TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

ANNUAL REPORT 2009

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CORPORATE INFORMATION

Joint and Several Provisional Liquidators

FOK Hei Yu *(Appointed by the High Court on 11 September 2008)*
Roderick John SUTTON *(Appointed by the High Court on 11 September 2008)*

Executive Directors

Mr. KWOK Wing *(Retired on 6 October 2009)*
Mr. KWOK Kam Chuen *(Resigned on 25 March 2009)*
Ms. KWOK Choi Ha *(Resigned on 20 March 2009)*
Mr. CHAN Chak Kai, Kenneth *(Appointed on 24 June 2008 and retired on 6 October 2009)*
Mr. DOUGLAS Gary Drew *(Appointed on 24 June 2008 and resigned on 12 September 2008)*
Mr. HO Yik Kin, Norman *(Resigned on 9 September 2008)*
Mr. LAM Yick Sing *(Appointed on 24 June 2008 and resigned on 9 September 2008)*

Non-Executive Directors

Mr. McMULLEN James *(Appointed on 13 August 2008)*
Mr. SZETO Chak Wah, Michael *(Resigned on 4 August 2008)*

Independent Non-Executive Directors

Mr. CHING Kwok Ho, Samuel *(Resigned on 16 September 2008)*
Mr. LIU Kwong Sang *(Appointed on 30 June 2008 and resigned on 12 September 2008)*
Ms. SWARTZ Kristi *(Appointed on 13 August 2008 resigned on 12 September 2008)*
Mr. CHAN Sze Hung *(Appointed on 14 August 2008 and resigned on 11 September 2008)*
Mr. CHOW Kai Leung, Sandy *(Resigned on 5 August 2008)*
Mr. LAI Man Leung *(Resigned on 4 August 2008)*
Mr. LEUNG Yiu Wing, Eric *(Resigned on 30 June 2008)*
Mr. PAU Chin Hung, Andy *(Appointed on 7 October 2009)*
Mr. CHOONG Khuat Leok *(Appointed on 7 October 2009)*
Mr. KOOI Tock Chian *(Appointed on 7 October 2009)*

Share Registrar

Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen’s Road East
Hong Kong

Principal Bankers (prior to the appointment of the Provisional Liquidators)

Taipei Fubon Bank
Bank of America, N.A.
Citic Ka Wah Bank
Banco Commercial De Macau

Principal Office

14th Floor The Hong Kong Club Building
3A Chater Road Central Hong Kong

Company Website

www.tackfatgroup.com

Registered Office

Century Yard
Cricket Square, Hutchins Drive
George Town, Grand Cayman
Cayman Islands
British West Indies

Auditors

Hopkins CPA Limited
3rd Floor, Sun Hung Kai Centre
30 Harbour Road
Hong Kong

PROVISIONAL LIQUIDATORS' REPORT

Trading in the shares of Tack Fat Group International Limited (Provisional Liquidators Appointed) (the "Company") has been suspended from trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 30 July 2008.

On 11 September 2008, the Company filed a self petition for winding up and Bank of America N.A. filed an application to support the winding up petition against the Company. Accordingly, the High Court of Hong Kong (the "High Court") appointed Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, to act as provisional liquidators to the Company (the "Provisional Liquidators") on the same day.

The Provisional Liquidators have been granted the authority to sign, approve, publish and do all such acts in connection with this report pursuant to an order of the High Court.

The Provisional Liquidators herein present their report together with the audited financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2009 based on the books and records made available to them. The Provisional Liquidators are responsible for the accuracy of the contents of this report and the audited financial statements for the year ended 31 March 2009 in relation to the affairs of the Group after the appointment of the Provisional Liquidators.

The Provisional Liquidators make no representation as to the completeness of the information contained in this report.

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

Details of the principal activities of the subsidiaries of the Company as at 31 March 2009 are set out in note 14 to the financial statements.

FINANCIAL RESULTS

For the year ended 31 March 2009, the Group's turnover was approximately HK$107.68 million (2008: HK$259.18 million), representing a decrease of approximately 58.45% from the last financial year. Respective state of affairs of the Group is set out in the financial statements on pages 18 to 21.

The consolidated loss attributable to shareholders of the Company amounted to approximately HK$97.16 million (2008: HK$2,660.96 million) for the year. Loss per share was approximately HK4.41 cents as compared with loss per share of approximately HK124.52 cents for the preceding year.

There will be no payment of dividend for the year ended 31 March 2009 (2008: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Bank balances and cash including Escrow money as at 31 March 2009 was approximately HK$8.21 million (2008: HK$2.67 million). The Group's gearing ratio measured on the basis of the Group's total bank borrowings relative to the shareholders' funds is not applicable as the Group had shareholders' deficits as at 31 March 2009 and 31 March 2008.

PROVISIONAL LIQUIDATORS' REPORT

CAPITAL STRUCTURE

Details of the capital structure of the Company are set out in note 24 to the consolidated financial statements.

FOREIGN CURRENCY EXPOSURE

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi.

The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

KEY TRANSACTIONS CONDUCTED BY THE GROUP DURING THE YEAR AND PRIOR TO THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS

Based on published information, prior to the appointment of the Provisional Liquidators, the Group entered into an agreement on 8 July 2008 to acquire 40% of both the entire issued share capital of and the shareholder's loan due by Global Agricultural Development Limited at a total consideration of HK$300 million which would be satisfied by the Group procuring Global Far East (Macao Commercial Offshore) Limited, an indirect wholly-owned subsidiary of the Company, to assign as beneficial owner, all the rights, title, benefits and interests in its account receivables in the aggregate book values of HK$300 million upon completion of the said transaction. However, there is no evidence which shows that the said transaction has been completed.

On 15 August 2008, the Company's interest in Ever Century Holdings Limited ("Ever Century"), a wholly owned subsidiary of the Company, which in turn holds directly and indirectly the entire issued share capital of all the remaining subsidiary companies in the Group, was transferred to Merrier Limited ("Merrier").

RESTRUCTURING OF THE GROUP AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS

On 10 October 2008, the Stock Exchange issued a letter to the Company, inter alia, setting out the conditions for resumption of trading of the shares of the Company as follows:

- to submit a viable resumption proposal to demonstrate the Company's compliance with Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and all applicable laws and regulations;

- to clarify the Group's financial position and the transfer of the shares of Ever Century, to Merrier for US$1 on 15 August 2008;

- to publish all outstanding financial results of the Group as required under the Listing Rules and address any concerns that may be raised by the auditors of the Company through the qualification of their audit report on the financial statements of the Group; and

- to demonstrate that the Company has adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules.

The Stock Exchange placed the Company in the first stage of the delisting procedures. If the Company failed to submit a viable resumption proposal on or before 10 April 2009 and demonstrate its compliance with Rule 13.24 of the Listing Rules, the Stock Exchange would consider whether to proceed to place the Company in the second stage of delisting procedures. Subsequently, the Stock Exchange extended the said deadline.

Asian Capital (Corporate Finance) Limited has been appointed by the Provisional Liquidators as the financial advisor to the Company regarding the restructuring of the Group.

On 12 January 2009, the Provisional Liquidators, on behalf of the Company, entered into an exclusivity and escrow agreement with the Investor. The said agreement granted the Investor a 6-month exclusivity period to negotiate the restructuring of the Company, certain subsidiaries and associated companies in the Group, and in turn, the Investor paid a sum of HK$10 million loan to the Company to meet its working capital requirement and a sum of HK$6.4 million to meet the cost and expenses in relation to the restructuring of the Company during the 6-month exclusivity period according to the said agreement.

On 3 April 2009, the Company, the Provisional Liquidators, Forefront, Merrier, Hansom and the Investor entered into a settlement deed pursuant to which Merrier agreed to transfer the interest in Ever Century back to the Company in order to facilitate the restructuring of the Company and Forefront and Hansom acknowledged, confirmed and agreed that there was no intention to change the beneficial ownership of interest in Ever Century or the Company's control over Ever Century.

On 23 April 2009, Tack Fat International and Chiu Wing (both are indirect wholly owned subsidiaries of the Company) were placed into creditors' voluntary liquidation pursuant to section 228A of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong (the "Companies Ordinance").

On 29 May 2009, the Provisional Liquidators, Ever Century and Key Winner entered into a sale and purchase agreement where Key Winner agreed to acquire and the Provisional Liquidators (on behalf of the Company) agreed to sell Ever Century's entire interest in Lantern Services Limited, Potter Industries Limited and Sino Profit Limited at a nominal consideration of HK$1. The said transaction is primarily to enhance the Group's restructuring process.

On 8 July 2009, the Provisional Liquidators and the Investor entered into a side letter extending the exclusivity period by a 6-month period to 12 January 2010.

