CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(the "Company")

(Stock Code: 674)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

FINAL RESULTS

The board of Directors of Culture Landmark Investment Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2013 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	**2013** *HK$*	2012 *HK$*
Turnover	*3*	**296,502,446**	298,982,929
Other income and gains	*4*	**71,322,071**	119,422,274
Costs of inventories		**(21,093,075)**	(26,678,968)
Depreciation on property, plant and equipment		**(38,478,592)**	(35,601,756)
Amortisation	*4*	**(30,427,544)**	(62,698,665)
Impairment losses	*4*	**(28,318,853)**	(296,863,322)
Operating lease payments		**(47,840,859)**	(42,479,622)
Staff costs		**(90,454,367)**	(86,922,835)
Other operating expenses		**(186,072,662)**	(175,748,480)
Fair value gain on investment properties		**–**	13,207,565
Share of losses of associates	*15*	**(4,251,761)**	(8,905,212)
Finance costs	*5*	**(16,559,226)**	(11,111,432)
Loss before income tax credit	*4*	**(95,672,422)**	(315,397,524)
Income tax credit	*6*	**12,177,858**	4,680,828
Loss for the year		**(83,494,564)**	(310,716,696)

	Notes	**2013** *HK$*	2012 *HK$*
Other comprehensive income			
Exchange differences arising on translating foreign operations		**8,125,892**	21,805,048
Available-for-sale investments, change in fair value	*14*	**(10,571,573)**	(102,176,062)
Available-for-sale investments, reclassify from equity to profit or loss	*14*	**10,571,573**	102,176,062
Gain on revaluation of properties		**2,212,273**	351,624
Tax expense related to changes on revaluation of properties		**(365,025)**	(58,018)
Tax credit on disposal of properties		**–**	15,359,968
Release of foreign exchange reserve upon disposal of jointly-controlled entities		**6,189,132**	–
Other comprehensive income for the year, net of tax		**16,162,272**	37,458,622
Total comprehensive income for the year		**(67,332,292)**	(273,258,074)
Loss for the year attributable to:			
Owners of the Company		**(78,395,277)**	(293,520,701)
Non-controlling interests		**(5,099,287)**	(17,195,995)
		(83,494,564)	(310,716,696)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(61,404,818)**	(255,956,227)
Non-controlling interests		**(5,927,474)**	(17,301,847)
		(67,332,292)	(273,258,074)

	Notes	**2013**	2012 (restated)
Loss per share	*8*		
Basic (HK cents)		**(13.09)**	(50.33)
Diluted (HK cents)		**(13.09)**	(50.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Notes	2013 HK$	2012 HK$
Assets			
Non-current assets			
Property, plant and equipment		**168,792,296**	159,847,706
Investment properties		**–**	82,873,000
Payments for leasehold land held for own use under operating leases		**185,742,412**	200,840,319
Goodwill	*9*	**97,738,930**	156,830,935
Intangible assets	*10*	**136,695,872**	134,228,952
Interests in associates	*15*	**63,134,384**	–
Available-for-sale investments	*14*	**176,857,942**	184,637,923
Deferred expenditure		**3,190,298**	4,563,214
Total non-current assets		**832,152,134**	923,822,049
Current assets			
Convertible loan notes		**4,449,740**	–
Inventories		**32,125,422**	23,995,115
Trade and other receivables	*11*	**151,442,587**	210,949,737
Deferred expenditure		**9,825,808**	11,710,428
Amounts due from non-controlling shareholders		**825,280**	4,000
Amounts due from related parties		**2,953,533**	17,538,001
Amount due from an associate		**7,833**	–
Cash and bank balances		**187,756,090**	241,293,743
		389,386,293	505,491,024
Assets classified as held for sale		**1,083,609**	102,075,776
Total current assets		**390,469,902**	607,566,800
Total assets		**1,222,622,036**	1,531,388,849

	Notes	**2013** *HK$*	2012 *HK$*
Liabilities			
Current liabilities			
Trade and other payables	*12*	**98,605,883**	149,638,532
Amounts due to non-controlling shareholders		**105,877,403**	102,494,172
Amounts due to related parties		**37,900,742**	50,517,012
Bank borrowings		**102,901,297**	100,883,650
Other borrowings	*17*	**46,507,925**	19,000,000
Convertible bonds		**–**	74,477,355
Current tax liabilities		**5,607,650**	12,198,694
		397,400,900	509,209,415
Liabilities associated with assets classified as held for sale		**545,486**	448,581
Total current liabilities		**397,946,386**	509,657,996
Net current (liabilities)/assets		**(7,476,484)**	97,908,804
Total assets less current liabilities		**824,675,650**	1,021,730,853
Non-current liabilities			
Bank borrowings		**–**	10,855,768
Provision for long service payments		**42,373**	224,689
Deferred tax liabilities		**52,232,416**	64,317,850
Total non-current liabilities		**52,274,789**	75,398,307
Total liabilities		**450,221,175**	585,056,303
NET ASSETS		**772,400,861**	946,332,546
Capital and reserves attributable to owners of the Company			
Share capital	*18*	**29,938,352**	598,767,047
Reserves		**736,865,368**	289,672,251
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets/disposal group classified as held for sale		**–**	25,130,925
		766,803,720	913,570,223
Non-controlling interests		**5,597,141**	32,762,323
TOTAL EQUITY		**772,400,861**	946,332,546

Notes

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain properties, convertible loan notes and available-for-sale investments, which are measured at revalued amount or fair value as explained in the accounting policies set out below.

Non-current assets or disposal group classified as assets/liabilities held for sale is stated at the lower of their carrying amounts and fair values less costs to sell.

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) Adoption of amendments to HKFRSs – first effective on 1 April 2012

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

Amendments to HKAS 12 – Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property which is stated at fair value under HKAS 40 "Investment Property" is recovered entirely through sale. The measurement of the deferred tax liability or deferred tax asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If this presumption is rebutted, the amount of deferred tax is measured based on the expected manner in which the carrying amount of the investment property would be recovered, using the appropriate tax rates enacted or substantially enacted at the reporting date.

In respect of the Group's investment properties located in the People's Republic of China (the "PRC"), the Group determined that these properties are depreciable and are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time and consequently the presumption in the amended HKAS 12 is rebutted for these properties. As a result, the Group continues to measure the deferred tax relating to these other properties using the tax rate that would apply as a result of recovering their value through use until it was sold (see note 16(a)).

(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:

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle[2]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]

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

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle

The improvements made amendments to five standards.

(i) HKAS 1 Presentation of Financial Statements

The amendments clarify that the requirement to present a third statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements is limited to circumstances where there is a material effect on the information in that statement of financial position. The date of the opening statement of financial position is the beginning of the preceding period and not, as at present, the beginning of the earliest comparative period. The amendments also clarify that, except for disclosures required by HKAS 1.41-44 and HKAS 8, the related notes to the third statement of financial position are not required to be presented. An entity may present additional voluntary comparative information as long as that information is prepared in accordance with HKFRS. This may include one or more statements and not a complete set of financial statements. Related notes are required for each additional statement presented.

(ii) HKAS 16 Property, Plant and Equipment

The amendments clarify that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

(iii) HKAS 32 Financial Instruments: Presentation

The amendments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 "Income Taxes". Depending on the circumstances these items of income tax might be recognised in equity, other comprehensive income or in profit or loss.

(iv) HKAS 34 Interim Financial Reporting

The amendments clarifies that in interim financial statements, a measure of total assets and liabilities for a particular reportable segment need to be disclosed when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

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.

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

Amendments to HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

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 derecognition 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 implantation 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.

HKFRS 11 – Joint Arrangements

Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method and a joint operation which changes from equity method to accounting for assets and liabilities.

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these pronouncements and the Directors anticipate that the application of HKFRS 11 will change the classification and subsequent accounting of the jointly controlled entities of the Group which are currently classified as jointly controlled entities under HKAS 31 and have been accounted for using the proportionate consolidation method before these entities are accounted for as subsidiaries (see note 13(a)). Under HKFRS 11, the jointly controlled entities of the Group will be classified as joint ventures and will be accounted for using equity method, resulting in the aggregation of the Group's proportionate share of the jointly controlled entities' assets and liabilities and, items of profit or loss and other comprehensive income into a single line item which will be presented in the consolidated statement of financial position and in the consolidated statement of comprehensive income as "interests in joint ventures" and "share profit/loss of joint ventures" respectively. The Directors so far concluded that they are not yet in a position to quantify the effects of application of other new/revised HKFRSs on the Group's financial statements.

3. SEGMENT REPORTING

Management determines operating segments based on the reports regularly reviewed by the chief operating decision maker, which is the board of Directors, in assessing performance and allocating resources. The chief operating decision maker considers the business primarily on the basis of the types of services supplied by the Group. The Group is currently organised into seven operating divisions – licence fee collection business, hotel operations, exhibition-related business, property sub-leasing business, entertainment business, property investment and food and beverages.

Principal activities are as follows:

Licence fee collection business	–	Provision of karaoke music product copyright licence fees settlement and collection services and intellectual property enforcement services in respect of karaoke music product copyright in PRC as managed and administered by the China Audio-Video Copyright Association, the sole official recognised national audio-video organisation in PRC
Hotel operations	–	ownership, operations and management of hotel
Exhibition-related business	–	organising all kinds of exhibition events and meeting events
Property sub-leasing business	–	sub-leasing of properties in PRC
Entertainment business	–	provision of artist and talent management and entertainment related business
Property investment	–	leasing of investment properties
Food and beverages	–	sale of food and beverages and restaurant operations

The Group acquired property sub-leasing business and exhibition-related business during the year ended 31 March 2012. Detail descriptions of the businesses are mentioned in note 13(c) and (e).

