CHINA BOON HOLDINGS LIMITED
中福控股發展有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 00922)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

ANNUAL RESULTS

The Board is pleased to announce the consolidated results of the Group for the Year together with the comparative figures for the year ended 31 March 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2012

	Notes	**2012** ***HK$'000***	2011 *HK$'000* (Re-presented)
CONTINUING OPERATIONS			
Revenue	*4*	**64,704**	127,642
Cost of sales		**(16,802)**	(53,095)
Gross profit		**47,902**	74,547
Other income	*4*	**1,406**	1,932
Selling expenses		**(11,571)**	(9,840)
Administrative expenses		**(65,260)**	(80,591)
Other operating expenses		**(1,235)**	(1,653)
Impairment loss on other receivables		**(80,000)**	–
Operating loss		**(108,758)**	(15,605)
Finance costs		**(12,736)**	(1,797)
Gain on bargain purchase of subsidiary	*14*	**–**	35,813
(Loss)/profit before income tax	*5*	**(121,494)**	18,411
Income tax credit/(expense)	*6*	**605**	(14,002)

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)
for the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000 (Re-presented)
(Loss)/profit for the year from continuing operations		**(120,889)**	4,409
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations		**–**	(53)
(Loss)/profit for the year		**(120,889)**	4,356
Other comprehensive income			
Exchange gain on translation of financial statements of foreign operations		**16,298**	7,782
Contingent consideration receivable		**2,731**	–
Other comprehensive income for the year, net of tax		**19,029**	7,782
Total comprehensive (loss)/income for the year		**(101,860)**	12,138
(Loss)/profit for the year attributable to:			
Owners of the Company		**(111,245)**	(20,335)
Non-controlling interests		**(9,644)**	24,691
From continuing and discontinued operations		**(120,889)**	4,356
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(99,636)**	(16,448)
Non-controlling interests		**(2,224)**	28,586
From continuing and discontinued operations		**(101,860)**	12,138
Loss per share for loss attributable to the owners of the Company during the year	*7*		
Basic ***(HK cents)***			
– From continuing and discontinued operations		**(4.71)**	(1.00)
– From continuing operations		**(4.71)**	(1.00)
– From discontinued operations		**–**	–
Diluted ***(HK cents)***			
– From continuing and discontinued operations		**N/A**	N/A
– From continuing operations		**N/A**	N/A
– From discontinued operations		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**10,331**	11,520
Investment properties		**2,163**	2,390
Intangible assets	*8*	**392,281**	379,625
Deposits for potential investments	*9*	**7,317**	80,000
Deferred expenditure	*10*	**78,600**	79,108
		490,692	552,643
Current assets			
Development and formation costs		**100,807**	6,216
Inventories		**8,302**	5,515
Trade receivables	*11*	**23,192**	93,559
Financial assets at fair value through profit or loss		**–**	3,031
Prepayments, deposits and other receivables	*12*	**71,977**	45,680
Available-for-sale financial asset		**2,731**	–
Amount due from a related company		**–**	420
Pledged bank deposits		**18,504**	–
Cash and bank balances		**52,099**	88,669
		277,612	243,090
Current liabilities			
Trade payables	*13*	**30,412**	32,526
Other payables, accruals, deposits received and receipts in advance		**23,639**	20,603
Bank borrowings		**77,717**	48,026
Amounts due to non-controlling interests		**1,119**	31,315
Tax payables		**29,487**	27,937
		162,374	160,407
Net current assets		**115,238**	82,683
Total assets less current liabilities		**605,930**	635,326

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
as at 31 March 2012

	Notes	**2012** **HK$'000**	2011 *HK$'000*
Non-current liabilities			
Receipts in advance		**5,056**	5,194
Deferred tax liabilities		**95,940**	93,312
		100,996	98,506
Net assets		**504,934**	536,820
EQUITY			
Share capital		**272,062**	212,062
Reserves		**62,066**	120,630
Equity attributable to owners of the Company		**334,128**	332,692
Non-controlling interests		**170,806**	204,128
Total equity		**504,934**	536,820

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs. The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

The financial statements have been prepared under historical cost convention except for financial assets at fair value through profit or loss and available-for-sale financial asset which are stated at fair values.

2. ADOPTION OF NEW AND AMENDED HKFRSs

(a) Adoption of new/revised HKFRSs – effective 1 April 2011

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2011:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of the New HKFRSs and interpretations has no significant impact on the Group's financial statements.

