GOLDBOND GROUP HOLDINGS LIMITED
金 榜 集 團 控 股 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock code: 172)

PRELIMINARY ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

The board of directors (the "Board") of Goldbond Group Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2012 (the "Year") together with comparative figures.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	2012 *HK$'000*	2011 *HK$'000*
Continuing operations			
Revenue	*3*	**124,836**	48,559
Other income		**7,374**	2,629
Staff costs		**(28,949)**	(25,994)
Other operating expenses		**(35,536)**	(48,471)
Impairment loss on loans receivable		**(60,782)**	–
Change in fair values of financial liabilities		**(5,715)**	–
Direct finance costs		**(58,133)**	(18,606)
Other finance costs	*5*	**(360)**	(313)
Share of profit of a jointly controlled entity		**16,056**	–
Loss before taxation	*6*	**(41,209)**	(42,196)
Taxation	*7*	**(8,779)**	(4,468)
Loss for the year from continuing operations		**(49,988)**	(46,664)

	Notes	2012	2011
		HK$'000	*HK$'000*
Discontinued operations			
Profit for the year from discontinued operations	8	**572,358**	138,074
Profit for the year		**522,370**	91,410
Other comprehensive income			
Exchange differences arising on translation		**55,342**	79,425
Total comprehensive income for the year		**577,712**	170,835
Profit for the year attributable to:			
Owners of the Company		**500,813**	64,661
Non-controlling interests		**21,557**	26,749
		522,370	91,410
Total comprehensive income for the year attributable to:			
Owners of the Company		**549,960**	137,072
Non-controlling interests		**27,752**	33,763
		577,712	170,835
Earnings (loss) per share	11		
From continuing and discontinued operations			
– Basic and diluted		**HK 18.15 cents**	HK 2.35 cents
From continuing operations			
– Basic and diluted		**HK (2.24) cents**	HK (1.91) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Notes	2012	2011
		HK$'000	*HK$'000*
Non-current assets			
Equipment		**2,184**	6,751
Interest in an associate		**–**	59,295
Interest in a jointly controlled entity		**1,067,496**	–
Loans to a jointly controlled entity		**671,515**	–
Goodwill		**–**	103,686
Intangible assets		**–**	1,315
Finance leases receivable	*12*	**689,796**	309,786
Club debentures		**18,179**	17,529
		2,449,170	498,362
Current assets			
Properties held for sale		**–**	9,536
Amount due from an associate		**–**	12,417
Amount due from a jointly controlled entity		**542**	–
Loans receivable		**–**	62,146
Accounts receivable and advances provided to customers		**–**	1,163,463
Finance leases receivable	*12*	**525,662**	174,390
Prepayments, deposits and other receivable		**7,176**	8,950
Security deposits		**19,430**	200,947
Short term bank deposits			
– with original maturity within three months		**494,813**	164,799
– with original maturity more than three months		**66,866**	122,050
Bank balances and cash		**29,503**	156,386
		1,143,992	2,075,084
Current liabilities			
Other payables and accrued charges		**32,559**	128,278
Deposits from loan guarantee customers		**–**	193,440
Deposits from finance lease customers	*12*	**43,552**	1,666
Deferred income		**14,048**	35,146
Taxation		**3,611**	42,946
Bank borrowings – amount due within one year		**372,718**	248,016
Liabilities under shareholders' agreements		**5,583**	–
Liabilities arising from loan guarantee contracts		**–**	8,797
		472,071	658,289
Net current assets		**671,921**	1,416,795
Total assets less current liabilities		**3,121,091**	1,915,157

	Notes	**2012** HK$'000	2011 HK$'000
Capital and reserves			
Share capital		**274,501**	276,056
Reserves		**1,716,541**	1,184,415
Equity attributable to owners of the Company		**1,991,042**	1,460,471
Non-controlling interests		**187,237**	154,054
Total equity		**2,178,279**	1,614,525
Non-current liabilities			
Deposits from finance lease customers	*12*	**182,641**	17,881
Deferred income		**19,917**	12,842
Bank borrowings – amount due after one year		**423,671**	254,625
Liabilities under shareholders' agreements		**313,823**	–
Redeemable convertible preference shares		**2,760**	2,400
Deferred taxation		**–**	12,884
		942,812	300,632
		3,121,091	1,915,157

Notes:

1. BASIS OF PREPARATION

The financial results have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"s), Hong Kong Accounting Standards ("HKAS"s) and Interpretations ("INT"s) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the Hong Kong Companies Ordinance. The financial results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2012 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretation ("new and revised HKFRSs'') issued by the HKICPA.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related party disclosures
Amendments to HK(IFIC)-Int 14	Prepayments of a minimum funding requirement
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments

The adoption of these new and revised HKFRSs in the current year has had no material effect on the consolidated financial statements disclosure.

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 Improvements to HKFRSs 2009-2011 Cycle[1]
Amendments to HKFRSs	Government Loans[2]
Amendments to HKFRS 7	Disclosures – Transfers of financial assets[1]
	Disclosures – Offsetting financial assets and financial liabilities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[5]
Amendments to HKAS 12	Deferred tax – Recovery of underlying assets[4]
HKAS 19 (as revised in 2011)	Employee benefits[2]
HKAS 27 (as revised in 2011)	Separate financial statements[2]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[6]
HK(IFRIC)-Int 20	Stripping costs in the production phase of a surface mine[2]

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

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.