Segment information is presented below:

(a) Information about reportable segment revenue, profit or loss, assets and liabilities and other information

	2013								
	License fee collection business *HK$*	Hotel operations *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Entertainment business *HK$*	Property investment *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Total *HK$*
Reportable segment revenue									
External sales	64,658,273	58,416,246	78,237,303	75,486,604	11,762,140	4,277,318	3,664,562	–	296,502,446
Inter-segment sales	–	–	–	–	–	–	144,105	(144,105)	–
	64,658,273	58,416,246	78,237,303	75,486,604	11,762,140	4,277,318	3,808,667	(144,105)	296,502,446
Reportable segment profit/ (loss) before income tax credit	41,747,886	(49,033,007)	2,202,168	(977,548)	897,148	11,341,638	(6,315,462)	–	(137,177)
Other segment information									
Interest income	171,451	–	57,176	163,934	125	109	108	–	392,903
Interest expenses	699,671	–	–	10,666,225	191,216	–	–	–	11,557,112
Depreciation of property, plant and equipment	1,971,743	15,749,123	430,952	14,354,006	274,631	212,273	612,827	–	33,605,555
Amortisation of payments for leasehold land held for own use under operating leases	–	4,044,898	–	–	–	–	–	–	4,044,898
Amortisation of intangible assets	11,781,148	–	3,178,240	–	–	–	116,883	–	15,076,271
Amortisation of deferred expenditure	11,306,375	–	–	–	–	–	–	–	11,306,375
Loss on disposal of property, plant and equipment	36,386	65,268	–	–	–	–	–	–	101,654
Impairment loss on property, plant and equipment	–	915,584	–	–	–	–	–	–	915,584
Impairment loss on payments for leasehold land held for own use under operating leases	–	11,794,347	–	–	–	–	–	–	11,794,347

	2013								
	License fee collection business *HK$*	Hotel operations *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Entertainment business *HK$*	Property investment *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Total *HK$*
Impairment loss on trade and other receivables	–	–	–	5,037,349	–	–	–	–	5,037,349
Share of losses of associates	–	–	–	–	4,251,761	–	–	–	4,251,761
Gain on a bargain purchase on acquisition of subsidiaries	36,077,025	–	–	–	–	–	–	–	36,077,025
Gain on step acquisition of jointly controlled entities	5,015,611	–	–	–	–	–	–	–	5,015,611
Gain on disposal of subsidiaries, net	–	–	–	–	6,482,229	7,415,710	–	–	13,897,939
Gain on disposal of non-current assets held for sale	–	–	–	–	–	5,770,688	–	–	5,770,688
Reportable segment assets	360,943,759	185,277,606	70,548,822	311,300,987	85,039,699	–	38,850,018	–	1,051,960,891
Expenditure for reportable segment non-current assets	12,259,007	130,463	1,738,364	25,343,654	2,289,120	–	3,730,848	–	45,491,456
Reportable segment liabilities	161,699,328	53,033,308	24,701,794	199,911,414	6,464,748	–	1,359,027	–	447,169,619

	2012								
	License fee collection business *HK$*	Hotel operations *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Entertainment business *HK$*	Property investment *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Total *HK$*
Reportable segment revenue									
External sales	73,901,282	71,740,712	81,468,152	54,560,565	9,738,959	5,559,937	2,013,322	–	298,982,929
Inter-segment sales	–	–	–	–	–	–	633,270	(633,270)	–
	73,901,282	71,740,712	81,468,152	54,560,565	9,738,959	5,559,937	2,646,592	(633,270)	298,982,929
Reportable segment (loss)/profit before income tax credit	(34,223,936)	(47,084,629)	(113,736,979)	7,025,892	(52,006,256)	112,139,875	(7,156,645)	–	(135,042,678)
Other segment information									
Interest income	619,037	–	88,166	15,773	146	290	577	–	723,989
Interest expenses	2,245,098	–	–	6,689,801	79,999	–	–	–	9,014,898
Depreciation of property, plant and equipment	914,576	20,996,359	108,204	8,202,217	255,287	495,752	395,713	–	31,368,108
Amortisation of payments for leasehold land held for own use under operating leases	–	4,084,635	–	–	–	–	–	–	4,084,635
Amortisation of intangible assets	11,640,595	–	2,880,751	–	–	–	116,883	–	14,638,229
Amortisation of deferred expenditure	43,975,801	–	–	–	–	–	–	–	43,975,801
Loss on disposal of property, plant and equipment	997,765	162,727	–	389,129	–	–	–	–	1,549,621
Impairment loss on property, plant and equipment	286,426	1,710,011	–	–	–	–	3,574,558	–	5,570,995
Impairment loss on payments for leasehold land held for own use under operating leases	–	16,233,022	–	–	–	–	–	–	16,233,022

	2012								
	License fee collection business *HK$*	Hotel operations *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Entertainment business *HK$*	Property investment *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Total *HK$*
Impairment loss on goodwill	–	–	113,345,357	–	24,986,887	–	1,280,000	–	139,612,244
Impairment loss on intangible assets	–	–	6,130,525	–	–	–	–	–	6,130,525
Impairment loss on interest in an associate	–	–	–	–	27,140,474	–	–	–	27,140,474
Share of losses of associates	–	–	–	–	8,905,212	–	–	–	8,905,212
Fair value gain on investment properties	–	–	–	–	–	13,207,565	–	–	13,207,565
Gain on disposal of non-current assets held for sale	–	–	–	–	–	96,570,743	–	–	96,570,743
Gain on step acquisition of available-for-sale investments	–	–	–	–	6,979,802	–	–	–	6,979,802
Gain on step acquisition of associates	–	–	–	–	5,278,168	–	–	–	5,278,168
Reportable segment assets	354,397,705	223,334,054	64,027,135	290,771,683	167,163,511	188,282,544	21,202,195	–	1,309,178,827
Expenditure for reportable segment non-current assets	2,234,424	31,942	59,966	22,288,391	17,900	2,695,529	3,970,271	–	31,298,423
Reportable segment liabilities	169,366,715	40,097,106	21,850,536	180,935,982	15,152,818	26,236,637	4,046,655	–	457,686,449

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

Loss before income tax credit

	2013	2012
	HK$	*HK$*
Reportable segment loss before income tax credit	**(137,177)**	(135,042,678)
Unallocated interest income and other income	**5,955,194**	3,930,914
Unallocated impairment loss on available-for-sale investments	**(10,571,573)**	(102,176,062)
Unallocated finance costs	**(5,002,114)**	(2,096,534)
Unallocated staff costs	**(22,258,148)**	(26,853,185)
Loss on early redemption of convertible bonds	**(1,742,037)**	–
Unallocated rent, rates and management fee	**(13,084,667)**	(13,038,096)
Unallocated depreciation of property, plant and equipment	**(4,873,037)**	(4,233,648)
Unallocated head office and corporate expenses	**(43,958,863)**	(35,888,235)
Loss before income tax credit	**(95,672,422)**	(315,397,524)

Assets

	2013	2012
	HK$	*HK$*
Reportable segment assets	**1,051,960,891**	1,309,178,827
Available-for-sale investments *(note)*	**75,318,757**	85,890,330
Cash and cash equivalents	**44,474,997**	16,905,973
Property, plant and equipment	**12,329,623**	14,705,827
Loan receivables	**22,500,000**	88,500,000
Unallocated head office and corporate assets	**16,037,768**	16,207,892
Total assets	**1,222,622,036**	1,531,388,849

Note:

Available-for-sale investments as at 31 March 2012 is reclassified from reportable segment assets under entertainment business to be consistent with current year's presentation.

Liabilities

	2013	2012
	HK$	*HK$*
Reportable segment liabilities	**447,169,619**	457,686,449
Bank overdrafts	**–**	29,210,909
Other borrowings	**–**	19,000,000
Convertible bonds	**–**	74,477,355
Unallocated head office and corporate liabilities	**3,051,556**	4,681,590
Total liabilities	**450,221,175**	585,056,303

(c) Geographical information

The Group's operations are mainly located in Hong Kong and PRC.

An analysis of the Group's geographical segments is set out as follows:

		2013	
	Hong Kong	**PRC**	**Total**
	HK$	***HK$***	***HK$***
Turnover *(note 1)*	**14,628,202**	**281,874,244**	**296,502,446**
Non-current assets other than financial instruments and deferred tax assets	**68,154,175**	**524,005,633**	**592,159,808**

		2012	
	Hong Kong	PRC	Total
	HK$	*HK$*	*HK$*
Turnover *(note 1)*	14,711,317	284,271,612	298,982,929
Non–current assets other than financial instruments and deferred tax assets	110,976,627	628,207,499	739,184,126

Notes:

(1) Turnover is attributed to countries on the basis of the customers' location.

4. LOSS BEFORE INCOME TAX CREDIT

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

	Group	
	2013	2012
	HK$	*HK$*
Other income and gains		
– Bank interest income	**569,606**	1,188,669
– Loan interest income	**2,658,487**	3,134,208
– Gain on a bargain purchase on acquisition of subsidiaries	**36,077,025**	–
– Gain on step acquisition of jointly controlled entities	**5,015,611**	–
– Gain on disposal of subsidiaries	**13,897,939**	–
– Gain on disposal of non-current assets held for sale	**5,770,688**	96,570,743
– Gain on step acquisition of available-for-sale investments	**–**	6,979,802
– Gain on step acquisition of associates	**–**	5,278,168
– Government grants	**1,235,941**	3,715,259
– Rental income from an associate	**2,960,318**	–
– Others	**3,136,456**	2,555,425
	71,322,071	119,422,274
Amortisation on:		
– payments for leasehold land held for own use under operating leases	**4,044,898**	4,084,635
– intangible assets	**15,076,271**	14,638,229
– deferred expenditure	**11,306,375**	43,975,801
	30,427,544	62,698,665
Direct operating expenses from investment properties that generated rental income during the year	**1,585,370**	1,870,699
Loss on disposal of property, plant and equipment	**101,654**	1,549,621
Loss on early redemption of convertible bonds	**1,742,037**	–
Impairment losses on:		
– property, plant and equipment	**915,584**	5,570,995
– payments for leasehold land held for own use under operating leases	**11,794,347**	16,233,022
– goodwill	**–**	139,612,244
– intangible assets	**–**	6,130,525
– interest in an associate	**–**	27,140,474
– available-for-sale investments	**10,571,573**	102,176,062
– trade and other receivables	**5,037,349**	–
	28,318,853	296,863,322
Auditor's remuneration	**2,603,000**	3,465,818

5. FINANCE COSTS

	Group	
	2013	2012
	HK$	*HK$*
Interest on bank loans	**9,932,046**	6,689,801
Effective interest expenses on convertible bonds	**3,656,882**	3,290,914
Effective interest expenses on promissory notes	**615,098**	–
Interest on bank overdrafts	**181,596**	676,955
Interest on other borrowings	**1,368,258**	387,412
Interest on amounts due to non-controlling shareholders	**805,346**	66,350
	16,559,226	11,111,432

6. INCOME TAX CREDIT

The amount of income tax credit in the consolidated statement of comprehensive income represents:

	Group	
	2013	2012
	HK$	*HK$*
Current tax – Hong Kong profits tax		
– tax for the year	**667,195**	1,406,616
Current tax – PRC Enterprise Income Tax		
– tax for the year	**(1,552,336)**	8,003,881
– over-provision in respect of prior years	**(6,711,844)**	–
	(8,264,180)	8,003,881
Deferred tax	**(4,580,873)**	(4,950,325)
Derecognised from assets held for sale	**–**	(9,141,000)
	(4,580,873)	(14,091,325)
	(12,177,858)	(4,680,828)

Hong Kong profits tax has been provided for certain subsidiaries within the Group and is calculated at 16.5% (2012: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong profits tax has been made for other subsidiaries within the Group as those subsidiaries have sufficient tax losses brought forward to offset against the estimated profits for the year on an individual basis.

PRC subsidiaries and jointly controlled entities are subject to PRC Enterprise Income Tax at rates 25% (2012: 24% to 25%).

7. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 March 2013, nor has any dividend been proposed since the end reporting period (2012: Nil).

8. LOSS PER SHARE

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

	Group	
	2013	2012
	HK$	*HK$*
Loss for the purpose of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	**(78,395,277)**	(293,520,701)
Number of shares		(restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	**598,767,047**	583,138,221
Effect of dilutive potential ordinary shares:		
– Share options	**–**	–
– Convertible bonds	**–**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**598,767,047**	583,138,221

The weighted average number of ordinary shares in 2012 was restated to reflect the capital reorganisation during the year ended 31 March 2013 (see note 18(i)).