On 20 July 2009, the Company submitted a proposal to the Stock Exchange for the resumption of trading in the shares of the Company.

PROVISIONAL LIQUIDATORS' REPORT

On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide additional working capital for the Group's retail business operating entity in the People's Republic of China (the "PRC") of an aggregate amount equal to HK$15 million till 31 December 2009 or any date to be extended by written agreement between the Investor and the Provisional Liquidators.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon (i) the Investor signing a formal restructuring agreement with the Provisional Liquidators (on behalf of the Company without personal liability) to revive the Group; and (ii) completion of the proposed restructuring of the Group as contemplated under such agreement. The Investor and the Provisional Liquidators anticipate that all the existing liabilities owed to the creditors of the Company and its subsidiaries holding guarantees given by the Company will be compromised and discharged through a proposed Hong Kong scheme of arrangement.

Subject to, among other things, the approvals of the shareholders of the Company and the Stock Exchange upon completion of the abovementioned restructuring agreement, the Company's shares will resume trading on the Stock Exchange.

It is the Investor's intention to maintain the Group's existing retail business, currently conducted through New Profit Garment (Luo Ding) Company Limited, an indirect 90% owned subsidiary of the Company which is currently the only operating subsidiary of the Company.

With the strong and continuous support provided by the Investor to the Group in terms of both business and financial aspects, the Group will be able to sustain its retail business at a sufficient level in the upcoming financial years and expand its retail business to a substantial level within a reasonable period of time after the resumption of trading in the shares of the Company on the Stock Exchange.

PLEDGE OF ASSETS

Details of pledge of assets are set out in note 28 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and laws of the Cayman Islands.

PROVISIONAL LIQUIDATORS' REPORT

CONVERTIBLE BONDS

Details of convertible bonds are set out in note 21 to the financial statements.

SIGNIFICANT INVESTMENT

On the basis of the available books and records to the Provisional Liquidators, the Group does not have any significant investment throughout the year. Accordingly, the Provisional Liquidators are not aware of any significant discrepancy of the said item.

DIRECTORS' SERVICE CONTRACTS

No director of the Company proposed for re-election at the forthcoming general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONTINGENT LIABILITIES

Details are set out in note 26 to the financial statements.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Provisional Liquidators as at the latest practicable date prior to the issue of this report, the Company has complied with the sufficiency of public float requirement under the Listing Rules.

REVIEW BY THE AUDIT COMMITTEE

Following the resignations of the Company's independent non-executive directors in or around September 2008, there have been no replacements of independent non-executive directors until the appointment of Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok and Mr. Kooi Tock Chian on 7 October 2009 due to restricted financial resources. Accordingly, the Company did not establish an audit committee and has not complied with Rule 3.21 of the Listing Rules. The audited accounts of the Group for the year ended 31 March 2009 have therefore not been reviewed by an audit committee.

DELAY IN DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

Due to suspension of trading in its shares on the Stock Exchange and most of the responsible officers having left the Group as explained below, the Company has not been able to prepare and despatch the annual report for the financial year ended 31 March 2009 to its members within the stipulated date as required by the Listing Rules.

The delay in the despatch of the 2009 annual report constitutes a non-compliance of the Rule 13.46(2) of the Listing Rules by the Company.

PROVISIONAL LIQUIDATORS' REPORT

NON-COMPLIANCE OF APPENDIX 16 "DISCLOSURE OF FINANCIAL INFORMATION" OF THE LISTING RULES

Due to the failure to access the books and records of certain subsidiaries and the resignation of the majority of management personnel responsible for maintaining the books and records, the Provisional Liquidators do not have sufficient data to compile the annual report so as to comply with the Appendix 16 "Disclosure of financial information" to the Listing Rules. The following information has been omitted from this annual report:

1. Information on the Group's major suppliers and customers.

2. A statement in respect of connected transactions and continuing connected transactions with the connected person as defined in Chapter 14A (or Chapter 14 prior to the coming into force of Chapter 14A) of the Listing Rules.

3. A separate Corporate Governance Report containing the information as required under Appendix 23 to the Listing Rules.

4. Details of the number and remuneration of employees, remuneration polices, and the retirement benefits scheme.

5. Details of related party transactions.

6. Details of management contracts.

7. Details of directors' and employees' remuneration and the five highest paid individuals.

8. Details of contracts of significance between the Company and its directors, substantial shareholders and subsidiaries.

FIVE YEAR FINANCIAL SUMMARY

A summary of published results and assets and liabilities of the Group for the last five financial years, extracted from the audited consolidated financial statements of the Company, is set out on page 56. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

SHARE CAPITAL

Movements in share capital of the Company are set out in note 24 to the financial statements.

SHARE OPTION SCHEME

To the best knowledge of the Provisional Liquidators, the Company has conditionally adopted a share option scheme approved by way of written resolution on 11 April 2002 under which the directors of the Company may invite any full-time employees, directors (including executive directors, non-executive directors and independent non-executive directors) and part-time employees of the Group with weekly working hours of 10 hours and above, any advisers (professional or otherwise) or consultants, distributors, suppliers, agents, customers, partners, joint venture partners, promoters, service providers to the Group from time to time to take up options to subscribe for shares of the Company.

The exercise price is determined by the board of directors at its absolute discretion and notified to each option holder but which shall be no less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share on the date of grant. The options may be exercised in accordance with the terms of the share option scheme at any time during a period to be notified by the board of directors to each option holder but may not be exercised after the expiry of ten years from the date of grant.

To the best knowledge of the Provisional Liquidators, 40,000,000 share options were exercised during the year ended 31 March 2009.

RESERVES

Movements in reserves of the Group and the Company during the year are set out in the statement of changes in equity on page 20 and note 24 to the financial statements on page 53 respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2009.

DIRECTORS

The directors of the Company during the year and/or up to the date of this report were:

Executive Directors

Mr. KWOK Wing *(Retired on 6 October 2009)*
Mr. KWOK Kam Chuen *(Resigned on 25 March 2009)*
Ms. KWOK Choi Ha *(Resigned on 20 March 2009)*
Mr. CHAN Chak Kai, Kenneth *(Appointed on 24 June 2008 and retired on 6 October 2009)*
Mr. DOUGLAS Gary Drew *(Appointed on 24 June 2008 and resigned on 12 September 2008)*
Mr. HO Yik Kin, Norman *(Resigned on 9 September 2008)*
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Mr. McMULLEN James *(Appointed on 13 August 2008)*
Mr. SZETO Chak Wah, Michael *(Resigned on 4 August 2008)*

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Mr. CHING Kwok Ho, Samuel *(Resigned on 16 September 2008)*
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Mr. LAI Man Leung *(Resigned on 4 August 2008)*
Mr. LEUNG Yiu Wing, Eric *(Resigned on 30 June 2008)*
Mr. PAU Chin Hung, Andy *(Appointed on 7 October 2009)*
Mr. CHOONG Khuat Leok *(Appointed on 7 October 2009)*
Mr. KOOI Tock Chian *(Appointed on 7 October 2009)*

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

To the best knowledge of the Provisional Liquidators, as at 31 March 2009, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company, its subsidiaries and associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

	Ordinary shares of HK$0.1 each			
Beneficial interests	**Personal interests**	**Corporate interests**	**Total number of shares held**	**Percentage of total issued shares**
Mr Kwok Wing *(Retired on 6 October 2009)*	–	762,424,000 *(Note 1)*	762,424,000	38.12%

Note 1: These shares were held as to 652,800,000 shares by Efulfilment Enterprises Limited and as to 109,624,000 shares by Sharp Asset Holdings Limited. Mr. Kwok Wing beneficially owns 50% of the issued share capital of Efulfilment Enterprises Limited and 100% of the issued share capital of Sharp Asset Holdings Limited.

To the best knowledge of the Provisional Liquidators, other than disclosed above, none of the directors or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 March 2009.

PROVISIONAL LIQUIDATORS' REPORT

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

To the best knowledge of the Provisional Liquidators, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement(s) to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best knowledge of the Provisional Liquidators, as at 31 March 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

	Ordinary shares held	Percentage of total issued shares
Wan Lai Ngan *(Note 1)*	762,424,000 (L)	38.12%
Efulfilment Enterprises Limited *(Note 2)*	652,800,000 (L)	32.64%
Kwok Chiu *(Note 2)*	652,800,000 (L)	32.64%
Sansar Capital Management, LLC *(Note 3)*	434,636,000 (L)	19.64%
Sansar Capital Master Fund, LP *(Note 3)*	262,275,900 (L)	12.07%
Sansar Capital Special Opportunity Master Fund, LP *(Note 3)*	152,396,400 (L)	7.01%
Sharp Asset Holdings Limited *(Note 4)*	109,624,000 (L)	5.48%
Jayhawk China Fund (Cayman, Ltd.) *(Note 5)*	195,700,000 (L)	9.01%
Citigroup Inc.	315,419,000 (L) 5,290,000 (P)	14.26% 0.24%

"L" denotes long position
"P" denotes interests held as custodian

Notes:

1. Ms. Wan Lai Ngan is the spouse of Mr. Kwok Wing and is therefore deemed to be interested in the shares of the Company held or deemed to be held by Mr. Kwok Wing under the SFO.

