's announcement dated 12 February 2010 has set out the details.

As at 30 September 2010, the Group's gearing ratio (calculated as total debts to total equity) was 53.8% (30 September 2009: 51.7%).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The Group's sales and purchase are mainly transacted in Hong Kong dollar and Renminbi and the books are recorded in Hong Kong dollar. Therefore, it may be exposed to foreign exchange risk. However in view of the stable currency policies adopted by the PRC government, the directors consider that the foreign exchange risk is insignificant.

The Group currently has no foreign exchange rate hedging policy in respect of commercial transactions denominated in foreign currencies. However, the directors monitor exchange rate exposure regularly and will consider hedging significant exchange rate exposure as and when necessary.

LITIGATIONS AND CONTINGENT LIABILITIES

The Group and the Company

(a) As disclosed in the Company's announcements dated 16 December 2009 and 8 January 2010, the Company has commenced proceedings against Mr. Hung at the High Court with regards to a breach of contract by Mr. Hung, in connection with a sale and purchase agreement dated 25 September 2007 made between the Company and Mr. Hung (the "Agreement"). The Company sought advice from its legal advisers and formed the view that Mr. Hung had failed to perform one or more of the terms of the Agreement and is of the view that Mr. Hung is in breach of numerous representations and warranties under the Agreement. The Company claims against Mr. Hung, among other things, for all payments made by the Company to Mr. Hung under the Agreement and/or damages arising from the breach of the Agreement.

On 1 February 2010, the Company filed a statement of claim at the High Court against Mr. Hung, Mega Wealth and Webright (together referred to as the "Defendants") in connection with the Agreement, for, inter alia, rescission of the Agreement. Particulars of the Statement of Claim are summarised as follows:

(1) The Company claims against Mr. Hung for:

(i) rescission of the Agreement;

(ii) the 76,640,000 shares of the Company ("Shares") at an issue price of HK$0.5 per share;

(iii) the convertible note, issued to Mr. Hung pursuant to the Agreement, in the principal amount of HK$173,500,000 convertible into ordinary shares of the Company at a conversion price of HK$0.5 per share (the "Convertible Note");

(iv) further or alternatively, all payments made by the Company to Mr. Hung and/or damages arising from the breach of the Agreement;

(v) a declaration that Mr. Hung holds the 70,000,000 Shares and the Convertible Note and their traceable equivalent on trust for the Company and that all necessary tracing orders accounts and inquiries be taken as to what had happened to the said Shares and Convertible Note and to ascertain the traceable equivalent thereof;

(vi) an order for payment after having the above accounts and inquiries;

(vii) payment of the legal costs incurred by the Company arising from the investigation and report arising from the matters in connection with the Agreement; and

(viii) payment of the costs incurred by the Company for the preparation and execution of the Agreement and supplemental agreements.

(2) The Company also claims against Mega Wealth, inter alia, for the 100,000,000 Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Mega Wealth at an issue price of HK$0.5 per Share.

(3) The Company also claims against Webright, inter alia, for the 98,000,000 Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Webright at an issue price of HK$0.5 per Share.

Up to the date of approval of these financial statements, no judgment has been made by the High Court. The Board of the Company, based on legal advices, the Company has a good arguable case against the Defendants to have the Agreement rescinded. The Board of the Company will follow closely on the development of the above matters and inform the shareholders of the Company on a timely basis.

(b) On 22 January 2010, the High Court granted an ex parte Injunction Order against the Defendants. The Injunction Order provides, among other things, that: unless with the approval of the High Court, Mr. Hung must not, either by himself, his servants or agents or otherwise howsoever in any way dispose of or deal with or diminish the value of any of the following assets:

(i) the 76,640,000 Shares issued to Mr. Hung at an issue price of HK$0.5 per Share;

(ii) the Convertible Note issued by the Company to Mr. Hung;

(iii) the 100,000,000 Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Mega Wealth at an issue price of HK$0.5 per Share;

(iv) the 98,000,000 of the Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Webright at an issue price of HK$0.5 per Share;

All being part of the considerations given to Mr. Hung by the Company in respect of the Agreement.