HKFRS 3 (Amendments) – Business Combinations

As part of the improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests ("NCI") at either fair value or the NCI's proportionate share in the recognised amounts of the acquiree's identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of NCI are measured at their acquisition date fair value unless another measurement basis is required by HKFRSs. The Group has amended its accounting policies for measuring NCI but the adoption of the amendment has had no impact on the Group's financial statements.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition. The adoption of HKAS 24 (Revised) has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities[4]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[2]
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities[5]
HKFRS 9 and Amendments to HKFRS 9	Financial Instruments[6]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[3]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]

[1] *Effective for annual periods beginning on or after 1 July 2011*
[2] *Effective for annual periods beginning on or after 1 July 2012*
[3] *Effective for annual periods beginning on or after 1 January 2012*
[4] *Effective for annual periods beginning on or after 1 January 2013*
[5] *Effective for annual periods beginning on or after 1 January 2014*
[6] *Effective for annual periods beginning on or after 1 January 2015*

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Amendments to HKFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to HKFRS 7 issue new disclosure requirements in relation to the offsetting models of financial assets and financial liabilities. The amendments also improve the transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. The Group expects to adopt the amendments from 1 January 2013.

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for de-recognition of financial assets and financial liabilities.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority.

The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

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

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's financial statements.

3. SEGMENT INFORMATION

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Group's management for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the Group's management are determined following the Group's major product and service lines.

Pursuant to a written resolution passed on 4 July 2011, the directors resolved that the Group's Electronic Trading, Metal Trading and Leather Trading businesses were discontinued effective from 4 July 2011 in light of its long-term strategy in the Cemetery Business. These three business segments are collectively referred as the Discontinued Operations. Accordingly the Group has a single business segment, namely Cemetery Business, for the Year.

There was no inter-segment sale and transfer during the Year (2011: Nil). Information on the Group's reportable segments provided to the Executive Directors is set out below:

2012	**Continuing Operations Cemetery Business** *HK$'000*	**Total** *HK$'000*
From external customers		
Reportable segment revenue	**64,704**	**64,704**
Reportable segment profit	**10,771**	**10,771**
Interest income	**158**	**158**
Imputed interest expense	**(1,543)**	**(1,543)**
Depreciation	**(2,772)**	**(2,772)**
Amortisation of intangible assets	**(2,117)**	**(2,117)**
Amortisation of deferred expenditure	**(4,492)**	**(4,492)**
Income tax	**536**	**536**
Reportable segment assets	**664,432**	**664,432**
Additions to non-current segment assets	**2,777**	**2,777**
Reportable segment liabilities	**(261,777)**	**(261,777)**

2011		
From external customers		
Reportable segment revenue	127,642	127,642
Reportable segment profit	41,992	41,992
Interest income	30	30
Imputed interest income	401	401
Interest expense	(1,797)	(1,797)
Depreciation	(913)	(913)
Amortisation of intangible assets	(2,590)	(2,590)
Amortisation of deferred expenditure	(1,424)	(1,424)
Income tax	(13,137)	(13,137)
Reportable segment assets	608,869	608,869
Additions to non-current segment assets	465,296	465,296
Reportable segment liabilities	(254,687)	(254,687)

The total presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2012	2011
	HK$'000	*HK$'000*
Reportable segment revenue	**64,704**	127,642
Reportable segment results	**10,771**	41,992
Equity-settled share-based payments	**(7,311)**	(32,763)
Finance costs	**(11,193)**	–
Impairment loss on other receivables	**(80,000)**	–
Operating lease charges	**(4,149)**	(3,872)
Other unallocated income and expenses	**(29,007)**	(36,761)
Gain on bargain purchase of subsidiary	**–**	35,813
(Loss)/profit for the year	**(120,889)**	4,409
Reportable segment assets	**664,432**	608,869
Corporate assets	**103,872**	186,864
Group assets	**768,304**	795,733
Reportable segment liabilities	**261,777**	254,687
Corporate liabilities	**1,593**	4,226
Group liabilities	**263,370**	258,913

During the Year, there was no customer with whom transactions had exceeded 10% of the Group's revenue.