The directors anticipate that the application of the amendments to HKAS 32 for financial year ending 31 March 2015 and amendments to HKFRS 7 for financial year ending 31 March 2014 will have no material impact on the results and the consolidated financial statements.

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 the 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. 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 anticipate that the adoption of HKFRS 9 in the consolidated financial statements for the financial year ending 31 March 2016 will have no material impact on the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates 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 these five 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 11 replaces HKAS 31 *Interests in Joint Ventures* and HK (SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

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

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

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the directors have not yet performed a detailed analysis of the impact of the application of these 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 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 will not have material impact on 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 for the financial year ending 31 March 2014.

3. REVENUE

Revenue for the year from continuing operations represents income received and receivable from the provision of financial leasing service in China and financing service outside China. It also represents the turnover of the Group.

	2012	2011
	HK$'000	*HK$'000*
Financial leasing service income	**100,112**	35,223
Financing service income	**24,724**	13,336
	124,836	48,559

4. SEGMENT INFORMATION

The Group is currently organised into several operating divisions: financial leasing, financing and project financing and consultancy. For the purpose of resources allocation and performance assessment, financial information relating to these operations is reported internally and is regularly reviewed by the Chief Executive Officer, being the chief operating decision maker, based on the following divisions, which constitute separate operating and reportable segments for financial reporting purposes:

(a) Provision of financial leasing service; and

(b) Provision of financing service including financing, project financing and consultancy service.

Operations regarding financing (previously part of the financing service segment) and provision of loan guarantee service (previously a separate reportable segment) were discontinued on 26 October 2011 which are described in more details in Note 8. The segment information in respect of continuing operations is reported below.

An analysis of the Group's revenue and results from continuing operations by reportable segments is as follows:

Year ended 31 March 2012

Continuing operations

	Financial leasing service	**Financing service**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
	(Note a)	***(Note b)***	
Revenue from customers	**100,112**	**24,724**	**124,836**
Segment results	**31,521**	**(36,058)**	**(4,537)**
Investment income			**7,018**
Change in fair values of financial liabilities			**(5,715)**
Unallocated corporate income and expenses:			
– other administrative income and expenses			**(34,334)**
– net exchange loss			**(19,337)**
Other finance costs			**(360)**
Share of profit of a jointly controlled entity			**16,056**
Loss before taxation (continuing operations)			**(41,209)**

Year ended 31 March 2011

Continuing operations

	Financial leasing service	Financing service	Total
	HK$'000 *(Note a)*	*HK$'000* *(Note b)*	*HK$'000*
Revenue from customers	35,223	13,336	48,559
Segment results	14,613	13,192	27,805
Investment income			2,468
Unallocated corporate income and expenses:			
– other administrative income and expenses			(31,845)
– net exchange loss			(40,311)
Other finance costs			(313)
Loss before taxation (continuing operations)			(42,196)

Segment results represent the profit earned by each segment without allocation of central administration costs, investment income, change in fair values of financial liabilities, other finance costs and share of profit of a jointly controlled entity. This is the measure reported to the Chief Executive Officer for the purpose of resources allocation and assessment of segment performance.

Notes:

a) Included in segment results from financial leasing service segment are direct finance costs of HK$58,133,000 (2011: HK$18,606,000) in which HK$48,580,000 (2011: HK$17,986,000) are for bank borrowings wholly repayable within five years.

b) Included in segment results from financing service segment is an impairment loss on loans receivable of HK$60,782,000 (2011: nil).

An analysis of the Group's assets by reportable segments is as follow:

As at 31 March 2012

	Financial leasing service	**Financing service**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment assets	**1,241,282**	**672,057**	**1,913,339**
Interest in a jointly controlled entity			**1,067,496**
Unallocated assets			**612,327**
Total assets			**3,593,162**

As at 31 March 2011

	Financial leasing service	Financing service	Total
	HK$'000	*HK$'000*	*HK$'000*
Assets relating to continuing operations			
Segment assets	497,110	62,146	559,256
Assets relating to discontinued operations			1,697,452
Unallocated assets			316,738
Total assets			2,573,446

For the purposes of monitoring segment performance and allocating resources between segments, the Chief Executive Officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than the interest in an associate, interest in a jointly controlled entity, properties held for sale, club debentures, short term bank deposits, bank balances and cash, and certain corporate assets for central administrative uses. All liabilities are allocated to reportable segments other than taxation payable, liabilities under shareholders' agreements, redeemable convertible preference shares and certain corporate liabilities incurred for central administrative purpose.

An analysis of the Group's other material amounts included in the measure of segment profit or loss and segment assets by reportable segments is as follows:

Year ended 31 March 2012

	Financial leasing service	**Financing service**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Expenditure for reportable segment non-current assets	**495**	**–**	**1,010**	**1,505**
Impairment loss on loans receivable	**–**	**60,782**	**–**	**60,782**
Depreciation of equipment	**364**	**–**	**486**	**850**

Year ended 31 March 2011

	Financial leasing service	Financing service	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Expenditure for reportable segment non-current assets	544	–	25	569
Depreciation of equipment	95	–	926	1,021

5. OTHER FINANCE COSTS

Continuing operations

	2012	2011
	HK$'000	*HK$'000*
Imputed interest on redeemable convertible preference shares	**360**	313