On 29 January 2010, at the return date hearing in relation to the Injunction Order, it was ordered, inter alia, that the Injunction Order will continue subject to a fortification in the amount of HK$10,000,000 being paid by the Company to the Registrar of the High Court on or before 12 February 2010, failing which the Injunction Order shall be discharged. The Company paid HK$10,000,000 funded from a substantial Shareholder into the High Court on 10 February 2010 in compliance with the Injunction Order. Following a hearing held at the High Court on 18 March 2010, the High Court delivered its decision on 30 March 2010 to discharge and at the same time re-grant the Injunction Order obtained by the Company on 22 January 2010 against the Defendants. Furthermore, the Court made a cost order nisi that the Company should pay the Defendants' costs related to the discharge of the Injunction Order, which the Court has assessed to be four-fifths of the costs of the hearing. On 13 April 2010, the Defendants took out two summonses respectively for (i) an application for an order to vary the costs order nisi made in the said decision delivered on 30 March 2010, and (ii) an application for an order to have leave to appeal the said decision delivered on 30 March 2010, that the decision to re-grant the Injunction Order was wrong. On 14 May 2010, the Company and Mr. Hung, through their lawyers, entered into a consent summons whereby the hearing of the two summonses returnable on 26 May 2010 was adjourned without a further date of hearing, with liberty to restore.

On 3 September 2010, Mr. Hung through his solicitors applied by way of a Summons to vary the Injunction Order granted by the Honourable Mr. Justice Chung dated 30 March 2010 (the "Application") and the hearing was scheduled to be heard on 20 September 2010. The Court dismissed Mr. Hung's Application by way of summons, for an order to vary the Injunction Order made against the Defendants. The Court ordered costs of the summons be paid by the Defendants to the Company in any event.

On 22 September 2010, the Court of Appeal granted the Defendants leave to appeal to the Court of Appeal and heard the Defendants' appeal on 27 September 2010. The judgment was handed down on 6 October 2010. The Court of Appeal dismissed the appeal of the Defendants and the Injunction Order against the Defendants remained unchanged. The Court of Appeal also ordered the costs of the Appeal to be paid by the Defendants to the Company, to be taxed if noted agreed, save that the costs of preparing the Company's own "core bundles" be deducted.

The Company will make further announcements as and when appropriate.

(c) Mr. Hung served the statutory demands on the Company in respect of a total outstanding Alleged Indebtedness of HK$41,722,630 (the "Statutory Demands"). A winding-up petition (the "Winding-up Petition") was presented to the High Court and served on the Company by Mr. Hung on 28 January 2010 in connection with the Alleged Indebtedness. The Company intends to oppose the Winding-up Petition and has appointed legal advisers to handle the matter. The first hearing of the Winding-up Petition was held on 7 April 2010. At the second hearing held in the High Court on 12 April 2010, upon hearing submissions by the parties, the Companies Judge made an order that, among other things, the Winding-up Petition be adjourned to the second Monday after the date of handing down of judgment in connection with the Statement of Claim by which the Company has made a claim against Mr. Hung. On 24 August 2010 the Court made an order by consent of both parties to grant leave to the Petitioner to amend the Winding-up Petition and costs of and occasioned by the amendment of the Winding-up Petition be paid by the Petitioner to the Company in any event. The Petitioner amended the Winding-up Petition, including, among others, a reduction of the Alleged Indebtedness to HK$9,600,000. The Board of the Company considers that the issue of the Statutory Demands is, of itself, unlikely to have a negative impact on the Group's financial condition. In addition, the Company may seek to set-off against the Alleged Indebtedness claims which the Company is asserting against Mr. Hung under the Statement of Claim. The Board of the Company is of the view that it has a bona fide claim on substantial grounds and should succeed in the Proceedings by which the Company has made a claim against Mr. Hung, which shall extinguish Mr. Hung's claim in the Winding-up Petition.

On 28 January 2010, by a letter to the High Court, Mr. Hung's solicitors applied for an early date for a first hearing of the application for appointment of provisional liquidators to the Company by Mr. Hung (the "Application"). A hearing in respect of the Application took place on 2 February 2010, at which a date was set down for a further hearing on 5 May 2010. The Company and Mr. Hung, through their lawyers, entered into a consent summons whereby the hearing scheduled on 5 May 2010 for the Application was adjourned without a further date of hearing, with liberty to restore. The Court made an order by consent on 26 April 2010 in this regard. Notwithstanding this, the Company received a letter from Mr. Hung's lawyers dated 15 June 2010 in which, among other things, Mr. Hung requested to set down a date for the hearing of the Application. The Application was scheduled to be heard on 9 November 2010. However, upon the joint application of Mr. Hung (the "Petitioner") and the Company by way of consent summons dated 4 November 2010 and upon the Company undertaking to the Court that:

(i) On 9 November 2010, deposit the sum of HK$10,658,922 into a designated interest-bearing bank account opened in the name of Company ("Designated Account") as security for the petitioning debt claimed by the Petitioner in these proceeding and will not use the monies as deposited in the Designated Account until after determination of HCA2477 of 2009 or upon such other condition as may be agreed between the Petitioner and the Company in writing;

(ii) It shall within 3 working days of the written request of the Petitioner provide the bank statements relating to the Designated Account; and

(iii) It shall secure and preserve all the shares and assets (if any) of Wealth Gain and will not dispose of such shares and assets or any part thereof unless with the Petitioner's written consent or until the determination of HCA2477 of 2009;

The Court made the following Order on 5 November 2010:

1. Without prejudice to the respective contentions advanced by the Petitioner and the Company, leave to the Petitioner to withdraw the Summons dated 1 February 2010 for appointment of Provisional Liquidators ("PL Summons").

2. The hearing of the PL Summons before the Honourable Mr Justice Barma on 9 November 2010 at 10:00 am be vacated.

3. The costs of the PL Summons as between the Petitioner and the Company be the Company's costs in the cause of the Amended Petition.

4. The Petitioner is to pay the Official Receiver's costs of the PL Summons in the agreed amount of HK$5,000.

5. There be liberty to apply.

The Company will make further announcements on the Petition as and when appropriate.

(d) On 30 April 2010, Mr. Hung commenced proceedings in the Labour Tribunal against the Company for, inter alia, reimbursement of expenses incurred by Mr. Hung whilst he was in the employment as consultant/assistant to chairman of the Company in the sum of approximately HK$1,041,000 (the "Labour Tribunal Claim"). Pursuant to an order dated 28 June 2010, the Labour Tribunal Claim was ordered to be transferred to the High Court. The hearing for directions held on 1 September 2010 was ordered to be adjourned to 13 October 2010 and then adjourned to 24 November 2010 and then further adjourned to 1 December 2010 with costs reserved. The Board of the Company, based on legal advices, is of the view that the Company has good arguable defence against the Labour Tribunal Claim.

(e) On 2 July 2010, Mr. Hung Hoi Ming Raymond (the "Claimant"), brought an action at the Labour Tribunal against the Company and Sino Talent Holdings Limited ("Sino Talent"), a wholly owned subsidiary of the Group for payment of a sum of approximately HK$347,000, being the amount allegedly owed by the Group on termination of his employment contract dated 10 December 2009. The Group have filed with the Labour Tribunal a defence and counterclaim which the Group only agreed to pay a sum of approximately HK$95,000 and counterclaimed against the Claimant for repayment of a sum of approximately HK$128,000 being the amount of education subsidy received by the Claimant and a sum of an approximately HK$46,000 being compensation for unauthorized absence from work and outstanding telephone bills. Pursuant to an Order by the Labour Tribunal dated 27 July 2010, the case was transferred to the District Court. At the directions hearing on 17 November 2010. The Court ordered that: (i) The Claimant do file and serve the Statement of Claim on or before 22 December 2010; (ii) The Sino Talent do file and serve the Defence and Counterclaim, if any, on or before 26 January 2011; (iii) The Claimant do file and serve the Reply and Defence to Counterclaim on or before 2 March 2011; and (iv) The costs of this directions hearing, assessed summarily in the sum of HK$800.00 be costs in the cause. The Board of the Company, based on legal advices, is of the view that the Group have a good defence to the Claimant's claim and a good chance of success in respect of the respective counterclaims.

(f) On 20 July 2010, Sino Talent issued a Writ of Summons at the District Court against Mr. Hung Hoi Ming, Raymond in connection with a company vehicle. Particulars of the Writ of Summons are summarized as follows: (i) Possession of the vehicle; (ii) Rent for the Vehicle between 11 December 2009 to the date of judgment; (iii) Vehicle related expenses including insurance premium, liceense fee and others; (iv) Damages for tort of conversion of the vehicle; and (v) Interests and costs related to legal action against Mr. Hung Hoi Ming, Raymond.

Up to the date of approval of these financial statements, no judgment has been made by the District Court. The Board of the Company, based on legal advices, the Company has a good arguable case against Mr. Hung Hoi Ming, Raymond.

OTHER EVENTS

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2010, the Group had a total of 16 employees (30 September 2009: 66) in Hong Kong. All employees are remunerated according to their performance, experience and the prevailing industry practices.

The Group also participates in retirement benefit schemes for its staff in Hong Kong. It introduced a share option scheme (the "Old Option Scheme") on 10 April 2002, with options to be granted to employees at the discretion of the Board. There was no option outstanding as at 30 September 2010.

The Old Option Scheme termination has been approved by shareholders of the Company at the Annual General Meeting for the year ended 31 March 2010 ("2009 AGM") on 8 October 2010. A new share option scheme has been approved and adopted during the 2009 AGM on 8 October 2010.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition and disposal for the six months ended 30 September 2010.

CONNECTED TRANSACTION

The Group did not conduct any connected transaction for the six months ended 30 September 2010.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment for the six months ended 30 September 2010.

EVENTS AFTER THE REPORTING PERIOD

(i) On 30 October 2010, the Group entered into the Subscription and Shareholders' Agreement with Excel Team Holdings Limited ("Excel Team"), Prolific View Limited ("Prolific View"), Mr. Ho Peter Take Yuen and Multi Century Technology Development Limited ("Multi Century"), pursuant to which (a) the Group agreed to subscribe for and Multi Century agreed to allot and issue 510 shares ("Subscription Shares") at the consideration of HK$20,000,000, representing approximately 51% of the issued share capital of Multi Century as enlarged by the allotment and issue of the Subscription Shares; and (b) The Group, Excel Team and Prolific View agreed to regulate the rights and obligations of themselves as shareholders of Multi Century upon Completion.

A loan agreement will be entered into between the Group and Multi Century on the Completion date, in which the Group shall provide Multi Century with the Shareholder's loan in the principal amount of HK$26,000,000 for a period ending 36 months from the date of the first drawdown. Multi Century shall apply the Shareholder's loan for (a) purchasing machinery and equipment to be used in carrying out the unconventional gas industry and (b) general working capital.

Upon completion, Multi Century will be 51% owned by the Group.

(ii) According to HKAS 18, revenue from the receipt of participate fee is recognised when the event takes place. As "Mega Show Part 1" and "Mega Show Part 2" organised by the Group are held and completed in October every year and the turnover of the Group is principally from the participation fee received from these shows, disclosing the unaudited turnover and net profit from 1 April to 31 October every year in the interim report will give a better understanding of the business operations of the Group.

The unaudited turnover and the net profit from the trade shows and exhibition operation business for the period from 1 April 2010 to 31 October 2010 were approximately HK$71,356,000 and HK$15,000,000 respectively (seven months ended 31 October 2009: HK$62,000,000 and HK$9,700,000).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries had not purchased, redeemed or sold any of the Company's listed securities during the period under review.

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") comprises the three independent non-executive directors of the Company, chaired by Mr. Tang Ping Sum and the other two members of the Committee are Mr. Cheng Wing Keung, Raymond and Dr. Lam Lee G. On 24 November 2010, Dr. Lam Lee G. was appointed as a member of the Committee to replace Mr. Lu Xin who has retired at the Annual General Meeting for the year ended 31 March 2009 on 8 October 2010. The Audit Committee has reviewed and discussed with the Company's management the interim results of the Group for the six months ended 30 September 2010.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company applied the principles and complied with all code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the period under review.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company's results announcement for the six months ended 30 September 2010 containing all information required by Appendix 16 of the Listing Rules is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's appointed website at http://www.capitalfp.com.hk/eng/index.jsp?co=223. The interim report of the Company for the six months ended 30 September 2010 will be despatched to the shareholders and published on the above websites in due course.

By Order of the Board
Sino Resources Group Limited
(carrying on business in Hong Kong as Sino Gp Limited)
Chow Chi Fai
Company Secretary

Hong Kong, 26 November 2010

As at the date of this announcement, the executive directors of the Company are Ms. Geng Ying, Mr. Gao Feng and Mr. Chiu Sui Keung, and the independent non-executive directors of the Company are Mr. Tang Ping Sum, Mr. Cheng Wing Keung Raymond and Dr. Lam Lee G.

* *for identification only*