For the year ended 31 March 2011, approximately HK$110,711,000 or 82% of the Group's revenue was derived from a single customer in the Cemetery Business segment. As at 31 March 2011, approximately HK$93,559,000 was due from the above customer.

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

Revenue from external customers:

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
The PRC	**64,704**	127,642

Geographical location of customers is based on the location at which the services were provided or the goods were delivered. Geographical location of non-current assets is based on the physical location of these assets. The Company is an investment holding company where the Group has majority of its corporate decision making in Hong Kong, and therefore, Hong Kong is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

Non-current assets:

	2012	2011
	HK$'000	*HK$'000*
Hong Kong (domicile)	**7,766**	80,884
The PRC	**482,926**	471,759
Total	**490,692**	552,643

4. REVENUE AND OTHER INCOME

Revenue from the Group's principal activities and other income recognised during the Year is as follows:

	2012	2011
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Revenue		
Sales of tombs and niches	**64,084**	127,558
Management fee income	**620**	84
	64,704	127,642
Other revenue		
Interest income on financial assets stated at amortised cost	**173**	98
Imputed interest income	**–**	401
Share of office expenses recharged	**702**	834
Dividend income from financial assets at fair value through profit or loss	**–**	34
Sundry income	**531**	565
Other income	**1,406**	1,932

5. (LOSS)/PROFIT BEFORE INCOME TAX

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

	2012	2011
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Amortisation of intangible assets	**2,117**	2,590
Amortisation of deferred expenditure	**4,492**	1,424
Auditor's remuneration	**495**	468
Cost of inventories recognised as an expense	**9,091**	49,081
Depreciation		
– Property, plant and equipment	**3,197**	2,269
– Investment properties	**316**	102
Equity-settled share-based payments	**7,311**	32,763
Exchange losses, net	**27**	192
Fair value loss on financial assets at fair value through profit or loss *	**1,235**	1,653
Impairment loss on other receivables *(Note 12)*	**80,000**	–
Losses on disposals of property, plant and equipment	**272**	282
Operating lease charges in respect of premises	**5,665**	4,448
Write-off of property, plant and equipment	**271**	–
Write-off of deferred expenditure	**126**	–

* *Included in other operating expenses.*

6. INCOME TAX (CREDIT)/EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Current tax – the PRC		
Charged for the year	**461**	13,804
Deferred tax		
Charged for the year	**389**	105
Credited for the year	**(923)**	(772)
Withholding tax	**(532)**	865
	(605)	14,002

No Hong Kong profits tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong for both years.

The subsidiaries established in the PRC are subject to income taxes at tax rates of 25%.

Reconciliation between income tax (credit)/expense and accounting (loss)/profit at applicable tax rates is as follows:

	2012	2011
	HK$'000	*HK$'000*
		(Re-presented)
(Loss)/profit before income tax	**(121,494)**	18,411
Income tax at Hong Kong profits tax rate of 16.5% (2011: 16.5%)	**(20,047)**	3,029
Tax effect of different taxation rate in other tax jurisdiction	**(979)**	3,031
Tax effect of non-taxable income	**(925)**	(6,696)
Tax effect of non-deductible expense	**15,213**	7,309
Tax effect of unrecognised deferred tax (liabilities)/ assets	**362**	149
Tax losses utilised from previous period	**(2,324)**	(72)
Tax effect of unused tax loss not recognised	**8,166**	6,387
Tax effect of withholding tax	**(532)**	865
Tax effect of tax on dividend income	**461**	–
Income tax (credit)/expense	**(605)**	14,002

7. LOSS PER SHARE

The calculations of basic and diluted loss per Share are based on the following data:

	2012	2011
	HK$'000	*HK$'000*
		(Re-presented)
Loss for the year, attributable to owners of the Company		
from continuing operations	**(111,245)**	(20,282)
from discontinued operations	**–**	(53)
	(111,245)	(20,335)

Number of Shares	**2012**	2011
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per Share	**2,363,491**	2,028,061

Diluted loss per Share for the years ended 31 March 2012 and 2011 is not presented because the potential ordinary shares are anti-dilutive.