2. The issued share capital of Efulfilment Enterprises Limited is beneficially owned by Mr. Kwok Chiu and Mr. Kwok Wing, the then chairman and executive director of the Company, in the proportion of 50:50. Mr. Kwok Chiu is therefore deemed to be interested in the Shares held by Efulfilment Enterprises Limited under the SFO.

3. These interests include the shares held by Sansar Capital Master Fund, LP and Sansar Capital Special Opportunity Master Fund, LP.

4. The entire issued share capital of Sharp Asset Holdings Limited is owned by Mr. Kwok Wing, the then chairman and executive director of the Company.

5. According to the form filed pursuant to Part XV of the SFO by McCarthy Kent C. and Jayhawk China Fund (Cayman) Ltd., the Shares are held by Jayhawk China Fund (Cayman), Ltd. as investment manager which is owned 100% by Mr. McCarthy Kent C. According to information available to the Provisional Liquidators, Mr. McCarthy Kent C had ceased to be interested in at least 5% issued share capital of the Company since 17 November 2008.

Other than as disclosed above, the Provisional Liquidators have not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2009.

CORPORATE GOVERNANCE

Since their appointment on 11 September 2008 pursuant to an order of the High Court, the Provisional Liquidators have been unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the year ended 31 March 2009.

SIGNIFICANT POST-BALANCE SHEET EVENTS

Details of the significant post-balance sheet events of the Group are set out in note 28 to the financial statements.

PROVISIONAL LIQUIDATORS' REPORT

AUDITORS

The financial statements for the years ended 31 March 2006 and 2007 were audited by KPMG. The financial statements for the year ended 31 March 2008 were audited by Pan-China (H.K.) CPA Limited (formerly known as NCN CPA Limited). The financial statements for the year ended 31 March 2009 have been audited by Hopkins CPA Limited.

For and on behalf of
TACK FAT GROUP INTERNATIONAL LIMITED
(Provisional Liquidators Appointed)

FOK Hei Yu
Roderick John Sutton
Joint and Several Provisional Liquidators
who act without personal liabilities

Hong Kong, 19 November 2009

BIOGRAPHICAL DETAILS OF DIRECTORS

To the best knowledge of the Provisional Liquidators, the biographical details of directors of the Company are set out as follows:

NON-EXECUTIVE DIRECTOR

Mr. MCMULLEN James, aged 38, is a graduate of the University Of Kansas School Of Law with a J.D. degree order of the coif. He is also a graduate of the University of Georgetown with a degree in Bachelor of Science in Foreign Service, cum laude. Mr. McMullen is a partner of Shapiro, Protzman and McMullen, P.A., a law firm in the United States.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. PAU Chin Hung, Andy, aged 34, holds a Bachelor of Finance degree in The Hong Kong University and Science Technology (1997). He has over 10 years' experience in financial and securities industry. He is also a managing director of a private equity fund in Hong Kong. At the same time, he is a director of China Oil & Methanol Group, Inc., a company listed in the United States of America.

Mr. CHOONG Khuat Leok, aged 47, was the chief financial officer, company secretary, qualified accountant and authorized representative (for the purpose of Listing Rules) of Byford International Limited ("Byford") (Stock Code: 8272), a company listed on the GEM Board of the Stock Exchange, from November 2003 to July 2006. Mr. Choong was a non-executive director of Byford from 1 March 2003 to 10 September 2004 and was subsequently re-designated as an alternate director to Mr. Chai Sing Hong, an executive director of Byford, from 10 September 2004 to 31 July 2006.

Mr. Choong is a Chartered Accountant in the United Kingdom and retired as a partner of Deloitte Touche Tohmatsu in Hong Kong in May 2002. He brings with him over 20 years of experience in the corporate finance, assurance and advisory services.

Mr. Choong served as a member of the Auditing Standards Committee of the Hong Kong Society of Accountants (now the Hong Kong Institute of Certified Public Accountants ("HKICPA")) from 1993 to 1999 and is currently a fellow member of the Institute of Chartered Accountants in England and Wales ("ICAEW"), an associate and practising member of the HKICPA, a member of the Hong Kong Securities Institute and was an investment representative under the Hong Kong Securities Ordinance from March 2001 to February 2003.

Mr. Choong is an accountancy graduate of the London Guildhall University (formerly the City of London Business School) and obtained an MBA degree awarded by the J.L. Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology. In 2006, Mr. Choong was awarded an advanced diploma in Corporate Finance from the ICAEW.

Mr. Choong is currently the Chief Financial Officer of Sinobiomed Inc., a company listed on Over-The-Counter Bulletin Board, the over-the-counter securities market in the United States of America.

Mr. KOOI Tock Chian, aged 43 graduated with a Bachelor of Science degree in Business Administration from Rochester Institute of Technology in the United States of America. Mr. Kooi began his career with Ernst & Young in New York and has more than 10 years of working experience in the field of Accounting and Insolvency Practice in the United States of America.

INDEPENDENT AUDITOR'S REPORT

HOPKINS CPA LIMITED
3/F, Sun Hung Kai Centre
30 Harbour Road
Hong Kong

Independent Auditor's Report to the Members of:–
Tack Fat Group International Limited
(Provisional Liquidators Appointed)
(Incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of Tack Fat Group International Limited (Provisional Liquidators Appointed) ("the Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 18 to 55, which comprise the consolidated and company balance sheet as at 31 March 2009, and the consolidated income statement and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

PROVISIONAL LIQUIDATORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Provisional Liquidators are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the limitation in the scope of our work as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. However, because of the matter described in the basis for disclaimer of opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

1. Opening balances and corresponding figures

The consolidated financial statements of the Group for the year ended 31 March 2008 which form the basis for the corresponding figures presented in the current year's consolidated financial statements were not audited by us, and were disclaimed by the previous auditors in their report dated 22 July 2009. There were no satisfactory audit procedures to ascertain the existence, accuracy, presentation and completeness of the opening balances and corresponding figures shown in the current year's consolidated financial statements.

2. Disclosures

The following disclosures have not been made in the consolidated financial statements:

i. The consolidated cash flows statements for the year ended 31 March 2009 as required by Hong Kong Accounting Standard ("HKAS") 7 "Cash Flow Statements" issued by the HKICPA;

ii. Details of the Group's policy in respect of the financial risk management as required by HKFRS 7 "Financial Instruments: Disclosures" issued by the HKICPA;

iii. Details of related parties transactions as required by Chapter 14 and/or Chapter 14A of the Listing Rules and HKAS 24 "Related Party Disclosures" issued by the HKICPA; and

iv. Details of directors' and employees' emoluments as required by The Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

3. Share-based payment

No sufficient evidence has been provided to satisfy ourselves as to the completeness of the equity-settled share option scheme as at 31 March 2009 and disclosure required by HKFRS 2 "Share-based Payment".

4. Tax payable

One of the Group companies has understated the value-added tax payable since the date of incorporation and the amount provided to us amounting to HK$50,384,000 as at 31 March 2009. However, we have not received sufficient evidence up to the date of this report to satisfy ourselves as to the completeness, existence and validity of the tax payable appearing in the consolidated balance sheet was fairly stated.

5. Sundry income

We have not been provided with adequate documents and information regarding the components of sundry income amounting to HK$245,511,000 to satisfy ourselves as to the completeness, existence and validity of those transactions. Accordingly, we were unable to determine whether or not the total amount of sundry income disclosed in note 7 to the financial statements was fairly stated.

6. Non-compliance with HKAS 27 "Consolidated and Separate Financial Statements"

As explained in note 2 to the financial statements, provisional liquidators were appointed to Tack Fat Swimwear Manufacturing Limited, a Hong Kong incorporated subsidiary, on 6 October 2008. Tack Fat Manufacturing Factory Limited, was wound up by court order on 18 February 2009. Due to the absence of accounting information that is considered reliable by the Provisional Liquidators (from 1 April 2008 to the respective dates when the two companies ceased to be the subsidiaries of the Group), the results and financial positions of the above-mentioned subsidiaries have been excluded from consolidated financial statements of the Group as at 31 March 2009. Whilst the Provisional Liquidators consider such exclusion to be the best way of presenting the Group's result and financial position, we consider this treatment to be in non-compliance with HKAS 27 "Consolidated and Separate Financial Statements" issued by HKICPA.