6. LOSS BEFORE TAXATION

Continuing operations

	2012	2011
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging:		
Salaries, allowances and other staff benefits	**21,695**	16,877
Staff's retirement benefits scheme contributions	**263**	210
Equity-settled share based payment expenses	**6,991**	8,907
Total staff costs (including directors' remuneration)	**28,949**	25,994
Auditor's remuneration	**1,191**	1,259
Depreciation of equipment	**850**	1,021
Operating lease rentals in respect of properties	**2,616**	2,456
Net exchange loss (included in other operating expenses)	**19,337**	40,311
and after crediting:		
Interest income (included in other income)	**7,018**	2,468

7. TAXATION

Continuing operations

	2012	2011
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
Enterprise Income Tax in China		
– Provision for the current year	**8,750**	4,468
– Underprovision in prior year	**29**	–
	8,779	4,468

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Enterprise Income Tax Law of China (the "EIT Law") and Implementation Regulation of the EIT Law, all subsidiaries in China are subject to the tax rate of 25% from 1 January 2008 onwards.

8. DISCONTINUED OPERATIONS

On 24 August 2011, a sale and purchase agreement and two subscription agreements were entered into between, among others, Perfect Honour Limited ("Perfect Honour", a wholly owned subsidiary of the Company), an independent third party investor (the "Investor"), Rongzhong Group Limited ("Rongzhong") and Rongzhong Capital Holdings Limited ("Rongzhong Capital"), which together with Rongzhong were non-wholly-owned subsidiaries of the Company, involving the introduction of the Investor to invest in Rongzhong and Rongzhong Capital (the "Introduction") for the purpose of providing additional working capital to both Rongzhong and Rongzhong Capital for further business operation development. The Introduction was completed on 26 October 2011 (the "Completion") and the total investment amount paid by the Investor pursuant to the Introduction was US$154.8 million (equivalent to HK$1,207.4 million) in which US$39.15 million (equivalent to HK$305.4 million) was paid to the Group. Details of the Introduction were disclosed in the circular dated 23 September 2011 (the "Circular") issued by the Company.

To facilitate the Introduction, the Group effected the pre-completion reorganisation (the "Reorganisation") which included, among others, the acquisition of Rongzhong Capital from Rongzhong by Perfect Honour and the non-controlling interests in proportion to their respective shareholding interests in Rongzhong prior to the Completion.

After the Completion:

- Rongzhong and its subsidiaries (collectively the "Disposal Group") became 40% owned by the Group. Its financial results and position were deconsolidated from, and then accounted for as a jointly controlled entity using equity method in, the consolidated financial statements of the Group.

- Rongzhong Capital and its subsidiaries (collectively the "Rongzhong Leasing Group" providing financial leasing service) became 50.055% owned by the Group and continued to be consolidated in the consolidated financial statements of the Group.

The operations regarding financing and provision of loan guarantee service carried out by the Disposal Group have been treated as discontinued operations. The comparative figures relating to discontinued operations have also been re-presented.

Profit for the year from discontinued operations

	For the period from 1 April 2011 to 26 October 2011	For the year ended 31 March 2011
	HK$'000	*HK$'000*
Revenue	**140,342**	238,213
Other income	**5,428**	9,561
Staff costs	**(18,299)**	(30,868)
Other operating expenses	**(25,917)**	(35,265)
Other finance costs	**(5,548)**	(8,358)
Share of (loss) profit of an associate	**(761)**	75
Profit before taxation	**95,245**	173,358
Taxation	**(24,521)**	(35,284)
Profit from financing and provision of loan guarantee service operations	**70,724**	138,074
Gain on disposal of subsidiaries *(Note 9)*	**501,634**	–
Profit for the year from discontinued operations	**572,358**	138,074
Profit for the year from discontinued operations attributable to:		
Owners of the Company	**562,599**	117,013
Non-controlling interests	**9,759**	21,061
	572,358	138,074
Profit for the year from discontinued operations included the following:		
Interest on bank borrowings	**5,548**	8,358
Allowance for bad and doubtful debts	**15,362**	11,683
Amortisation of intangible assets	**264**	442
Auditor's remuneration	**874**	1,318
Directors' remuneration	**1,173**	1,935
Depreciation of equipment	**1,738**	2,962
Exchange gain	**(17,788)**	(25,724)
(Gain) loss on disposal of equipment	**(2,283)**	26
Interest income	**(1,209)**	(1,750)
Operating lease charges in respect of properties	**5,416**	8,563

Cash flows from discontinued operations

	For the period from 1 April 2011 to 26 October 2011	For the year ended 31 March 2011
	HK$'000	*HK$'000*
Net cash (used in) from operating activities	**(113,838)**	3,204
Net cash (used in) from investing activities	**(15,981)**	62,065
Net cash from (used in) financing activities	**27,920**	(106,587)
Net cash outflows	**(101,899)**	(41,318)

9. DISPOSAL OF SUBSIDIARIES

On 26 October, 2011, the Group disposed of the Disposal Group which carried out the financing service and loan guarantee service businesses.

	2012
	HK$'000
Consideration received	**305,398**
Expenses incurred	**(3,192)**
Net consideration received	**302,206**
Investment in a jointly controlled entity	**1,051,440**
Net assets disposal of	**(634,892)**
Non-controlling interests	**159,384**
Adjustment arising from interest rate reduction from 10% to 5% on the shareholders' loan to Rongzhong	**(42,813)**
Call option	**(5,873)**
Provision for share subscription	**(294,119)**
Estimated liability	**(13,699)**
Tax provision	**(20,000)**
Gain on disposal *(Note 8)*	**501,634**

The gain on disposal is included in the profit for the year from discontinued operations in the consolidated statement of comprehensive income (Note 8).