There are no dilutive effects on the share options granted, and convertible bonds as they are anti-dilutive.

9. GOODWILL AND IMPAIRMENT

Group

	Provision of copyright licence fees settlement and collection services HK$	Provision of intellectual property enforcement services *(note (a))* HK$	Exhibition-relation business *(note (b))* HK$	Property sub-leasing business *(note (c))* HK$	Food and beverages *(note (d))* HK$	Entertainment business *(note (e))* HK$	Wedding services HK$	Others HK$	Total HK$
Cost									
At 1 April 2011	1,156,654,441	79,427,363	–	–	920,494	15,287,287	18,988,140	15,000	1,271,292,725
Arising from business combinations *(note 13(b), (c), (d), (e))*	–	–	113,345,357	18,311,567	1,280,000	84,078,892	–	–	217,015,816
At 31 March 2012 and 1 April 2012	1,156,654,441	79,427,363	113,345,357	18,311,567	2,200,494	99,366,179	18,988,140	15,000	1,488,308,541
Disposal of subsidiaries *(note 16(b))*	–	–	–	–	–	(84,078,892)	–	–	(84,078,892)
Written off	(1,156,654,441)	–	(113,345,357)	–	(2,200,494)	(15,287,287)	(18,988,140)	(15,000)	(1,306,490,719)
At 31 March 2013	–	79,427,363	–	18,311,567	–	–	–	–	97,738,930
Impairment									
At 1 April 2011	1,156,654,441	–	–	–	920,494	15,287,287	18,988,140	15,000	1,191,865,362
Impairment loss	–	–	113,345,357	–	1,280,000	24,986,887	–	–	139,612,244
At 31 March 2012 and 1 April 2012	1,156,654,441	–	113,345,357	–	2,200,494	40,274,174	18,988,140	15,000	1,331,477,606
Disposal of subsidiaries *(note 16(b))*	–	–	–	–	–	(24,986,887)	–	–	(24,986,887)
Eliminated on written off	(1,156,654,441)	–	(113,345,357)	–	(2,200,494)	(15,287,287)	(18,988,140)	(15,000)	(1,306,490,719)
At 31 March 2013	–	–	–	–	–	–	–	–	–
Carrying value									
At 31 March 2013	–	79,427,363	–	18,311,567	–	–	–	–	97,738,930
At 31 March 2012	–	79,427,363	–	18,311,567	–	59,092,005	–	–	156,830,935

In accordance with HKAS 36 "Impairment of assets", management of the Group performed impairment test for goodwill allocated to the Group's various cash generating units ("CGUs") by comparing their recoverable amounts to their carrying amounts at the end of the reporting period. The recoverable amount of a CGU is determined based on value-in-use calculation.

(a) The recoverable amount of the CGU in relation to provision of intellectual property enforcement services has been determined from value-in-use calculation based on cash flow projections covering from 2013 to 2022, which is the period whereby an exclusive right has been granted to the Group by the China Audio-Video Copyright Association to provide intellectual property enforcement services. No impairment was provided on goodwill from the provision of intellectual property enforcement services as the recoverable amount exceeded the carrying amount of the CGU.

Management of the Group has adopted the following key assumptions in preparation of the cash flow projections to undertake impairment testing of goodwill, the related intangible asset (note 10(b)) and deferred expenditure:

– The revenue growth rate and discount rate used for cash flow projections for the provision of intellectual property enforcement services are as follows:

	2014	**2015**	**2016**	**2017**	**2018**
Revenue growth rate	64%	69%	66%	45%	30%
Discount rate	18%	18%	18%	18%	18%

– Cash flows beyond the five-year period are extrapolated using the estimated zero revenue growth rate per annum.

(b) On 20 May 2011, the Group completed the acquisition of China Resources Advertising & Exhibition Company Limited and its subsidiaries (the "CRA Group"), which acts as an organiser and contractor for all kinds of exhibition events and meeting events mainly in Hong Kong (see note 13(e)).

During the year ended 31 March 2013, the estimated recoverable amounts of the above CGU were determined based on the value-in-use approach. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a 5% revenue growth rate per annum. Discount rate of 16% is used in the calculation. The key assumptions have been determined by the Group's management based on past performance and its expectations for the industry development. Management of the Group determined that there was no impairment loss or reversal of impairment loss on intangible assets as the recoverable amount marginally exceeded the carrying amount of the CGU and there was no significant change in the Group's management expectations of exhibition-related business during the year ended 31 March 2013.

For the year ended 31 March 2012, the goodwill of HK$113,345,357 was fully impaired and impairment loss on intangible assets of HK$6,130,525 were provided (note 10(f)) in connection with the exhibition relation business. It was because subsequent to the acquisition of the CRA Group, the revenue and net profit generated from the exhibition-related business has dropped, which was resulted from the adverse global economic environment. In addition, as there was a proposed redevelopment plan, it is expected that the landlord of certain exhibition halls currently leased by the CRA Group for exhibition-related business will terminate the relevant rental arrangement. As a result, the Directors expected that the profit generated by the CRA Group will be reduced. In view of the above, the Group used the following assumptions in the preparation of cash flow projection for impairment assessment of goodwill and the related intangible asset (note 10(f)) as at 31 March 2012:

- for revenue generated from the above-mentioned leased exhibition halls, the discounted cash flow only included the cash flows contributed by leased exhibition halls up to 2013, as the Directors considered that the rental agreement will be terminated by landlord starting from 1 April 2013 (The lease was terminated on 31 May 2013).

- For the rest of the exhibition-related business, a more prudent revenue growth rate of 5% (instead of 10% as used at the date of acquisition) is used due to the expected adverse economic environment in the future as evidenced by the decrease in revenue in recent fashion shows held by the CRA Group.

- Discount rate of 19% is used in the calculation.

(c) On 8 July 2011, the Group acquired the entire issued share capital of BoRen Cultural Development Limited ("BoRen") which is engaged in sub-leasing of properties and facilities in Nanjing, PRC (see note 13(c)). The estimated recoverable amount is determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering one-year period. Cash flows beyond the one-year period are extrapolated using a 5% (2012: 5%) revenue growth rate per annum. Discount rate of 11% (2012: 19%) per annum is used in the calculation which was provided by Savills Valuation and Professional Services Limited ("Savills"), an independent professional valuer, with reference to similar companies. The key assumptions have been determined by the Group's management based on past performance and its expectations for the industry development. No impairment was provided on goodwill from the property sub-leasing business as the recoverable amount exceeded the carrying amount of the CGU during the years ended 31 March 2013 and 2012.

(d) On 27 May 2011, the Group acquired a business of hot pot restaurant carried on under the name of Number One Hot Pot ("Number One") at a consideration of HK$1,280,000 (see note 13(d)). The estimated recoverable amount is determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated using a 3% revenue growth rate per annum. Discount rate of 8% per annum is used in the calculation. The key assumptions have been determined by the Group's management based on past performance and its expectations for the industry development.

The Group made a full provision for impairment loss of the goodwill during the year ended 31 March 2012 because Number One experienced significant loss since the date of acquisition and management is uncertain about the future profitability of the hot pot business.

(e) On 30 December 2011, the Group acquired 45.88% of the entire issued share capital of China Media and Films Holdings Limited ("CMF"), increasing its equity interests in CMF from 29.08% to 74.96% (see note 13(b)). CMF is principally engaged in artist management and film production in Hong Kong and PRC. The estimated recoverable amount of the CGU in relation to CMF is determined based on fair value less costs to sell. The fair value was based on quoted closing price of CMF quoted on the Stock Exchange. An impairment loss of HK$24,986,887 was provided on goodwill during the year ended 31 March 2012 in relation to CMF as the recoverable amount is less than the carrying amount of CGU. The impairment loss of the goodwill was mainly due to decrease in quoted closing price of CMF since the date of acquisition of CMF.

During the year ended 31 March 2013, the goodwill was derecognised as a result of the disposal of CMF and its subsidiaries (see note 16(b), (c)).

All the discount rates used above are pre-tax and reflect specific risks relating to the relevant segments.

10. INTANGIBLE ASSETS

Group

	Provision of copyright licence fees settlement and collection services *(note (a))* *HK$*	Provision of intellectual property enforcement services *(note (b))* *HK$*	Karaoke CMS *(note (c))* *HK$*	Golf club memberships *(note (d))* *HK$*	Website *(note (e))* *HK$*	Customer relationship and customer contracts *(note (f))* *HK$*	Film rights *(note (g))* *HK$*	Films in progress *(note (h))* *HK$*	Total *HK$*
Cost									
At 1 April 2011	125,717,920	111,221,900	7,104,436	2,034,150	151,461	–	–	–	246,229,867
Acquired through business combinations *(note 13(b), (e))*	–	–	–	–	–	38,410,000	1,188,218	413,422	40,011,640
Exchange differences	5,603,010	5,184,053	278,970	20,975	11,376	–	–	–	11,098,384
At 31 March 2012 and 1 April 2012	131,320,930	116,405,953	7,383,406	2,055,125	162,837	38,410,000	1,188,218	413,422	297,339,891
Additions	–	–	–	–	–	–	–	15,558,645	15,558,645
Acquired through business combinations *(note 13(a))*	2,387,031	–	–	816,523	–	–	–	–	3,203,554
Disposal of jointly controlled entities	(132,703,749)	–	(7,461,154)	(560,971)	(164,552)	–	–	–	(140,890,426)
Disposal of subsidiaries *(note 16(b))*	–	–	–	–	–	–	(1,188,218)	(413,422)	(1,601,640)
Exchange differences	1,366,892	442,558	77,748	398	1,715	–	–	29,694	1,919,005
At 31 March 2013	2,371,104	116,848,511	–	2,311,075	–	38,410,000	–	15,588,339	175,529,029
Accumulated amortisation and impairment									
At 1 April 2011	125,717,920	2,780,547	7,104,436	543,890	151,461	–	–	–	136,298,254
Amortisation for the year	–	11,640,595	–	116,884	–	2,880,750	–	–	14,638,229
Impairment loss	–	–	–	–	–	6,130,525	–	–	6,130,525
Exchange differences	5,603,010	129,601	278,970	20,974	11,376	–	–	–	6,043,931
At 31 March 2012 and 1 April 2012	131,320,930	14,550,743	7,383,406	681,748	162,837	9,011,275	–	–	163,110,939
Amortisation for the year	118,555	11,662,593	–	116,883	–	3,178,240	–	–	15,076,271
Impairment loss	–	–	–	–	–	–	–	–	–
Disposal of jointly controlled entities	(132,703,749)	–	(7,461,154)	(560,971)	(164,552)	–	–	–	(140,890,426)
Exchange differences	1,366,893	84,171	77,748	5,846	1,715	–	–	–	1,536,373
At 31 March 2013	102,629	26,297,507	–	243,506	–	12,189,515	–	–	38,833,157
Net book value									
At 31 March 2013	2,268,475	90,551,004	–	2,067,569	–	26,220,485	–	15,588,339	136,695,872
At 31 March 2012	–	101,855,210	–	1,373,377	–	29,398,725	1,188,218	413,422	134,228,952

(a) Provision of copyright licence fees settlement and collection services represents the exclusive right in respect of the karaoke copyright in PRC managed and administered by the China Audio-Video Copyright Association for a period of 10 years from 27 December 2007. The recoverable amount of the CGU of provision of copyright licence fees settlement and collection services to which the licence fee collection right is allocated has been determined by the value-in-use calculation. During the year ended 31 March 2013, intangible asset in relation to provision of copyright licence fees settlement and collection services of HK$2,387,031 was acquired through step acquisition of jointly controlled entities (see note 13(a)). As at 31 March 2013, management of the Group determined that there was no impairment as the recoverable amount exceeded its carrying amount.