8. INTANGIBLE ASSETS

	Allocated land and cemetery operating licence	
	2012	2011
	HK$'000	*HK$'000*
At 1 April		
Cost	**382,234**	–
Accumulated amortisation	**(2,609)**	–
Net carrying amount	**379,625**	–
During the year		
Opening net carrying amount	**379,625**	–
Acquisition of subsidiary *(note 14)*	**–**	374,436
Amortisation	**(2,117)**	(2,590)
Exchange realignment	**14,773**	7,779
Closing net carrying amount	**392,281**	379,625
At 31 March		
Cost	**397,143**	382,234
Accumulated amortisation	**(4,862)**	(2,609)
Net carrying amount	**392,281**	379,625

Intangible assets represented the land use rights allocated by the PRC government and the cemetery licenses. The fair value was determined by a firm of independent professional qualified surveyor, LCH (Asia-Pacific) Surveyors Limited ("LCH"), by using the Multi-Period Excess Earnings Methods at acquisition date. The Directors have reviewed and adopted the techniques used by LCH for initial measurement of the intangible assets. In the opinion of the Directors, the objective of LCH's valuation is to estimate fair value which reflects the current transactions and practices in the industry to which the asset belongs.

9. DEPOSITS FOR POTENTIAL INVESTMENTS

	2012	2011
	HK$'000	*HK$'000*
Acquisition of the Topace Group *(note (a))*	**–**	80,000
Acquisition of a subsidiary in Chongqing, the PRC *(note (b))*	**7,317**	–
	7,317	80,000

Note :

(a) In October 2009, a refundable deposit of HK$80,000,000 was paid to an independent third party, Mr. Fu Yuan Ji ("Mr. Fu") by the Company's subsidiary, Sino Grandeur Limited, in respect of the original agreement dated 13 October 2009, entered into with Mr. Fu to acquire the entire equity interests in Topace Investments Limited (together with its subsidiaries collectively referred to as the "Topace Group") for a consideration of HK$2,000,000,000. The Topace Group is principally engaged in cemetery operation in Shanghai, the PRC. Details of this potential investment are set out in the Company's announcement dated 24 December 2009 and the circular dated 15 February 2011.

On 30 November 2010, Sino Grandeur Limited entered into an amended and restated agreement, which superseded the above original agreement dated 13 October 2009, Mr. Fu to acquire the entire equity interests in the Topace Group for a revised consideration of HK$1,150,000,000. Thus, the refundable deposit of HK$80,000,000 continued as a part of the consideration to acquire the Topace Group. As at 31 March 2011, the acquisition of the Topace Group had not been completed and thus the refundable deposit was treated as a non-current deposit.

On 30 May 2011, Sino Grandeur Limited entered into an agreement with Mr. Fu to extend the long stop date for the completion of the potential investments in the Topace Group to 30 November 2011. Nevertheless, as announced by the Company on 1 December 2011, as conditions precedent specified in the amended and restated agreement were not satisfied or waived by 30 November 2011, the amended and restated agreement was lapsed on 1 December 2011 and the refundable deposit of HK$80,000,000 was re-classified to other receivable from 1 December 2011 (note 12).

(b) On 30 September 2011, the Company entered into an agreement with independent third parties to acquire a limited liability company in the PRC, which is principally engaged in cemetery development and operation in Chongqing, the PRC. Details of this potential acquisition are set out in the Company's announcements dated 13 October 2011 and 31 January 2012.

Pursuant to the agreement, a refundable deposit of RMB6,000,000 (equivalent to approximately HK$7,317,000) was paid to the vendors during the year and the capital commitment as at 31 March 2012 was approximately RMB130,800,000 (equivalent to approximately HK$159,512,000).

As at 31 March 2012, this potential acquisition has not been completed and the refundable deposit is accounted for as a non-current deposit.

10. DEFERRED EXPENDITURE

	2012	2011
	HK$'000	*HK$'000*
At 1 April		
Cost	**87,289**	–
Accumulated amortisation	**(8,181)**	–
Net carrying amount	**79,108**	–
Opening net carrying amount	**79,108**	–
Acquisition of subsidiary *(note 14)*	**–**	76,890
Additions	**1,097**	2,051
Write-off	**(126)**	–
Amortisation	**(4,492)**	(1,424)
Exchange realignment	**3,013**	1,591
Closing net carrying amount	**78,600**	79,108
At 31 March		
Cost	**91,664**	87,289
Accumulated depreciation and impairment	**(13,064)**	(8,181)
Net carrying amount	**78,600**	79,108

11. TRADE RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables, gross	**23,192**	152,406
Less: Provision for impairment loss	**–**	(58,847)
Trade receivables, net	**23,192**	93,559

Trade receivables generally have credit terms of 30 to 90 days (2011: 30 to 90 days). No interest is charged to the Group's business-related customers. The Group has a credit policy in place, and exposures are monitored and overdue balances are reviewed by senior management on an ongoing basis.