Any adjustments to the figures as described from points 1 to 6 above might have a significant consequential effect on the Group's results for the year ended 31 March 2009 and the financial positions of the Group as at 31 March 2009 thereof in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") was submitted to The Stock Exchange of Hong Kong Limited on 20 July 2009. The financial statements have been prepared on a going concern basis on the assumption that the Resumption Proposal will be successfully completed in the foreseeable future and following that the Group will continue to meet in full its financial obligations as they fall due. The financial statements do not include any adjustments that would result from a failure to complete the Resumption Proposal. We consider that the disclosures are adequate. However, in view of the extent of the material uncertainty relating to the completion of the Resumption Proposal, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and of the Group's results for the year then ended in accordance with HKFRS and as to whether the consolidated financial statements have been properly prepared in accordance with the disclosure requirement of the Hong Kong Companies Ordinance.

Hopkins CPA Limited
Albert Man-Sum Lam
Practising Certificate Number P02080
Hong Kong
19 November 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

(Amounts expressed in Hong Kong dollars)

	Note	2009	2008 (Restated)
		$'000	*$'000*
Turnover	6	**107,684**	259,175
Costs of sales		**(71,909)**	(123,601)
Gross profit		**35,775**	135,574
Other revenue	7	**249,546**	10,917
Distribution costs		**(77,235)**	(99,583)
Administrative and other operating expenses		**(231,880)**	(2,683,194)
Loss from operations		**(23,794)**	(2,636,286)
Finance costs	8	**(13,521)**	(17,527)
Loss before taxation	8	**(37,315)**	(2,653,813)
Income tax	9	**(49,815)**	(3,946)
Loss for the year		**(87,130)**	(2,657,759)
Attributable to:			
Equity shareholders of the Company		**(97,162)**	(2,660,962)
Minority interests		**10,032**	3,203
Loss for the year		**(87,130)**	(2,657,759)
Basic loss per share	11	**(4.41 cents)**	(124.52 cents)

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

(Amounts expressed in Hong Kong dollars)

	Note	2009 $'000	2008 (Restated) $'000
Non-current assets			
Property, plant and equipment	13	**6,503**	8,484
Current assets			
Inventories	17	**15,210**	46,158
Trade and other receivables	18	**36,264**	8,762
Escrow money	16	**6,332**	–
Cash and cash equivalents		**1,878**	2,673
		59,684	57,593
Current liabilities			
Trade and other payables	19	**60,641**	35,734
Provision for bank loan guarantees for subsidiaries	20	**822,523**	879,638
Other borrowings	20	**90,500**	–
Convertible bonds	21	**119,396**	–
Loans from Investor	16	**16,400**	–
Tax payable		**50,384**	160
Amounts due to deconsolidated subsidiaries		**157,157**	–
		1,317,001	915,532
Net current liabilities		**(1,257,317)**	(857,939)
Total assets less current liabilities		**(1,250,814)**	(849,455)
Non-current liabilities			
Convertible bonds	21	**–**	119,396
NET LIABILITIES		**(1,250,814)**	(968,851)
EQUITY			
Share capital	24	**221,261**	217,261
Reserves	24	**(1,516,915)**	(1,220,920)
ATTRIBUTABLE TO: EQUITY SHAREHOLDERS OF THE COMPANY		**(1,295,654)**	(1,003,659)
Minority interests		**44,840**	34,808
		(1,250,814)	(968,851)

These financial statements were approved and authorised for being issued by the Provisional Liquidators on 19 November 2009.

For and on behalf of
Tack Fat Group International Limited
(Provisional Liquidators Appointed)

FOK Hei Yu
Roderick John Sutton
Joint and Several Provisional Liquidators
who act without personal liabilities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

(Amounts expressed in Hong Kong dollars)

	2009		2008 (Restated)	
	$'000	*$'000*	*$'000*	*$'000*
Total (deficiency)/equity at 1 April		**(968,851)**		1,575,872
Net income recognised directly in equity:				
Capital reserve	**(233,641)**		32,341	
Net loss for the year	**(97,162)**		(2,660,962)	
Total recognised income and expenses for the year		**(330,803)**		(2,628,621)
Movements in equity arising from capital transactions				
Shares issued under share option scheme	**4,000**		11,473	
Shares issued under conversion of convertible bonds	**–**		37,617	
		4,000		49,090
Total deficiency attributable to shareholders of the Company		**(1,295,654)**		(1,003,659)
Minority interests		**44,840**		34,808
		(1,250,814)		(968,851)

BALANCE SHEET

As at 31 March 2009

(Amounts expressed in Hong Kong dollars)

	Note	2009 $'000	2008 (Restated) $'000
Non-current assets			
Interests in subsidiaries	14	**–**	228,300
Current assets			
Escrow money	16	**6,332**	–
Other receivables		**252**	–
Cash and cash equivalents		**634**	690
		7,218	690
Current liabilities			
Trade and other payables	19	**8,193**	467
Provision for bank loan guarantee for subsidiaries	20	**822,523**	879,638
Other borrowings	20	**90,500**	–
Convertible bonds	21	**119,396**	–
Loans from Investor	16	**16,400**	–
		1,057,012	880,105
Net current liabilities		**(1,049,794)**	(879,415)
Total assets less current liabilities		**(1,049,794)**	(651,115)
Non-current liabilities			
Convertible bonds	21	**–**	119,396
NET LIABILITIES		**(1,049,794)**	(770,511)
EQUITY			
Share capital	24	**221,261**	217,261
Reserves	24	**(1,271,055)**	(987,772)
		(1,049,794)	(770,511)

These financial statements were approved and authorized for being issued by the Provisional Liquidators on 19 November 2009.

For and on behalf of
Tack Fat Group International Limited
(Provisional Liquidators Appointed)

FOK Hei Yu
Roderick John Sutton
Joint and Several Provisional Liquidators
who act without personal liabilities

1 ORGANISATION AND OPERATIONS

Tack Fat Group International Limited (Provisional Liquidators Appointed) (together with its subsidiaries, the "Group") was incorporated in the Cayman Islands on 12 March 2001. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, George Town, Grand Cayman, Cayman Islands, British West Indies. The principal place of business is 14th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 April 2002 and have been suspended from trading since 30 July 2008.

The Company is principally engaged in investment holding. The Group is principally engaged in apparel retailing business in the People's Republic of China (the "PRC").

The Company's functional currency is Renminbi. The consolidated financial statements are presented in Hong Kong dollars as the Hong Kong dollars is considered the most appropriate presentation currency in view of the Company's past practice.

2 BASIS OF PRESENTATION

Going concern

As at 31 March 2009, the Group had consolidated net current liabilities of approximately HK$1,257.32 million (2008: approximately HK$857.94 million) and consolidated net liabilities of approximately HK$1,250.81 million (2008: approximately HK$968.85 million). The Group had a net loss for the year ended 31 March 2009 of approximately HK$87.13 million (2008: approximately HK$2,657.76 million).

On 11 September 2008, pursuant to a court order, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as the Provisional Liquidators as a result of the Company's self petition for winding up and Bank of America N.A.'s application to support the winding up petition against the Company. Upon the appointment of the Provisional Liquidators, the powers of the directors were suspended with regard to the affairs and business of the Company.

Based on the books and records made available to them, the Provisional Liquidators are responsible for the accuracy of the contents of this report and the audited financial statements for the year ended 31 March 2009 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited financial statements for the year ended 31 March 2009.

The Provisional Liquidators make no representation as to the completeness of the information contained in these financial statements.

2 BASIS OF PRESENTATION (Continued)

Going concern (Continued)

The Company was in the first stage of the delisting procedures in accordance with Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as at 31 March 2009, the date of these financial statements.

The restructuring proposal submitted by Radford Developments Limited (the "Investor") dated 2 December 2008 has been accepted by the Provisional Liquidators and, in principle, by the major creditors of the Group. On 12 January 2009, an exclusivity and escrow agreement was entered into amongst the Provisional Liquidators, Ferrier Hodgson Limited (as the escrow agent) and the Investor. Pursuant to the exclusivity and escrow agreement, the Provisional Liquidators granted the Investor an exclusive right up to 11 July 2009 to negotiate a legally binding agreement for the implementation of the restructuring proposal. As a result, the Investor provided (i) a sum of HK$10 million as working capital loan to the Group to meet its working capital requirements; and (ii) a sum of HK$6.4 million to the Group as professional fees in relation to the Group's restructuring. On 8 July 2009, the Provisional Liquidators and the Investor entered into a side letter to extend the exclusivity period by a 6-month period to 12 January 2010. On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide an additional working capital loan for the Group's retail operating entity in the PRC for an aggregate amount equal to HK$15 million.