(b) The recoverable amount of the CGU of provision of intellectual property enforcement services to which the intellectual property enforcement services right is allocated has been determined by the value-in-use calculation, the details of which are disclosed in note 9(a). As at 31 March 2013, management of the Group determined that there was no impairment as the recoverable amount exceeded its carrying amount.

(c) Karaoke CMS represents the exclusive right to use a nationwide karaoke content management service system in PRC for a term of 10 years from 15 July 2007. The recoverable amount of the CGU of provision of copyright licence fees settlement and collection services to which the Karaoke CMS right is allocated has been determined by the value-in-use calculation. During the year ended 31 March 2013, Karaoke CMS was disposed through step acquisition of jointly controlled entities (see note 13(a)).

(d) For the purpose of impairment testing on the golf club memberships, the recoverable amount has been determined based on fair value less costs to sell. The fair value less costs to sell is referenced to the second-hand market price of the golf club memberships less estimated costs of disposal. During the year ended 31 March 2013, no impairment loss was recognised since the recoverable amount of the golf club memberships exceeded its carrying amount.

(e) Website has a useful life of three years. During the year ended 31 March 2010, management of the Group has decided to terminate the use of website and therefore the carrying value of the website was fully impaired. During the year ended 31 March 2013, website was disposed through step acquisition of jointly controlled entities (see note 13(a)).

(f) Customer relationship and customer contracts represent the long established relationship the CRA Group with the Hong Kong Trade Development Council ("HKTDC") and various sub-councils of the China Council for the Promotion of International Trade in PRC for large-scale trade fairs, which are mostly organised by HKTDC. The CRA Group has been consistently appointed by HKTDC as the sole agent of China Pavilion for the Hong Kong Fashion Week. These customer relationship and customer contracts have estimated useful life of ten years. During the year ended 31 March 2013, no impairment loss (2012: HK$6,130,525) was recognised in respect of the customer relationship and customer contracts due to the reason as described in note 9(b).

(g) During the year ended 31 March 2012, the Group acquired film rights in relation to the broadcasting of the film "Written By" through the media of regional internet worldwide market (see note 13(b)). The estimated recoverable amount of the CGU of film rights to which the film rights is allocated has been determined by the value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated using a zero revenue growth rate per annum. Discount rate of 15% per annum is used in the calculation. The key assumptions have been determined by the Group's management based on past performance and its expectations for the industry development. During the year ended 31 March 2013, management of the Group determined that there was no impairment as the recoverable amount exceeded its carrying amount.

    During the year ended 31 March 2013, the film rights were disposed through the disposal of subsidiaries (see note 16(b)).

(h) Films in progress of HK$15,558,645 were acquired during the year ended 31 March 2013 and films in progress of HK$413,422 were acquired through acquisition of subsidiaries during the year ended 31 March 2012 (see note 13(b)). Films in progress represented costs for development and preparation of films which are under production. In light of the stage of film production, the Group regularly reviews the progress of film production to assess the cost of films in progress. The estimated recoverable amount of the films in progress has been determined by the value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Discount rate of 13% per annum is used in the calculation. The key assumptions have been determined by the Group's management based on past performance and its expectations for the industry development. During the year ended 31 March 2013, management of the Group determined that there was no impairment as the recoverable amount exceeded its carrying amount.

    During the year ended 31 March 2013, films in progress of HK$413,422 were disposed through the disposal of subsidiaries (see note 16(b)).

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	**2013**	2012
	HK$	*HK$*	***HK$***	*HK$*
Amount due from a related company *(note (a))*	**26,200,000**	26,200,000	**–**	–
Impairment loss	**(26,200,000)**	(26,200,000)	**–**	–
	–	–	**–**	–
Trade debtors *(note (b), (c))*	**53,904,932**	73,037,296	**–**	–
Deposits, prepayments and other receivables	**75,037,655**	45,711,611	**2,787,733**	72,437
Bank deposit pledged for bank loan	**–**	3,700,830	**–**	–
Loan receivables *(note (d))*	**22,500,000**	88,500,000	**–**	–
	151,442,587	210,949,737	**2,787,733**	72,437

Notes:

(a) Amount due from a related company of the Group (before impairment loss) disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance are as follows:

	Balance of the outstanding amount, before impairment
	HK$
At 31 March 2013	26,200,000
At 1 April 2012	26,200,000
Maximum balance outstanding during the year	26,200,000

Pursuant to a loan agreement dated 4 July 2007 between (i) Well Allied Investment Limited ("Well Allied"), a subsidiary of the Company; and (ii) PLD International Company Limited ("PLD"), Well Allied agreed to advance a loan of HK$9 million to PLD at the interest rate of 8% per annum and repayable within 1 year from the date of the loan agreement. On 9 May 2008, Well Allied entered into another loan agreement with PLD and agreed to advance another loan of HK$17.2 million to PLD at the interest rate of 5.25% per annum and repayable within 1 year from the date of loan agreement.

Two Directors of Well Allied, Mr. Lee Tien-Yung and Mr. Philip Lu Yueh-Wei, have beneficial interests in PLD. As both of the loans were past due at 31 March 2009, they were fully impaired as at 31 March 2010.

(b) Included in trade and other receivables are trade debtors with the following ageing analysis as of the end of reporting period.

	Group 2013 HK$	2012 HK$
Current *(note (i))*	**28,131,248**	22,651,562
Less than 1 month past due	**6,283,158**	936,665
1 to 3 months past due	**63,088**	7,890,033
4 to 12 months past due	**1,828,399**	663,943
More than 12 months past due	**17,599,039**	40,895,093
Amount past due at the end of reporting period but not impaired *(note (ii))*	**25,773,684**	50,385,734
	53,904,932	73,037,296

Notes:

(i) The balances that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

(ii) The balances that were past due but not impaired relate to number of customers that have good track record with the Group. In particular, included in the amount with more then 12 months past due was an amount of HK$17,574,816 in connection with the provision of karaoke music product copyright licence fees settlement and collection services. As further explained in note 13(a), final decision of the arbitration was made and the settlement of outstanding balances was in progress during the year ended 31 March 2013. The Directors of the Company expect that the remaining outstanding balances will be settled progressively in future.

Based on past experience, management estimated that the carrying amounts of the balances past due could be fully recovered.

(iii) The Group generally grants no credit period to its customers, except for transactions with customers in exhibition-related services, in which credit period ranging from 30 to 60 days is granted.

(c) The ageing analysis of trade receivables based on invoice date before impairment loss is as follows:

	Group 2013 HK$	2012 HK$
Within 90 days	**34,477,494**	31,478,260
91 days to 365 days	**1,828,399**	663,943
More than 365 days	**17,599,039**	40,895,093
	53,904,932	73,037,296

The below table reconciles the impairment loss of trade receivables for the year:

	Group	
	2013	2012
	HK$	*HK$*
At 1 April	**3,665,003**	3,665,003
Impairment loss recognised	**5,037,349**	–
At 31 March	**8,702,352**	3,665,003

(d) Loan receivables presented:

	Group	
	2013	2012
	HK$	*HK$*
Loan to an independent third party *(note (i))*	**22,500,000**	50,000,000
Loans to non-controlling shareholders		
– advances to Media Sound Technology Limited (“Media Sound”) *(note (ii))*	**–**	30,000,000
– advances to Long Sincere International Limited (“Long Sincere”) *(note (iii))*	**–**	8,500,000
	22,500,000	88,500,000

(i) It represented advances to an independent third party. On 25 May 2011, the Group and the independent third party entered into the loan agreement in which the Group agreed to advance to the independent third party a loan in the principal amount of HK$50,000,000. The loan is secured by 50,000,000 ordinary shares of Brockman (as defined in note 14(a)). The loan bears an effective interest rate of 5% per annum and shall be repayable in 12 months from the date of advance. The full amount of loan was repaid on 25 May 2012.

On 25 May 2012, the Group and the aforesaid independent third party entered into another loan agreement in which the Group agreed to advance to the independent third party a loan in the principal amount of HK$22,500,000. The loan is secured by 50,000,000 ordinary shares of Brockman. The loan bears an effective interest rate of 8% per annum and shall be repayable in 12 months from the date of advance.

On 24 May 2013, a supplemental loan agreement was entered into by the Group and the independent third party to extends the repayment date of the loan from 25 May 2013 to 25 November 2013. Please refer to note 19(d) for details.

(ii) On 17 October 2011, the Group and Media Sound, a non-controlling shareholder of a subsidiary of the Group, entered into the loan agreement in which the Group agreed to advance to Media Sound a loan in the principal amount of HK$30,000,000. The loan is secured by 19.2% of the entire shareholdings of Song Labs Co., Limited (“Song Labs”), a subsidiary of the Group, owned by Media Sound at the date of agreement. The loan bears an effective interest rate of 5% per annum and shall be repayable in 12 months from the date of advance. On 30 January 2013, the Group acquired Media Sound and Media Sound became a subsidiary of the Company. The aforesaid loan was eliminated in full in preparing the consolidated statement of financial position as at 31 March 2013.

(iii) On 8 July 2011 and 9 September 2011, the Group and Long Sincere, a non-controlling shareholder of a subsidiary of the Group, entered into two loan agreements in which the Group agreed to advance to Long Sincere loans in the total principal amount of HK$8,500,000. The loans are secured by 20 ordinary shares of Welly Champ International Limited ("Welly Champ") (a subsidiary of the Group) owned by Long Sincere. The loan bears an effective interest rate of 5% per annum and shall be repayable in 12 months from the date of advance.

The Company acquired 10 shares of US$1 each representing 4.235% of the issue share capital of, and the benefit of 50% of all amounts as at the completion date due from, Welly Champ for an aggregate consideration of HK$9 million in cash and the total principal amount of HK$8,500,000 was set off as part of the consideration on 30 April 2012.