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

	2012	2011
	HK$'000	*HK$'000*
Within 60 days	–	49,629
61 to 90 days	–	–
91 to 120 days	–	43,930
121 to 365 days	–	–
Over 365 days	23,192	58,847
	23,192	152,406

The Directors consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

As at 31 March 2012, balance of trade receivables which are neither past due nor impaired is nil (2011: HK$49,629,000).

In addition, some of the unimpaired trade receivables are past due as at the reporting date. Ageing analysis of trade receivables past due but not impaired is as follows:

	2012	2011
	HK$'000	*HK$'000*
Neither past due nor impaired	–	49,629
1 – 30 days past due	–	43,930
31 – 365 days past due	–	–
Over 365 days past due	23,192	–
	23,192	93,559

As at 31 March 2012, trade receivables that were past due but not impaired of approximately HK$23,192,000 (2011: HK$43,930,000) related to a customer with good and reliable credit rating. Management believes that no impairment allowance is necessary in respect of these balances as the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of these balances.

Movement in the provision for impairment loss of trade receivables is as follows:

	2012	2011
	HK$'000	*HK$'000*
At 1 April	58,847	58,847
Amounts written off as uncollectible	(58,847)	–
At 31 March	–	58,847

During the Year, trade receivables of approximately HK$58,847,000 were written off against impairment loss provision.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Prepayments	**22,170**	904
Other receivables *(note)*	**48,593**	43,268
Deposits paid	**1,214**	1,508
	71,977	45,680

Note:

	2012	2011
	HK$'000	*HK$'000*
Other receivables	**128,593**	47,097
Less: Provision for impairment loss	**(80,000)**	(3,829)
Other receivables, net	**48,593**	43,268

Included in the Group's other receivables as at 31 March 2012 are receivable from Mr. Fu of HK$80,000,000 (details are set out in note 9) and non-interest bearing advances of approximately HK$47,478,000 (2011: HK$41,499,000) made to certain independent third parties. These non-interest bearing advances are termed at a short-term basis and agreed to be repaid upon maturity with due dates of 28 September 2012 or 31 October 2012. The Group did not hold any collateral in respect of these balances.

On 14 May 2012, Sino Grandeur Limited, a wholly-owned subsidiary of the Company, instituted legal proceedings in Hong Kong against Mr. Fu to claim the refundable deposit of HK$80,000,000 due to the lapse of the acquisition of the Topace Group. In the opinion of the directors, the recoverability of such amount will take a long period of time and it is estimated that its recoverability is remote. Accordingly, full provision was made as at 31 March 2012.

Except for those amounts with provision for impairment as above, the directors consider that the fair values of deposits and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because of short maturity periods on their inception.

All other receivables that are neither individually nor collectively considered to be impaired are neither past due nor impaired and are due from counterparties for whom there was no recent history of default. Management considers that other receivables that were neither past due nor impaired for each of the reporting dates are of good credit quality.

Movements in the provision for impairment loss on other receivables are as follows:

	2012	2011
	HK$'000	*HK$'000*
At 1 April	**3,829**	3,829
Provision for impairment loss	**80,000**	–
Write off of other receivables	**(3,829)**	–
At 31 March	**80,000**	3,829

13. TRADE PAYABLES

The Group was granted by its suppliers oral credit periods ranging between 90 days to 3 years (2011: 90 days to 3 years). Based on the invoice dates, ageing analysis of trade payables is as follows:

	2012	2011
	HK$'000	*HK$'000*
Within 90 days	**6,444**	10,556
91 to 180 days	**3,544**	7,791
181 to 365 days	**5,950**	3,671
Over 1 year	**14,474**	10,508
	30,412	32,526

The Directors consider that the carrying amount of trade payables is a reasonable approximation of their fair value.

14. ACQUISITION OF SUBSIDIARY

The Group acquired 41.2% equity interest of Anxian Yuan from independent third parties for a consideration of HK$87,186,000 on 19 November 2010 ("the Acquisition Date").