The Provisional Liquidators have appointed Asian Capital (Corporate Finance) Limited as financial adviser to the Company with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

The proposed restructuring, if successfully implemented, will, among other things, result in:

(i) a restructuring of the share capital of the Company through the capital restructuring, and the issuance of rights issue shares and convertible bonds. The issuance of rights issue shares and convertible bonds will provide gross cash proceeds of approximately HK$224 million;

(ii) all the existing creditors of the Company and creditors of its subsidiaries holding guarantees given by the Company discharging and waiving their claims against the Company by way of schemes of arrangement under section 166 of the Companies Ordinance (Cap 32 of the Laws of Hong Kong) (the "Companies Ordinance") by payment of a sum of approximately HK$70 million; and

2 BASIS OF PRESENTATION (Continued)

Going concern (Continued)

(iii) only retail business remaining in the Group. The Company operates and manages the retail business of "XXEZZ" through Ever Century Holdings Limited ("Ever Century"), Anway Limited, Best Favour Investments Limited, New Profit Holdings Limited and New Profit Garment (Luo Ding) Company Limited, whilst other subsidiaries of the Company have either been liquidated or transferred to a special purpose vehicle controlled by the Provisional Liquidators for the benefit of the creditors of the Company. The Provisional Liquidators are of the view that any asset recovery leading to realisation will be applied firstly towards the discharge of the relevant creditors of the entities holding the assets, with the residual value attributable to the creditors of the Company. Given the massive level of debts owed by the Company, the Provisional Liquidators consider that a full repayment to the creditors of the Company is not possible and accordingly, there will be no value left to the Company.

The financial statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the future.

In the opinion of the Provisional Liquidators, the financial statements for the year ended 31 March 2009, which have been prepared on the going concern basis, present fairly the results and state of affairs of the Group.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

Loss of books and records

The Provisional Liquidators have used their best endeavors to locate all the books and records of the Group since their appointment but were unable to obtain sufficient books and records to enable them to satisfactorily accept various opening account balances of the Group for the following reasons:

- Most of the books and records of the Group were lost prior to the appointment of the Provisional Liquidators and books and records recovered from the office of the Company and its subsidiaries were minimal;

2 BASIS OF PRESENTATION (Continued)

Loss of books and records (Continued)

- According to some former staff of the Group, some of the relevant books and records may have been shipped overseas shortly prior to the appointment of the Provisional Liquidators. However, the Provisional Liquidators are unable to verify the validity of this information; and

- Former accounting personnel of the Group had left and the Provisional Liquidators have been unable to get their cooperation in connection with updating the accounts.

The financial statements of the Group have been prepared based on the available books and records. Accordingly, the Provisional Liquidators are unable to ascertain that the opening balances and corresponding figures of the Group for the year ended 31 March 2009 have been properly reflected.

Deconsolidation of subsidiaries and subsequent impairment of respective book values

The financial statements have been prepared based on the books and records recovered by the Provisional Liquidators since their appointment. The Provisional Liquidators consider that control of the Company over certain subsidiaries has been lost subsequent to the year ended 31 March 2008. Details are set out as follows:

- The directors of the Company resolved to appoint an independent reporting accountant Borrelli Walsh Limited on 30 July 2008 to investigate into the matters giving rise to the Company's failure to report its results for the year ended 31 March 2008;

- On 9 September 2008, Borrelli Walsh Limited resigned, citing that it was unable to obtain sufficient information to properly discharge its engagement, and raised concern that the board of directors was unable to control the assets of the Group after 23 June 2008;

- Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as provisional liquidators to Tack Fat Swimwear Manufacturing Limited ("Tack Fat Swimwear") and liquidators to Tack Fat Manufacturing Factory Limited ("Tack Fat Manufacturing") on 6 October 2008 and 4 September 2009 respectively;

- Tack Fat International Holdings Limited ("Tack Fat International") and Chiu Wing Enterprise Company Limited ("Chiu Wing") were placed into creditors' voluntary liquidation on 23 April 2009;

- Lantern Services Limited, Potter Industries Limited and Sino Profit Limited, all directly wholly owned subsidiaries of Ever Century were transferred to a special purpose vehicle controlled by the Provisional Liquidators on 29 May 2009 for realisation for the benefit of the creditors of the Company and to facilitate the restructuring as proposed by the Investor; and

2 BASIS OF PRESENTATION (Continued)

Deconsolidation of subsidiaries and subsequent impairment of respective book values (Continued)

- According to the investigation by the Provisional Liquidators, the Company does not have any legal ownership over Masswin International Limited ("Masswin") and accordingly, Masswin is no longer deemed as a subsidiary of the Company. Moreover, Masswin was struck off from the British Virgin Islands (the "BVI") registrar on 1 May 2009.

The Provisional Liquidators are of the view that the results and assets and liabilities of the said subsidiaries should not be consolidated to the financial statements of the Company. The Provisional Liquidators also feel that it would be appropriate to fully impair their book value on the Group's financial statements to zero, due to (i) the adverse financial positions of Tack Fat Swimwear, Tack Fat Manufacturing, Tack Fat International and Chiu Wing; and (ii) the Group's control over the operations of Lantern Services Limited, Potter Industries Limited, Sino Profit Limited and Masswin being lost before the appointment of the Provisional Liquidators.

Among the assets, the values of which the Provisional Liquidators consider should be fully impaired are the trademarks related to the brands "XXEZZ" and "MUDD®" and the receivables of approximately HK$300 million recorded under Global Far East (Macao Commercial Offshore) Limited ("GFE (Macao)"), a wholly owned subsidiary of Sino Profit Limited.

Pursuant to the Company's announcement dated 29 May 2007, the Company acquired the XXEZZ business in June 2007 by acquiring 90% interest in Best Favour Investments Limited, which was principally engaged in fashion design and management of its XXEZZ brand of smart casual wear. Investigations conducted by the Provisional Liquidators show that the brand "XXEZZ" does not belong to the Group. Thus, any value that has been previously attributed to the goodwill relating to the "XXEZZ" brand should be fully impaired. However, Best Favour Investments Limited has always been managing the brand of XXEZZ pursuant to a written authority.

In respect of the "MUDD®" trademark, it is owned by Wingar Limited, an indirect subsidiary of Tack Fat Swimwear. Since the Provisional Liquidators have been appointed to Tack Fat Swimwear, which is deconsolidated from the Group, the goodwill related to the "MUDD®" trademark, if any, should not be accounted for by the Group. Furthermore, the MUDD® retail business has been loss making since the year ended 31 March 2008 and accordingly, the Provisional Liquidators consider that any value that has been attributed to the goodwill previously should be fully impaired.

2 BASIS OF PRESENTATION (Continued)

Deconsolidation of subsidiaries and subsequent impairment of respective book values (Continued)

The Provisional Liquidators are aware that the Company had disclosed in its announcement on 15 July 2008 that the Company was going to assign the receivables of GFE (Macao) for HK$300 million to the vendor for the acquisition of 40% shareholding interest in Global Agricultural Development Limited. The Provisional Liquidators are unable to obtain any supporting documents from available records to identify the debtor(s) and determine whether the HK$300 million receivables ever existed. GFE (Macao) is a directly owned subsidiary of Sino Profit Limited, which has been transferred to a special purpose vehicle controlled by the Provisional Liquidators on 29 May 2009 for realisation of the benefit of the creditors of the Company and to facilitate the restructuring as proposed by the Investor.

Any adjustment as a result of the abovementioned action may have a significant effect to the Group's financial statements for the year ended 31 March 2009 and the relevant disclosures. Accordingly, the corresponding figures shown in the financial statements may not be comparable with those figures for the year ended 31 March 2008.

Departure from the Hong Kong Financial Reporting Standards ("HKFRSs")

Due to the resignation of the majority of management personnel responsible for maintaining the books and records and the failure to access the books and records of certain subsidiaries, the Provisional Liquidators do not have sufficient information to compile the financial statements of the Group for the year ended 31 March 2009 so as to comply with the HKFRSs. The following information are not disclosed in the said financial statements:

(a) Information about the extent and nature of the financial instruments as required by HKAS 32 "Financial Instruments: Disclosure and Presentation" issued by the HKICPA;

(b) Details of the Group's policy in respect of the financial risk management as required by HKFRS 7 "Financial Instruments: Disclosure" issued by the HKICPA;

(c) Details of related party disclosures as required by HKAS 24 "Related Party Disclosures" issued by the HKICPA;

(d) Details of the Group's aging of debtors and creditors as required by the Listing Rules;

(e) Details of analysis of pledge of assets as required by the Hong Kong Companies Ordinance;

(f) Information of deferred taxation and taxation charge reconciliation as required by HKAS 12 "Income Taxes" issued by the HKICPA; and

(g) Details of directors' and employees' emoluments as required by the Listing Rules and the Hong Kong Companies Ordinance.

3 ADOPTION OF NEW AND REVISED HKFRSs

(a) APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

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

HKFRSs (Amendments)	Improvement to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 (Amendment)	Classification of Rights Issues[8]
HKAS 32 &1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[7]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[7]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[6]

3 ADOPTION OF NEW AND REVISED HKFRSs (Continued)

(a) APPLICATION OF NEW AND REVISED HKFRSs (Continued)

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

[2] Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

[3] Effective for annual periods beginning on or after 1 January 2009

[4] Effective for annual periods beginning on or after 1 July 2009

[5] Effective for annual periods beginning on or after 1 October 2008

[6] Effective for transfers on or after 1 July 2009

[7] Effective for annual periods beginning on or after 1 January 2010

[8] Effective for annual periods beginning on or after 1 February 2010

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The Provisional Liquidators anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and financial positions of the Group.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Impairment on interests in subsidiaries

The Group carries out assessment on the recoverability of its interests in subsidiaries, by reference to the financial situation and the operation of the subsidiaries. This requires the use of judgement and estimates. When the actual result is different from the original estimate, such difference will impact the carrying value of the interests in subsidiaries and impairment expense or reversal of impairment for the year.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Critical accounting estimates and assumptions (Continued)

ii) Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its debtors and adjusts credit limits based on payment history and the debtor's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its debtors and maintains a provision for estimated credit losses based upon its historical experience and any specific debtors collection issues that it has been identified. The Group will continue to monitor the collections from debtors and maintain an appropriate level of estimate credit losses.

iii) Assessment of impairment of non-current assets

The Group conducts impairment reviews of non-current assets that are subject to depreciation and amortization whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management assesses the recoverable amount of each non-current asset based on its value in use or on its net selling price (by reference to market prices), depending upon the anticipated future plans for the assets. These calculations require the use of judgments and estimates.

iv) Depreciation

Property, plant and equipment are depreciated on a straight line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation for future periods is adjusted if there are material changes from previous estimates.

v) Net realizable value of inventories

Net realizable value of inventories is the estimated selling prices in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in economic conditions in places where the Group operates and changes in customer taste and competitor actions in response to changes in market conditions. Management reassesses these estimates at each balance sheet date.

vi) Allowance for inventories

The Provisional Liquidators reviews an aging analysis at each balance sheet date, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The Provisional Liquidators estimates the net realizable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowances for obsolete items.

5 SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to effectively implement the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transaction and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses.

(b) Goodwill

Goodwill represents the excess of the cost of an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of an associate, the carrying amount of goodwill is included in the interest in the associate.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of an investment in an associate is recognised immediately in profit or loss.

(c) Property, Plant and Equipment

(i) The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses:

- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease;

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment (Continued)

– buildings held for own use which are situated in the leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease; and

– other items of property, plant and equipment.

(ii) Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight line method over their estimated useful lives as follows:

Buildings	30 to 50 years
Plant and machinery	5 years
Furniture, fixtures and office equipment	5 years
Leasehold improvements	Shorter of lease term and 5 years
Motor vehicles and yacht	4 years

(iv) Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(v) Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

(d) Leased Assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Leased Assets (Continued)

Operating Lease Charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred. The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(e) Impairment of Assets

(i) Impairment of Investments in Securities and Other Receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

– For unquoted equity securities and current receivables that are carried at cost or amortised cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses for equity securities are not reversed.

– For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

– If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment of Assets (Continued)

(ii) Impairment of Other Assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

– property, plant and equipment;

– pre-paid interests in leasehold land classified as being held under an operating lease;

– investments in subsidiaries and associates; and

– goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, the recoverable amount of goodwill is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest Group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash generating unit to which it belongs, exceeds its recoverable amount.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment of Assets (Continued)

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(f) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(g) Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

(h) Convertible Bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Convertible Bonds (Continued)

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognized as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the bond is converted or redeemed.

If the bond is converted, the capital reserve, together with the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the capital reserve is released directly to retained profits.

(i) Interest-bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(j) Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Employee Benefits

(i) Short-term Employee Benefits and Contributions to Defined Contribution Retirement Plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based Payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to the retained profits).

(iii) Termination Benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminating employment or to providing benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Income Tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Income Tax (Continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognised.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either;

– the same taxable entity; or

– different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(n) Financial Guarantees Issued, Provisions and Contingent Liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. guarantor) to make specified payments to reimburse the beneficiary to the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial Guarantees Issued, Provisions and Contingent Liabilities (Continued)

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

(ii) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Revenue Recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss as follows:

(i) Sales of Goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added or other sales taxes and is after deduction of any trade discounts.

(ii) Interest Income

Interest income is recognised as it accrues using the effective interest method.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Translation of Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognized directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Fair value adjustments on identifiable assets or liabilities acquired arising on an acquisition of a foreign operation on or after 1 July 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

(q) Borrowing Costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Related Parties

For the purpose of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or had joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group. Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(s) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

5 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Segment Reporting (Continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

6 TURNOVER

The principal activity of the Group is the retail sale of garments. Turnover represents the aggregate of the invoiced value of goods sold and is stated after deducting goods returned, trade discounts and sales tax.

7 OTHER REVENUE

	2009 ***HK$'000***	2008 *HK$'000*
Interest income	**15**	504
Reversal of excess impairment and written off *(Note)*	**245,511**	–
Others	**4,020**	10,413
	249,546	10,917

Note: These amounts represent certain impairments recognised in the "Prepayment, deposits and other receivables" and "Amounts due to deconsolidated subsidiaries" written-off in the accounts of New Profit Garment (Luo Ding) Company Limited in 2008 due to incomplete books and records. As a result of further investigation by the Provisional Liquidators and the auditors, such impairments and write-off are considered excessive. Accordingly, the Provisional Liquidators have made adjustments for the reversal of these figures this year. However, without reliable accounting information for these figures, the auditors provided qualified opinion on the transactions.

8 LOSS BEFORE TAXATION

Results before taxation is arrived at after charging the following:

(a) Finance Costs

	2009	2008
	HK$'000	*HK$'000*
Interest on bank advances and other borrowings wholly repayable within five years	**12,037**	13,665
Bank charges	**7**	3,376
Other borrowing costs	**1,477**	486
	13,521	17,527

(b) Other Items

	2009	2008
		(Restated)
	HK$'000	*HK$'000*
Cost of inventories	**71,909**	123,601
Depreciation		
– owned assets	**2,779**	3,222
Auditor's remuneration	**485**	550
Impairment loss on subsidiaries not consolidated	**–**	1,659,003
Impairment loss on intangible assets	**–**	243,245
Adjustment to capital reserve	**–**	8,931
Provision for bank loans guarantee for subsidiaries	**–**	681,638
Bad debts written off	**1,348**	–
Allowance for bad and doubtful debt	**7,025**	–
Allowance for inventories	**35,619**	–

On the basis of the available books and records to the Provisional Liquidators, the Provisional Liquidators are not aware of any significant discrepancy as to the completeness and accuracy of the abovementioned items.

9 INCOME TAX

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5% (2008: 17.5%) of the estimated assessable profits for the year.

The Group's subsidiary in the PRC is subject to PRC income tax at the rate of 25% (2008: 25%) of its taxable income.

9 INCOME TAX (Continued)

The immediate holding company of all of the Company's Cambodia subsidiaries, Tack Fat International, has been deconsolidated from the financial statements of the Group since the year ended 31 March 2008 and has been placed into creditors' voluntary liquidation pursuant to section 228A of the Companies Ordinance on 23 April 2009. On this basis, the Group will no longer be subject to Cambodia tax.

10 LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$279 million (2008: approximately HK$1,837 million).

11 LOSS PER SHARE

(a) Basic Loss Per Share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$97.16 million (2008: approximately HK$2,660.96 million) and the weighted average of 2,205,175,106 (2008: 2,136,900,955) ordinary shares in issue during the year, calculated as follows:

	2009 Number of shares *(thousands)*	2008 Number of shares *(thousands)*
Issued ordinary shares at 1 April	**2,172,607**	2,000,000
Effect of conversion of convertible bonds *(note 24)*	**–**	44,421
Effect of issuance of new shares *(note 24)*	**–**	12,316
Effect of share options exercised *(note 24)*	**32,568**	80,164
Weighted average number of ordinary shares at 31 March	**2,205,175**	2,136,901

(b) Diluted Earnings Per Share

Since the outstanding share options and convertible bonds are anti-dilutive to the loss per share, no diluted loss per share is presented for both years.

12 SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments according to the information available to the Provisional Liquidators. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business Segment

The Group has been predominately operating in one single business segment, i.e. the retail trading of garments in the PRC.

(b) Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers. Segment assets and capital expenditures are based on the geographical location of the assets.

The Group's business is principally managed in Hong Kong and other parts of the PRC while the principal market for the Group's products is retail trading of garments in the PRC.

For the years ended 31 March 2008 and 2009, over 90% of the Group's revenue and assets are derived from operations based in the PRC. Accordingly, no further analysis of the Group's geographical segments is disclosed.

13 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings held for own use carried at cost HK'000	Plant and machinery HK'000	Furniture, fixtures and office equipment HK'000	Leasehold improvements HK'000	Motor vehicles and yacht HK'000	Sub-total HK'000	Interests in leasehold land held for own use under operating leases HK'000	Total HK'000
Cost								
At 1 April 2007	200,180	383,420	85,754	19,709	15,765	704,828	119,370	824,198
Exchange adjustments	–	–	1,858	–	–	1,858	–	1,858
Impairment loss on property, plant and equipment	–	–	(8,146)	–	–	(8,146)	–	(8,146)
Impairment loss on other investment	(200,180)	(383,420)	(65,253)	(19,709)	(15,765)	(684,327)	(119,370)	(803,697)
Addition	–	–	178	–	–	178	–	178
At 31 March 2008	–	–	14,391	–	–	14,391	–	14,391
At 1 April 2008	–	–	14,391	–	–	14,391	–	14,391
Exchange adjustments	–	–	967	–	–	967	–	967
Additions	–	–	81	–	–	81	–	81
At 31 March 2009	**–**	**–**	**15,439**	**–**	**–**	**15,439**	**–**	**15,439**
Accumulated depreciation								
At 1 April 2007	29,437	233,037	60,873	3,140	14,472	340,959	16,960	357,919
Exchange adjustments	–	–	223	–	–	223	–	223
Impairment loss on other investment	(29,437)	(233,037)	(58,411)	(3,140)	(14,472)	(338,497)	(16,960)	(355,457)
Charge for the year	–	–	3,222	–	–	3,222	–	3,222
At 31 March 2008	–	–	5,907	–	–	5,907	–	5,907
At 1 April 2008	–	–	5,907	–	–	5,907	–	5,907
Charge for the year	–	–	2,779	–	–	2,779	–	2,779
Exchange adjustments	–	–	250	–	–	250	–	250
At 31 March 2009	**–**	**–**	**8,936**	**–**	**–**	**8,936**	**–**	**8,936**
Net book value								
At 31 March 2009	**–**	**–**	**6,503**	**–**	**–**	**6,503**	**–**	**6,503**
At 31 March 2008	–	–	8,484	–	–	8,484	–	8,484

14 INTERESTS IN SUBSIDIARIES

	Company 2009 HK$'000	2008 HK$'000
Unlisted shares, at cost	**228,300**	228,300
Less: Impairment loss	**(228,300)**	–
	–	228,300

Subsidiaries remain in the Group as at 31 March 2009 are as follows:

Name of Company	Place of incorporation/ operation	Particulars of issued and fully paid share capital/ registered capital	Proportion of ownership interest held by the Company	a subsidiary	Principal activities
Ever Century Holdings Limited	BVI/Hong Kong	700 ordinary shares of US$1 each	100	–	Investment holding
Anway Limited	BVI	1 ordinary share of US$1 each	–	100	Investment holding
Best Favour Investments Limited	BVI	10 ordinary shares of US$1 each	–	90	Investment holding
New Profit Holdings Limited	Hong Kong	1 ordinary share of HK$1 each	–	100	Investment holding
New Profit Garment (Luo Ding) Company Limited	PRC	HK$19,000,075	–	100	Retail sale of garments

New Profit Garment (Luo Ding) Company Limited is a wholly-owned foreign enterprise established in the PRC.

15 LOSS ON DECONSOLIDATION OF THE SUBSIDIARIES AND IMPAIRMENT ON INVESTMENT COSTS AND AMOUNTS DUE FROM DECONSOLIDATED SUBSIDIARIES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Loss on deconsolidation of subsidiaries	–	354,238
Impairment on investment costs in the deconsolidated subsidiaries	–	228,300
Impairment on amount due from the deconsolidated subsidiaries	–	1,076,465
	–	1,659,003

16 ESCROW MONEY

	Group	
	2009	2008
	HK$'000	*HK$'000*
Professional fees	**3,184**	–
Working capital	**3,148**	–
	6,332	–

On 12 January 2009, the Provisional Liquidators, on behalf of the Company, entered into an exclusivity and escrow agreement with the Investor. The said agreement granted the Investor a 6-month exclusivity period to negotiate the restructuring of the Company and certain subsidiaries and associated companies in the Group, and in turn, the Investor paid a sum of HK$10 million loan to the Company to meet its working capital requirement and a sum of HK$6.4 million to meet the cost and expenses in relation to the restructuring of the Company during the 6-month exclusivity period according to the said agreement.

17 INVENTORIES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Finished goods	**50,829**	46,158
Allowance for inventories	**(35,619)**	–
	15,210	46,158

18 TRADE AND OTHER RECEIVABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**22,486**	8,762
Prepayment, deposits and other receivables	**13,778**	–
	36,264	8,762

All the trade and other receivables are expected to be recovered within one year and are denominated in Renminbi.

19 TRADE AND OTHER PAYABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Trade payables	**40,532**	35,267
Accruals and other payables	**20,109**	467
	60,641	35,734

All the trade and other payables are expected to be settled within one year. All the trade payables are denominated in Renminbi and all accruals and other payables are denominated in Renminbi and Hong Kong dollars.

	Company	
	2009	2008
	HK$'000	*HK$'000*
Accruals and other payables	**8,193**	467

All accruals and other payables are expected to be settled within one year and denominated in Hong Kong dollars.

20 PROVISION FOR BANK LOAN GUARANTEES FOR SUBSIDIARIES AND OTHER BORROWINGS

The banking facilities of the Group were secured by corporate guarantees issued by the Company. The banking facilities granted to the subsidiaries of the Company were secured by the Company's interest in some of its subsidiaries and guaranteed by the Company. During the year ended 31 March 2009, the Company obtained other borrowings from certain financial institutions. Details of the abovementioned items are set out as follows:

(i) Provision for bank loan guarantee for subsidiaries

	Group	
	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Secured (Note)	**133,018**	198,000
Unsecured	**689,505**	681,638
	822,523	879,638

All bank loan guarantees for subsidiaries are repayable within 1 year or on demand.

(ii) Other borrowings

	Group	
	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Secured	**45,000**	–
Unsecured	**45,500**	–
	90,500	–

All other borrowings are interest bearing, repayable within 1 year or on demand.

The effective interest rate for the year ended 31 March 2009 for other borrowings were 2% per month and 6% per annum (2008: Nil).

On the basis of the available books and records to the provisional liquidators, the provisional liquidators are not aware of any significant discrepancy of the abovementioned provision for bank loan guarantees for subsidiaries and other borrowings.

Note: Pursuant to further investigations by the Provisional Liquidators, the provision for bank loan guarantees for subsidiaries for the year ended 31 March 2008 was understated. Accordingly, this amount is restated.

21 CONVERTIBLE BONDS

Pursuant to a bond placement agreement dated 13 September 2004, the Company issued US$30,000,000 (approximately HK$234,000,000) convertible bonds bearing interest at 1% per annum payable in quarters to independent investors on 11 October 2004. The convertible bonds has matured on 12 October 2009. Up to the date of this report, the Provisional Liquidators have not received any formal demand letter from the bondholders. The bonds are convertible into the Company's shares at the conversion price of HK$1.0 after three months from 11 October 2004 provided that up to a maximum of 50% of the bonds may be converted within the first 12 months from the date of issue. Each bondholder has a put option such that the Company shall redeem the bonds upon exercise of the option by the relevant bondholder under the following circumstances: (i) on the third and fifth anniversaries from the date of bond issue; or (ii) if the Company's shares are de-listed or suspended from trading on the Stock Exchange for more than 14 consecutive trading days; or (iii) if there is a change in control of the Company.

During the year ended 31 March 2009 and up to the date of this report, no convertible bonds were converted into ordinary shares.

22 PROVISION FOR LONG SERVICE PAYMENTS

On the basis that the relevant books and records are either lost prior to the appointment of the Provisional Liquidators or incomplete, the Provisional Liquidators make no representation as to the completeness and accuracy of the provision for long service payments.

23 EMPLOYEE RETIREMENT BENEFITS

On the basis that the relevant books and records are either lost prior to the appointment of the Provisional Liquidators or incomplete, the Provisional Liquidators make no representation as to the completeness and accuracy of the employee retirement benefits.

24 EQUITY

(i) Authorised and Issued Share Capital

On the basis of the available books and records to the Provisional Liquidators, the authorised and issued share capital of the Company are set out as follows:

	2009		2008	
	No. of shares	***Amount $'000***	*No. of shares*	*Amount $'000*
Authorised:				
Ordinary shares of HK$0.1 each	**4,000,000,000**	**400,000**	4,000,000,000	400,000
Issued and fully paid:				
At 1 April	**2,172,606,800**	**217,261**	2,000,000,000	200,000
Placement of new shares	**–**	**–**	12,734,000	1,274
Exercise of share options *(Note)*	**40,000,000**	**4,000**	102,000,000	10,200
Conversion of convertible bonds	**–**	**–**	57,872,800	5,787
	2,212,606,800	**221,261**	2,172,606,800	217,261

Note: In June 2008, 40,000,000 share options were exercised at the exercise price of HK$0.65 per share to subscribe for 40,000,000 ordinary shares in the Company.

No movement in issued share capital were noted subsequent to the year end date.

24 EQUITY (Continued)

(ii) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

(iii) Company

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Contributed surplus HK$'000	Retained earnings/ (accumulated losses) HK$'000	Total HK$'000
At 1 April 2007	200,000	517,279	48,951	193,780	17,537	977,547
Placement of new shares	1,274	12,607	–	–	–	13,881
Exercise of share options	10,200	56,460	–	–	–	66,660
Conversion of convertible bonds	5,787	51,781	(14,430)	–	–	43,138
Transfer	–	–	(34,521)	–	–	(34,521)
Loss for the year	–	–	–		(1,837,216)	(1,837,216)
At 31 March 2008	**217,261**	**638,127**	**–**	**193,780**	**(1,819,679)**	**(770,511)**
At 1 April 2008	217,261	638,127	–	193,780	(1,819,679)	(770,511)
Exercise of share options	4,000	22,000	–	–	–	26,000
Transfer	–	–	–	(26,000)	–	(26,000)
Loss for the year	–	–	–	–	(279,283)	(279,283)
At 31 March 2009	**221,261**	**660,127**	**–**	**167,780**	**(2,098,962)**	**(1,049,794)**

On the basis of the available books and records to the Provisional Liquidators, the Provisional Liquidators are not aware of any significant discrepancy as to the accuracy and completeness of the said statutory records.

(iv) Capital risk management

As at 31 March 2009, the Group did not maintain sufficient liquid funds and had net current liabilities of approximately HK$1,257.32 million (2008: approximately HK$857.94 million). The net current liabilities as at 31 March 2009 include bank and cash balances of approximately HK$8.21 million (2008: approximately HK$2.67 million). The bank and cash balances as at 31 March 2009 are mainly unused finance provided by the escrow money provided by the Investor for the purposes of settling the Group's restructuring expenses to be incurred subsequent to the balance sheet date.

As at 31 March 2009, the Group's total provision for bank loan guarantees for subsidiaries and borrowings were amounted to approximately HK$929.42 million (2008: approximately HK$879.64 million).

25 COMMITMENTS

At 31 March 2009, the total future minimum lease payments under non-cancellable operating leases are repayable as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Within 1 year	**2,130**	11,176
After 1 year but within 5 years	**14,091**	9,008
	16,221	20,184

The Company does not have any commitment for the year ended 31 March 2009.

According to the books and records available to the Provisional Liquidators, the Group is the leasee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated.

26 CONTINGENT LIABILITIES

On the basis of the available books and records to the Provisional Liquidators, the Provisional Liquidators are not aware of any significant contingent liabilities.

27 RELATED PARTY TRANSACTION

On the basis that the relevant books and records are either lost prior to the appointment of the Provisional Liquidators or incomplete, the Provisional Liquidators make no representation as to the completeness and accuracy of the related party transaction.

28 POST BALANCE SHEET EVENTS

In June 2008, the Company has charged its entire interest in Ever Century to Forefront Finance Co., Limited ("Forefront") and Forefront has enforced its right under the said share charge. Accordingly, the Company's ownership in Ever Century was transferred to Merrier Limited ("Merrier") on 15 August 2008.

On 3 April 2009, the Company, the Provisional Liquidators, Forefront, Merrier, Hansom Finance Limited ("Hansom") and the Investor entered into a settlement deed pursuant to which Merrier agreed to transfer the interest in Ever Century back to the Company in order to facilitate the restructuring of the Company, Forefront and Hansom acknowledged, confirmed and agreed that there was no intention for Forefront to change the beneficial ownership of interest in Ever Century or the Company's control over Ever Century upon the transfer of the legal ownership of Ever Century to Merrier on 15 August 2008.

28 POST BALANCE SHEET EVENTS (Continued)

Chiu Wing and Tack Fat International commenced creditors' voluntary liquidation on 23 April 2009 as they had insufficient working capital to continue their operations. On 23 April 2009, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as the provisional liquidators and, on 20 May 2009, as liquidators to Chiu Wing and Tack Fat International.

On 29 May 2009, the Provisional Liquidators, Ever Century, Key Winner Holdings Limited ("Key Winner") (a special purpose vehicle controlled by the Provisional Liquidators) entered into a sale and purchase agreement where the Provisional Liquidators (on behalf of the Company) agreed to transfer the Ever Century's entire interest in Lantern Services Limited, Potter Industries Limited and Sino Profit Limited to Key Winner in furtherance of the restructuring of the Group.

On 8 July 2009, the Provisional Liquidators and the Investor entered into a side letter to extend the exclusivity period by a 6-month period to 12 January 2010.

On 20 July 2009, the Company submitted a proposal to the Stock Exchange for resumption of trading in the shares of the Company.

On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide an additional working capital loan in an aggregate amount equal to HK$15 million.

On 4 September 2009, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as liquidators to Tack Fat Manufacturing.

29 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

According to the latest available information to the Provisional Liquidators, the immediate parent and ultimate controlling party of the Group was Efulfilment Enterprises Limited, which was incorporated in the BVI and beneficially owned by Mr. Kwok Chiu and Mr. Kwok Wing, former executive director and chairman of the Company, in the proportion of 50:50, as at 31 March 2009. This entity does not produce financial statements available for public use.

30 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

FIVE YEAR SUMMARY

(Amounts expressed in Hong Kong dollars)

	2005	2006	2007	2008	**2009**
	$'000	*$'000*	*$'000*	*$'000*	***$'000***
	(restated)			(restated)	
Results					
Turnover	1,528,999	1,655,166	1,942,545	259,175	**107,684**
Profit/(Loss) from operations	194,194	262,346	279,084	(2,636,286)	**(23,794)**
Finance costs	(26,583)	(63,189)	(65,839)	(17,527)	**(13,521)**
Share of profits less losses of associates	–	(35,752)	114,084	–	**–**
Profit/(Loss) before taxation	167,611	163,405	327,329	(2,653,813)	**(37,315)**
Taxation	(12,072)	(30,779)	(12,690)	(3,946)	**(49,815)**
Profit/(Loss) for the year	155,539	132,626	314,639	(2,657,759)	**(87,130)**
Attributable to:					
Minority interests	–	–	–	3,203	**10,032**
Equity shareholders of the Company	155,539	132,626	314,639	(2,660,962)	**(97,162)**
	155,539	132,626	314,639	(2,657,759)	**(87,130)**
Assets and liabilities					
Property, plant and equipment	348,352	379,785	466,279	8,484	**6,503**
Interest in associates	–	432,413	546,497	–	**–**
Other non-current assets	43,843	94,100	94,100	–	**–**
Net current assets/(liabilities)	849,508	637,354	1,050,685	(857,939)	**(1,257,317)**
Total assets less current liabilities	1,241,703	1,543,652	2,157,561	(849,455)	**(1,250,814)**
Non-current liabilities	(554,028)	(705,452)	(581,689)	(119,396)	**–**
NET ASSETS/(LIABILITIES)	687,675	838,200	1,575,872	(968,851)	**(1,250,814)**
EQUITY					
Share capital	151,666	151,666	200,000	217,261	**221,261**
Reserves	536,009	686,534	1,375,872	(1,220,920)	**(1,516,915)**
ATTRIBUTABLE TO:					
Equity Shareholders of the Company	687,675	838,200	1,575,872	(1,003,659)	**(1,295,654)**
Minority interests	–	–	–	34,808	**44,840**
	687,675	838,200	1,575,872	(968,851)	**(1,250,814)**