Net cash inflow on disposal of subsidiaries

	2012
	HK$'000
Consideration received in cash and cash equivalents	**305,398**
Less: legal and professional fees and expenses incurred	**(3,192)**
Less: cash and cash equivalent balances disposed of	**(45,010)**
	257,196

10. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Dividends recognised as distribution and paid during the year:		
Final dividends of HK2 cents per share in respect of the year ended 31 March 2011 (2011: In respect of the year ended 31 March 2010 of HK2 cents per share)	**55,211**	54,891

11. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	2012	2011
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**500,813**	64,661
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**2,760,053**	2,762,568

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company was based on the following data:

	2012	2011
	HK$'000	*HK$'000*
Earnings (loss) figures are calculated as follows:		
Profit for the year attributable to owners of the Company	**500,813**	64,661
Less: Profit for the year from discontinued operations attributable to owners of the Company *(Note 8)*	**(562,599)**	(117,013)
Loss for the purposes of basic and diluted loss per share from continuing operations	**(61,786)**	(52,352)

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in decrease in loss per share from continuing operations for both years.

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

From discontinued operations

Basic and diluted earnings per share for discontinued operations is HK20.38 cents per share (2011: HK4.26 cents per share), based on the profit for the year from discontinued operations attributable to owners of the Company of HK$562,599,000 (2011: HK$117,013,000) and the denominators detailed above for both basic and diluted earnings per share.

12. FINANCE LEASES RECEIVABLE/DEPOSITS FROM FINANCE LEASE CUSTOMERS

The Group provides financial leasing service in China.

	Minimum lease payments		Present value of minimum lease payments	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Finance leases receivable comprise:				
Within one year	**634,104**	219,536	**525,662**	174,390
In more than one year but not more than five years	**755,244**	338,896	**689,796**	309,786
	1,389,348	558,432	**1,215,458**	484,176
Less: Unearned finance income	**(173,890)**	(74,256)		
Present value of minimum lease payment	**1,215,458**	484,176		
Analysed for reporting purposes as:				
Current assets			**525,662**	174,390
Non-current assets			**689,796**	309,786
			1,215,458	484,176

The Group's finance leases receivable are denominated in Renminbi which is the functional currency of the relevant group entity.

Finance leases receivable are mainly secured by leased assets, customers' deposits and leased assets repurchase arrangement where applicable. The Group is not permitted to sell or repledge the leased assets in the absence of default by lessees.

As at 31 March 2012, these finance leases receivable were neither past due nor impaired (2011: nil) and there was no unguaranteed residual value of leased assets (2011: nil). The customers' deposits of HK$226,193,000 (2011: HK$19,547,000) were repayable by end of lease period. There was no contingent rent arrangement that needed to be recognised in both years.

BUSINESS REVIEW

The Group engages principally in the provision of non-bank financial services to high quality small-to-medium enterprises ("SMEs") and individuals in the People's Republic of China ("China"). Through more than 20 operating offices located in Chongqing, Guangdong, Hubei, Hunan, Jiangsu, Sichuan and Zhejiang, the Group mainly offers financial leasing, financing and loan guarantee services to accommodate different needs of its customers across the country. During the Year, the Group had marked an important milestone by completing the introduction of a strategic investor, Hony Capital Fund 2008, L.P. ("Hony"), to Rongzhong Group Limited ("Rongzhong"), the principal platform of the Group to provide various licensed financial services in China and owned as to 71% by the Group prior to the introduction (the "Introduction").

Introduction of Strategic Investor – Hony

On 29 August 2011, the Company announced the conditional Introduction for the enhancement of the capital base of Rongzhong to further develop its business operation in China. The total investment amount to be made by Hony was US$154.8 million, representing:

(1) US$90.0 million for subscription of new shares of Rongzhong;

(2) US$20.0 million for subscription of new shares of Rongzhong Capital Holdings Limited ("Rongzhong Capital"), a wholly owned subsidiary of Rongzhong prior to the completion of the Introduction; and

(3) US$39.2 million and US$5.6 million for acquisition of existing shares of Rongzhong owned by the Group and Yong Hua International Limited ("Yonghua"), a company wholly owned by a director of the Company, respectively.

To facilitate the Introduction, Rongzhong and its subsidiaries (collectively the "Rongzhong Group") completed a reorganization (the "Reorganization") immediately prior to the completion of the Introduction which involved, among others, the spinoff of Rongzhong Capital and its subsidiaries (collectively the "Rongzhong Leasing Group"), which engage principally in the provision of financial leasing and related services in China, from the Rongzhong Group (the "New Rongzhong Group"), which then mainly focuses on the business of loan guarantee, financing, financial consulting and management services in China.

The completion of the Introduction (the "Completion") took place on 26 October 2011 (the "Completion Date"). Since then, Rongzhong Capital is owned as to 50.055% by the Group, 29.5% by Hony and an aggregate of 20.445% by companies controlled by the directors of the Company or their associates and it continues to be a subsidiary of the Group. Rongzhong is then owned as to 40% by the Group, 40% by Hony and an aggregate of 20% by companies controlled by the directors of the Company or their associates and it is now a jointly controlled entity of the Group.