The Group appointed a nominee (the "Nominee") as the registered owner for its 41.2% equity interests in Anxian Yuan and entered into Contractual Agreements to obtain controls over the operating and financial polices of Anxian Yuan which became a subsidiary of the Group and its financial results have been consolidated into the Group's financial statements using acquisition method of accounting from the Acquisition Date. Details of net identifiable assets acquired and gain on bargain purchase of Anxian Yuan are as follows:

Net identifiable assets acquired	**Acquirees' fair value at the Acquisition Date**
	HK$'000
Property, plant and equipment	8,367
Investment properties	2,442
Intangible assets *(note 8)*	374,436
Deferred expenditure *(note 10)*	76,890
Deferred tax assets	3,354
Development and formation costs of columbarium	8,030
Inventories	5,841
Prepayments and other receivables *(note (i))*	4,260
Cash and bank balances	11,368
Trade and other payables	(29,629)
Amount due to shareholder	(41,054)
Bank borrowings	(17,446)
Tax payables	(13,745)
Deferred tax liabilities	(94,573)
Fair value of net identifiable assets acquired, at the Acquisition Date	298,541

Gain on bargain purchase of Anxian Yuan	*HK$'000*
Fair value of consideration	87,186
Plus: Non-controlling interests *(note (ii))*	175,542
Less: Fair value of net assets acquired	(298,541)
Gain on bargain purchase of Anxian Yuan *(note (iii))*	35,813

Fair value of consideration satisfied by:	*HK$'000*
Cash (RMB23,000,000)	26,286
Consideration Shares *(note (iv))*	60,900
Total consideration	87,186

Net cash outflow arising on acquisition	*HK$'000*
Cash consideration	26,286
Less: Cash and bank balances acquired *(note (v))*	(11,368)
Net cash outflow arising on acquisition	14,918

Note:

(i) The receivables acquired with a fair value of HK$4,260,000 had a gross contractual amount of HK$4,842,000. The best estimate at the Acquisition Date of the contractual cash flow not expected to be collected was approximately HK$582,000.

(ii) Non-controlling interests were measured at the non-controlling interests' proportionate share (58.8%) of the fair value of net assets acquired at Acquisition Date.

(iii) Gain on bargain purchase of Anxian Yuan was mainly attributable to the difference between the fair value of the consideration as at the Acquisition Date and the fair value of the assets acquired as at the Acquisition Date. The gain on bargain purchase on Acquisition was mainly attributable to significant intangible assets which represent the land use rights allocated by the PRC government and the cemetery licences identified in the business combination. None of the gains arising on the acquisition was expected to be assessable for tax purposes.

(iv) An aggregate of 145,000,000 shares at HK$0.42, the closing price of the share at the Acquisition Date, were issued to the vendors as a part of consideration. The issue of the shares represented a non-cash transaction of the Group for the year ended 31 March 2011.

(v) Acquisition-related costs amounting to HK$1,411,000 were excluded from the consideration and were recognised as administrative expense in the year ended 31 March 2011.

(vi) Pursuant to the Acquisition Agreement, the vendors provided profit guarantee ("Profit Guarantee") to the Group, stipulating that profit after tax of Anxian Yuan to be determined under the PRC Generally Accepted Accounting Principles for the years ended 31 December 2010 and 2011 (the "Profit Guarantee Period") shall not be less than RMB35,000,000 and RMB40,000,000 (the "Guarantee Amounts") respectively. In the event that Anxian Yuan could not achieve the Guarantee Amounts during the Profit Guarantee Period, the vendors would compensate the Group any shortfall in cash on a dollar to dollar basis. The above arrangement constituted a contingent consideration. The Group classified a right to return of previously transferred consideration as an asset if specified conditions were met.

For the year ended 31 December 2011, profit generated from Anxian Yuan did not meet the Guaranteed Amounts under the relevant Acquisition Agreement, and accordingly the Group was entitled to receive the compensation from the vendors for the shortfall of RMB2,214,000 (equivalent to approximately HK$2,731,000) and such fair value changes in contingent consideration receivable has been recognised in other comprehensive income.

For the year ended 31 December 2010, profits generated from Anxian Yuan met the Guaranteed Amounts under the relevant Acquisition Agreement and no compensations from the vendors were recognised.