12. TRADE AND OTHER PAYABLES

	Group		**Company**	
	2013	2012	**2013**	2012
	HK$	*HK$*	***HK$***	*HK$*
Trade creditors	**15,468,504**	41,643,988	**–**	–
Other payables and accruals	**72,732,857**	87,588,914	**777,958**	1,779,320
Deposits received from disposal of assets held for sale	**–**	10,836,000	**–**	–
Other deposits received	**10,404,522**	9,569,630	**–**	–
	98,605,883	149,638,532	**777,958**	1,779,320

Included in trade and other payables are trade creditors with the following ageing analysis as of the end of reporting period:

	Group		**Company**	
	2013	2012	**2013**	2012
	HK$	*HK$*	***HK$***	*HK$*
Current or within 30 days	**5,835,543**	10,372,855	**–**	–
31 to 60 days	**1,421,808**	4,905,551	**–**	–
61 to 90 days	**1,953,243**	2,702,244	**–**	–
Over 90 days	**6,257,910**	23,663,338	**–**	–
	15,468,504	41,643,988	**–**	–

Trade and other payables are expected to be settled within one year.

13. ACQUISITION OF SUBSIDIARIES/BUSINESS

(a) As disclosed in the Company's 2012 annual report, the Group had disputes with the other venturer in respect of the operations and future development of the business which the jointly controlled entities operate. Following the unsuccessful discussions with the other venturer, the Group commenced arbitration proceedings in 2011 against the other venturer to claim for return of 20% equity interests in 天合文化集團有限公司 (Tian He Wen Hua Group Holdings Limited*) ("Tian He"), which is the holding company of all entities engaging in the provision of copyright licence fees settlement and collection services, and damages of RMB10 million. Tian He and its subsidiaries are collectively referred to as the "Tian He Group".

The final decision of the arbitration was made on 30 July 2012, in which the other venturer shall return the 20% equity interests in Tian He within 20 days from the date of delivery of the arbitration decision. The other venturer subsequently transferred the 20% equity interests in Tian He to the Group on 29 October 2012. On 11 January 2013, the Group obtained control over the jointly controlled entities by obtaining power to cast the majority of votes at meetings of the board of directors of Tian He, and consequently, the jointly controlled entities became subsidiaries of the Group effective 11 January 2013.

Upon completion of the acquisition, the Group's interest in jointly-controlled entities was treated as disposed of and reacquired at fair value on the date of obtaining control. As a result, the gain on re-measurement of interest in jointly controlled entities to fair value amounting to HK$5,015,611 has been recognised and is included in other income and gains.

The Tian He Group is principally engaged in copyright licence fees settlement and collection services in PRC. The acquisition was made as part of the Group's strategy to develop its business in copyright licence fees settlement and collection services in PRC.

The fair values of net assets acquired at the date of acquisition are as follows:

	HK$
Property, plant and equipment	3,088,872
Intangible assets – provision of copyright licence fees settlement	2,387,031
Intangible assets – golf club membership	816,523
Deferred tax assets	8,466,344
Trade and other receivables	6,187,799
Cash and cash equivalents	54,361,618
Restricted cash at banks	44,571,509
Trade and other payables	(14,841,531)
Amount due to non-controlling interests	(22,144,116)
Current tax liabilities	(304,053)
Deferred tax liabilities	(596,758)
Net assets acquired	81,993,238
Gain on a bargain purchase	(36,077,025)
Total consideration	45,916,213
Satisfied by:	
Fair value of non-controlling interests	17,218,580
Fair value of 50% equity interests in jointly controlled entities	28,697,633
	45,916,213
Net cash inflow arising on acquisition:	
Cash and cash equivalents acquired	54,361,618
Cash and cash equivalents originally accounted for using proportionate consolidation	(18,840,003)
	35,521,615

Gain on a bargain purchase of HK$36,077,025 was recognised upon completion of the acquisition of the Tian He Group. The gain on a bargain purchase on acquisition was mainly attributable to nil consideration by the Group to further acquire 20% net assets of the Tian He Group due to the final decision of the arbitration as described above. The gain on a bargain purchase was included in other income and gains in the consolidated statement of comprehensive income.

The Group has engaged Savills, an independent valuer, to assess the fair value of the assets and liabilities of the Tian He Group at the date of acquisition. The fair value of property, plant and equipment and intangible assets were estimated by applying transaction approach and excess earnings approach respectively.

The fair value of trade and other receivables, equivalent to its gross contractual amount as shown above, is considered as fully recoverable.

The Group has elected to measure the non-controlling interests in the Tian He Group at acquisition-date fair value. The fair value of 30% non-controlling interests in the Tian He Group was determined by 30% of fair value of the assets and liabilities of the Tian He Group after taking into account of the lack of marketability discount at 30%.

Since its acquisition, the Tian He Group contributed revenue of HK$5,957,463 and net loss of HK$6,322,950 to the Group for the period from 11 January 2013 to 31 March 2013. Had the combination taken place on 1 April 2012, the revenue and the loss before income tax credit of the Group for the year ended 31 March 2013 would have been HK$316,999,952 and HK$94,561,114 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2012, nor intended to be a projection of future results.

(b) On 29 March 2011, the Group acquired 12.43% equity interests in CMF, a company listed on the Growth Enterprise Market of the Stock Exchange, at a consideration of HK$16,210,140, excluding transaction costs.

From 1 April 2011 to 7 April 2011, the Group further acquired a total of 16.65% equity interests in CMF at a total consideration of HK$28,236,800, which increased the Group's equity interests in CMF from 12.43% to 29.08%. The gain on re-measurement of interest in available-for-sale investments to fair value amounting to HK$6,979,802 has been recognised and is included in other income and gains.

On 30 December 2011, the Group further acquired a total of 45.88% equity interests in CMF for a total consideration of HK$81,200,000, which increased the Group's equity interests in CMF from 29.08% to 74.96%, from which the Group has obtained control over CMF. The gain on re-measurement of interests in associates to acquisition-date fair value amounting to HK$5,278,168 has been recognised and is included in other income and gains.

On the close of a general offer made by the Group on 2 March 2012, the Group further acquired a total of 5.33% equity interests in CMF at a total consideration of HK$9,441,606. On 8 March 2012, the Group placed about 5.34% equity interests in CMF to independent third parties and reduced the Group's equity interests in CMF to about 74.95%.

CMF is principally engaged in artist management and film production in Hong Kong and PRC. The acquisition was made as part of the Group's strategy to expand its market share of entertainment business in Hong Kong and PRC.

The fair values of net assets acquired at the date of acquisition are as follows:

	HK$
Property, plant and equipment	363,620
Intangible assets – film rights and films in progress	1,601,640
Trade receivables	1,299,580
Deposits, prepayments and other receivables	8,705,830
Cash and bank balances	97,557,977
Bank overdrafts	(360)
Trade payables	(10,871)
Accruals and other payables	(3,740,721)
Receipts in advance	(6,250,501)
Liability component of convertible loan notes	(4,950,571)
	94,575,623
Non-controlling interests	(45,566,333)
Net assets acquired	49,009,290
Goodwill *(note 9(e))*	84,078,892
Total consideration	133,088,182
Satisfied by:	
Cash	81,200,000
Interests in associates	51,888,182
	133,088,182
Net cash (outflow)/inflow arising on acquisition:	
Cash consideration paid	(81,200,000)
Bank overdrafts	(360)
Cash and cash equivalents acquired	97,557,977
	16,357,617

The goodwill arising on the acquisition is attributable to broaden the revenue base of the Group from combining the operations of the Group and CMF and provides synergy effect of existing entertainment business of the Group.

Since its acquisition, CMF contributed revenue of HK$6,055,000 and net loss of HK$3,002,000 to the Group for the period from 30 December 2011 to 31 March 2012. Had the combination taken place on 1 April 2011, the revenue and the loss before income tax credit of the Group for the year ended 31 March 2012 would have been HK$334,292,929 and HK$333,395,524 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2011, nor intended to be a projection of future results.

The acquisition-related costs of HK$429,845 have been expensed and are included in other operating expenses.

The Group has elected to measure the non-controlling interests in CMF at acquisition-date fair value which has been determined by reference to its market value at the date of acquisition.

The fair value of trade and other receivables, equivalent to its gross contractual amount as shown above, is considered as fully recoverable.

(c) On 8 July 2011, the Group completed an agreement dated 27 May 2011 with HaoRan Cultural Development Limited ("BoRen Vendor"), an independent third party, to acquire the entire issued share capital of BoRen from BoRen Vendor for a consideration of RMB90 million, RMB25 million (equivalent to HK$29,897,153) of which was paid in cash and the balance of RMB65 million by the issue of 420,176,215 ordinary shares of the Company (the "BoRen Agreement"). The quoted closing price per share of the Company quoted on the Stock Exchange on that date was HK$0.191.

The BoRen Agreement contained a profit guarantee from BoRen Vendor whereby BoRen Vendor guaranteed that the total audited combined net profits after taxation and non-controlling interest of Elite-China and its subsidiaries (the "Elite Group") for the three financial years ending 31 December 2013 (the "Guaranteed Period") shall be not less than RMB75 million (the "Guaranteed Profit"). Meanwhile, the Group is obligated to advance loans ("Advanced Loans") in the total principal amount in Hong Kong dollars of not less than a sum equivalent to RMB50 million each financial year during the Guaranteed Period to the Elite Group for the development of the business of BoRen and its subsidiaries (the "BoRen Group"). In case of the Elite Group failed to meet the Guaranteed Profit, the maximum amount to be received by the Group from BoRen Vendor shall not exceed RMB90 million.

The BoRen Group is principally engaged in the sub-leasing of properties and facilities in Nanjing, PRC. The acquisition was made as part of the Group's strategy to develop its business in sub-leasing of properties and facilities in Nanjing, PRC.

The fair values of net liabilities assumed at the date of acquisition are as follows:

	HK$
Property, plant and equipment	115,985,504
Inventories	1,786
Trade and other receivables	15,689,860
Amounts due from related parties	8,544,402
Cash and cash equivalents	7,829,713
Trade and other payables	(23,766,233)
Amounts due to related parties	(42,226,418)
Amount due to a former shareholder	(27,040,427)
Bank borrowings	(62,740,848)
Current tax liabilities	(1,113,912)
Deferred tax liabilities	(3,693,708)
	(12,530,281)
Non-controlling interests	5,621,931
Net liabilities assumed	(6,908,350)
Goodwill *(note 9(c))*	18,311,567
Total consideration, net of fair value of contingent consideration	11,403,217
Satisfied by:	
Cash	29,897,153
Issue of 420,176,215 ordinary shares	80,253,657
Fair value of contingent consideration	(98,747,593)
	11,403,217
Net cash (outflow)/inflow arising on acquisition:	
Cash consideration paid	(29,897,153)
Cash and cash equivalents acquired	7,829,713
	(22,067,440)

The goodwill arising on the acquisition is attributable to the anticipated profitability generated from the synergy, revenue growth and future market development in the property sub-leasing business, which the Group intends to develop.

Since its acquisition, BoRen Group contributed revenue of HK$54,560,565 and net profit of HK$8,316,897 to the Group for the period from 8 July 2011 to 31 March 2012. Had the combination taken place on 1 April 2011, the revenue and the loss before income tax credit of the Group for the year ended 31 March 2012 would have been HK$304,104,855 and HK$313,833,012 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2011, nor intended to be a projection of future results.

The Group has engaged Savills, an independent valuer, to assess the fair value of the assets and liabilities and the contingent consideration at the acquisition date.