On the Completion Date, the shareholders of Rongzhong and Rongzhong Capital entered into two shareholders' agreements pursuant to which the Group has conditionally agreed to, among others:

(1) grant a revolving loan facility of not more than RMB150 million (equivalent to HK$185.2 million) by the Rongzhong Leasing Group to the New Rongzhong Group whereas the New Rongzhong Group would provide guarantee service to the Rongzhong Leasing Group (the "Rongzhong Loan and Guarantee Arrangement");

(2) extend the repayment date and reduce the interest charge of an outstanding loan principal of HK$444 million (the "Special Loan") under the current revolving loan facility offered by the Group to Rongzhong;

(3) subscribe for additional shares of Rongzhong at a consideration of HK$315.2 million; and

(4) allow Mr. Xie Xiao Qing, the director of the Company, to have the right, but not the obligation, to purchase, at a pre-determined price, a maximum of 342,500 shares of Rongzhong, representing 1% equity interest of Rongzhong immediately after the Completion, from the Group.

Resulting from the Completion, the Group recognised a gain on disposal, net of tax, of HK$501.6 million. Other details of the Introduction were set out in the Company's circular dated 23 September 2011 to its shareholders (the "Circular").

Financial Leasing

After the Completion, financial leasing remains as a core business of the Group.

Through Rongzhong International Financial Leasing Co., Ltd. ("Rongzhong Leasing"), a wholly owned subsidiary of Rongzhong Capital, the Group offers medium to long term financial leasing and related services to SMEs in China. Established in Wuhan under the wholly-foreign owned leasing license issued by the Ministry of Commerce of China, Rongzhong Leasing commenced business operation in late 2008 offering a wide range of financial leasing services, such as direct leasing, sales and leaseback, leveraged leasing, lease with buy-back undertaking and other related consultancy services. The current customer base spans over various provinces and cities, including: Anhui, Beijing, Guangdong, Guizhou, Hebei, Henan, Hubei, Hunan, Jiangsu, Jiangxi, Jilin, Liaoning, Shaanxi, Shandong, Shanghai, Shanxi, Sichuan, Tianjin and Zhejiang. In order to better serve the existing customers and further develop the financial leasing business in the Southern China region, Rongzhong Leasing established a branch office in Guangzhou in March 2012.

Since the commencement of financial leasing business in 2008, the Group has achieved significant growth over these years. The total carrying value of finance leases receivable as at 31 March 2012 reached HK$1,215.5 million (2011: HK$484.2 million), representing an increase of 151% over the Year. This portfolio contributed a total revenue for the Year of HK$100.1 million (2011: HK$35.2 million), representing an increase of 184%. This remarkable performance was mainly resulted from the Group's well developed business platform and network, the steady economic growth in China and the strong support of local banks over these years.

While the financial leasing business is currently going through a strong growth stage, the ability to maintain healthy asset quality is always of vital importance to the success of doing this business. Through the stringent and effective processes in customer selection, credit assessment and post-leasing monitoring control, the Group has been able to maintain very healthy and strong asset quality with no record of any 30 days overdue or non-performing assets as at 31 March 2012.

Being a scheduled move of the strategic business development plan, the third phase capital injection of US$19.5 million to Rongzhong Leasing was completed by the Group in December 2011. As at 31 March 2012, the total registered capital of Rongzhong Leasing amounted to US$39.5 million. The Group will continue to monitor the capital adequacy of Rongzhong Leasing for continuous and healthy business growth. When opportunity arises, the Group will further inject necessary capital to support its development.

Given the strong market demand of financial leasing service in China, the superb business network and the industry relationship of the Group, Rongzhong Leasing will continue expanding its services to all quality customers in China and is now the major and stable income source of the Group.

Financing

Prior to the Completion, the Group, mainly through the platform of the Rongzhong Group, had provided to customers various kinds of financing solutions, including bridging loans, entrusted loans, project financing loans and other financing consultancy services. Following the Completion and in accordance with the relevant accounting standard, the businesses carried out by the New Rongzhong Group were treated as discontinued by the Group on the Completion Date since it is no longer a subsidiary of the Group. Since then, the Group has accounted for, by the equity method, the net operating result of the New Rongzhong Group in proportion to the Group's equity interest (i.e. 40%) in the New Rongzhong Group.

As at 31 March 2012, the Group had three outstanding financing deals: (1) a revolving loan facility of HK$900 million offered to Rongzhong by a wholly owned subsidiary of the Group (the "Rongzhong First Facility"); (2) a revolving loan facility of RMB150 million offered to Rongzhong by Rongzhong Capital under the Rongzhong Loan and Guarantee Arrangement (the "Rongzhong Second Facility") and (3) two term loans of an aggregate principal amount of RMB115 million for financing a property development project in Zhuhai by a wholly owned subsidiary of the Group (the "Zhuhai Loan").

Rongzhong First Facility

Since late 2004, the Group has continuously provided financing facilities to Rongzhong to support its business growth. The original terms of the Rongzhong First Facility was a 3 years revolving loan facility of HK$900 million bearing an interest rate of 10% per annum and repayable in full by May 2013. Subsequently on the Completion Date, a supplemental deed (the "Special Loan Supplemental Deed") was entered into to extend the repayment date of the Special Loan under the Rongzhong First Facility to the day falling 36 months after the Completion Date and reduce the interest rate of the Special Loan from 10% per annum to 5% per annum. Apart from these changes, the other major terms of the Rongzhong First Facility remain unchanged. As at 31 March 2012, the total carrying value of the outstanding loan under the Rongzhong First Facility was HK$498.2 million (2011: HK$627.0 million) and the total interest generated therefrom for the Year was HK$59.5 million (2011: HK$64.4 million) in which HK$37.0 million (2011: HK$64.4 million) related to the period prior to the Completion Date and was not recognised as revenue of the Group in accordance with applicable accounting standards.

