ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

Reference are made to the announcements of ABC Communications (Holdings) Limited (the "Company") dated 29 June 2012, 7 September 2012 and 19 September 2012 in relation to the delay in publication of final results for the year ended 31 March 2012.

The board of directors (the "Directors") of the Company (the "Board") announce the consolidated statement of comprehensive income and statement of financial position of the Company and its subsidiaries ("the Group") for the year ended 31 March 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	**2012** **HK$**	2011 HK$
Turnover	5	**115,025,514**	103,409,027
Cost of sales		**(86,631,716)**	(86,430,256)
Gross profit		**28,393,798**	16,978,771
Bank interest income		**89,621**	56,813
Liquidated damage for termination of acquisition		**–**	22,300,000
Gain on bargain purchase	22	**28,283,083**	–
Decrease in fair value of held for trading investments	10	**(3,723,300)**	–
Fair value losses on derivative financial assets		**(256,000)**	(19,015,589)
Fair value gains on derivative financial liabilities		**–**	1,419,623
Loss on redemption of promissory notes		**(266,000)**	–
Other gain	17	**329,624**	174,266
Selling and distribution costs		**(1,116,091)**	(1,472,648)
General and administrative expenses		**(30,343,884)**	(26,003,888)
Finance costs		**(2,229,844)**	(16,793,153)
Profit (loss) before tax	18	**19,161,007**	(22,355,805)
Income tax expense	19	**(2,139,436)**	–
Profit (loss) for the year		**17,021,571**	(22,355,805)
Other comprehensive income			
Exchange differences arising on translation and other comprehensive income for the year		**9,711,416**	23,957
Total comprehensive income (expense) for the year		**26,732,987**	(22,331,848)
Profit (loss) for the year attributable to:			
Owners of the Company		**12,554,422**	(23,143,675)
Non-controlling interests		**4,467,149**	787,870
		17,021,571	(22,355,805)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**18,802,142**	(23,119,718)
Non-controlling interests		**7,930,845**	787,870
		26,732,987	(22,331,848)
Earnings (losses) per share			
Basic and diluted	20	**1.98 cents**	(4.56) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2012

	Notes	2012 HK$	2011 HK$
Non-current assets			
Property, plant and equipment	6	**54,796,160**	1,090,906
Prepaid lease payments		**1,714,596**	–
Intangible assets	7	**314,753,126**	–
Prepayments for exploration and evaluation activities		**11,650,115**	–
Deposits paid for acquisition of property, plant and equipment		**–**	654,531
		382,913,997	1,745,437
Current assets			
Trade receivables	8	**20,745,040**	7,943,012
Other receivables, deposits and prepayments		**4,676,855**	24,917,515
Deposit paid for acquisition of subsidiaries	9	**30,000,000**	130,000,000
Derivative financial assets		**15,000**	109,000
Held for trading investment	10	**8,274,000**	–
Bank balances and cash		**31,322,480**	29,069,220
		95,033,375	192,038,747
Current liabilities			
Trade and other payables	11	**19,944,385**	15,121,205
Advance subscriptions and licence fees received		**2,559,465**	3,314,960
Amount due to a substantial shareholder	12	**20,182,385**	28,182,385
Amounts due to directors	12	**9,790,330**	2,482,170
Amount due to non-controlling interest of a subsidiary	12	**4,499,181**	–
Convertible bonds	13	**21,692,000**	14,849,539
Promissory notes	14	**15,404,065**	–
Tax payable		**2,158,488**	–
		96,230,299	63,950,259
Net current (liabilities) assets		**(1,196,924)**	128,088,488
Total assets less current liabilities		**381,717,073**	129,833,925
Non-current liabilities			
Provision for reinstatement cost		**778,239**	–
Deferred tax liabilities	15	**75,387,332**	–
		76,165,571	–
Net assets		**305,551,502**	129,833,925
Capital and reserves			
Share capital	16	**6,406,432**	5,675,360
Reserves		**176,077,992**	113,169,330
Equity attributable to owners of the Company		**182,484,424**	118,844,690
Non-controlling interests		**123,067,078**	10,989,235
Total equity		**305,551,502**	129,833,925

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Capital redemption reserve**	**Convertible bonds reserve**	**Exchange reserve**	**Retained earnings (accumulated losses)**	**Sub-total**	**Non-controlling interests**	**Total**
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
At 1 April 2010	4,775,360	16,967,523	176,000	18,714,409	–	334,875	40,968,167	10,201,365	51,169,532
(Loss) profit for the year	–	–	–	–	–	(23,143,675)	(23,143,675)	787,870	(22,355,805)
Exchange differences arising on translation	–	–	–	–	23,957	–	23,957	–	23,957
Total comprehensive income (expense) for the year	–	–	–	–	23,957	(23,143,675)	(23,119,718)	787,870	(22,331,848)
Recognition of equity component of convertible bonds	–	–	–	2,767,209	–	–	2,767,209	–	2,767,209
Issue of shares on placing of shares	160,000	21,920,000	–	–	–	–	22,080,000	–	22,080,000
Transaction costs attributable to placing of shares	–	(355,276)	–	–	–	–	(355,276)	–	(355,276)
Issue of shares on conversion of convertible bonds	740,000	75,764,308	–	(5,405,807)	–	5,405,807	76,504,308	–	76,504,308
Redemption of convertible bonds	–	–	–	(15,515,365)	–	15,515,365	–	–	–
At 31 March 2011 and 1 April 2011	5,675,360	114,296,555	176,000	560,446	23,957	(1,887,628)	118,844,690	10,989,235	129,833,925
Profit for the year	–	–	–	–	–	12,554,422	12,554,422	4,467,149	17,021,571
Exchange differences arising on translation	–	–	–	–	6,247,720	–	6,247,720	3,463,696	9,711,416
Total comprehensive income for the year	–	–	–	–	6,247,720	12,554,422	18,802,142	7,930,845	26,732,987
Recognition of equity component of convertible bonds	–	–	–	169,000	–	–	169,000	–	169,000
Reclassification on maturity of convertible bonds	–	–	–	(560,446)	–	560,446	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	–	104,146,998	104,146,998
Issue of shares on placing of shares	731,072	46,057,536	–	–	–	–	46,788,608	–	46,788,608
Transaction costs attributable to placing of shares	–	(2,120,016)	–	–	–	–	(2,120,016)	–	(2,120,016)
At 31 March 2012	6,406,432	158,234,075	176,000	169,000	6,271,677	11,227,240	182,484,424	123,067,078	305,551,502

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

	Note	2012 HK$	2011 HK$
OPERATING ACTIVITIES			
Profit (loss) before tax		**19,161,007**	(22,355,805)
Adjustments for:			
Depreciation of property, plant and equipment		**2,113,639**	1,235,346
Fair value losses on derivative financial assets		**256,000**	19,015,589
Fair value gains on derivative financial liabilities		**–**	(1,419,623)
Gain on bargain purchase		**(28,283,083)**	–
Loss on redemption of promissory notes		**266,000**	–
Decrease in fair value of held for trading investments		**3,723,300**	–
Finance costs		**2,229,844**	16,793,153
Liquidated damages for termination of acquisition		**–**	(22,300,000)
Bank interest income		**(89,621)**	(56,813)
Operating cash flows before movements in working capital		**(622,914)**	(9,088,153)
(Increase) decrease in trade receivables		**(12,802,028)**	599,514
Decrease in other receivables, deposits and prepayments		**2,324,476**	24,821
(Decrease) increase in trade and other payables		**(6,594,845)**	301,125
(Decrease) increase in advance subscriptions and licence fees received		**(755,495)**	48,262
NET CASH USED IN OPERATIONS		**(18,450,806)**	(8,114,431)
INVESTING ACTIVITIES			
Refund of deposit paid for acquisition of subsidiaries		**130,000,000**	–
Liquidated damage received		**20,311,394**	–
Interest received		**89,621**	56,813
Deposits paid for acquisition of property, plant and equipment		**–**	(654,531)
Increase in prepayments for exploration and evaluation activities		**(11,650,115)**	–
Purchases of held for trading investments		**(11,997,300)**	–
Deposits paid for acquisition of subsidiaries		**(30,000,000)**	–
Net cash outflow from acquisition of subsidiaries	22	**(37,840,008)**	–
Purchases of property, plant and equipment		**(42,150,865)**	(724,811)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**16,762,727**	(1,322,529)
FINANCING ACTIVITIES			
Proceeds from placing of shares		**46,788,608**	22,080,000
Advances from directors		**7,308,160**	1,482,170
Proceeds on issue of convertible bonds		**–**	75,050,000
Advance from non-controlling interest of a subsidiary		**123,530**	–
(Repayment to) advance from a substantial shareholder		**(8,000,000)**	27,573,984
Interest paid		**(608,318)**	–
Expenses paid for placing of shares		**(2,120,016)**	(355,276)
Repayment of promissory notes		**(40,000,000)**	–
Convertible bonds issue expenses paid		**–**	(1,976,250)
Redemption of convertible bonds		**–**	(117,370,000)
NET CASH FROM FINANCING ACTIVITIES		**3,491,964**	6,484,628
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,803,885**	(2,952,332)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**29,069,220**	31,997,595
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**449,375**	23,957
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		**31,322,480**	29,069,220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ABC Communications (Holdings) Limited (the "Company") is an investment holding company. The Company's subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in providing financial quotation services, wireless applications development, securities trading system licensing and mining operations.

The Company is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business at the date of these financial statements is Room 2709-10, 27/F, China Resources Building, No.26 Harbour Road, Wanchai, Hong Kong.

As at 31 March 2012, the Company did not have a parent.

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

2. BASIS OF PREPARATION

As at 31 March 2012, the Group had net current liabilities of HK$1,196,924. In the opinion of the directors of the Company, the Group is able to operate as a going concern in the coming year after taking into consideration the results of the fund raising activities conducted subsequent to the end of the reporting period which raised net proceeds of approximately HK$128,800,000 in aggregate.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
Amendments to HKFRS 1	Limited Exception from Comparative HKFRS 7 Disclosure for First-time Adopters
Amendments to HKAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to HK(IFRIC*) – Interpretation ("Int") 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

* IFRIC represents International Financial Reporting Interpretation Committee

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

Amendments to HKFRS 3 – Business Combinations (as part of Improvements to HKFRSs issued in 2010)

As part of Improvements to HKFRSs issued in 2010, HKFRS 3 was amended to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other standards.

Such amendments to HKFRS 3 have been applied in the current year and had no effect on the consolidated financial statements of the Group for the current year.

Amendments to HKAS 1 Presentation of Financial Statements (as part of Improvements to HKFRSs issued in 2010)

The amendments to HKAS 1 (as part of improvements to HKFRSs issued in 2010) clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to present such an analysis in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in the consolidated financial statements have been modified to reflect the change.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvement 2009-2011 Cycle[4]
Amendments to HKFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
	Government Loans[4]
Amendments to HKFRS 7	Disclosures – Transfer of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[6]
HKFRS 9	Financial Insturments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangement[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
Amendments to HKFRS 10, HKFRS 11 and HKFRS12	Consolidated Financial statement, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[4]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[2]
HKAS 19 (as revised in 2011)	Employee Benefits[4]
HKAS 27 (as revised in 2011)	Separate Financial Statements[4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]

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

Amendments to HKFRS 7 Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors of the Company anticipate that the application of the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of the above standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

The above standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of the above standards are applied early at the same time.

The directors of the Company anticipate that the above standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The application of the above standards may have significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated.

The directors of the Company have not yet performed a detailed analysis of the impact of the application of the above standards and hence have not yet quantified the extent of the impact.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

HK(IFRIC) - Int 20 Stripping Costs in the Production Phase of a Surface Mine

HK(IFRIC) - Int 20 *Stripping Costs in the Production Phase of a Surface Mine* applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the Interpretation, the costs from this waste removal activity ("stripping") which provide improved access to ore is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal ongoing operational stripping activities are accounted for in accordance with HKAS 2 *Inventories*. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

HK(IFRIC) - Int 20 is effective for annual periods beginning on or after 1 April 2013 with transitional provisions. The directors of the Company anticipate that the Interpretation will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The directors of the Company anticipate that the application of HK(IFRIC) – Int 20 will have effect on the recognition of stripping activity assets in the future. It is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except for deferred tax assets and liabilities which are recognised and measured in accordance with HKAS 12 *Income Taxes*.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another Standard.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold or services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Financial quotation subscription fee income is recognised on a straight-line basis over the subscription period.