The acquisition-related costs of HK$628,301 have been expensed and are included in other operating expenses. The attributable costs of the issuance of the equity instruments are insignificant.

Contingent consideration represented amount to be received by the Group if the Elite Group fails to met the Guaranteed Profit.

The Group has elected to measure the non-controlling interests in the BoRen Group at the proportionate share of the acquiree's identifiable net liabilities.

The fair value of trade and other receivables, equivalent to its gross contractual amount as shown above, is considered as fully recoverable.

(d) On 27 May 2011, the Group completed an agreement with an independent third party to acquire the business of Number One at a consideration of HK$1,280,000 in cash. Number One is principally engaged in operation of hot pot restaurant in Hong Kong. The fair value of net assets acquired at the date of acquisition is as follows:

	HK$
Property, plant and equipment	–
Net assets acquired	–
Goodwill *(note 9(d))*	1,280,000
Total consideration	1,280,000
Satisfied by:	
Cash	1,280,000
Net cash (outflow) arising on acquisition:	
Cash consideration paid	(1,280,000)

The goodwill arising on the acquisition is attributable to the anticipated profitability generated from the reputation of the brand name and future market development in the hot pot business. The acquisition was made as part of the Group's strategy to develop its business in hot pot industry in Hong Kong.

Since its acquisition, Number One contributed revenue of HK$1,593,626 and net loss of HK$6,220,619 to the Group for the period from 27 May 2011 to 31 March 2012. Had the combination taken place on 1 April 2011, the revenue and the loss before income tax credit of the Group for the year ended 31 March 2012 would have been HK$298,982,929 and HK$315,397,524 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2011, nor intended to be a projection of future results.

The acquisition-related costs were minimal and have been expensed and included in other operating expenses.

(e) On 20 May 2011, the Company completed a share subscription agreement with Commotra Company Limited (the "Subscriber") in which the subscriber agreed to subscribe for 1,333,333,333 ordinary shares of the Company at a subscription price of HK$0.12 per share, totaling HK$160,000,000. At the same time, the Company acquired the entire equity interests in the CRA Group from the Subscriber's parent at a consideration of HK$110,000,000. The total share subscription price of HK$160,000,000 was settled in cash of HK$50,000,000, with the balance set off against the acquisition consideration.

The acquisition consideration was determined by effective number of ordinary shares of the Company issued for the acquisition and the fair value of the ordinary shares of the Company as at the completion date of the acquisition.

The effective number of ordinary shares of the Company issued for the acquisition was 916,666,667, representing the consideration of HK$110,000,000 stated in the sale and purchase agreement of the acquisition divided by subscription price of HK$0.12 per share stated in the share subscription agreement. The fair value of the ordinary shares issued was determined by reference to their closing price of HK$0.17 per share quoted on the Stock Exchange at the date of acquisition.

The CRA Group is principally engaged in exhibition-related business and has been acting as an organiser and a contractor for all kinds of exhibitions and meeting events mainly in Hong Kong. The acquisition was made as part of the Group's strategy to develop its business in exhibition in Hong Kong.

The fair values of net assets acquired at the date of acquisition are as follows:

	HK$
Property, plant and equipment	364,520
Intangible assets – customer relationship and customer contracts	38,410,000
Trade and other receivables	14,458,678
Cash and cash equivalents	20,523,737
Trade and other payables	(22,318,674)
Current tax liabilities	(2,576,178)
Provision for long term service payments	(55,363)
Deferred tax liabilities	(6,318,744)
Net assets acquired	42,487,976
Goodwill *(note 9(b))*	113,345,357
Total consideration	155,833,333
Satisfied by:	
Issue of 916,666,667 ordinary shares under share subscription arrangement	155,833,333
Net cash inflow arising on acquisition:	
Cash and cash equivalents acquired	20,523,737

The goodwill arising on the acquisition is attributable to the anticipated profitability generated from the synergy, revenue growth and future market development in the exhibition-related business, which the Group intends to develop.

Since its acquisition, the CRA Group contributed revenue of HK$81,468,152 and net profit of HK$8,619,654 to the Group for the period from 20 May 2011 to 31 March 2012. Had the combination taken place on 1 April 2011, the revenue and the loss before income tax credit of the Group for the year ended 31 March 2012 would have been HK$302,014,959 and HK$311,873,989 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2011, nor intended to be a projection of future results.

The acquisition-related costs of HK$2,064,645 have been expensed and are included in other operating expenses.

The fair value of trade and other receivables, equivalent to its gross contractual amount as shown above, is considered as fully recoverable.

14. AVAILABLE-FOR-SALE INVESTMENTS

	2013	2012
	HK$	*HK$*
Listed securities in Hong Kong, at fair value *(note (a))*	**75,318,757**	85,890,330
Contingent consideration in related to acquisition of subsidiaries *(note (b), 13(c))*	**101,539,185**	98,747,593
	176,857,942	184,637,923

Notes:

(a) Available-for-sale investments at 31 March 2013 represented 12.27% (2012: 12.27%) and 0.1% (2012: 0.1%) equity interests in Cosmopolitan International Holdings Limited ("Cosmopolitan") and Brockman Mining Limited ("Brockman") (formerly known as "Wah Nam International Holdings Limited") held by the Group respectively. Both companies are listed on the Main Board of the Stock Exchange. As at 31 March 2013, the carrying amounts of available-for-sale investments in Cosmopolitan and Brockman were HK$72,303,237 (2012: HK$82,425,690) and HK$3,015,520 (2012: HK$3,464,640) respectively.

During the year ended 31 March 2013, the change in fair value on the available-for-sale investments of the Group amounted to HK$10,571,573 (2012: HK$102,176,062) was recognised in equity as investment revaluation reserve and reclassified to profit or loss as the Directors considered the decline in fair value constituted objective evidence of impairment.

The fair values of listed equity investments are based on quoted market prices.

As at 31 March 2012, 4.98% equity interests in Cosmopolitan with carrying amount of HK$33,459,000 were pledged to an independent third party as security for other borrowings granted to the Group (note 17(c)).

(b) The contingent consideration in relation to acquisition of subsidiaries was secured by 40% equity interests of Elite-China Cultural Development Limited which was held by FeiFan Cultural Development Limited, a non-controlling interest of the Group's subsidiaries.

The contingent consideration of RMB82,000,000 (equivalent to HK$101,539,185 as at 31 March 2013 and HK$98,747,593 as at 31 March 2012) related to acquisition of subsidiaries was valued at 31 March 2013 and 2012 on option pricing model basis by Savills, an independent professional valuer, and the fair value is not significantly different from the one measured at the date of acquisition.

15. INTEREST IN ASSOCIATES

	2013 ***HK$***	2012 *HK$*
Share of net assets of associates	**37,745,060**	916,388
Goodwill	**52,529,798**	26,224,086
Impairment loss recognised	**(27,140,474)**	(27,140,474)
	63,134,384	–

On 28 May 2012, Eternity Investment Limited ("Eternity"), an independent third party, and the Company entered into a sale and purchase agreement, pursuant to which Eternity has conditionally agreed to acquire, and the Company has conditionally agreed to sell, 29% of the entire issued share capital of CMF, for a cash consideration of HK$51,324,000 (equivalent to HK$0.35 per share). The disposal was completed on 3 August 2012. Please refer to note 16(b) for further details. Upon completion of the disposal, CMF and its subsidiaries became associates of the Group.

On 11 April 2011, the Group entered into a subscription agreement to subscribe for 351,062 preference shares of Xinya Media Private Limited ("Xinya") at a consideration of about US$1,000,000 (equivalent to approximately HK$7,769,000). After the subscription, the Group's equity interests in Xinya increased from 18.79% to 22.27%. In November 2011, Xinya entered into an agreement with a media group in the Anhui Province, PRC, to swap programs and bring in advertising benefits as a stepping stone to develop internet protocol television in entering PRC market. However, due to unsatisfactory income and the high costs for exploring the market and its operations, Xinya experienced cash flow problem. The shareholders failed to agree on the development plan and the funding arrangement of Xinya. On 30 April 2012, its shareholders passed a resolution for creditors' voluntary winding up of Xinya. A liquidator has been appointed to wind up its affairs. As a result, an impairment loss of HK$27,104,474 was provided on the Group's interests in Xinya for the year ended 31 March 2012.

The summarised financial information in respect of the Group's associates is set out below:

	2013	2012
	HK$	*HK$*
Total assets	**133,689,779**	41,381,413
Total liabilities	**(49,423,586)**	(37,266,514)
Net assets	**84,266,193**	4,114,899
Group's share of net assets of associates	**37,745,060**	916,388

	2013	2012
	HK$	*HK$*
Total revenue	**17,949,625**	39,012,406
Total expenses	**(27,202,642)**	(73,496,270)
Net losses	**(9,253,017)**	(34,483,864)
Group's share of losses of associates *(note)*	**(4,251,761)**	(8,905,212)

Note:

Included in the Group's share of losses of associates was the share of results of CMF during August 2012 to March 2013 during which the equity interests in CMF was accounted as an associate.

Included in the Group's share of losses of associate was the share of results of CMF during April 2011 to December 2011 during which the equity interests in CMF was accounted for as associate. Please refer to note 13(b) for details.

16. DISPOSAL OF SUBSIDIARIES

(a) On 24 January 2013, the Group disposed of its 100% equity interest in Shenzhen Land Company Limited ("Shenzhen Land") to an independent third party at a cash consideration of RMB69,310,000 (approximately HK$85,164,913). The net assets of Shenzhen Land at the date of disposal were as follows:

	HK$
Net assets disposed of:	
Investment properties	82,873,000
Trade and other receivables	147,902
Trade and other payables	(5,232,557)
Amount due to a related company	(39,142)
Shareholder's loan	(3,618,061)
	74,131,142
Repayment of shareholder's loan	3,618,061
Gain on disposal	7,415,710
Total consideration	85,164,913
Total consideration satisfied by:	
Cash	85,164,913
Net cash inflow arising on disposal:	
Cash received	85,164,913

(b) On 28 May 2012, the Group entered into an agreement to dispose of its 29% equity interests in CMF to Eternity at a cash consideration of HK$51,324,000. The transaction led to the reduction of the Group's equity interests in CMF from 74.95% to 45.95% and CMF and its subsidiaries became associates of the Group. The completion of disposal took place on 3 August 2012. The net assets of CMF at the date of disposal were as follows:

	HK$
Net assets disposed of:	
Property, plant and equipment	2,459,418
Goodwill	59,092,005
Intangible assets	1,601,640
Trade and other receivables	11,335,550
Cash and cash equivalents	88,751,954
Trade and other payables	(9,521,026)
Convertible loan notes	(5,225,068)
Non-controlling interests	(35,947,062)
	112,547,411
Gain on disposal	6,162,734
Total consideration	118,710,145
Total consideration satisfied by:	
Cash received	51,324,000
Fair value of 45.95% retained equity interest in CMF	67,386,145
	118,710,145
Net cash outflow arising on disposal:	
Cash received	51,324,000
Cash and cash equivalents disposed of	(88,751,954)
	(37,427,954)

(c) On 29 June 2012, the Group disposed of its 100% equity interests in Infrared Engineering and Consultants Limited ("Infrared"), which was one of the subsidiaries of CMF to an independent third party at a cash consideration of HK$1. Upon completion of the disposal, Infrared ceased to be a subsidiary of the Company. The net assets of Infrared as the date of disposal were as follows:

	HK$
Net assets disposed of:	
Property, plant and equipment	104,303
Trade and other receivables	343,159
Cash and cash equivalents	21,627
Trade and other payables	(788,583)
	(319,494)
Gain on disposal	319,495
Total consideration	1
Total consideration satisfied by:	
Cash received	1
Net cash outflow arising on disposal:	
Cash received	1
Cash and cash equivalents disposed of	(21,627)
	(21,626)

17. OTHER BORROWINGS

	Group		Company	
	2013	2012	**2013**	2012
	HK$	*HK$*	***HK$***	*HK$*
Promissory notes, unsecured *(note (a))*	**34,125,098**	–	**34,125,098**	–
Other loan, unsecured *(note (b))*	**12,382,827**	–	**–**	–
Other loan, secured *(note (c))*	**–**	19,000,000	**–**	19,000,000
	46,507,925	19,000,000	**34,125,098**	19,000,000

(a) As a part of the consideration of the acquisition of the Media Sound, the Company issued promissory notes with an aggregate principal amount of HK$37,190,500 and fair value of HK$33,510,000. The promissory notes were unsecured, non-interest bearing and due on 19 January 2014.