Rongzhong Second Facility and Rongzhong Guarantee

In accordance with the Rongzhong Loan and Guarantee Arrangement, on the Completion Date, Rongzhong Capital and Rongzhong entered into a loan and guarantee services agreement (the "Rongzhong Loan and Guarantee Agreement") pursuant to which Rongzhong Capital has offered the New Rongzhong Group the Rongzhong Second Facility of up to RMB150 million for a maximum term of 2 years bearing an interest rate of 3% per annum whereas the New Rongzhong Group has also agreed to provide unlimited guarantee in favour of any financial institutions as security for the grant of banking facilities by such financial institutions to the Rongzhong Leasing Group for a maximum service period of 3 years with a charge of 1.5% per annum of the outstanding guaranteed amount from time to time (the "Rongzhong Guarantee"). Subsequently on 29 March 2012, Rongzhong Capital and Rongzhong entered into a supplemental deed (the "Rongzhong Guarantee Supplemental Deed") pursuant to which the New Rongzhong Group has agreed to reduce the guarantee fee of 1.5% per annum to 0.5% per annum with effect from 1 January 2012. As at 31 March 2012, the total outstanding loan principal under the Rongzhong Second Facility was RMB140.4 million (equivalent to HK$173.3 million) while the total outstanding loan principal guaranteed by Rongzhong was RMB499.0 million (equivalent to HK$616.0 million). Pursuant to the terms of the Rongzhong Loan and Guarantee Agreement and the Rongzhong Guarantee Supplemental Deed, the total interest generated on this outstanding loan for the Year was HK$2.3 million while the total guarantee fee charged for the Year was HK$2.2 million.

Zhuhai Loan

As at 31 March 2012, the net receivable amount of the Zhuhai Loan was reduced to nil (2011: HK$62.1 million). During the Year, since the borrowers have failed to settle the Zhuhai Loan in full by the agreed repayment dates, legal action has been taken against the borrower for debt recovery. Taking into account the uncertainty on the outcome of the legal action and the chance of realizing the equity interest of the property development project in Zhuhai, the only major asset known to be owned by the borrower, the Zhuhai Loan was considered to be fully impaired as at 31 March 2012. Accordingly, the Group did not recognize any income (2011: HK$12.1 million) from the Zhuhai Loan but an impairment loss of HK$60.8 million (2011: nil) for the Year. Although the Group recorded such impairment loss during the Year, this Zhuhai Loan project still provided an overall positive yield to the Group as a whole.

Loan Guarantee

Prior to the Completion, the Group, through the Rongzhong Group, had provided loan guarantee services, mainly on SME working capital loans, motor vehicle loans and real estate properties loans, to customers in seven cities of China, namely Changsha, Chengdu, Chongqing, Guangzhou, Hangzhou, Nanjing and Wuhan. Similar to the treatment of the financing business carried out by the New Rongzhong Group, the Group's loan guarantee business was considered to be discontinued by the Group on the Completion Date. The Group would then account for, by the equity method, the net operating result of the New Rongzhong Group in proportion to its owned equity interest (i.e. 40%) from the Completion Date onwards.

New Rongzhong Group

The Group began its investment in the Rongzhong Group by the subscription of 40% shares of Rongzhong in late 2004 to commence the business of non-bank financial services in China. Since then, Rongzhong Group has developed into a large nationwide non-bank financial services provider in China. The Group's investment in Rongzhong had also been increased to 71% by 2007. In order to implement another business expansion plan of the Rongzhong Group, the Group introduced Hony to Rongzhong as its strategic investor. The introduction of Hony was completed on the Completion Date and the Group's investment in the New Rongzhong Group was reduced to 40%. Accordingly, the Group deconsolidated and then accounted for the New Rongzhong Group as an investment of the Group based on the equity method. As aforementioned, the Group's business conducted by the New Rongzhong Group was considered to be discontinued by the Group on the Completion Date.

The New Rongzhong Group engages principally in the business of loan guarantee, financing, financial consulting and management services in China. The provision of loan guarantee service was the core business of the Rongzhong Group when the Group made its investment in late 2004. Subsequently in April 2006, the Rongzhong Group launched its first financing service in Wuhan. Over these years, the Rongzhong Group has extended its business services to cover customers located in the following municipality and provinces: Chongqing, Guangdong, Hubei, Hunan, Jiangsu, Sichuan and Zhejiang. It has developed strong and cohesive business relationship with numerous SMEs and more than 20 co-operating banks in China.

For the period up to the Completion Date, the Rongzhong Group generated a total revenue and a total operating profit with respect to the business of loan guarantee and financing services of HK$140.3 million (2011: HK$238.2 million) and HK$70.7 million (2011: HK$138.1 million), respectively, which were both classified as the discontinued operation of the Group for the Year. The total revenue mainly represented HK$36.6 million (2011: HK$57.3 million) from the loan guarantee business and HK$103.7 million (2011: HK$180.9 million) from the financing business. The drop of the total revenue and total operating profit for the Year was mainly due to the Introduction as the result of the loan guarantee and financing businesses carried out by the New Rongzhong Group since the Completion Date would not be consolidated by the Group.