Revenue from securities trading system licensing and wireless applications is recognised when services are rendered.

Deposits and instalments received from customers prior to meeting the above criteria on revenue recognition are included in the consolidated statement of financial position under current liabilities.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

Property, plant and equipment

Property, plant and equipment including land and building held for use in the production or supply of goods or services, or for administrative purpose, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment loss, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss in the period in which the item is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 the respective 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 the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of exchange reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Retirement benefits costs

Payments to the state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary difference. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that will be sufficient taxable profits against which to utilise of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from gain on bargain purchase and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Mining right and reserves

Mining right and reserves are stated at cost less accumulated amortisation and any impairment losses. Mining right and reserves include the cost of acquiring mining licences and exploration and evaluation costs transferred from exploration rights upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining right and reserves are amortised over the estimated useful lives, in accordance with the production plans of the entities concerned and the proven and probable mineral reserves of the mines using the Units of Production ("UOP") method. Mining right and reserves are written off to the consolidated statement of comprehensive income if the mining property is abandoned.

Exploration rights

Exploration rights are stated at cost less impairment losses. Exploration rights include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies.

Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies as well as in new areas of interest. Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining infrastructure or mining right and reserves and depreciated/amortised by the UOP method based on the proven and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. All other costs will be transferred to mining right and reserves. Exploration rights are written off to the consolidated income statement if the exploration property is abandoned.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables and deposits, deposit paid for acquisition of subsidiaries and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach in contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- Disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past due, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments
Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognistion.

Interest expense is recognised on an effective interest basis.

Financial liabilities at FVTPL
A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities
Other financial liabilities including trade and other payables, amounts due to a substantial shareholder, directors and non-controlling interest of a subsidiary, convertible bonds and promissory notes are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds
Convertible bonds issued by the Group that contain liability, conversion option and early redemption option are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. At the date of issue, both the liability and early redemption option components are measured at fair value. The difference between the gross proceeds of the issue of the convertible bonds and the fair values assigned to the liability and early redemption option components respectively, representing the conversion option for the holders to convert the bonds into equity, is included in equity (convertible bonds reserves).

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method.

The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the embedded conversion option is exercised (in which case the balance stated in convertible bonds reserve will be transferred to retained earnings). Where the conversion option remains unexercised at the expiry date, the balance stated in convertible bonds reserve will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability, equity and early redemption option components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the early redemption option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Embedded derivatives
Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provision

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell 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 the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

5. TURNOVER AND SEGMENT INFORMATION

The Group's operating segments are determined based on the information reported to the chief operating decision maker, being the Board of Directors, for making strategic decisions and allocating resources.

The segments are managed separately as each business offers different products/service which requires different products/service information to formulate different business strategies. Specifically, the Group's reportable and operating segments under HKFRS 8 are financial quotation and securities trading system licensing and mining operations as follows:

(i) Financial quotation and securities trading system licensing segment engages in the provision of financial quotation services, wireless applications development and licensing of securities trading system.

(ii) Mining operations segment engages in the extraction, exploration and sale of mineral products.

The Group's mining operation segment was introduced in the current year as a result of the acquisition of Jun Qiao Limited as set out in note 22.

Segment revenues and results

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

For the year ended 31 March 2012

	Financial quotation and securities trading system licensing HK$	**Mining operations HK$**	**Total HK$**
Turnover	**82,425,195**	**32,600,319**	**115,025,514**
Contribution to segment profit	**2,818,568**	**8,413,286**	**11,231,854**
Gain on bargain purchase	**–**	**28,283,083**	**25,555,083**
Segment profit	**2,818,568**	**36,696,369**	**39,514,837**
Unallocated corporate income and gains			**330,480**
Unallocated corporate expenses and losses			**(18,454,566)**
Finance costs			**(2,229,844)**
Profit before tax			**19,161,007**

For the year ended 31 March 2011

	Financial quotation and securities trading system licensing HK$	Mining operations HK$	Total HK$
Turnover	103,409,027	–	103,409,027
Segment profit	1,584,410	–	1,584,410
Unallocated corporate income and gains			23,894,700
Unallocated corporate expenses and losses			(31,041,762)
Finance costs			(16,793,153)
Loss before tax			(22,355,805)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of directors' salaries, certain interest income, certain other gains (losses), certain administrative expenses and finance costs. This is the measure reported to the Board of Directors for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	2012	2011
	HK$	HK$
Segment assets		
Financial quotation and securities trading system licensing	**37,865,840**	38,704,474
Mining operations	**396,806,234**	–
Unallocated corporate assets	**43,275,298**	155,079,710
Consolidated total assets	**477,947,372**	193,784,184

	2012	2011
	HK$	HK$
Segment liabilities		
Financial quotation and securities trading system licensing	**12,712,605**	16,277,463
Mining operations	**88,954,715**	–
Unallocated corporate liabilities	**70,728,550**	47,672,796
Consolidated total liabilities	**172,395,870**	63,950,259

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

- all assets are allocated to operating segments other than certain other receivables and prepayments, deposits paid for acquisition of subsidiaries, derivative financial assets, held for trading investments and certain bank balances and cash which are managed on a group basis.

- all liabilities are allocated to operating segments other than certain other payables, amounts due to a substantial shareholder and directors, derivative financial liabilities, convertible bonds and promissory notes which are managed on a group basis.

Other segment information

	Financial quotation and securities trading system licensing HK$	Mining operations HK$	Unallocated HK$	Total HK$
2012				
Amounts included in the measure of segment results or segment assets:				
Depreciation of property, plant and equipment	**594,736**	**1,184,150**	**334,753**	**2,113,639**
Gain on bargain purchase	**–**	**(28,283,083)**	**–**	**(28,283,083)**
Additions to non-current assets*	**504,108**	**371,631,879**	**1,227,370**	**373,363,357**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:				
Fair value losses on derivative financial assets	**–**	**–**	**256,000**	**256,000**
Loss on redemption of promissory notes	**–**	**–**	**266,000**	**266,000**
Decrease in fair value of held for trading investments	**–**	**–**	**3,723,300**	**3,723,300**
Interest income	**(88,765)**	**–**	**(856)**	**(89,621)**
Finance costs	**–**	**–**	**2,229,844**	**2,229,844**
Income tax expense	**–**	**2,139,436**	**–**	**2,139,436**
2011				
Amounts included in the measure of segment results or segment assets:				
Depreciation of property, plant and equipment	1,145,056	–	90,290	1,235,346
Additions to non-current assets	279,622	–	445,189	724,811
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:				
Fair value losses on derivative financial assets	–	–	19,015,589	19,015,589
Fair value gains on derivative financial liabilities	–	–	(1,419,623)	(1,419,623)
Interest income	(56,002)	–	(811)	(56,813)
Finance costs	–	–	16,793,153	16,793,153
Liquidated damages for termination of acquisition	–	–	(22,300,000)	(22,300,000)

* Including additions through acquisition of subsidiaries of HK$317,899,396

Revenue from major product and services

The following is an analysis of the Group's revenue from its major products and services:

	2012	2011
	HK$	HK$
Revenue from financial quotation and securities trading system licensing services	**81,906,106**	103,098,657
Revenue from wireless applications	**519,089**	310,370
Mining operations	**32,600,319**	–
	115,025,514	103,409,027

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

The following tables present the Group's revenue and information about its non-current assets by geographical location.

	Hong Kong		**PRC (excluding Hong Kong)**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
For the year ended 31 March						
Segment revenue	**82,425,195**	103,409,027	**32,600,319**	–	**115,025,514**	103,409,027
As at 31 March						
Non-current assets	**1,946,421**	1,328,851	**380,967,576**	416,586	**382,913,997**	1,745,437

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

	2012	2011
	HK$	HK$
Customer A[1]	**46,862,341**	63,700,667
Customer B[2]	**32,600,319**	–

1 Revenue from financial quotation and securities trading system licensing services

2 Revenue from mining operations

6. PROPERTY, PLANT AND EQUIPMENT

	Mining Structures HK$	Plant and machinery HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
COST						
At 1 April 2010	–	–	478,605	11,784,895	446,007	12,709,507
Additions	–	–	342,651	321,075	61,085	724,811
Written off	–	–	–	(113,863)	–	(113,863)
At 31 March 2011 and 1 April 2011	–	–	821,256	11,992,107	507,092	13,320,455
Additions	29,355,255	11,388,489	1,227,370	515,074	319,758	42,805,396
Acquisition of subsidiaries (note 22)	8,422,986	2,714,737	–	–	–	11,137,723
Exchange realignment	1,350,796	530,256	12,746	4,636	2,591	1,901,575
At 31 March 2012	**39,129,037**	**14,633,482**	**2,061,372**	**12,511,817**	**829,441**	**69,165,149**
ACCUMULATED DEPRECIATION						
At 1 April 2010	–	–	225,607	10,465,796	416,663	11,108,066
Provided for the year	–	–	226,162	977,019	32,165	1,235,346
Eliminated on written off	–	–	–	(113,863)	–	(113,863)
At 31 March 2011 and 1 April 2011	–	–	451,769	11,328,952	448,828	12,229,549
Provided for the year	246,672	936,579	312,213	506,881	111,294	2,113,639
Exchange realignment	4,925	14,404	4,140	1,572	760	25,801
At 31 March 2012	**251,597**	**950,983**	**768,122**	**11,837,405**	**560,882**	**14,368,989**
CARRYING VALUES						
At 31 March 2012	**38,877,440**	**13,682,499**	**1,293,250**	**674,412**	**268,559**	**54,796,160**
At 31 March 2011	–	–	369,487	663,155	58,264	1,090,906

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Mining structures	UOP method or 6⅔ years, whichever is appropriate
Plant and machinery	6⅔ years
Leasehold improvements	3 years or over the lease term
Computer equipment	3 years
Furniture and fixtures	3–5 years

7. INTANGIBLE ASSETS

	Mining right and reserves HK$	Exploration rights HK$	Total HK$
COST			
At 1 April 2010, 31 March 2011 and 1 April 2011	–	–	–
Acquisition of subsidiaries (note 22)	301,715,315	3,431,985	305,147,300
Exchange realignment	9,581,442	24,384	9,605,826
At 31 March 2012	**311,296,757**	**3,456,369**	**314,753,126**
ACCUMULATED AMORTISATION			
At 1 April 2010, 31 March 2011, 1 April 2011 and 31 March 2012	–	–	–
CARRYING VALUES			
At 31 March 2012	**311,296,757**	**3,456,369**	**314,753,126**
At 31 March 2011	–	–	–

The mining right and reserves has finite useful life and is amortised using the UOP method based on the proven and probable mineral reserves.

8. TRADE RECEIVABLES

	2012 HK$	2011 HK$
Trade receivables	**20,745,040**	7,943,012

The Group's Trade receivables from the financial quotation and securities trading and system licensing segment are due upon the presentation of invoices. The Group allowed a credit period of 180 days for its trade receivable from the mining operations. As at 31 March 2012, trade receivables of HK$5,705,510 (2011: HK$7,943,012) were past due but not impaired while trade receivables of HK$15,039,530 (2011: nil) were neither past due nor impaired. These related to a number of independent customers from whom there are no recent history of default. The Group did not hold any collateral over these balances.

The aging analysis, based on the invoice date, of these trade receivables is as follows:

	2012 HK$	2011 HK$
0 – 3 months	**20,697,326**	7,720,662
4 – 6 months	**37,814**	188,140
Over 6 months	**9,900**	34,210
	20,745,040	7,943,012

The aging analysis of trade receivables that were past due but not impaired is as follows:

	2012 HK$	2011 HK$
0 – 3 months	**5,657,796**	7,720,662
4 – 6 months	**37,814**	188,140
Over 6 months	**9,900**	34,210
	5,705,510	7,943,012

9. DEPOSIT PAID FOR ACQUISITION OF SUBSIDIARIES

(a) On 12 October 2009, the Group entered into an acquisition agreement with an independent third party regarding the acquisition of a gold smelting and refinery business in the PRC (the "Proposed Acquisition"). According to the acquisition agreement, the Group will acquire the entire issued share capital and all shareholders' loans of the target company from the vendor for a total consideration of HK$380 million. A refundable cash deposit (the "Deposit") of HK$130 million had been paid to the vendor during the year ended 31 March 2010.

On 10 January 2011, the Group entered into a deed of termination (the "Deed") with that independent third party to terminate the Proposed Acquisition as the vendor cannot fulfil certain conditions precedent thereto. Pursuant to the Deed, the independent third party agreed to return the Deposit together with a liquidated damage of HK$22,300,000 (included in other receivables, deposits and prepayments) to the Group. An aggregate receivable of HK$150,311,394 had been settled during the year ended 31 March 2012.

(b) On 17 November 2011, the Group entered into a conditional sale and purchase agreement with an independent third party for the acquisition of a settlement services business in the PRC for an aggregate consideration of HK$200,000,000 of which HK$100,000,000, HK$50,000,000 and HK$50,000,000 will be settled by cash, two-year convertible bonds and two-year promissory notes respectively. A refundable deposit of HK$30,000,000 was paid during the year ended 31 March 2012 in such respect. Further details of the proposed acquisition were set out in the Company's announcements dated 8 November 2011 and 16 November 2011.

10. HELD FOR TRADING INVESTMENT

	2012	2011
	HK$	HK$
Equity securities listed in Hong Kong, at fair value	**8,274,000**	–

The Group's held for trading investments were acquired during the year for HK$11,997,300. The fair value of the equity listed securities at the end of the reporting period is determined based on the quoted market bid prices available on the relevant exchange and a fair value loss of HK$3,723,300 was recorded for the year ended 31 March 2012.

11. TRADE AND OTHER PAYABLES

	2012	2011
	HK$	HK$
Trade payables (note (a))	**9,268,439**	12,103,028
Other payables and accrued charges	**10,675,946**	3,018,177
	19,944,385	15,121,205

Notes:

(a) The aging of trade payables were within 3 months as at 31 March 2012 and 2011.

(b) An average credit period of 45 to 180 days is granted by the service providers. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

12. AMOUNTS DUE TO A SUBSTANTIAL SHAREHOLDER/DIRECTORS/NON-CONTROLLING INTEREST OF A SUBSIDIARY

The amounts are unsecured, interest-free and repayable on demand.

13. CONVERTIBLE BONDS

On 9 May 2011, the Company issued convertible bonds (the "2011 CBs"), in the principal amount of HK$21,000,000 and with maturity date on 8 May 2012, as part of the consideration for the acquisition of 60% equity interest in Jun Qiao Limited. The 2011 CBs bears interest of 4% per annum and is unsecured.

The effective interest rate of the liability component is 5.89%.

The principal terms of the 2011 CBs are as follow:

– Conversion rights are exercisable at any time during the period commencing from the date of issue of the 2011 CBs up to (but excluding) the maturity date.

– The holders of the 2011 CBs are entitled to convert the 2011 CBs into ordinary shares of the Company at an initial conversion price of HK$0.7 per ordinary share.

– If any of the 2011 CBs has not been converted, it will be redeemed on the maturity date at par.

– At any time up to the maturity date, the Company may by notice redeem whole or part of the outstanding 2011 CBs at an amount equal to 104% of the principal amount of such 2011 CBs.

The 2011 CBs contains three components: liability component, derivative component and equity component.

The Company's early redemption option embedded in the 2011 CBs was presented in the consolidated statement of financial position as "Derivative financial asset" at 31 March 2012 and was measured at fair value with changes in fair value recognised in profit or loss.

No 2011 CBs had been converted into new ordinary shares of the Company during the year ended 31 March 2012.

On 13 December 2010, the Company issued convertible bonds (the "2010 CBs") to several independent third parties in the principal amount of HK$75,050,000 with maturity date on 13 December 2011. The 2010 CBs bears interest of 4% per annum and is unsecured.

The effective interest rate of the liability component is 9.29%.

The principal terms of the 2010 CBs are as follow:

– Conversion rights are exercisable at any time during the period commencing from the date of issue of the 2010 CBs up to (but excluding) the maturity date.

– The holders of the 2010 CBs are entitled to convert the 2010 CBs into ordinary shares of the Company at an initial conversion price of HK$0.95 per ordinary share.

– If any of the 2010 CBs has not been converted, it will be redeemed on the maturity date at a redemption amount equal to 104% of the principal amount of such 2010 CBs.

– At any time up to the maturity date, the Company may by notice redeem whole or part of the outstanding 2010 CBs at an amount equal to 104% of the principal amount of such 2010 CBs.

– Holders of the 2010 CBs are not entitled to request for early redemption except for event of default occurred.

The 2010 CBs contains three components: liability component, derivative component and equity component.

The Company's early redemption option embedded in the 2010 CBs was presented in the consolidated statement of financial position as "Derivative financial asset" at 31 March 2011 and was measured at fair value with changes in fair value recognised in profit or loss.

The 2010 CBs with principal amount of HK$59,850,000 were converted into new ordinary shares of the Company during the year ended 31 March 2011 and 2010 CBs with principal amount of HK$15,200,000 remained outstanding as at 31 March 2011. No 2010 CBs has been converted into new ordinary shares of the Company since 1 April 2011 and up to the maturity date on 13 December 2011.

On 9 January 2012, the Company had entered into a deed of amendment in relation to the 2010 CBs.

The principal terms of the 2010 CBs under the deed of amendment are as follows:

– Extend the repayment period of the principal amount of the outstanding 2010 CBs for a period of 9 months from 13 December 2011 to 13 September 2012.

– During the extension period, the Company shall pay to the holders of the 2010 CBs an interest of 4% per annum.

– The Company shall pay the holders of the 2010 CBs default interest of HK$1,520,000 if the Company fails to pay any sum payable under the deed of amendment when due.

– During the extension period, the holders of the 2010 CBs were not entitled to any conversion option.

Details of the deed of amendment have been set out in the Company's announcement dated 9 January 2012.

As a result, the outstanding 2010 CBs were reclassified to promissory notes on entering into of the deed of amendment.

The movements of the liability, equity and derivatives components of the convertible bonds during the reporting period are set out below:

	Liability	**Derivatives financial assets**	**Derivatives financial liabilities**	**Equity**	**Total**
	HK$	HK$	HK$	HK$	HK$
As at 1 April 2010	123,801,392	(21,807,425)	1,925,220	18,714,409	122,633,596
Issued during the year	73,349,000	(1,111,000)	–	2,812,000	75,050,000
Transaction costs	(1,931,459)	–	–	(44,791)	(1,976,250)
Changes in fair value	–	19,015,589	(1,419,623)	–	17,595,966
Conversion to shares during the year	(79,792,547)	3,793,836	(505,597)	(5,405,807)	(81,910,115)
Redemption of convertible bonds	(117,370,000)	–	–	(15,515,365)	(132,885,365)
Imputed interest expense	16,793,153	–	–	–	16,793,153
As at 31 March 2011 and 1 April 2011	**14,849,539**	**(109,000)**	**–**	**560,446**	**15,300,985**
Issued during the year	**20,625,000**	**(162,000)**	**–**	**169,000**	**20,632,000**
Changes in fair value	**–**	**256,000**	**–**	**–**	**256,000**
Accrued interest paid	**(608,318)**	**–**	**–**	**–**	**(608,318)**
Reclassification to promissory notes	**(15,200,000)**	**–**	**–**	**(560,446)**	**(15,760,446)**
Imputed interest	**2,025,779**	**–**	**–**	**–**	**2,025,779**
As 31 March 2012	**21,692,000**	**(15,000)**	**–**	**169,000**	**21,846,000**

14. PROMISSORY NOTES

(a) On 9 May 2011, the Group issued 6% promissory notes with principal amount of HK$40,000,000 as part of the consideration for the acquisition of Jun Qiao Limited. These promissory notes with fair values, which was valued by Roma Appraisal Limited, at the date of issue of HK$39,734,000 were redeemed by the Group during the year at the principal amount of HK$40,000,000 and resulted in a loss on redemption of HK$266,000.

(b) On 9 January 2012, the Group issued 4% promissory notes with principal amount of HK$15,200,000 pursuant to the deed of amendment for the extension of the repayment terms of the 2010 CBs. Such promissory notes with carrying amount of HK$15,404,065 as at 31 March 2012 were unsecured and repayable on 13 September 2012.

15. DEFERRED TAX

The followings are the major deferred tax liabilities (assets) recognised and movements thereof during the current and prior years:

	Accelerated tax depreciation	**Tax losses**	**Fair value adjustments**	**Total**
	HK$	HK$	HK$	HK$
At 1 April 2010	176,901	(176,901)	–	–
(Credited) charged to the consolidated statement of comprehensive income	(147,107)	147,107	–	–
At 31 March 2011 and 1 April 2011	29,794	(29,794)	–	–
Acquisition of subsidiaries (note 22)	–	–	73,086,602	73,086,602
(Credited) charged to the consolidated statement of comprehensive income	(5,714)	5,714	–	–
Exchange realignment	–	–	2,300,730	2,300,730
At 31 March 2012	**24,080**	**(24,080)**	**75,387,332**	**75,387,332**

At 31 March 2012, deferred tax assets of HK$24,080 (2011: HK$29,794) have been presented as an offset against deferred tax liabilities in the consolidated statement of financial position.

At the end of the reporting period, the Group had unused tax losses of approximately HK$128,489,635 (2011: HK$131,472,305) available for offset against future profits. A deferred tax asset has been recognised in respect of such tax losses of HK$145,938 (2011: HK$180,570). No deferred tax asset has been recognised in respect of the remaining tax losses of HK$128,343,697 (2011: HK$131,291,735) due to unpredictability of future profits streams. Tax losses of the Group can be carried forward indefinitely.

16. SHARE CAPITAL

	2012		2011	
	No. of shares	**Amount HK$**	No. of shares	Amount HK$
Authorised:				
Ordinary shares of HK$0.01 each	**6,000,000,000**	**60,000,000**	6,000,000,000	60,000,000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At beginning of year	**567,536,000**	**5,675,360**	477,536,000	4,775,360
Issue of shares on conversion of convertible bonds	**–**	**–**	74,000,000	740,000
Issue of shares on placing	**73,107,200**	**731,072**	16,000,000	160,000
At 31 March	**640,643,200**	**6,406,432**	567,536,000	5,675,360

During year ended 31 March 2011, 63,000,000 ordinary shares and 11,000,000 ordinary shares of HK$0.01 each were issued upon the conversion of convertible bonds of the Company with principal amount of HK$59,850,000 and HK$22,000,000 at a conversion price of HK$0.95 and HK$2 respectively.

On 1 September 2010, 16,000,000 ordinary shares of HK$0.01 each were placed at a price of HK$1.38 per share and raised net proceeds of HK$21,724,724.

On 5 May 2011, 73,107,200 ordinary shares of HK$0.01 each were placed at a price of HK$0.64 per share and raised net proceeds of approximately HK$44,668,592.

The above shares rank pari passu in all aspects with other shares in issue.

17. OTHER GAINS

	2012	2011
	HK$	HK$
Exchange gains, net	**329,624**	174,266

18. PROFIT (LOSS) BEFORE TAX

Profit (Loss) before tax has been arrived at after charging (crediting):

	2012	2011
	HK$	HK$
Depreciation of property, plant and equipment	**2,113,639**	1,235,346
Auditor's remuneration	**766,000**	472,000
Employee benefit expenses	**16,771,936**	15,558,750
Minimum lease payments under operating leases in respect of land and buildings	**3,323,051**	2,949,154

19. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in both years as the assessable profits are offset by allowable tax losses brought forward.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25 % from 1 January 2008 onwards.

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

	2012	2011
	HK$	HK$
Current:		
PRC Enterprise Income Tax	**2,139,436**	–

The tax expense for the year can be reconciled to the profit (loss) before tax per the consolidated statement of comprehensive income as follow:

	2012	2011
	HK$	HK$
Profit (loss) before tax	**19,161,007**	(22,355,805)
Calculated at the rates applicable to profit (loss) in the tax jurisdictions concerned	**3,689,580**	(3,688,708)
Tax effect of income not taxable for tax purpose	**(4,786,979)**	(3,951,523)
Tax effect of expenses not deductible for tax purpose	**3,723,261**	7,896,391
Utilisation of tax losses previously not recognised	**(486,426)**	(256,160)
Income tax expense	**2,139,436**	–

20. EARNINGS (LOSSES) PER SHARE

The calculation of basic and diluted earnings (losses) per share attributable to owners of the Company is based on the following data:

	2012	2011
	HK$	HK$
Profit (loss) for the year attributable to owners of the Company	**12,554,422**	(23,143,675)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (losses) per share	**633,851,821**	507,399,014

The computation of diluted earnings per share for the year ended 31 March 2012 does not assume the conversion of the Group's outstanding convertible bonds since their exercise would result in an increase in earnings per share.

The computation of diluted losses per share for the year ended 31 March 2011 does not assume the conversion of the Group's outstanding convertible bonds since their exercise would result in a decrease in losses per share.

21. DIVIDEND

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2011: nil).

22. BUSINESS COMBINATION

On 9 May 2011, the Group acquired 60% equity interest in Jun Qiao Limited from two independent third parties and 60% of the shareholder's loan for an aggregate consideration of HK$99,366,000. Jun Qiao Limited and its subsidiaries (the "Jun Qiao Subgroup") are principally engaged in the extraction and sale of mineral products in the PRC. The acquisition of the Jun Qiao Subgroup was aimed to diversify the business and investment portfolio of the Group into the mining sector in the interest of equity owners of the Company. The acquisition of Jun Qiao Limited had been accounted for using the purchase method.

Consideration transferred

	HK$
Cash	39,000,000
Issue of 2011 CBs	20,632,000
Issue of promissory notes	39,734,000
	99,366,000

The principal terms of the promissory notes were as follows :

Date of issue	:	9 May 2011
Principal amount	:	HK$40,000,000
Interest rate	:	6% per annum
Collaterals	:	Nil
Maturity date	:	1 year after the date of issue

At the date of issue of the promissory notes, the fair values were valued by Roma. The fair values of the promissory notes are calculated by reference to the contractual cash flows over the remaining contractual terms and discounted at the interest rate that is appropriate to the riskiness of the promissory notes.

The fair values of the identifiable assets and liabilities of Jun Qiao Limited as at the date of acquisition were as follows:

	Fair values
	HK$
Property, plant and equipment	11,137,723
Prepaid lease payments	1,614,373
Intangible assets	305,147,300
Other receivables, deposits and prepayments	2,395,210
Bank balances and cash	1,159,992
Other payables	(11,418,025)
Amount due to a shareholder of Jun Qiao Limited	(10,939,128)
Provision for reinstatement costs	(778,239)
Deferred tax liabilities	(73,086,602)
Fair value of net identifiable assets acquired	225,232,604
Amount due to a shareholder of Jun Qiao Limited	6,563,477
Non-controlling interests*	(104,146,998)
Gain on bargain purchase arising on acquisition	(28,283,083)
Consideration	99,366,000

The gain on bargain purchase is attributable to the Group's ability in negotiating the agreed terms of the transaction with the vendors.

* Included in the balance was HK$23,447,006 attributable to the non-controlling interests of the subsidiaries of Jun Qiao Limited.

Analysis of net outflow of cash and cash equivalents arising on acquisition:

	HK$
Cash consideration paid	39,000,000
Less: Bank balances and cash acquired	(1,159,992)
	37,840,008

Impact of acquisition on the results of the Group

Acquisition-related costs amounted to approximately HK$654,132 and have been recognised as expense in the current period and included within "general and administrative expenses" in the consolidated statement of comprehensive income.

The fair value of other receivables, deposits and prepayment at the date of acquisition amounted to HK$2,395,210. The gross contractual amounts of those other receivables, deposits and prepayment acquired amounted to HK$2,395,210 at the date of acquisition. No estimated uncollectible contractual cash flows were expected at the acquisition date.

During the year ended 31 March 2012, Jun Qiao Limited contributed approximately HK$32,600,319 and HK$6,237,850 to the Group's turnover and profit for the year respectively from the date of acquisition to the reporting date.

Had the acquisition of Jun Qiao Limited been completed on 1 April 2011, total turnover of the Group for the year would have been HK$115,025,514, and profit for the year would have been HK$13,640,123. The pro forma information is for illustrative purposes only and is not necessarily an indication of turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2011, nor is it intended to be a projection of future results.

The non-controlling interests in Jun Qiao Limited recognised at the acquisition date were measured by reference to the proportionate share of the fair value of the consolidated net assets of Jun Qiao Limited.

23. RELATED PARTY TRANSACTIONS

(a) The balances with the Company's directors, a substantial shareholder and non-controlling interest of a subsidiary are disclosed in note 12.

(b) Compensation of directors and key management personnel

	2012	2011
	HK$	HK$
Short-term employee benefits	**2,544,926**	3,308,427
Post-employment benefits	**18,000**	15,929
	2,562,926	3,324,356

The remunerations of directors and key executives are determined by the remuneration committee of the Company having regards to the performance of individuals and market trends.

24. EVENTS AFTER THE REPORTING PERIOD

(a) On 8 May 2012, the Company entered into an agreement with the holders of the 2011 CBs for the substitution of the outstanding principal of the 2011 CBs on maturity by promissory notes with principal amount of HK$21,840,000 which are repayable on 8 November 2012 and bear interest of 4% per annum.

(b) On 15 May 2012, the Company placed 86,154,000 ordinary shares of HK$0.01 each at HK$0.26 per share and raised net proceeds of HK$21,700,000.

(c) On 26 June 2012, the Company placed 41,000,000 ordinary shares of HK$0.01 each at HK$0.305 per share and raised net proceeds of HK$12,100,000.

(d) On 29 June 2012, the Company placed 400,000,000 ordinary shares of HK$0.01 each at HK$0.25 per share and raised net proceeds of HK$95,000,000.

(e) The fair value of the Group's held for trading investment at the date of these consolidated financial statements has been declined by HK$3,061,380 to HK$5,212,620.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

In 2011/2012 financial year, the turnover of the Group amounted to HK$115 million, representing an increase of 11.23% as compared to HK$103 million in previous year. The comprehensive income of the Group amounted to HK$26.7 million, representing a rebound of HK$49.0 million as compared to the comprehensive expenses of HK$22.3 million in year 2010/2011. The comprehensive income attributable to owners of the Company amounted to HK$18.8 million, representing an improvement of HK$41.9 million from that of previous year.

In year 2011/2012, the growth in the Group's revenue was primarily due to the introduction of mining operation segment during the year, after the Company has completed the acquisition of 60% interest in Jun Qiao Limited ("Jun Qiao"). The mining operation segment has contributed turnover and profit of HK$32.6 million and HK$36.7 million respectively. During the year, the Group has suffered from a decrease in fair value of held for trading investments amounted to HK$3.7 million. Pursuant to relevant accounting standards, the Group has recognized a gain on bargain purchase amounted to HK$28.3 million, which was related to the acquisition of Jun Qiao.

FINAL DIVIDEND

The Board did not propose a final dividend.

BUSINESS REVIEW

The Mining Operation

From the date of completion of acquisition on 9 May 2012 to 31 March 2012, the mining operation contributed a turnover of approximately HK$32.6 million to the Group. Profit before tax attributable to the segment amounted to HK$8.4 million. PRC Enterprise Income Tax of HK$2.14 million has been provided at 25%, being the applicable tax rate for the operating entities in PRC on the taxable profit. The resulting profit after tax amounted to approximately HK$6.3 million. There was a one-off item recognized in the segment, that was the gain on bargain purchase, which was the difference between the consideration paid by the Company on acquisition and the fair value of net assets acquired and attributable to the Group. The gain on bargain purchase amounted to HK$28.3 million, and was recognized in the consolidated statement of comprehensive income for the current year. Segment profit of HK$36.69 million as disclosed in the segment information represented the aggregate of the profit before tax and the gain on bargain purchase for the mining operation.

Jun Qiao, through its subsidiaries, Tong Bai County Yin Di Mining Co Ltd (桐柏縣銀地礦業有限責任公司) ("Yin Di Company") and Xinjiang Xin Jiang Yuan Mining Co Ltd (新疆鑫江源礦業有限公司), held 1 mining license in Henan and 2 exploration licenses in Henan and Xinjiang respectively. The mining projects of the Group included the followings:

Yin Di Mining Area *(銀地礦區) in Henan*

The Yin Di Mining Area is the only producing mine of the Group. It is located at Tongbai County in Henan Province and covers a mining area of approximately 1.81 km^2. The mining area is 15 km away from Xining railways and connected to China National Highway 312, the traffic is considerably convenient. The mining license will be expired in December 2013.

Yin Di Mining Area is an operating polymetallic mine that contains gold, silver, lead and zinc ore deposits. At the end of March 2012, according to the Gold, Silver Lead and Zinc Polymetallic Reserves and Resources Verification Report (金銀鉛鋅多金屬資源儲量核查報告) (the "Reserve Report") prepared by the First Geological Survey Team of Henan Geology and Mineral Exploration and Development Bureau (河南省地質礦產勘查開發局第一地質調查隊), estimated mineral resources of the mining area are as follows:

	Resources Classification*	Ore Tonnage (tonnes/t)	Average Grade	Metal
Gold	111b + 332	1,744,600	5.63 g/t	9,826 kg
Silver	122b	19,479	88.50 g/t	1,723.8 kg
	332	300,000	80 g/t	24,000 kg
Lead	122b	19,479	17.5 kg/t	341.8 t
Zinc	122b	19,479	18.6 kg/t	362.7 t

The above mineral reserve data was extracted from the Reserve Report, which was prepared pursuant to the China coding system for geological reserve and resources classification. The system for the categorization of mineral resources and ore reserves in China uses three-dimensional matrices, based on economic, feasibility/mine design and geological degrees of confidence. Mineral resources and reserves are categorized by a three number code of the form "123". The definition and interpretation of each digit in the coding system are as follows:

	Denoted	Interpretation
First digit – Economic	1	Full feasibility study considering economic factors has been conducted
	2	Pre feasibility to scoping study which generally considers economic factors has been conducted
	3	No pre feasibility or scoping study conducted to consider economic analysis
Second digit – Feasibility	1	Further analysis of data collected in "2" by an external technical department
	2	More detailed feasibility work including more trenches, tunnels drilling, detailed mapping etc
	3	Preliminary evaluation of feasibility with some mapping and trenches
Third digit – Geologically controlled	1	Strong geological control
	2	Moderate geological control via closely-spaced data points
	3	Minor work which is projected throughout the area
	4	Review stage

The denotation "b" following the three-digits code represents basis reserves (基礎儲量), that is the quantity of mineral reserves identified in geological exploration without taking into account the possible wastage and depletion arising from the exploitation method employed.

As a broad comparison between the China resources coding system and the JORC Code (the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves), resources classification of 111b in China system is similar as the measured reserves in the JORC code; while 122b and 332 are similar as the indicated reserves in the JORC code.

The Reserve Report was based on factual geological survey, drilling, sampling and etc. There was no specific assumption made in the preparation of the Reserve Report.

After the Company has completed acquisition, the Yin Di Mining Area has undergone a large scale improvement, advancement and reinforcement in mining technologies for more efficient production and safety. These improvement works were expected to be completed in the second quarter of 2013. In most of the time, mining and production were conducted intermittently. During the year, approximately 9,000 tonnes of high grade silver ores was sold for HK$32.6 million.

During the year, the Group's turnover in the mining operation was generated from a single customer, which was an independent local mineral ores processing plant in Henan introduced by the local team appointed by the Group. This was because the Group has undertook a large scale technological improvement and modification works towards the ore processing plants of Yin Di Company, thus ore processing was temporarily suspended. Instead of selling ore concentrates, Yin Di Company had shifted to sell mineral ores to other ore processing plant.

During the process of site improvement, development and substantive exploration in the mining property, there are several small new mineral veins had been found. Some of the orebodies are high in grade, and easy to extract out. These new mineral veins have not been accounted for in the previous Reserve Report. With a mining area of 1.8 km^2, there could be a very high potential of finding new gold and silver veins/orebodies and to increase our mineral reserve in the future. The Company is currently extracting silver, lead and zinc minerals and in terms of value, the silver is the most saleable product from our mining property. During the year, the Group sold 9,000 tonnes of silver ores, which was primarily extracted out from these newly found mineral veins.

For ease of management, the Group has employed a local construction team for the mining site preparation and development works. Improvement works had been started in July 2011 for ore processing plant and mining site. Improvement works on ore processing plant had been finished in April 2012, while the processing plant was being test running and fine tuning at the moment. Improvement works on mining site was still in progress. Nevertheless, saleable mineral ores could still be extracted during the course of improvement works. Ore processing had been suspended during the improvement works. Yet the effect on turnover and profit for the current reporting period was not material as the Group could still sell mineral ores to customers, and the mining site was also under improvement works for the production of gold ores. The improvement works on the processing plant ensures the plant can process 150 tonnes of mineral ores daily, which is the target of the Group's phase 1 development plan regarding the Yin Di Mining Area. There was no specific license required for the improvement works and the Group had already invested RMB8.5 million for this. When all these improvement works are completed, the Group will use its ore processing plant to process mineral ores extracted from the mining properties. If these improvement works have not been finished, the Group might not be able to realize the 3-Phases development plan as mentioned in the outlook section below. As such, the growth potential in turnover and profit for the mining operation would be largely restricted.

Li Zi Yuan Mining Area (栗子園礦區) in Henan

The mine is also located at Tongbai County of Henan, and is very close to the Yin Di Mining Area. Mining area covered by the exploration license was approximately 3.55 km^2 (which was subsequently reduced to 2.36 km^2 after the year end on renewal of exploration license). Detailed geological survey and mineral resources exploration were undertaking. Although findings have not yet been concluded, various copper and gold mineralization zones have been identified. The management will formulate development plan and strategy once relevant reserve report and feasibility study are finalized and approved. The exploration license had been renewed after the financial year end. The renewed license will be expired on 6 April 2014.

The Department of Land and Resources of Henan Province has issued a policy statement No. [2009]9. According to this policy statement, whenever exploration license is renewed, the area of the exploration site will be reduced by not less than 25%. Thus when the Group renewed its exploration license after the reporting period in July 2012, the area indicated in the new exploration license had been reduced from 3.55 km^2 to 2.36 km^2.

If the Group further renews the exploration license in 2014, the area of the renewed exploration license will be further reduced by not less than 25%, unless the relevant provincial policy has been rescinded. The Group will facilitate the progress of exploration works for this mining property. When the relevant reserve reports and feasibility study are completed, the group will apply for the mining license immediately.

In accordance with HKFRS 6 "Exploration for and Evaluation of Mineral Resources", exploration and evaluation assets should be stated at cost less impairment.

In evaluating if any of the exploration rights had been impaired, the Company considered that no impairment indication exists as:

(1) The exploration rights had been renewed after the initial expiry; and

(2) The Group had made prepayments for the exploration activities and the relevant activities had commenced subsequent to 31 March 2012 and the relevant exploration activities were still ongoing. Based on the latest discussion between the Company and the exploration team, the findings so far are positive.

Based on the above, the Company considered that no impairment was required for the exploration rights, and the auditor of the Company have also agreed with the above assessment of the Company.

The decrease in mining area has not been incorporated in any profit forecast prepared by the Group. As the exploration works of the Li Zi Yuan Mining Area is still in progress, the quantity of mineral resources underneath the property and its development potential could not be fully understood at this moment. Thus the management could not formulate any meaningful development plan and profit forecasts of this property. The fair value of this exploration license was assessed with Market-Based Approach. For details, please refer to the section "Intangible Assets" below.

Hu Lei Si De Mining Area (呼勒斯德地區) in XinJiang

The mine is located at Jai Tai County (奇台縣) of Xinjiang Uygur Autonomous Region with a total exploration mining area of 29.12 km^2. The mining area is connected to gravel and asphalt roads, traffic is considered convenient. Detailed geological survey and mineral resources exploration were undertaking. At the moment, several gold mineralization zones have been identified. The management will formulated development plan and strategy once relevant reserve report and feasibility study are finalized and approved. The exploration license will be expired on 20 February 2013.

Generally speaking, the application and renewal of mining license needs about 1 year for the preparation works, including the updating of the reserve information and preparation of feasibility report. The Company does not foresee any difficulty in renewing the mining license and exploration licenses, provided that all relevant national and provincial government regulations and procedures are duly followed and complied with. The Group will apply for the renewal of the mining license of Yin Di Mining Area in the second quarter of 2013. As the exploration works in the Hu Lei Si De Mining Area is still in progress, the Group will apply for the renewal of the exploration license by the end of 2012. The exploration license for Li Zi Yuan Mining Area had already been renewed subsequent to the reporting period in July 2012.

During the year, the total expenditures of exploration, development and mining production were as follows:

	Yin Di Mining Area		**Li Zu Yuan Mine**		**Hu Lei Si De Mine**		**Total**	
	RMB million	HK$ million	RMB million	HK$ million	RMB million	HK$ million	RMB million	HK$ million
Advancement and improvement of processing plant	8.5	10.4	–	–	–	–	8.5	10.4
Improvement and reinforcement of mining site	33.4	40.7	–	–	–	–	33.4	40.7
Exploration	3.8	4.6	3.6	4.4	5.8	7.1	13.2	16.1
Total	45.7	55.7	3.6	4.4	5.8	7.1	55.1	67.2

Save for those 3 mining properties disclosed above, the Group do not have any other mining property or holds any other mining license.

The Financial Quotation Segment

The business segment includes (i) financial quotation services and securities trading system licensing provided by QuotePower International Limited ("QuotePower"); and (ii) wireless applications development provided by ABC QuickSilver Limited.

During the current reporting period, QuotePower was still the core revenue contributor of the Group. Its turnover amounted to approximately HK$82.4 million. As compared with the last reporting period, turnover from QuotePower has been declined by 20.3%. This reflected loss of subscribers of our financial quotation services owing to the pessimistic market and investment sentiments. The profit the segment amounted to HK$2.8 million, representing an increase of 77.9% albeit the drop in turnover. This showed the management's endeavor to improve efficiency and control the cost and expenses.

SELLING AND DISTRIBUTION COSTS

During the current financial year, the Group's selling and distribution costs amounted to approximately HK$1.1 million, a decrease of approximately 24.2% over the last financial year. Selling and distribution costs were incurred mostly in the financial quotation segment. The decrease was in line with the drop of turnover in the segment.

GENERAL AND ADMINISTRATIVE EXPENSES

During the current financial year, the Group's general and administrative expenses increased by approximately HK$4.3 million or 17%. The increase was primarily due to the increase in employee's salaries, legal and professional fees incurred and increase in office rental.

FINANCE COSTS

Finance costs decreased by 86.7% from HK$16.8 million to HK$2.2 million. The Group had no bank borrowings. The finance costs were mainly due to imputed interest on convertible bonds. Following the maturity of 1-year convertible bonds issued by the Company on 13 December 2010, the imputed interest had decreased significantly. During the year, interest on promissory note issued by the Company amounted to approximately HK$204,000.

BUSINESS COMBINATION AND GAIN ON BARGAIN PURCHASE

During the year, the Company had completed the acquisition of the 60% equity interest and shareholder's loan of Jun Qiao Limited and its subsidiaries. The impact of the acquisition on the audited financial statements has been disclosed in Note 22. The Group recognized a gain on bargain purchase amounted to HK$28 million, which represented the Group's ability in negotiating the agreed terms of the transaction with the vendors. In the interim report of the Group for the six months ended 30 September 2011, the gain on bargain purchase was reported as HK$7.2 million. During the preparation of the interim results, the Company had adopted the valuation report dated 5 May 2011 for the value of the intangible assets, the valuation reports dated 21 November 2011 for the consideration paid and unaudited consolidated management accounts of Jun Qiao Limited in computing the gain on bargain purchases. During the course of the audit, the Company was advised by the auditor of the Company that the valuation methodology in respect of the intangible assets was not in line with the requirements of the relevant accounting standards. In the Group's interim report, Market-Based Approach was adopted in valuing the business of Yin Di Company assuming that the mining license was the only asset of Yin Di Company. However as advised by the auditor of the Company and pursuant to the HKFRS 3 – Business Combination, each of the assets and liabilities arising from the acquisition of Jun Qiao should be stated at its fair value. A separate valuation was required in ascertaining the fair value of the mine independently from the business of Yin Di Company as a whole. In the later valuation, the mining right of Yin Di Company was valued with Income-Based Approach, while Market-Based Approach was adopted for the valuation of 2 exploration rights. The management had also discovered that certain components, mainly the financial derivatives elements of the financial instruments issued, of the consideration for the acquisition was omitted in the valuation. As such, separate valuations were performed by Roma Appraisal Limited, an independent valuer, and different values came up. In addition, when the auditor of the Company was auditing the consolidated financial information of Jun Qiao Limited at the date of acquisition, certain adjustments was found. The above reasons resulted in different gain on bargain purchase being disclosed.

In the Group's interim report for the six months ended 30 September 2011, consideration transferred was disclosed as HK$104,214,000. The amount was decreased to HK$99,366,000 in the audited financial statements for the year. The difference was reconciled as follows:

Notes	**As stated in the interim report** HK$	**Call option features** HK$	**Change in equity portion** HK$	**Changes in liability component** HK$	**As stated in the audited financial statement** HK$
		a	*b*	*c*	
Cash	39,000,000	–	–	–	39,000,000
Consideration CB	24,087,000	(162,000)	(2,734,000)	(559,000)	20,632,000
Consideration PN	41,127,000	(309,000)	–	(1,084,000)	39,734,000
	104,214,000	(471,000)	(2,734,000)	(1,643,000)	99,366,000

Notes:

a. The fair value ascribed to the call option features was omitted when the Group prepared its interim result announcement. The call option referred to the right to redeem the relevant financial instruments before their respective maturity dates.

b. During the preparation of the interim result announcement, the equity portion, being the conversion option of the convertible bonds, was separately valued as a single instrument. However, in accordance with the relevant accounting standard, equity portion should be a residual amount. As such, the Company instructed Roma to appraise the value of convertible bonds as a single instrument and resulted in decrease in the amount of the equity portion.

c. Due to the fact that the call option features of the convertible bonds and promissory note were omitted when the Group prepared its interim result announcement, the Company instructed Roma to reassess and evaluate the risks associated with the convertible bonds and promissory note for annual result announcement. Taking into account of the nature and risks concerning the call option features have resulted in the increase in discount rates and decrease in the amounts of liability components of the convertible bonds and promissory note.

The valuation of the Group's intangible assets relied upon the estimated mineral resources data in the Reserves Report prepared by the First Survey Team of Henan Geology and Mineral Exploration and Development Bureau. The Reserve Reports was based on factual geological survey, drillings and sample testing. There was no specific assumption made in the preparation of the Reserves Report. The key assumptions used in the preparation of valuation reports on the mining properties has been disclosed in the section headed "Intangible Assets" below.

Based on the valuation reports issued by Roma Appraisal Limited on 9 October 2012, the fair value of each of the Group's mining properties as at 9 May 2011 and 31 March 2012 were as follows:

		Fair Value			
Mining Property:	Status	9 May 2011		**31 March 2012**	
		RMB'000	HK$'000	**RMB'000**	**HK$'000**
Yin Di Mining Area	Mining	252,000	301,795	**353,000**	**436,061**
Li Zi Yuan Mining Area	Exploration	1,006	1,205	**878**	**1,085**
Hu Lei Si De Mining Area	Exploration	1,792	2,146	**1,930**	**2,384**
		254,798	305,146	**355,808**	**439,530**

Note: The fair value of the Group's mining properties as at 31 March 2012 was prepared as reference for the purpose of assessing if there was any impairment on intangible assets and for management information purposes. As no impairment on intangible assets has been provided for in the audited financial statements, the fair value as at 31 March 2012 was not reflected in the financial report.

The fair value of Yin Di Mining Area was assessed with Income-Based Approach valuation method, and has increased from HK$302 million to HK$436 million. The increase was mainly due to the increase in gold price and expected production volume. As sourced from Shanghai Gold Exchange, the 12-month trailing gold price increased from RMB286 per gram as at 9 May 2011 to RMB340 per gram as at 31 March 2012. Such significant increase in gold price would have considerable impact on the revenue of the initial year as well as those in the coming years throughout the projection. Moreover, the Group has injected resources in improving and developing the mining property. This has resulted in an increased in the expected production volume in the future year. The management planned to achieve a mining and gold ores processing capacity of 450 tones per day by three stages, which is expected to be completed before the mid of 2015. The first stage of gold production is expected to be started in the second of 2013 with daily ores production of 150 tonnes. The second stage will be started in the first quarter of 2014 and daily ores production will reach 300 tonnes. The final stage will be stated in the third quarter of 2015 when the Yin Di Mining Area could produce 450 tonnes of ores per day. With higher revenue and higher net profit, the cash flow attributable to the intangible assets would be higher accordingly, resulting in a higher fair value of intangible assets as at 31 March 2012.

The fair values of Li Zi Yuan Mining Area and Hu Lei Si De Mining Area were assessed with Market-Based Approach. Under the Market-Based Approach, transaction of comparable exploration licenses had been selected in determining the consideration-to-exploration area multiples. The change in fair values of these exploration licenses was mainly due to the change in the consideration-to-exploration area multiples, as an updated set of market comparables had been used in assessing the fair value as at 31 March 2102, in order to reflect the latest market position.

FAIR VALUE LOSSES ON DERIVATIVE FINANCIAL ASSETS

The derivative financial asset refers to the early redemption option embedded in the Group's convertible bonds. The fair value of the derivative financial assets at the date of issuance and 31 March 2012 were valued by Roma Appraisals Limited, an independent valuer. Due to the decrease in the fair value as a result of the moving closer to the maturity of the convertible bonds, a decrease in fair value was recorded.

PROVISION FOR REINSTATEMENT COSTS

As at 31 March 2012, the Group has made a provision of reinstatement costs of HK$778,239 (31 March 2011: Nil). The provision was made for the reinstatement costs, which would be incurred in the future when the exploitation activities completed and the Group was obliged to recover the mining properties to their original landscape. The provision is estimated and reassessed at the end of each reporting period with reference to the latest available quotation from independent contractors or market information and practices. Estimation based on current market information may vary over time and could differ from the actual reinstatement cost upon full extraction of the mining reserves by the Group.

INCOME TAX EXPENSES

During the financial year, income tax expenses amounted to HK$2.1 million with an effective tax rate of 11.2% (2011: 0%). The tax expenses represented the PRC Enterprise Income Tax, which was calculated as 25% on the taxable profit of the Group's subsidiaries in PRC. During the year, the profit generated by QuotePower International Limited was offset by tax losses brought forward and thus the income tax expense was solely contributed by Tong Bai County Yin Di Mining Company Limited.

The tax at the applicable tax rate was reconciled at 19.26%, being the weighted average of the statutory tax rate of Hong Kong and the PRC of 16.5% and 25% respectively based on the profit contributions from Hong Kong and PRC operations.

The effective tax rate of the Group was 11.17% which was much lower than the Group's weighted average applicable tax rate as the gain on bargain purchase amounted to HK$28.3 million was non-taxable. Such effect was partially offset by the tax effect of non-deductible expenses of HK$3.7 million which mainly relating to the Group's operation in Hong Kong as those companies did not have any income subject to Hong Kong profits tax.

OTHER SEGMENT INFORMATION

In the other segment information, depreciation of property, plant and equipment for the financial quotation segment has been decreased by approximately 48.1% from HK$1.1 million in last year to HK$0.6 million in the current year. The decrease in depreciation charge was due to the increase in computer and equipment that had become fully depreciated.

Other than the gain on bargain purchase, which has already separately disclosed in the segment revenue and results, there was no material one-off item included in the determination of segment results.

HELD FOR TRADING INVESTMENT

On 19 May 2011, May Tech Investments Limited, a wholly-owned subsidiary of the Company, entered into a Form of Placing Letter with Tanrich Securities Company Limited, to subscribe for 8,274,000 new shares of RCG Holdings Limited (Stock code: 802) at a price of HK$1.45 per share. The Group paid approximately HK$12 million accordingly during the year. The security was held for short term trading purpose, which aimed at improving returns on the Group surplus cash resources after receiving the refundable deposit and liquidated damage. As the relevant applicable percentage ratios, as defined in the Listing Rules, were less than 5%, the subscription of placing shares did not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

EARNINGS PER SHARE

For the year ended 31 March 2012, the basic earnings per share amounted to 1.98 cents, which shown a great improvement from the losses per share of 4.56 cents from the last reporting year.

In accordance with the relevant accounting standard, the fair value changes of derivative financial assets and the finance costs in respect of the convertible bonds were required to be added back for the computation of the diluted earnings (losses) per share. Taking into account the incremental ordinary shares that can be converted, the diluted earnings per share for the year ended 31 March 2012 higher than the basic earnings per share while the absolute amount of the diluted losses per share for the year ended 31 March 2011 was lower than the basic losses per share which represented an anti-dilutive effect.

DEFERRED TAX LIABILITIES

As at 31 March 2012, deferred tax liabilities contributed by Jun Qiao amounted to HK$75.4 million, which was calculated at the tax rate of PRC Enterprise Income Tax of 25% mainly on the increase in fair value of intangible assets in accordance with the relevant accounting principle.

FINANCIAL POSITION

The Group's consolidated statement of financial position remained solid. Shareholders' equity increased from HK$118.8 million to HK$182.5 million. Total assets and net assets increased by almost 1.47 times and 1.35 times to HK$477.9 million and HK$305.6 million respectively, which was primarily due to the successful acquisition of Jun Qiao in the year. Nevertheless, the net current liabilities of the Group as at 31 March 2012 amounted to HK$1.2 million, representing a significant decline from the net current assets of HK$128.1 million in last year. This was because, after receiving the refundable deposit of HK$130 million, the Company has applied the sum on several capital investments, including the acquisition of Jun Qiao and associated capital expenditures, for the Group's sustainable development in the future.

In the current year, the net cash used in operations amounted to HK$18.5 million, as compared to that of HK$8.1 million in previous year. The net cash used in operation increased by HK$10.4 million, which was primarily due to the increase in account receivables and decrease in trade payable by HK$12.8 million and HK$6.6 million respectively. The net cash inflow from the Group's investing activities amount to HK$16.8 million, which was due to the receipt of refundable deposit by the Company. Overall, the net increase in cash and cash equivalents of the Group amount to HK$1.8 million, as compared to the net decrease in previous year of HK$3 million, there was an improvement of HK$4 million, which showed the management's effort to maintains a conservative approach to cash management and risk controls.

CASH FLOW POSITION

As at 31 March 2012, the Group's cash and cash equivalent amounted to approximately HK$31.3 million (31 March 2011: HK$29.1 million). During the year, the Group has a net increase in cash and cash equivalent of HK$1.8 million, which reflect an improvement as comparing to the net decrease of cash and cash equivalent of HK$3 million in previous year.

Contributing by the improved operating results, the Group's operating cash outflow before movements in working capital has reduced by HK$8.5 million to approximately HK$0.6 million in the current year. Nevertheless, net cash used in operations amounted to approximately HK$18.5 million in the current year, which was mainly due to the increase in trade receivables of HK$12.8 million and decrease in trade and other payables of HK$6.6 million. The increase in trade receivables was primarily occurred in the Group's new business segment of mining operation. To facilitate the sale of mineral ores to local processing plants, the Group has provided customers with credit terms which were competitive in the local market. Although the balance of trade receivables was escalating, the management did not foresee any recoverability problem as the amount has been settled after the reporting date. Trade and other payables has decreased as, with adequate financial resources, the Group settled business partners promptly in order to maintain better business relationship.

Net cash from investing activities amounted to approximately HK$16.8 million. During the year, the Company has received refundable deposit and the associated liquidated damage amounted to HK$150.3 million, which was the major cash inflow in the Group's investing activities. For the details about the refundable deposit and liquidated damage, please refer to the Company's annual report for the year ended 31 March 2011. During the year, the Group's cash outflow in investing activities mainly related to the new mining operation segment. To diversify in the mining business, the Group paid net cash of approximately HK$37.8 million as partial consideration to acquire Jun Qiao. Thereafter, the Group paid approximately HK$11.7 million for exploration activities and HK$42.2 million for improvement in mining and processing technologies and capacity and site preparation. These improvements works have been completed, and the management did not expect significant investment in capital expenditures in coming years. In addition, the Group has paid HK$30 million as refundable deposit for the possible acquisition of Billion Light Holdings Limited. For details, please refer to the section headed "Mergers and Acquisitions". During the year, the Group has purchased a listed security for approximately HK$12 million. The security was held for short term trading purpose, which aimed at improving returns on the Group surplus cash resources.

Net cash from financing activities amounted to HK$3.5 million. During the year, the Company has placed 73,107,200 new shares to independent investors at a price of HK$0.64 per share. After deducting expenses of HK$2.1 million, the Company received approximately HK$44.7 million from this placement of shares. Other than that, the Company did not have any large scale fund raising activity. During the year, the Company has repaid HK$8 million to a substantial shareholder on demand, and re-deemed promissory notes amounted to HK$40 million.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2012, the Group's cash and cash equivalents amounted to HK$31.3 million (2011: HK$29.1 million). Except for the convertible bonds and promissory notes amounted to HK$21.7 million and HK$15.4 million respectively, the group had no banks loans or borrowings with fixed term of repayment at the end of year.

	As at 31 March 2012	As at 31 March 2011
Current ratio (current assets/current liabilities)	**0.99 times**	3.0 times
Gearing ratio (total liabilities/total assets)	**36.1%**	33.0%

Despite the net current liabilities, the Group's liquidity remains healthy. Nevertheless, as the Company is still keen on looking for strategic investment to diversify its business operation, additional financing might be requested when suitable investment opportunity was identified. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company and to make sure that the Company will have sufficient working capital to support its future operational and investment needs.

TRADE RECEIVABLES

The breakdown of trade receivables of the Group by operating segment were as follows:

	31 March 2012	31 March 2011
	HK$	HK$
Financial Quotation Services	**5,705,510**	7,943,012
Mining Operations	**15,039,530**	–
	20,745,040	7,943,012

The significant increase in trade receivables of the Group was due to the contribution from the new mining operations. Trade receivable in the Group's financial quotation segment has been decreased by approximately 28.2%, which was in line with the decrease in turnover derived from the segment during the year. For the mining operations, to facilitate the sale of mineral ores to local processing plants, the Group has provided customers with credit terms which were competitive in the local market. Although the balance of trade receivables was escalating, the management did not foresee any recoverability problem as the amount has been settled after the reporting date. The management will constantly review the aging and credit standing of customers to ensure trade receivables can be fully recovered.

OTHER RECEIVABLE, DEPOSITS AND PREPAYMENTS

The breakdown of other receivables, deposits and prepayments were as follows:

	31 March 2012	31 March 2011
	HK$	HK$
Liquidated damage receivable	**1,988,606**	22,300,000
Other receivables	**465,155**	90,064
Rental deposits	**1,499,294**	1,767,310
Prepayment	**723,800**	760,141
	4,676,855	24,917,515

The decrease in the overall balance was due to settlement of majority of last year's liquidated damage. The remaining liquidated damage as at 31 March 2012 was fully settled subsequent to the end of the reporting period. The remaining balances were not material to the Group.

PREPAYMENTS FOR EXPLORATION AND EVALUATION ACTIVITIES

As at 31 March 2012, the prepayments for exploration and evaluation activities amounted to approximately HK$11.65 million were made for exploration drilling activities in relation to the Group's exploration rights held. The prepayments were made in accordance with the contracts entered into with the exploration teams and the exploration drilling activities had not yet been commenced as at 31 March 2012.

The detail breakdowns of prepayments for exploration and evaluation activities were as follows:

	HK$'000
Li Zi Yuan Mining Area exploration contract	4,447
Hu Lei Si De Mining Area exploration contract	7,165
Miscellaneous expenses, fees and levies	38
	11,650

There are two stages for these exploration contracts. Stage one is called preliminary exploration and stage two is called advanced exploration. The stage one is mainly focusing on finding and locating the mineralization belts and to determine the economic ore veins within the mineralization belts using some geotechnical measures and the activities are mainly on the surface. The stage two is to identify the ore bodies in more details and deeper underground by using drilling method. Both Li Zi Yuan Mining Area and Hu Lei Si De Mining Area are in the stage one exploration works of locating mineralization belts.

For the Li Zi Yuan Mining Area exploration contract, it is an all-in arrangement with the exploration team whereas the Group paid RMB3.6 million and the exploration team shall prepare all relevant materials, including mineral reserve report and feasibility study report for the approval of the Department of Land and Resources of Henan Province.

For the Hu Lei Si De Mining Area exploration contract, the contract sum is not fixed and will be depending on the volume of exploration works and activities, including geological survey, drilling and sample testing. The exploration team is obliged to carry out exploration works pursuant to the relevant code and standards for geological exploration of gold mines.

The Company believed that the prepayment was a normal business practice for the exploration teams giving the high credit risk associated with the uncertainty in exploration results. The management always endeavors to negotiate the best contract terms for the Company. It is believed that these exploration contracts will promote the substantive development of the Group's mining operation.

INTANGIBLE ASSETS

The Group's intangible assets, which comprised of mining right and reserves and exploration rights, amounted to approximately HK$314.8 million, which was resulting from the acquisition of Jun Qiao during the year. The value of intangible assets as at 9 May 2011, being the date of completion of the acquisition of Jun Qiao, were valued by Roma Appraisal Limited ("Roma"), an independent valuer.

Income-Based Approach was adopted for the mining right valuation; while Market-Based Approach was adopted for exploration rights valuation.

Regarding mining right valuation, the valuer has adopted the following key assumptions in determining the mining right value:

- The pre-tax discount rate of 21.67% was adopted as at 9 May 2011;

- The mining company 桐柏縣銀地礦業有限公司 (Tong Bai County Yin Di Mining Company Limited) can successfully renew the mining licence and develop the gold mine as planned;

- There exist reliable and adequate transportation network and capacity for processing the mine products;

- Economic conditions will not deviate significantly from forecasts; and

- There will be no major changes in the political, legal, economic or financial conditions in the localities in which the gold mine operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the mining right.

Regarding the exploration rights valuation, the valuer has adopted the following key assumptions in determining the exploration rights value:

- The list of comparable transactions adopted reflects market conditions and economic fundamentals as at the valuation dates;

- The list of comparable transactions adopted is sufficient and representative for the valuation; and

- There will be no major changes in the political, legal, economic or financial conditions in the localities in which the gold and lead mines operate or intend to operate, which would adversely affect value of the exploration rights.

In ascertaining the carrying value and assessing if there is any impairment on the mining right and reserves, the Directors had engaged Roma to perform valuations on the mining right and reserves based on financial forecasts prepared by the management as at 9 May 2011 and 31 March 2012 respectively. The management had prepared the financial forecasts based on the probable and proven reserves as stipulated in the reserve reports prepared by 河南省地質礦產勘查開發局 as at 31 March 2011 and 31 March 2012 respectively. The Directors considered that the financial forecast had been prepared under due and careful considerations. Roma had discussed the assumptions with the management and compared the parameters of the financial forecast to market information and considered reasonable. Based on the valuation as at 31 March 2012, which had a higher fair value than the carrying amount, the Directors considered that there was no impairment on the mining right and reserve as at 31 March 2012.

In the valuation report issued by Roma for the fair value of intangible assets as at 31 March 2012, Roma have adopted certain assumptions in their valuation and the major ones are as follows:

- The Group can successfully renew the mining licence and exploration licences, and develop the mining properties based on the updated business plan provided by the management;

- The projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;

- There exist reliable and adequate transportation networks and capacity for processing the mine products;

- Economic conditions will not deviate significantly from forecasts; and

- There will be no major changes in the political, legal, economic or financial conditions in the localities in which the mining properties operate or intend to operate, which could adversely affect the revenues attributable to and the profitability of the mining right and the exploration rights.

The auditor of the Company had discussed the financial forecasts with the management and Roma and considered that the assumptions, parameters and discount rate adopted in the valuations are reasonable and thus considered that fair value of the mining right and reserves as at 9 May 2011 is reasonable and concur with the Directors that there was no impairment on the mining right and reserves as at 31 March 2012.

In respect of the exploration rights, the fair values as at 9 May 2011 were determined by Roma using a market comparison approach. The auditor of the Company had reviewed the comparable transactions adopted by Roma and considered that the value assessed by Roma is reasonable.

In assessing if there is any impairment on the exploration rights, the Directors had made reference to the requirements stipulated in HKFRS 6 – Exploration for and Evaluation of Mineral Resources, issued by the Hong Kong Institute of Certified Public Accountants. Having considered inter alia the terms of the explorations had been renewed subsequent to the end of the reporting period, the Group had paid the professional fees for the exploration and drilling activities for the subject mining area and the positive findings as reverted by the exploration team up to the date of this announcement, the Directors considered that there was no impairment on the exploration rights. The auditor of the Company, after discussing with the Directors and taken into the above, concur with the Directors that there was no impairment over the Group's exploration rights.

In accordance with HKFRS 6, exploration right should be stated at cost less impairment losses and therefore no amortisation had been recognised during the year.

In respect of the mining right and reserves, in accordance with the Group's accounting policy, they are amortised over the estimated useful life on a straight line basis based on the probable and proven reserves, the estimated useful life. Such kind of amortisation method is named as the unit-of-production ("UOP") method. During the current year, the mineral reserves that had been extracted represented extra resources not stipulated in the reserve report as at 31 March 2011 and thus the carrying value of the mining right and reserves recognised on acquisition of Jun Qiao did not include the resources extracted and therefore, no amortisation had been recognised in such respect. With the UOP method, the intangible assets are amortised according to the production quantity during the reporting period.

In the Group's interim report for the six months ended 30 September 2011, the value of intangible assets as stated in the unaudited consolidated statement of financial position was approximately HK$231 million. According to the sales and purchase agreement, the acquisition of Jun Qiao was conditional upon the obtaining of a valuation report from a valuer appointed by the Company and showing the fair value of the operating mine (Yin Di Mining Area) to be not less than HK$200 million. The Company thus appointed Roma to perform the required valuation. Based on the valuation report issued by Roma on 5 May 2011, the value of the 100% interest in Yin Di Company (being the holder of the mining license) was reasonably stated at RMB195 million (equivalent to approximately HK$233.5 million). The said valuation was prepared under the market-based approach by comparing prices at which other business entities in a similar nature changed hands in arm's length transactions. In preparing the interim report for the six months ended 30 September 2011, the management took this valuation report as basis to refer the value of intangible assets to be included in the unaudited financial statements. Other than the intangible asset, the other assets and liabilities as disclosed in the interim report were extracted from the unaudited consolidated financial information of Jun Qiao Limited and its subsidiaries. During the course of annual audit, after reviewing the relevant information and documents, the management was advised by the auditor of the Company that pursuant to the HKFRS 3 – Business Combination, each of the assets and liabilities arising from the acquisition of Jun Qiao should be stated at its fair value. A separate valuation was required in ascertaining the fair value of the mine independently from the business of Yin Di Company as a whole. In the later valuation, the mining right of Yin Di Company was valued with Income-Based Approach, while Market-Based Approach was adopted for the valuation of 2 exploration rights. Then the Company appointed Roma to re-perform the valuation at acquisition date, and came up with a value of HK$305 million for the intangible assets, and a value of HK$225 million for the fair value of net identifiable assets acquired. Giving the basis and approach were different between the valuation report issued on 5 May 2011 and the valuation reports used for annual reporting purpose, the amount of intangible assets, the value of net assets acquired, and hence the resulting figure for non-controlling interest of subsidiaries and the bargain on purchase were different between those amounts stated in the unaudited interim report and this audited financial statements.

DEPRECIATION

The mining structures refer to the infrastructures that are erected for the whole mining area which are expected to last until the end of the extraction activities. As such, these structures are depreciated in the same way as the mining right and reserves, that is based on the UOP method.

For the plant and machinery which will mainly be deployed for ore refinery and thus a 15% depreciation rate was applied.

The amortisation method and the estimation of useful lives is in line with market practice.

The depreciation method and useful lives had been agreed with the auditor of the Company and the valuer.

UOP method is adopted for the mine specific items such as the infrastructures within the mining area enabling the extraction of mineral reserves. As these mine specific items normally have a long useful life and they will be abandoned when the mining reserves is fully extracted, the Company considered that the adoption of UOP method for the depreciation purpose is more appropriate.

On the other hand, straight-line depreciation over $6\frac{2}{3}$ years is adopted for non-mine specific items such as tailings pond and the roads built to connect the mine with the highway as the Company considered that their useful life are not directly correlated to the extraction of reserves.

Based on the production plan of the Group, the mineral reserves are expected to be fully extracted within 15 years.

In accordance with the Group's accounting policy, depreciation method and useful lives are assessed annually.

SHARE CAPITAL

As at 31 March 2012, the total number of issued ordinary shares of the Company was 640,643,200 shares (31 March 2011: 567,536,000 shares). On 5 May 2011, the company has successfully placed 73,107,200 ordinary shares at a price of HK$0.64 per share, and raised net proceeds of approximately HK$44.7 million. The net proceeds has been used as to HK$39 million for acquisition of Jun Qiao and as to HK$5.7 million as general working capital of the Group.

Resolution approving the placement of 400,000,000 new ordinary shares at the placing price of HK$0.25 per share (the "Placing") was passed by the shareholders at a special general meeting on 5 March 2012. Details of the Placing were set out in the Company's circular dated 15 February 2012. The Placing has successfully completed after the end of financial year on 29 June 2012.

FUND RAISING ACTIVITIES AFTER REPORTING PERIOD

Subsequent to the balance sheet date and up to the date of release of this financial report, the Company has conducted several fund raising activities involving the issue of new shares. The effects of these new issues on the Company's share capital are as follows:

	No. of shares	Amount HK$
Authorized:		
Ordinary shares of HK$0.01 each	6,000,000,000	60,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 31 March 2012	640,643,200	6,406,432
Placing of new shares under general mandate on 15 May 2012 (note 1)	86,154,000	861,540
Placing of new shares under general mandate on 26 June 2012 (note 2)	41,000,000	410,000
Placing of new shares under specific mandate and completed on 29 June 2012 (note 3)	400,000,000	4,000,000
	1,167,797,200	11,677,972

Note:

1 On 27 April 2012, the Company entered into a placing agreement with Emperor Securities Limited ("ESL") whereby the Company agreed to place, through ESL, on a best effort basis, a maximum of 86,154,000 new shares at a price of HK$0.26 per share. The placement of new shares was successfully completed on 15 May 2012, and 86,154,000 new shares have been issued. The Company raised net proceeds of approximately HK$21.7 million from the placement. The net proceed was intended to repay outstanding convertible bonds of the Company if the said were not fully converted by its holder before the maturity date. Provided that they were fully or partly converted by its holder before the maturity date, the proceeds from the placement would be intended to partly repay the loan from a substantial shareholder of the Company. The net proceeds was subsequently used as to HK$14.2 million to repay the loan from a substantial shareholder, as to HK$6 million to repay advance from directors, and as to HK$1.5 million for general working capital.

2 On 15 June 2012, the Company entered into a placing agreement with ESL, whereby the Company agreed to place, through ESL, on a best effort basis, a maximum of 41,000,000 new shares at a price of HK$0.305 per share. The placement of new shares was successfully completed on 26 June 2012, and 41,000,000 new shares have been issued. The Company raised net proceeds of approximately HK$12.1 million from the placement. The Company intended to use the net proceeds of approximately HK$6 million to reduce the liabilities of the Group, including but not limited to the outstanding balance of the loan from a substantial shareholder of the Company, the outstanding balance of loan from a director and the outstanding balance of the promissory notes. The remaining balance of HK$6.1 million will be used as general working capital of the Company. The net proceeds was subsequently used as to HK$5.8 million to repay the loan from a substantial shareholder, as to HK$2 million to repay advance from a directors, and as to HK$4.3 million for general working capital.

3 On 18 January 2012, the Company and United Simsen Securities Limited ("United Simsen") entered into a placing agreement, pursuant to which United Simsen has conditionally agreed to place, on a best efforts basis, 400,000,000 new shares a price of HK$0.25 per share, under a specific mandate granted to the Board by shareholders in general meeting. In the special general meeting held on 5 March 2012, the ordinary resolution to approve the placing of 400,000,000 new shares was passed by shareholders by way of poll. The placement of new shares was successfully completed on 29 June 2012, and 400,000,000 new shares have been issued. The Company raised net proceeds of approximately HK$95 million from the placement. The Company intends to apply the net proceeds as to (i) not less than 50% of the net proceeds for financing the acquisition 55% of the issued share capital of Billion Light Holdings Limited and/or any other investment opportunities that may be identified by the Group; and (ii) not more than 50% of the net proceeds for the reduction of liabilities of the Group and/or general working capital of the Group. The net proceeds was subsequently used as to approximately HK$37.7 million to repay outstanding convertible bonds and promissory notes, including interest, of the Company. The intended uses of the remaining net proceeds remained unchanged.

Save for the above, the Company has no current intention or plan for any fund raising activity, whether or not involving any issues of new shares.

MERGERS AND ACQUISITIONS

During the year, the Company has completed the acquisition of 60% equity interest and shareholder's loan of Jun Qiao for a consideration of HK$99.4 million. The consideration was satisfied by cash and by the issue of convertible bonds and promissory notes for the amount of HK$39 million, HK$20.6 million and HK$39.8 million respectively. After the acquisition completed on 9 May 2012, Jun Qiao and its subsidiaries become subsidiaries of the Company, and their financial results are consolidated in the Group's financial statements thereafter.

On 7 November 2011, the Company entered into a conditional sales and purchase agreement with Magic Luck International Limited (the "Vendor"), for the acquisition of 55% issued share capital and shareholders' loan of Billion Light Holdings Limited (the "Target Company"), for a total consideration of HK$200,000,000 of which HK$100,000,000, HK$50,000,000 and HK$50,000,000 will be settled by cash, two-year convertible bonds and two-year promissory notes respectively. The Target Company, through its subsidiaries, are principally engaged in the leasing of point-of-sales terminals (the "POS Terminals") and provision of ancillary services in mainland China. Details regarding the proposed acquisition can be referred to the Company's announcements dated 8 November 2011. As at 31 March 2012 and the date of this announcement, this acquisition has not yet been completed. During the year, HK$30 million has been paid as refundable deposit upon the signing of the sales and purchase agreement. The Company has appointed various professional parties to perform due diligence procedures and to prepare various professional reports to be included in the circular pursuant to the Listing Rules. All these due diligence works are in progress. As the quantity of contractual agreements are huge, and the business itself and the business model employed by the Target Company are rather unique, the time need to complete all these required due diligence works is longer than expected. Other than this, the management does not foresee any difficulties concerning the acquisition. Subject to the resumption of trading of shares of the Company, it is expected that, the acquisition can be completed before the end of 2012. The management will inform the public about the progress of this acquisition and/or dispatch the relevant circular to shareholders in accordance with the Listing Rules.

PLEDGE OF ASSETS

As at 31 March 2012, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2012, the Group had no material contingent liabilities.

CAPITAL COMMITMENTS

	2012	2011
	HK$	HK$
Contracted but not provided for capital commitment in respect of the acquisition of:		
– Subsidiaries (note)	**170,000,000**	100,000,000
– Property, plant and equipment	**998,493**	284,603
	170,998,493	100,284,603

Note: Please refer to the section "Mergers And Acquisitions" above.

FOREIGN EXCHANGE EXPOSURE

Most of the operations and trading transaction, assets and liabilities of the Group were denominated in Hong Kong dollar and Renminbi. During the year ended 31 March 2012, the Group had an insignificance amount of exchange difference.

The Group adopted a conservative treasury policy, with most of the bank deposits being kept in Hong Kong dollars and Renminbi, to minimize exposure to foreign exchange risks. As at the year end and during the year, the Group had no foreign exchange contracts, interest or currency swaps, or other financial derivatives for hedging purposes.

COMMODITY PRICE RISK

The price of the Group's products of the mining operations are influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of metals is also affected by the global and PRC economic cycles as well as the fluctuations of the global currency market. Both the international and domestic market price of metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the turnover from the Group's mining operation and thus the comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts ad price arrangements to hedge the risk of volatility of metals prices.

EMPLOYEE REMUNERATION POLICY

As at 31 March 2012, the Group had 58 employees (31 March 2011: 47 employees). Total salaries, commissions, incentives and all other staff related costs incurred for the year ended 31 March 2012 amounted to approximately to HK$16.8 million (31 March 2011: HK$15.6 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistances benefit. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

OUTLOOK

The Mining Operations

Looking forward to the succeeding years, there will be still uncertainties in the recovery of the global economic due to extreme volatilities in the global market and the European sovereign crisis. On the back of such environment, precious metals remain a fundamental option for investors who opt for a diversified portfolio to mitigate systematic risks. Coupled with the overwhelming demands from the PRC market, the management expects to see continued upside potential for metals price, especially gold and silver, during the comings financial years.

The mining operation is rather new to the Group and to its senior management. Except for the Chief Executive Officer of the Company, the Group's senior management had no experience and professional knowledge on the operation. The scale of the Group's mining operation is considered small and limited. The Group can only be a market follower, and has no influence on both the market price and sales of ores and ores concentrates in the local market. The prospect of the Group's mining operation relies solely on the Group's ability to extract valuable mineral resources efficiently and economically, and to identify new mineral reserves in the Group's mining properties. Regarding this direction, the Group has appointed local experienced exploitation and exploration teams in order to deliver the full potential of the Group's mineral reserve and resources.

Based on the existing gold and silver reserves and resources of the Group, it is expected to have higher production in the year to come. In near term, the Group will focus on the exploitation of gold and silver ore and production of concentrates. To achieve greater stability, predictability, consistency and sustainability of the Group's mining production, the management has set the following strategies:

1. Further enhance the mining and ore processing technologies;

2. Increase the capacity of ore processing plant by constructing additional processing facilities;

3. Increase the exploitation capacity by appointing or co-operating with contracted qualified mining teams; and

4. Facilitate the completion of the exploration works and feasibility studies in Li Zi Yuan Mining Area and Hu Lei Si De Mining Area so as to formulate suitable development plan.

Regarding the exploration works of the Group, the previous and current works on the fields of the two exploration license have showed the results of finding gold mineralization. There have been mineral samples taken from the field surface of licensed exploration area in Henan and Xinjiang, and the samples examined for gold. The results are positive as the grade of gold ore samples are ranging from 0.5 g/t and 6 g/t. However, at the moment it could not provide details of the geological results, because there are extra geological works to be carried out in the coming months, and the stage geological summary report will be produced after the works finished.

The exploration works was expected to be finished before the end of 2013. The resource/reserve reports and the feasibility reports for both exploration properties will be carried out during the year of 2014 and the resulting mining licenses could be issued in the same year.

Regarding the development plan and the strategy for the Yin Di Mining Area, the Group's only operating mine, the management planned to achieve a mining and gold ores processing capacity of 450 tonnes per day by three stages, which is expected to be completed before the mid of 2015. The first stage of gold production is expected to be started in the second quarter of 2013 with daily ores production of 150 tonnes. The second stage will be started in the first quarter of 2014 and daily ores production will reach 300 tonnes. The final stage will be stated in the third quarter of 2015 when the Yin Di Mining Area could produce 450 tonnes of ores per day. It is expected the Group will be able to produce contained gold of about 525 kg per year and create an output value of about RMB128 million from year 2016 onwards. In the mean time, the Group will continue the extraction of silver ores from the mining area to fully utilize the potential of our mining property. The selling of silver ores could provide a stable revenue and cash flow for the mining operation. It will be the strategy of the Group to carry out mining operation, mine development and exploration works simultaneously in order to keep generating cash-flow from the mining operation while making investment. The Group has no current intention and plan to acquire other mining properties in the near future. The management will focused on the development of the Group's existing mining properties.

The progress and growth that the Group has made in the current year is encouraging. The Group has now its strategy firmly in place and is well positioned to advance into the exciting new phase of growth.

The Financial Quotation Segment

The financial results of QuotePower, the main revenue producer of the Group, to a large extent depend on the performance of the stock market. QuotePower is one of the leading financial quotation service providers in Hong Kong. It has long history in the market and has wide client base. However, it is believed that the market for paid financial quotation services has been fully developed and saturated. The potential for further development is very limited and raise of subscription price would result in loss of subscribers. The management of QuotePower has launched financial quotation services in mobile devices platform in recent years, yet the effort has achieved little in terms of attracting subscribers and widening revenue base. The prospect of the Group's financial quotation service segment depends on the management's ability to retain customers by providing quality services and control costs. Demand for the Group's financial quotation services derives mainly from the investment sentiments in the financial market. Investor sentiments have been recovering as a result of the quantitative easing monetary policies adopted by various governments after the financial tsunami in earlier years. Given the strong market position and customer base built up over the years, we are reasonably confident that QuotePower will be able to regain its proven track records. However, as a matured and fully developed business sector, the room for further growth and development of the segment is limited. Meanwhile, the continued strengthening of Hong Kong as an international financial centre should also present us with new growth prospects, which we believe QuotePower is well-placed to capture. It will continue to explore business opportunities to enhance its market leadership in the area of financial information services and to expand the geographical reach of its sales and marketing activities. It is expected that the financial quotation services provided by the Group will still face severe challenge ahead. The management will strive to exercise prudent business measures to maximize its profitability or to minimize the loss.

Other

The management always believes that it is in the best interest of the Company and the shareholders to diversify the Group's business portfolio. The Company will continue to identify appropriate potential investment opportunities.

On 7 November 2011, the Company entered into a conditional sales and purchase agreement with Magic Luck International Limited (the "Vendor"), for the acquisition of 55% issued share capital and shareholders' loan of Billion Light Holdings Limited (the "Target Company"), for a total consideration of HK$200,000,000. The Target Company, through its subsidiaries, is principally engaged in the leasing of point-of-sales terminals (the "POS Terminals") and provision of ancillary services in mainland China. During the past years, the e-payment has developed into one of the most important segments in the non-cash payment system in the PRC. The services and products of the e-payment, especially the POS Terminals, have been widely used in many other industries including but not limited to travel, education, public utility, finance and retail. According to the China Payment System Development Report* (中國支付體系發展報告) by the People's Bank of China in May 2011, the number of the POS Terminals installed in the PRC has grown from approximately 270,000 in 2002 to approximately 3,334,000 in 2010 with an annual growth rate of 37%. The management believed that the potential and development in this business segment is significant. The acquisition has not been completed and will be subjected to approval by shareholders. If the acquisition proceeds to completion, the Target Company will become a subsidiary of the Group. Details regarding the proposed acquisition had been included in the Company's announcements dated 8 November 2011, 16 November 2011, 30 December 2011, 31 January 2012, 1 February 2012, 2 March 2012, 30 March 2012, 2 May 2012, 31 May 2012, 29 June 2012, 31 August 2012, 28 September 2012, 31 October 2012 and 31 December 2012.

Except for those fund raising activities after reporting period and the proposed acquisition of Billion Light Holdings Limited disclosed above, the Company has no current intention or plan for any fund raising activities, any acquisition or investments, and any disposal or scale-down of any current business.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year and the Company has not redeemed any of its securities during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Group has in the year under review complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the following deviation:

Code Provision A.4.1

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

In view of the latest amendments to the Listing Rules and the Code, the Board has taken actions and measures to ensure that the Group is in all aspects in strict compliance.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee has been set up by the Board with specific terms of reference, comprising three independent non-executive directors, namely, Mr. Lee Ho Yiu, Thomas (Chairman), Mr. Lee Kwong Yiu and Mr. Zhang Guang Hui have reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited accounts for the year ended 31 March 2012. The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 March 2012.

ESTABLISHMENT OF NOMINATION COMMITTEE

The Nomination Committee has been established on 29 March 2012 with specific terms of reference for the purpose of reviewing the Board composition, advising the Board on the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors. The Nomination Comittee consists of two executive directors, namely, Mr. Chen Jiasong and Mr. Cheung Wai Shing and three independent non-executive directors, namely, Mr. Lee Kwong Yiu, Mr. Lee Ho Yiu, Thomas and Mr. Zhang Guang Hui. Mr. Chen Jiasong is the chairman of the Nomination Committee.

REMUNERATION COMMITTEE

The Remuneration Committee has been set up by the Board with specific terms of reference for the purpose of reviewing the remuneration of Directors and the remuneration policies of the Group. With effect from 29 March 2012, the Remuneration Committee consists of two executive directors, namely, Mr. Chen Jiasong and Mr. Cheung Wai Shing and three independent non-executive directors, namely, Mr. Lee Kwong Yiu, Mr. Lee Ho Yiu, Thomas and Mr. Zhang Guang Hui. Mr. Lee Kwong Yiu is the chairman of the Remuneration Committee.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the full set of Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions (the "Model Code"). The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group.

Having made specific enquiry of all directors, the Board confirms that the Directors of the Company have complied with the Model Code regarding directors' securities transactions during the year and up to the date of publication of the Annual Report.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Monday,18 February 2013 (the "AGM"), a notice of AGM will be published and dispatched to the shareholders of the Company as soon as practicable in accordance with the Bye-laws of the Company and the Listing Rules.

PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.0030hk.com). The Company's annual report for 2011/12 will be dispatched to the shareholders of the Company and available on the above websites in due course.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 3 July 2012, pending the release of the final results for the year ended 31 March 2012 and the interim results for the six months ended 30 September 2012. Trading in the Shares of the Company will remain suspended until the release of the interim results for the six months ended 30 September 2012 and further notice.

By order of the Board of
ABC Communications (Holdings) Limited
Chen Jiasong
Chairman and Executive Director

Hong Kong, 9 January 2013

As at the date hereof, the Board of the Company comprises:

Executive Directors:
Mr. Chen Jiasong *(Chairman)*
Mr. Cheung Wai Shing
Mr. Choy Kai Chung, Andy
Mr. Lau Kevin
Mr. Song Gaofeng
Ms. Ma Sai

Non-executive Director:
Mr. Qiu Hai Jian

Independent Non-executive Directors:
Mr. Chen Haoyun, Jordy
Mr. Lee Kwong Yiu
Mr. Lee Ho Yiu, Thomas
Mr. Zhang Guang Hui