Movement of promissory notes is as follows:

	2013	2012
	HK$	*HK$*
At 1 April	**–**	–
Issue of promissory notes	**33,510,000**	–
Imputed interest expenses	**615,098**	–
At 31 March	**34,125,098**	–

(b) On 1 February 2013, the Group entered into an agreement with an independent third party to borrow a loan of HK$12,382,827. The loan will mature on 31 January 2014. The effective interest rate is 10% per annum.

(c) On 30 January 2012, the Group entered into an agreement with an independent third party to borrow a loan of HK$19,000,000. The loan was mature on 30 May 2012 and was fully repaid up to the date of this announcement. The effective interest rate is 12% per annum. During the year ended 31 March 2013, the loan was repaid in full.

The loan was secured by 587,000,000 ordinary shares of Cosmopolitan with carrying amount of HK$33,459,000 which are classified as available-for-sale investments (note 14(a)) and a personal guarantee is given by Cheng Yang, a Director of the Company.

18. SHARE CAPITAL

Authorised and issued share capital

	2013		2012	
	Number of shares	*HK$*	*Number of shares*	*HK$*
Authorised:				
Ordinary shares of HK$0.05 each				
At the beginning and end of the year	**20,000,000,000**	**1,000,000,000**	20,000,000,000	1,000,000,000
Issued and fully paid:				
Ordinary shares of HK$0.05 each				
At beginning of the year	**11,975,340,940**	**598,767,047**	10,221,831,392	511,091,570
Subscription of new ordinary shares	**–**	**–**	416,666,666	20,833,333
New shares issued for acquisition of subsidiaries in respect of:				
– CRA Group	**–**	**–**	916,666,667	45,833,333
– BoRen Group	**–**	**–**	420,176,215	21,008,811
Capital reorganisation *(note (i))*	**(11,376,573,893)**	**(568,828,695)**	–	–
At the end of the year	**598,767,047**	**29,938,352**	11,975,340,940	598,767,047

Note:

(i) On 17 October 2012, a capital reorganisation became effective in which every twenty issued and unissued shares of HK$0.05 each in the share capital of the Company was consolidated (the "Share Consolidation") into one consolidated share of HK$1.00 (the "Consolidated Share"). Following the Share Consolidation, the issued and paid up share capital was reduced (the "Capital Reduction") by cancelling the paid-up capital to the extent of HK$0.95 on each issued Consolidated Share so that each issued Consolidated Share of HK$1 each of the Company be treated as one fully paid-up new share of HK$0.05 per value each. All amounts of cancelled issued capital shall remain part of the authorised share capital and be available for the issue of new shares by the Company. Immediately following the Capital Reduction, the Company sub-divided each of the unissued Consolidated Share of par value HK$1.00 each into twenty new shares of HK$0.05 each. A credit of approximately HK$568,828,695 arose as a result of the Capital Reduction. Such credit was applied by the Directors to set off against the accumulated losses of the Company.

19. EVENTS AFTER THE REPORTING PERIOD

(a) On 10 April 2013, the Group entered into an agreement to acquire an investment property in Korea at a consideration of approximately HK$5,855,623. The property will be leased to earn rental income. The transaction was completed on 10 April 2013.

(b) On 19 April 2013, the Group entered into an agreement with an independent third party to dispose the entire issued share capital of, and shareholder loan receivable from, Wellrich Investments Limited, a wholly owned subsidiary of the Company, at a consideration of RMB150,000,000 (equivalent to approximately HK$186,000,000). Wellrich owns 94% equity interests in Star-Lake Club which is engaged in hotel operations in PRC. The consideration shall be settled in cash upon completion. The transaction was approved by shareholders in a special general meeting of the Company on 25 June 2013. Details of the transaction were disclosed in the Company's circular dated 6 June 2013.

(c) On 25 April 2013, the Company announced that the second phases of the agreement and supplemental agreements was completed on 25 April 2013. As a result of the completion, an aggregate of 10 shares of Welly Champ and HK$5,926,200 of Sale Loan due from Welly Champ has been acquired by the Company. Following the completion, the Company holds an aggregate of 216.13 shares in Welly Champ, representing approximately 91.53% of the total issued share capital of Welly Champ.

(d) On 24 May 2013, a subsidiary of the Group which holds a money lending licence entered into a supplemental loan agreement in relation to an interest-bearing loan of HK$22,500,000 which was granted to an independent third party at interest rate 8% per annum on 25 May 2012 (see note 11(d)(i)). The loan is secured by 50,000,000 ordinary shares of Brockman and shall be repayable in 12 months from the date of advance. The supplemental loan agreement extends the repayment date of the loan from 25 May 2013 to 25 November 2013. Securities and interest rate of the loan remains unchanged for the extension of six-month period.

(e) On 14 June 2013, the Company entered into 2 sets of memorandum of cooperation ("MOU I and MOU II") regarding the proposed acquisitions of the entire issued share capital of a company which directly or indirectly holds interests in the Yixing project and Lianyun Port project and of the entire issued share capital of an another company which indirectly holds interests in Xian project by the Company.

Both MOU I and MOU II are not legally binding save and except the provisions in relation to the payment of earnest moneys in the respective sums of HK$30,000,000 and HK$20,000,000. Details of the MOU I and MOU II were disclosed in the Company's announcement dated 14 June 2013.

FINAL DIVIDEND

The Directors do not recommend any payment of final dividend for the year ended 31 March 2013 (2012: Nil).

BUSINESS REVIEW AND OUTLOOK

Financial Review

Consolidated results

The turnover and loss of the Group for the year ended 31 March 2013 were approximately HK$296 million and HK$83 million respectively as compared to HK$299 million and HK$311 million respectively of last year. The significant part of the loss was attributable to substantial impairment on assets held under the exhibition-related business, hotel business and entertainment business recorded for the year 2012. Further, following the conclusion of an arbitration proceeding during the year under review, the Group recorded an approximately HK$5 million gain on step acquisition of jointly controlled entities and HK$36 million gain on bargain purchase of 20% interests in the registered capital of 天合文化集團有限公司 (Tian He Wen Hua Group Holdings Limited*) ("Tian He").

Review

Licence fee collection business

The Group entered into various agreements with owners of intellectual property rights in musical works ("IP Rights"). By acquiring the IP rights, the Group would engage in the collection of licence fees for karaoke musical works from karaoke operators in PRC.

The Group also engages in the provision of copyright licence fees settlement and collection services for karaoke music products and videos in PRC, and the provision of intellectual property enforcement services in respect of karaoke music products in PRC in return for service fees to be collected from karaoke box.

In order to increase our market share in this industry in PRC, the Group has adopted an aggressive strategy and entered into separate agreements for the acquisitions of (i) an additional 8.47% equity interest in and the benefit of 50% of all amounts due to the minority shareholders of Welly Champ International Limited ("Welly Champ"); and (ii) the entire issued share capital of Media Sound Technology Limited ("Media Sound").

Welly Champ is an investment holding company which holds 66.81% interests in Well Allied Investment Limited ("Well Allied"). Well Allied is principally engaged in collection of fees for licensing of karaoke music products in PRC.

Media Sound is an investment holding company holding certain interests in companies which principally engaged in investment consulting, organisation of cultural & art exchange activities (excluding acting as intermediaries in performances), acting as music copyright agents and provision of intellectual property enforcement services.

Particulars of the acquisitions are set out in the Company's announcements dated 30 April 2012, 9 May 2012 and 21 September 2012 and the circular dated 11 January 2013.

Apart from the acquisitions mentioned above, the Group's investments in licence fee collection business were further strengthened following the conclusion of an arbitration proceeding. As previously disclosed in the Company's 2012 annual report, Tian He was owned equally by 深圳市華融盛世投資管理有限公司 (Shenzhen Hua Rong Sheng Shi Investment Management Company Limited) ("Shenzhen Hua Rong"), a wholly-owned subsidiary of the Company, and 北京中文發數字科技有限公司 (China Culture Development Digital Technology Co., Ltd.) ("CCDDT"). Tian He entered into a licensing agreement with CCDDT pursuant to which Tian He was granted an exclusive right to gain access to the karaoke content management service system (the "Karaoke CMS") owned by CCDDT to provide copyright transaction settlement services and to develop related value added services in PRC for a term of 10 years from 15 July 2007. The system connects its data centre to karaoke box to supervise and keep track of music videos played in karaoke box. There were delays in rollout of copyright licence fees settlement and collection services in respect of karaoke music products and videos in various provinces in PRC as a result of the disagreement with CCDDT on the operation and future development of the business. On 22 June 2011, Shenzhen Hua Rong commenced an arbitration proceeding in Beijing ("Arbitration Proceeding") against CCDDT for breach of shareholders' agreement (the "Shareholders' Agreement") dated 15 July 2007 and a share transfer agreement (the "Share Transfer Agreement") signed in 2007 for the transfer of 20% of the registered capital of Tian He by Shenzhen Hua Rong to CCDDT and seek for orders for the termination of the Shareholders' Agreement, return of the 20% interest in Tian He to Shenzhen Hua Rong and damages of RMB10 million. The arbitration tribunal granted an arbitral award on 30 July 2012, in which it was ruled that the Shareholders' Agreement and the Share Transfer Agreement would be terminated and CCDDT would also return the 20% interest to Shenzhen Hua Rong. The transfer of the 20% interest in Tian He was completed during the year.