(vii) Pursuant to the Acquisition Agreement, a subsidiary of the Company further invested capital with an aggregate of RMB80,000,000 to Anxian Yuan during the Year and the equity interests in Anxian Yuan held by the Group was increased by 9.8% from 41.2% to 51%.

The increased portion in equity interest of 9.8% in Anxian Yuan represents a capital transaction and an amount of HK$12,659,000 was charged to the equity attributable to the owners of the Company with a corresponding credit to non-controlling interest.

15 EVENT AFTER THE REPORTING DATE

On 14 May 2012, Sino Grandeur Limited, a wholly-owned subsidiary of the Company instituted legal proceedings in Hong Kong against Mr. Fu to claim a refundable deposit of HK$80,000,000 due to the lapse of the acquisition in the Topace Group as mentioned in the Company's circular dated 15 February 2011. (note 9(a) and note 12)

On 20 June 2012, Times Square Limited commenced legal proceedings to claim against the Company for outstanding rental and other outgoings in the sum of approximately HK$271,000 together with interest thereon at 8% per annum from 1 June 2012 to the date of judgment and thereafter at judgment rate until payment.

As at the date of the approval of the financial statements, the above litigation is still in progress.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, the Group continued its focus on Cemetery Business by further developing its existing cemetery and by acquiring new cemetery in the PRC.

In order to focus on Cemetery Business which the Directors believe has ample growth opportunities, the Group discontinued its business in Electronic Trading, Metal Trading and Leather Trading. During the Year, the Group's turnover was entirely from Cemetery Business.

During the Year, Anxian Yuan, a Company's subsidiary engaging cemetery business in Hangzhou, the PRC, continued to make contribution to the Group's bottom line. The Group acquired 41.2% equity interest in Anxian Yuan in November 2010 and further increased it to 51% in the Year through capital injection of RMB80 million. Details are set out in note 14 to the financial statements.

The Group actively search and acquire cemeteries with sizable undeveloped land banks across densely populated geographies in the PRC. On 30 September 2011, the Company entered into an agreement with independent third parties to acquire a limited liability company, which is principally engaged in cemetery development and operation in Chongqing, the PRC. Further details of this acquisition are set out in note 9 to the financial statements.

BUSINESS OUTLOOK

According to the National Bureau of Statistics of China, the population at or over the age of 65 in the PRC for 2010 was 119 million or 8.87% (2000: 6.96%) of total population. As China's population continues to age and per capita income to increase, there is an upward trend in the demand for cemetery services.

PRC cemetery service industry is an industry with significant barriers to entry because of limited supply of new cemetery land coupled with regulatory complexities and zoning restrictions. The Group has competitive edge over its competitors as a capable team with considerable knowledge and experience in cemetery services has already been assembled.

The Group has succeeded in entering into the PRC cemetery service industry by acquiring Anxian Yuan in 2010 and targets to acquire several more in the foreseeable future.

It is the objective of the Group to become a market leader and to build up national brand name in the industry, and the strategy of the Group to provide one-stop service from cemetery development to funeral and ancestral worship services.

FINANCIAL REVIEW

For the Year, the Group recorded net loss of approximately HK$120.9 million (2011: net profit of approximately HK$4.4 million) on turnover of approximately HK$64.7 million (2011: approximately HK$127.6 million).

The deterioration in the results of the Group was mainly attributable to:

1) A bad debt provision of HK$80 million made against a debtor (2011: nil) (Details are set out in note 12 to the financial statements);

2) Lower contribution from Anxian Yuan, by approximately HK$31.2 million, due to project delay; and

3) No gain on bargain purchase of subsidiary (2011: a gain of approximately HK$35.8 million).

During the Year, Anxian Yuan sold 1,047 tombs with average selling price of approximately RMB50,300. For the period from 19 November 2010, the date Anxian Yuan was acquired by the Group, to 31 March 2011, Anxian Yuan sold 320 tombs at approximately RMB44,800 each and 26,000 niches at RMB3,610 each, in average. As there were no sales of niches during the Year, the contribution from Anxian Yuan dropped approximately HK$31.2 million when compared with last financial year. Details are set out in note 3 to the financial statements – Segment Information. It is expected that a number of niches will be sold upon its completion in the foreseeable future.