After the Completion, the New Rongzhong Group kept growing its businesses and generated a total revenue of HK$137.0 million, representing HK$24.9 million from the loan guarantee business and HK$112.1 million from the financing business. The total operating profit generated by the New Rongzhong Group since the Completion was HK$40.1 million in which the Group shared, in proportion to its 40% equity interest, HK$16.1 million accordingly. As at 31 March 2012, the New Rongzhong Group had gross outstanding advances to customers of RMB0.9 billion (2011: RMB0.9 billion), equivalent to HK$1.1 billion (2011: HK$1.0 billion) while its guarantee exposure was reduced further to RMB1.8 billion (2011: RMB2.7 billion) equivalent to HK$2.2 billion (2011: HK$3.3 billion), responding to the Group's long term strategy on the continuing credit risk management.

FINANCIAL REVIEW

During the Year, the Group reduced its investment in Rongzhong from 71% to 40% as a result of the introduction of Hony as a strategic investor to Rongzhong. After the Completion, the New Rongzhong Group became a jointly controlled entity of the Group. In accordance with the relevant accounting and reporting standards, the operating result of the New Rongzhong Group since the Completion Date has been accounted for, by the equity method, by the Group and shown as a separate item in the Group's consolidated statement of comprehensive income. The operating result with respect to the business of loan guarantee and financing services conducted by the Rongzhong Group prior to the Completion Date is also presented separately as "discontinued operation" in the Group's consolidated statement of comprehensive income.

Revenue

The Group generated a total revenue for the Year of HK$265.2 million (2011: HK$286.8 million). It mainly represented the revenue from the continuing financial leasing business of HK$100.1 million (2011: HK$35.2 million), the continuing financing business of HK$24.8 million (2011: HK$13.4 million) and the discontinued loan guarantee and financing businesses of the Rongzhong Group prior to the Completion of HK$140.3 million (2011: HK$238.2 million). Although the financial leasing business recorded a remarkable growth during the Year, the total revenue still dropped by about 8% because the revenue of the loan guarantee and financing businesses of the New Rongzhong Group was not consolidated by the Group after the Completion.

Results of Operations

The Group generated a total profit for the Year attributable to the owners of the Company of HK$500.8 million (2011: HK$64.7 million), representing an increase of about 675%. The increase was primarily contributed by the Introduction in which the Group recognised a gain on disposal, net of tax, of the New Rongzhong Group of HK$501.6 million on the Completion Date. This gain was computed on the basis of, among others, (1) the consideration received; (2) the estimated fair value and the carrying value of the New Rongzhong Group on the Completion Date and (3) the impact of other terms and conditions as set forth in the Circular on the Completion Date.

Apart from this exceptional gain, the Group generated a total operating profit for the Year of HK$20.8 million (2011: HK$91.4 million), representing a decrease of about 77%. The Group presented this total operating result in the consolidated statement of comprehensive income by a loss from continuing operations of HK$50.0 million (2011: HK$46.7 million) and a profit from discontinued operations of HK$70.7 million (2011: HK$138.1 million). The decrease of the total operating profit was mainly due to the impairment loss of the Zhuhai Loan.

Included in the other operating expenses of continuing operations was a loss of exchange (non-cash expense) of HK$23.4 million (2011: HK$40.2 million) from the translation of non-Renminbi denominated net assets, mainly the outstanding amount of the Rongzhong First Facility and cash and cash equivalents, into Renminbi (the functional currency of the Group) due to the appreciation of Renminbi during the Year.

Total Comprehensive Income for the Year

By recognizing the gain of exchange from the translation of all assets and liabilities from Renminbi to Hong Kong dollar (the presentation currency of the Group) of HK$55.3 million (2011: HK$79.4 million) in other comprehensive income, the Group generated the total comprehensive income for the Year attributable to the owners of the Company of HK$550.0 million (2011: HK$137.1 million), representing an increase of about 301%.

Dividend

The Board did not recommend the payment of dividend for the Year (2011: HK2 cents per share) since additional reserve was recommended for future expansion of both the financial leasing and financing businesses and for application of new lending licenses in China.

Financial Resources and Capital Structure

The Group always maintains healthy cash position and sufficient capital for business development. As at 31 March 2012, the aggregate sum of cash, bank balances and short term bank deposits amounted to HK$591.2 million (2011: HK$443.2 million). The working capital (current assets less current liabilities) and the total equity of the Group were HK$671.9 million (2011: HK$1,416.8 million) and HK$2,178.3 million (2011: HK$1,614.5 million) respectively.

All bank borrowings of the Group were granted by banks in China and are denominated in Renminbi bearing variable interest with reference to the rate offered by the People's Bank of China. As at 31 March 2012, the total bank borrowing of the Group was HK$796.4 million (2011: HK$502.6 million) which was solely (2011: HK$383.6 million) for the development of financial leasing business with a remarkable growth over the Year. The bank borrowing of HK$372.7 million (2011: HK$248.0 million) would be settled within one year while the remaining bank borrowing of HK$423.7 million (2011: HK$254.6 million) would be due after one year.

For bank borrowing relating to financial leasing business, the Group has transferred most interest rate risk exposure to customers by allowing adjustment to the amount of leases receivable with reference to the change in market interest rates. Apart from this, the Group has not used any derivative to hedge against other interest rate risk exposure.