The license fee enforcement business was disrupted intermittently as a result of the Arbitration Proceeding between shareholders of Tian He which adversely affected the revenue generated from the business. For the year under review, the business recorded a turnover of HK$65 million (2012: HK$74 million) and a profit of HK$42 million (2012: Loss of HK$34 million). The decrease in loss of this business was due to the recognition of a gain on step acquisition of jointly controlled entities of approximately HK$5 million and a gain on bargain purchase of 20% interests in the registered capital of Tian He of approximately HK$36 million during the year. Also, there was a decrease in the amortisation of deferred expenditure as a result of a drop in payment to copyright holders during the year. Following the Arbitration Proceeding, the Directors are committed to improving the operation of copyright licence fee settlement and collection. The key strategies of the Group are: (i) to strengthen the license fee collection teams for sourcing licensees and arrange for fee collection in various provinces and cities in PRC; (ii) to raise the income target of Tian He; (iii) to build up Tian He's strategic partnership relations with other local partners; and (iv) to promote Tian He's brand name and strengthen its brand recognition in the licence fee collection business in PRC.

The Directors are confident of the business potential in the intellectual property enforcement services and the collection of copyright fees for content distribution of karaoke music products in PRC. The Directors are of the view that the licence fee collection business will improve and generate positive cash inflow to the Group.

Exhibition-related business

China Resources Advertising & Exhibition Company Limited and its subsidiaries (the "CRA Group") are principally engaged in exhibition-related business. The CRA Group has acted as an organiser and contractor for exhibitions and meeting events held in Hong Kong. It has developed over 20-year relationship with the Hong Kong Trade Development Council ("HKTDC") and has become one of the major agents organising trade fairs for Mainland China groups whilst most of which were co-organised by the HKTDC. The client base is primarily PRC based including numerous sub-councils of the China Council for the Promotion of International Trade in PRC. During the year under review, the CRA Group opened an art gallery in Hong Kong. The Directors believe that this new business would enhance the image and variety of the Group's exhibition-related business segment. Overall, the exhibition-related business contributed a turnover of approximately HK$78 million, including a turnover of HK$61 million generated from organising the Fashion Week with the HKTDC. After taking into account the amortisation of intangible assets of HK$3 million, this business recorded a net profit of approximately HK$2 million. The Directors are of the view that the exhibition business will keep growing and contribute stable income to the Group in the foreseeable future.

Entertainment business

Baron Productions and Artiste Management Company Limited, a 51%-owned subsidiary of the Company, engages in the provision of services relating to production and artist management in the entertainment industry. During the year under review, it incurred a loss of approximately HK$0.4 million.

Chance Music Limited ("CML"), a 60%-owned subsidiary of the Company, engages in entertainment and other related business. CML owns intellectual property rights in lyrics of various songs. During the year under review, a loss of approximately HK$0.1 million was recorded. Pursuant to an agreement dated 24 October 2007, the Group is no longer under an obligation to make further contributions to the non-controlling shareholder of CML and the said shareholder is required to buy back 60% interest in CML from the Group for a consideration of HK$15,000,000 subject to terms and conditions contained in the agreement. In May 2012, the Group received a deposit of HK$1,000,000 from the non-controlling shareholder as part of the share buy-back payment. It is expected that the share-buy back exercise will be completed in the near future.

In December 2011, the Group acquired up to 74.95% interests in China Media and Films Holdings Limited ("CMF"), a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. CMF and its subsidiaries (the "CMF Group") are principally engaged in artist management, film distribution and production. In May 2012, the Group entered into a conditional agreement with Eternity Investment Limited ("Eternity") for the disposal of approximately 29% interests in CMF (the "Disposal of CMF Interests") for a consideration of approximately HK$51 million. The Disposal of CMF Interests was approved by shareholders in a special general meeting held on 10 July 2012. Following the Disposal of CMF Interests, the Group's interests in CMF dropped to 45.95% and that CMF became an associated company of the Group. During the year, CMF contributed a turnover of HK$10 million and recorded a loss of HK$1 million while the share of loss of associate was amounted to HK$4 million.

The Directors believe that its entertainment business will further develop and these investments would gradually yield income to the Group.

Hotel operations

The Group operates the Dynasty Hotel in Zhaoqing, PRC with 332 guest rooms, retail shops, restaurants, banquet room, health club and amenities including tennis court and swimming pool. The business recorded a turnover of HK$58 million and a loss of HK$49 million. The loss was mainly attributable to the impairment of loss on property, plant and equipment of HK$1 million, depreciation of its assets of HK$16 million and impairment loss and amortisation of payments for leasehold land held for own use under operating leases of approximately HK$16 million in total. Owing to keen competition in the hotel industry, it is within the Director's expectation that the operation of the hotel will remain challenging.

On 19 April 2013, the Group entered into a conditional share transfer and assignment of shareholder's loan agreement with Eternal Nice (Hong Kong) Limited, an independent third party, for the disposal of Wellrich Investments Limited ("Wellrich"), a wholly owned subsidiary of the Group which holds 94% of the registered capital of the Zhaoqing Star-Lake Club which in turn holds the Dynasty Hotel for a consideration of RMB150 million (subject to adjustment). The gain on disposal of Wellrich is estimated to be HK$26 million. The disposal of Wellrich was approved by the Company's shareholders on 25 June 2013 and it is expected that the transaction will be completed in July 2013.

Property investment

During the year, the property investment segment of the Group contributed a rental income of HK$4 million and profit of HK$11 million, including a gain of HK$13 million on the disposal of three properties situated at Tsim Sha Tsui, Sheung Wan and Guangzhou.

On 24 November 2011, the Group entered into a provisional sale and purchase agreement with an independent third party for the disposal of an investment property in Tsim Sha Tsui for a consideration of HK$101 million. On 30 April 2012, the disposal was completed and the Group leased back the property for the period from 1 May 2012 to 31 August 2013.

On 7 February 2012, the Group entered into a provisional sale and purchase agreement with an independent third party for the disposal of an investment property situated at Sheung Wan for a consideration of HK$6.8 million. The transaction was completed on 20 April 2012.

On 12 December 2012, the Group entered into a sale and purchase agreement with independent third parties for the disposal of an investment property situated at Guangzhou for a consideration of approximately RMB69 million. The transaction was completed on 24 January 2013.

On 10 April 2013, the Group acquired an investment property in Jeju, Korea for a consideration of KRW850 million (approximately HK$6 million). The Group is actively looking for suitable tenant for the property.

The Group would intensify its investment in real property market, especially in PRC. On 14 June 2013, the Group entered into 2 memoranda of understanding with Estate Fortune Limited and Bliss Zone Limited for its proposed investments in Yixing Modern Life Plaza project, Lianyungang Port Development Zone project and Xi'an Jinxiu Forest project. The 2 memoranda of understanding are not legally binding save and except the provisions in relation to the payment of earnest moneys in the respective sums of HK$30,000,000 and HK$20,000,000. Particulars thereof are more particularly set out in the announcement of the Company dated 14 June 2013. If the transactions contemplated thereunder shall materialize, the Group will allocate more substantive resources in the segment. The Directors are optimistic with the future of property investment market and will continue to explore attractive investment opportunity to strengthen the Group's business in real property market.

Food and beverages

The Group operates Golden Island Bird's Nest (Chiu Chau) Restaurant at Jaffe Road, Hong Kong and a wine bar and restaurant known as Zhuhaishi Ziyuxuan Wine Company Limited (珠海市紫御軒酒業有限公司) in Zhuhai, PRC. Owing to high operating costs and keen competition in the industry, it is within the Director's expectation that the operation of the restaurant shall remain challenging. For the year ended 31 March 2013, this business contributed a turnover of HK$4 million and incurred a loss of HK$6 million.

Sub-leasing business

On 27 May 2011, the Company entered into an agreement with HaoRan Cultural Development Limited pursuant to which the Company has acquired the entire issued capital of BoRen Cultural Development Limited ("BoRen"). Particulars of the transaction were announced on 27 May 2011. During the period under review, the sub-leasing business recorded a turnover and a loss of approximately HK$75 million and HK$1 million respectively.

BoRen holds indirect interests in a group of companies principally engaged in leasing of properties and facilities in Nanjing. The Company will receive compensation payment if the profit guarantee offered by the vendor and the guarantor under the agreement for the three financial years ended 31 December 2015 shall be less than RMB75 million. The compensation payment is, however, only payable if the Company shall procure advance not less than RMB50 million to the group companies for each of the three financial years (totally RMB150 million).

The Company has not so far made any advance to the group companies under the agreement with the vendor as the Company would like to focus its resources on investments which offer better prospects and return. The Company would be required to make the first advance in September this year under the agreement.

Outlook

During the year, the Group settled the dispute with CCDDT following the conclusion of Arbitration Proceeding and increased the investment notably in licence fee collection business in PRC. The Directors are confident of the business potential in the intellectual property enforcement services and collection of copyright fees in PRC. The overall license fee collection business will gradually yield income to the Group.

Due to the adjustment of investment strategies, the Group disposed several investment properties and the Dynasty Hotel. These disposal brought in positive cash flow and allowed the Group to reallocate the financial resources in other investment opportunities which may generate a better return. The Directors will continue to explore other potential investment opportunities so as to broaden the business horizon of the Company and the Directors do not rule out the possibility of making further investment in property market and hotel business in the foreseeable future if attractive investment opportunity arises.

Notwithstanding that net current liabilities of HK$7.4 million were recorded for the year ended 31 March 2013, the Group has a strong financial backup on strength of a net asset value of HK$772 million. The liquidity of the Group will substantially be improved upon receipt of the remaining balance of the sale proceeds generated from the disposal of Wellrich. The management will continue to look for suitable investment opportunities for the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2013.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2013 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Group has complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules save for the following deviations:

a. Division of responsibilities between the chairman and chief executive officer

Under the CG Code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company have been performed by Mr. Cheng Yang, who is also an executive Director. The Board is of the view that the non-segregation would not result in considerable concentration of power in one person and has the advantage of strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

The Board will review the effectiveness of this arrangement from time to time and consider appointing an individual as the chief executive officer of the Company when it thinks appropriate.

b. Term of appointment of non-executive Directors

Under the CG Code provision A.4.1, all non-executive Directors should be appointed for a specific term, subject to re-election. The term of office for non-executive Directors is subject to retirement from office by rotation and is eligible for re-election in accordance with the provisions of the Company's Bye-laws. At each annual general meeting, one-third of the Directors for the time being, (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Company considers that such provisions are sufficient to meet the underlying objective of CG Code.

c. Attendance of general meetings by Directors

Under the CG Code provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Zheng Yuchun, the executive Director, attended the annual general meeting of the Company held on 29 August 2012 and special general meetings of the Company held on 10 July 2012, 16 October 2012 and 29 January 2013 respectively. Ms. LEI Lei, the newly appointed executive Director, attended the special general meeting of the Company held on 16 October 2012 and other Directors were unable to attend the annual general meeting due to personal reasons.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the annual results.

By Order of the Board
Cheng Yang
Chairman

Hong Kong, 28 June 2013

As at the date of this announcement, the executive Directors of the Company are Mr. Cheng Yang (the Chairman), Mr. Zheng Yuchun, Ms. Lei Lei and Mr. Li Weipeng; and the independent non-executive Directors are Mr. Tong Jingguo, Mr. Yang Rusheng and Mr. So Tat Keung.

* *For identification purpose only*