Net assets of the Group as at 31 March 2012 was approximately HK$505 million (2011: approximately HK$537 million). During the Year, the Group raised approximately HK$109.70 million by placing and repurchased its Shares for approximately HK$3.3 million.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group acquired 41.2% equity interest of Anxian Yuan on 19 November 2010 and increased such interest to 51% in May 2011 by injecting a sum of RMB80 million in Anxian Yuan. Details are set out in note 14 to the financial statements.

On 30 November 2010, a wholly-owned subsidiary of the Company entered into an amended and restated agreement with an independent third party on the acquisition of a joint venture enterprise in Shanghai, the PRC. Since all the conditions precedent specified in the amended and restated agreement were not satisfied or waived by 30 November 2011, the amended and restated agreement was lapsed on 1 December 2011. Further details are set out in note 9 to the financial statements.

On 30 September 2011, the Company entered into a conditional agreement with independent third parties in relation to an acquisition of a limited liability company (the "Project Company") in the PRC, which is principally engaged in the business of developing and operating a cemetery in Chongqing, the PRC. Details of the acquisition are set out in the Company's announcements dated 13 October 2011 and 31 January 2012 respectively. As at 31 March 2012, the Company was still in the process of conducting the due diligence investigation in respect of the assets, liabilities, businesses and prospects of the Project Company and was yet to be satisfied with the results of the investigation. The Company will further update and announce the status of the acquisition as soon as reasonably practicable.

OTHER INFORMATION

1. Purchase, sale or redemption of listed securities of the Company

During the Year, the Company repurchased 15,000,000 Shares by way of market acquisition on the Stock Exchange pursuant to the mandate given by the Shareholders.

2. Corporate governance practices

The Board is committed to maintain a high standard of corporate governance with a view to enhance the management of the Company as well as to preserve the interests of the Shareholders as a whole. In the opinion of the Board, the Company had complied with the Code during the Year, except for the deviation from Code A.2.1 and Code A.4.1 regarding "chairman and chief executive officer" and "appointments, re-election and removal of directors".

3. Dividend

The Directors do not recommend the payment of any dividend for the Year (2011 Nil).

4. Review by Audit Committee

The Audit Committee has reviewed the annual results of the Group for the Year.

5. Scope of work of BDO Limited

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

By Order of the Board
China Boon Holdings Limited
Shi Hua
Chairman and Chief Executive Officer

Hong Kong, 25 June 2012

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Shi Hua, Mr. Law Fei Shing, Ms. Shen Mingzhen and Mr. Shi Jun; two non-executive directors, namely Dr. Qi Xing Gang and Mr. Yu Ping; and three independent non-executive directors, namely Ms. Tang Yan, Ms. Lau Siu Ngor and Mr. Fu Xiao Dong.

GLOSSARY

Anxian Yuan	浙江安賢陵園有限責任公司 (in English, for identification purpose only, Zhejiang Anxian Yuan Company Limited), a limited liability company established under the laws of the PRC
Audit Committee	the audit committee of the Company
Cemetery Business	an operating segment of the Group which is engaged in the provision of cemetery services.
Chief Executive Officer	the chief executive officer of the Company
Code	the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules
Company/China Boon	China Boon Holdings Limited, a company incorporated in the Bermuda with limited liability and the issued Shares are listed on the Stock Exchange
Director(s)	the director(s) of the Company
Executive Director(s)	the executive Director(s)
Group	the Company and its subsidiaries
HKAS	the Hong Kong Accounting Standards issued by HKICPA
HKFRS(s)	the Hong Kong Financial Reporting Standards, collectively includes all applicable individual Hong Kong Financial Reporting Standards, HKAS and Interpretations issued by HKICPA
HKICPA	the Hong Kong Institute of Certified Public Accountants
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Independent Non-executive Director(s)	the independent non-executive Director(s)
Leather Trading	an operating segment of the Group which is engaged in the trading of leather

Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Metal Trading	an operating segment of the Group which is engaged in the trading of scrap metal
Non-executive Director(s)	the non-executive Director(s)
PRC	the People's Republic of China, which for the purpose of this report exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
Share(s)	the ordinary share(s) of HK$0.1 each in the share capital of the Company
Shareholder(s)	holder(s) of the Share(s)
Stock Exchange	the Stock Exchange of Hong Kong Limited
Year	the year ended 31 March 2012
HK$	Hong Kong dollars, the lawful currency of Hong Kong
RMB	Renminbi, the lawful currency of PRC
US$	United States dollars, the lawful currency of USA
%	per cent