Liquidity and Gearing Ratio

The Group's healthy liquidity position is shown by the current ratio maintained throughout the Year. As at 31 March 2012, the current ratio (current assets/current liabilities) of the Group was 2.42 times (2011: 3.15 times). As the economic environment in China is rather uncertain in the short run, it is the Group's intention to maintain a moderate level of gearing ratio. As at 31 March 2012, the debt-to-equity ratio (total bank borrowing/total equity) of the Group was 36.6% (2011: 31.1%) while the net debt-to-equity ratio was 12.5% (2011: 11.2%) after considering the cash position maintained by the Group.

Charges on Group Assets

As at 31 March 2012, the Group had the following charges:

(a) finance leases receivable of HK$851.7 million (2011: HK$252.6 million) and security deposits of HK$19.4 million (2011: HK$200.9 million) pledged to banks in China to secure the bank borrowings of the Group; and

(b) the Group's and the non-controlling shareholder's indirect interest in a jointly controlled entity to secure the bank borrowing of another jointly controlled entity.

Exposure to Fluctuations in Exchange Rates

The Group reports its operating results in Hong Kong dollar but major operations of the Group are carried out in China, transacted and recorded in Renminbi with some monetary assets and liabilities denominated in other foreign currency. The Group is, thus, exposed to the fluctuation in exchange rates between Renminbi, Hong Kong dollar and other currencies. The Group has taken in place effective measures and monitored the foreign currency movement closely. At present, no derivative instrument is used by the Group to hedge against any exchange rate risk exposure.

Contingent Liabilities

The Group had given a guarantee to a bank for the granting of a borrowing of not more than RMB100 million (2011: RMB100 million), equivalent to HK$123.5 million (2011: HK$119.0 million), which was fully utilized as at 31 March 2012, to a jointly controlled entity of the Group. The guarantee provided by the Group was 51% (2011: 71%) of all sums payable by the borrower. No financial liability in relation to this guarantee given by the Group has been recognised as, in the opinion of the directors of the Group, the fair value of this guarantee has never been significant.

Employees and Remuneration Policy

As at 31 March 2012, the Group had approximately 40 staff located in both Hong Kong and China. The Group remunerates these employees based on their performance, experience and prevailing industry practices. Other benefits offered to these employees include medical insurance, retirement scheme and training subsidies. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

OUTLOOK

SMEs are the most dynamic business group in the Chinese economy. The exploration and innovation of SMEs will generate an enormous market power, thus providing huge room of development for financing, loan guarantee and financial leasing industries in the long run. With the long established brand identity and the all-round services in supporting the long-term growth of SMEs in China, the Group and the New Rongzhong Group are eager to carry out a comprehensive business expansion plan to capture this unique and enormous market potential and to enlarge their footprints in China. However, given the current unstable and uncertain global economic conditions resulting mainly from the sovereign debt crisis in the Eurozone and the weak economic growth in some developed countries, this expansion plan will be implemented with due care and caution.

On the other hand, the Group sees that the economic slump of some developed countries over the past decade has caused significant price adjustment of some high quality assets or properties of these countries while the quality of these assets or properties has remained during this period of time. These assets or properties may then turn out as attractive investment opportunities for the Group to develop a new business segment. Looking ahead, the Group will explore such investment opportunities around the world with an aim to diversify the business segments of the Group and create sustainable value to the shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, the Company repurchased a total number of 15,550,000 ordinary shares of HK$0.10 each (the "Shares") at an aggregate purchase price of HK$6,178,500 on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Details of the repurchases of such Shares were as follows:

Month of repurchase	Number of Shares repurchased	Price per Share Highest *(HK$)*	Price per Share Lowest *(HK$)*	Aggregate purchase price *(HK$)*
February 2012	7,960,000	0.420	0.335	2,952,100.00
March 2012	7,590,000	0.435	0.410	3,226,400.00
Total	15,550,000			6,178,500.00
		Total expenses on Shares repurchased		19,158.87
			Total (HK$)	6,197,658.87

All the 15,550,000 repurchased Shares were cancelled during the Year, and the issued share capital of the Company was accordingly reduced by the par value of the repurchased Shares so cancelled. The above repurchases were effected by the directors of the Company (the "Directors") pursuant to the mandate from shareholders, with a view to benefit shareholders as a whole in enhancing the net assets and earnings per share of the Company.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the Year.

REVIEW OF 2011/12 CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company reviewed the consolidated financial statements of the Group for the Year.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2012 under review, the Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard of dealings set out therein throughout the Year.

ANNUAL GENERAL MEETING

An annual general meeting of the Company (the "AGM") will be convened to be held on Friday, 31 August 2012. The notice of the AGM will be published on the websites of the Stock Exchange and the Company and sent to the shareholders of the Company, together with the Company's 2011/12 Annual Report, in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 28 August 2012 to Friday, 31 August 2012, both days inclusive, during which no transfers of Shares will be effected. In order to be entitled to attend and vote at the AGM, all transfers of Shares, duly accompanied by the relevant share certificates, must be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 27 August 2012.

By order of the Board
Goldbond Group Holdings Limited
Mr. Ding Chung Keung
Chief Executive Officer

Hong Kong, 13 June 2012

As at the date of this announcement, (a) the executive Directors are Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung, Mr. Kee Wah Sze, Mr. Xie Xiao Qing, Mr. Melvin Jitsumi Shiraki and Ms. Wong, Michelle Yatyee; (b) the independent non-executive Directors are Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung.