THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Finet Group Limited** (the "**Company**"), you should at once hand this document to the purchaser(s) or transferees or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

財華社
FINET

FINET GROUP LIMITED
財 華 社 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8317)

Response document relating to
the mandatory unconditional cash offers by
PACIFIC FOUNDATION SECURITIES LIMITED
on behalf of
MAXX CAPITAL INTERNATIONAL LIMITED
for
(1) all the issued shares of HK$0.05 each in FINET GROUP LIMITED
(other than those already owned or agreed to be acquired by
MAXX CAPITAL INTERNATIONAL LIMITED
and parties acting in concert with it);
(2) all outstanding options of FINET GROUP LIMITED; and
(3) all outstanding warrants of FINET GROUP LIMITED

Independent Financial Adviser to the Independent Board Committee

寶橋 BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

A letter from the Board (as defined herein) is set out on pages 6 to 14 of this document. A letter from the Independent Board Committee (as defined herein) containing its recommendation to the Independent Shareholders (as defined herein), Optionholders (as defined herein) and Warrantholders (as defined herein) in respect of the Offers (as defined herein) is set out on pages 15 to 16 of this document. A letter from the Bridge Partners Capital Limited containing its advice to the Independent Board Committee in respect of the Offers is set out on pages 17 to 33 of this document.

8 September 2010

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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The expected timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be announced by the Offeror.

	2010 *(Note 1)*
Commencement of the Offers	25 August
Despatch date of this document	8 September
Last day before the lapse of the Options *(Note 2)*	22 September
Latest time and date for acceptance of the Offers on the First Closing Date *(Note 3)*	4:00 p.m. on 22 September
First Closing Date *(Note 3)*	22 September
Announcement of the results of the Offers and the level of acceptance at the First Closing Date uploaded to the Stock Exchange's website	Not later than 7:00 p.m. on 22 September
Latest date for the posting of remittances to the Shareholders, Optionholders and Warrantholders in respect of valid acceptances of the Offers lodged on or before the First Closing Date *(Note 4)*	30 September

Notes:

1. All times and dates refer to Hong Kong local times and dates.

2. Under the terms of the share option schemes of the Company adopted on 23 July 2004 and 16 December 2004, the Optionholders may, within 21 days of the notice given by the Directors in relation to the Offers, i.e. on or before 22 September 2010, give written notice to the Company that they wish to exercise the Pre-IPO Options or the Post-IPO Options (as the case may be) in whole or in part as specified in such notice. Options not exercised within such 21 days' period will lapse and determine. However, the Optionholders can elect to accept the Option Offer, if they so wish, during the period commencing on Wednesday, 25 August 2010 up to and including Wednesday, 22 September 2010.

3. In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 28 days following the date on which the Offer Document is posted, since this response document is despatched separately and later than the Offer Document. The latest time for acceptance of the Offers on the First Closing Date is 4:00 p.m. on 22 September 2010.

4. The amounts due to the Shareholders or the Optionholders or the Warrantholders (as the case may be) who accept the Offers shall be paid for by the Offeror as soon as possible, but in any event within 10 days of the date of receipt of a duly completed acceptance in accordance with the Takeovers Code.

5. The Offeror reserves its rights to revise or extend the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any revision or extension of the Offers, which will state the next closing date or that the Offers will remain open until further notice.

In this document, the following expressions have the following meanings, unless the context otherwise requires:

"Acquisition"	the acquisition of the Sale Shares by the Offeror
"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"Articles"	the articles of association of the Company
"associated corporations"	has the meaning ascribed to it under Part XV of the SFO
"associates"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Finet Group Limited 財華社集團有限公司 (stock code: 8317), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
"controlling shareholder"	has the meaning ascribed to it under the GEM Listing Rules
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be held on Monday, 13 September 2010 at 4:00 p.m. at the Meeting Room of Suite 505–506, 5th Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong for the purpose of removing certain Directors and appointing additional Directors
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"First Closing Date"	Wednesday, 22 September 2010, being the first closing date of the Offers
"First Open Offer"	the offer for subscription at the subscription price of HK$0.05 per Share by the Company to the qualifying Shareholders in the proportion of one offer Share for every two existing Shares held on 3 July 2009 by way of open offer, as set out in the announcement of the Company dated 5 May 2009 and the prospectus of the Company dated 9 July 2009
"Form(s) of Acceptance"	the Pink Form of Acceptance or the White Form of Acceptance or the Yellow Form of Acceptance (as the case may be) which accompanies the Offer Document
"GEM"	the Growth Enterprise Market of the Stock Exchange

"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM as amended, supplemented or otherwise modified from time to time
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HK$" and "HK cent(s)"	Hong Kong dollars and cent(s) respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	a committee of the Board comprising all the independent non-executive Directors (save for Mr. Lui Tin Nang) to advise the Independent Shareholders in relation to the Offers
"Independent Financial Adviser" or "Bridge Partners"	Bridge Partners Capital Limited, a licensed corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and appointed by the Company to advise the Independent Board Committee in respect of the Offers
"Independent Shareholders"	Shareholders other than the Offeror and parties acting in concert with it
"Last Trading Date"	9 July 2010, being the last trading day of the Shares prior to the date of the suspension of trading in the Shares
"Latest Practicable Date"	6 September 2010, being the latest practicable date prior to the date of this document for ascertaining certain information in this document
"MCFL"	MAXX Capital Finance Limited, which, as disclosed in the Offer Document, is a company incorporated in Hong Kong with limited liability
"MFML"	Mass Faith Management Limited, which, as disclosed in the Offer Document, is a company incorporated in the British Virgin Islands with limited liability
"MFML Option Deed"	as disclosed in the Offer Document, the call option deed entered into between Opulent and MFML in relation to the granting of option to acquire 18,000,000 Shares by Opulent to MFML
"Ms. Lo"	Ms. Lo Yuk Yee, the beneficial owner of the entire issued share capital of MCFL and WCIL
"New Directors"	collectively, Mr. Chow Wing Chau, Mr. Yiu Wing Hei, Ms. Chan Siu Lai and Mr. Lui Tin Nang

"Offer Document"	the offer document dated 25 August 2010 issued by the Offeror to all the Shareholders, Optionholders and Warrantholders in relation to the Offers in accordance with the Takeovers Code
"Offer Period"	has the meaning ascribed to it under the Takeovers Code, being the period from 4 August 2010 (being the date of the Offeror Announcement) until the date when the Offers are closed for acceptance
"Offer Shares"	issued Shares other than those already owned or agreed to be acquired by the Offeror, Ms. Lo and parties acting in concert with any one of them
"Offeror" or "MCIL"	MAXX Capital International Limited
"Offeror Announcement"	an announcement made by the Offeror dated 4 August 2010 in relation to the Offers
"Offers"	collectively, the Share Offer, the Option Offer and the Warrant Offer
"Option Offer"	the mandatory unconditional cash offer made by Pacific Foundation on behalf of the Offeror for all outstanding Options in accordance with the Takeovers Code
"Optionholders"	holders of the Pre-IPO Options and the Post-IPO Options
"Options"	the Pre-IPO Options and the Post-IPO Options
"Opulent"	Opulent Oriental International Limited, the then controlling shareholder of the Company prior to the enforcement of the Share Mortgage
"Pacific Foundation"	Pacific Foundation Securities Limited, a licensed corporation licensed to conduct Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO
"Pink Form of Acceptance"	the form of acceptance and transfer of the Warrants in PINK in respect of the Warrant Offer which accompanies the Offer Document
"Post-IPO Options"	options granted under the Post-IPO Share Option Scheme, of which Post-IPO Options to subscribe for an aggregate of 1,246,210 Shares at adjusted exercise prices of HK$1.1345 per Share or HK$1.479 per Share (as the case may be) remained outstanding at the Latest Practicable Date
"Post-IPO Share Option Scheme"	the share option scheme adopted by the Company on 16 December 2004

"PRC"	the People's Republic of China, which for the purpose of this document shall exclude Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"Pre-IPO Options"	options granted under the Pre-IPO Share Option Scheme, of which Pre-IPO Options to subscribe for an aggregate of 3,157,723 Shares at an adjusted exercise price of HK$0.608 per Share remained outstanding at the Latest Practicable Date
"Pre-IPO Share Option Scheme"	the share option scheme adopted by the Company on 23 July 2004 and terminated on 6 January 2005
"Registrar"	Computershare Hong Kong Investor Services Limited, being the Hong Kong branch share registrar and transfer office of the Company and located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Relevant Period"	the period from 4 February 2010, being the date falling on the six months before the date of the Offeror Announcement, up to and including the Latest Practicable Date
"Sale Shares"	193,654,616 Shares acquired by the Offeror, representing approximately 52.65% of the entire issued share capital of the Company
"Second Open Offer"	the offer for subscription at the subscription price of HK$0.07 per Share by the Company to the qualifying Shareholders in the proportion of one offer Share for every existing Share held on 30 October 2009 by way of open offer, as set out in the announcement of the Company dated 25 September 2009 and the prospectus of the Company dated 4 November 2009
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
"Share Mortgage"	as disclosed in the Offer Document, the share mortgage entered into between Opulent and MCFL in relation to the mortgage of Shares by Opulent in favour of MCFL as security for the repayment of a loan
"Share Offer"	the mandatory unconditional cash offer made by Pacific Foundation on behalf of the Offeror for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror, Ms. Lo and parties acting in concert with any one of them) in accordance with the Takeovers Code

"Share Option Schemes"	the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme
"Shareholder(s)"	registered holder(s) of the Shares
"Share(s)"	Share(s) of nominal value of HK$0.05 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Warrant Offer"	the mandatory unconditional cash offers made by Pacific Foundation on behalf of the Offeror for all outstanding Warrants in accordance with the Takeovers Code
"Warrantholders"	holders of the Warrants
"Warrants"	the warrants issued by the Company on 3 August 2009 by way of capitalisation issue entitling the holders thereof to subscribe, at any time between the date of issue and the date immediately preceding the date falling on the second anniversary of the date of issue (both dates inclusive), for new Shares at an adjusted subscription price of HK$0.45 per Share
"WCIL"	Wise Capital International Limited, which, as disclosed in the Offer Document, is a company incorporated in the British Virgin Islands with limited liability
"WCIL Option Deed"	as disclosed in the Offer Document, the call option deed entered into between Opulent and WCIL in relation to the granting of option to acquire 35,600,000 Shares by Opulent to WCIL
"White Form(s) of Acceptance"	the form of acceptance and transfer of the Options in WHITE in respect of the Option Offer which accompanies the Offer Document
"Yellow Form(s) of Acceptance"	the form of acceptance and transfer of the Offer Shares in YELLOW in respect of the Share Offer which accompanies the Offer Document
"%"	per cent

財華社
FINET

FINET GROUP LIMITED
財 華 社 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8317)

Executive Directors:
Dr. Yu Gang, George *(Chairman)*
Mr. Lin Peng, Ben
Mr. Chow Wing Chau
Mr. Yiu Wing Hei
Ms. Chan Siu Lai

Independent non-executive Directors:
Dr. Lam Lee G.
Mr. Wu Tak Lung
Mr. Lam Ka Wai, Graham
Mr. Lui Tin Nang

Registered Office:
Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal office and place of business in Hong Kong:
Suite 505–506
5th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

8 September 2010

To the Independent Shareholders,
the Optionholders and the Warrantholders

Dear Sir or Madam,

Response document relating to
the mandatory unconditional cash offers by
PACIFIC FOUNDATION SECURITIES LIMITED
on behalf of
MAXX CAPITAL INTERNATIONAL LIMITED
for
(1) all the issued shares of HK$0.05 each in FINET GROUP LIMITED
(other than those already owned or agreed to be acquired by
MAXX CAPITAL INTERNATIONAL LIMITED
and parties acting in concert with it);
(2) all outstanding options of FINET GROUP LIMITED; and
(3) all outstanding warrants of FINET GROUP LIMITED

INTRODUCTION

The Board announces that on 9 July 2010, it was notified by the Offeror that it had acquired the Sale Shares, representing approximately 52.65% of the entire issued share capital of the Company.

The Board notes that, as disclosed in the Offer Document, the Sale Shares were pledged by Opulent in favour of MCFL and WCIL which sold the Sale Shares to the Offeror pursuant to the exercise of powers of sale on 9 July 2010 as a result of the default in the repayment of a loan due to MCFL by Opulent. Opulent was the then controlling shareholder of the Company immediately before the exercise of powers of sale by MCFL and WCIL.

As a result of the Acquisition, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror, Ms. Lo and parties acting in concert with any one of them) pursuant to Rule 26 of the Takeovers Code. Pursuant to Rule 13 of the Takeovers Code, the Offeror is also required to make comparable offers for all the Options and all the Warrants respectively.

Pursuant to the Takeovers Code, the Company is required to form an independent board committee to consider the Offers and advise the Independent Shareholders in relation to the Offers, and to appoint an independent financial adviser to advise the Independent Board Committee regarding the Offers. The Independent Board Committee, comprising Mr. Lam Ka Wai, Graham, Mr. Wu Tak Lung and Dr. Lam Lee G., all independent non-executive Directors, has been constituted to advise the Independent Shareholders in relation to the Offers.

On 19 August 2010, the Board resolved, among other things, to appoint Mr. Lui Tin Nang ("**Mr. Lui**") as an independent non-executive Director with effect from the date immediately after the despatch of the Offer Document. As Mr. Lui was nominated by MCFL, there would be an apparent conflict of interest if Mr. Lui were to be included in the Independent Board Committee. The Board has therefore resolved, and Mr. Lui has agreed, that Mr. Lui will be excluded from the Independent Board Committee.

Bridge Partners has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offers, whose appointment has been approved by the Independent Board Committee.

The purpose of this document is to provide you with, among other things, information relating to the Group and the Offers, the recommendation of the Independent Board Committee to the Independent Shareholders, the Optionholders and the Warrantholders regarding the Offers, and the advice of the Independent Financial Adviser to the Independent Board Committee in relation to the Offers.

THE OFFERS

For and on behalf of the Offeror, Pacific Foundation is making the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Share . . . . HK$0.3578 in cash

According to the Offer Document, the price of HK$0.3578 per Offer Share was determined with reference to the aggregate amount of (i) the loan and the outstanding interest accrued thereon due to MCFL by Opulent as at 9 July 2010; and (ii) the estimated expenses incurred for the full recovery of the loan and interest, of approximately HK$69,273,808 (equivalent to approximately HK$0.3577 per Sale Share) and represents:

(a) a premium of approximately 15.49% over the consideration per Sale Share of approximately HK$0.3098;

(b) a discount of approximately 69.42% to the closing price of HK$1.170 per Share as quoted by the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 64.22% to the average of the closing prices of approximately HK$1.00 per Share for the five trading days up to and including the Last Trading Day;

(d) a discount of approximately 64.15% to the average of the closing prices of approximately HK$0.998 per Share for the ten trading days up to and including the Last Trading Day;

(e) a discount of approximately 29.84% to the closing price of approximately HK$0.51 per Share as quoted by the Stock Exchange on the Latest Practicable Date; and

(f) a premium of approximately 56.93% over the audited consolidated net asset value per Share of approximately HK$0.228 as at 31 March 2010 (based on the audited consolidated accounts of the Company for the financial year ended 31 March 2010 and the number of outstanding Shares as at the Latest Practicable Date).

According to the Offer Document, save for the Acquisition, there have been no dealings in the securities of the Company by the Offeror, Ms. Lo and parties acting in concert with any one of them during the Relevant Period. Therefore, the price of HK$0.3578 per Offer Share is the highest price paid by the Offeror, Ms. Lo and parties acting in concert with any one of them during the Relevant Period.

As at the Latest Practicable Date:

(a) the Company had 367,813,053 Shares in issue;

(b) the Company had outstanding Options entitling the Optionholders to subscribe for an aggregate of 4,403,933 new Shares at the exercise prices of HK$0.608 per Share, HK$1.1345 per Share or HK$1.479 per Share (as the case may be); and

(c) the Company had outstanding Warrants entitling the Warrantholders to subscribe for an aggregate of 9,981,898 new Shares at the subscription price of HK$0.45 per Share.

Save as disclosed, the Company has no other options, warrants, derivatives or other securities that carry a right to subscribe for or which are convertible into Shares.

The Share Offer will be extended on identical terms to all new Shares issued at any time before the Closing Date upon the exercise of the subscription rights attaching to any of the outstanding Options or upon the exercise of the subscription rights attaching to any of the outstanding Warrants.

Under the terms of the Share Option Schemes, the Optionholders may, within 21 days of the notice given by the Directors in relation to the Offers, i.e. on or before 22 September 2010, give written notice to the Company that they wish to exercise the Pre-IPO Options or the Post-IPO Options (as the case may be) in whole or in part as specified in such notice. Options not exercised within such 21 days' period will lapse and determine.

The Option Offer

For each Option . . . . HK$0.0001 in cash

The Warrant Offer

For each Warrant . . . . HK$0.0001 in cash

The Offeror is required under Rule 13 of the Takeovers Code to make comparable offers for all the Options and Warrants as part of the Offers.

The Offeror offers to pay HK$0.0001 in cash in respect of each Option in consideration of the surrender by the Optionholders of all their rights in respect of such Options. The Offeror offers to pay HK$0.0001 in cash in respect of each Warrant in consideration of the surrender by the Warrantholders of all their rights in respect of such Warrants. As disclosed in the Offer Document, the price for the Option Offer and the Warrant Offer has been determined with reference to the exercise prices under the Options and the Warrants, which are higher than the price for the Share Offer of HK$0.3578. Accordingly, the price for the Option Offer and Warrant Offer is equivalent to a nominal value of HK$0.0001.

Condition of the Offers

The Offers are unconditional.

Financial resources

(The paragraphs below have been reproduced from the Offer Document)

The Offeror will finance the Offers from its internal resources. Veda Capital Limited, the financial adviser to the Offeror in respect of the Offers, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required to meet the full acceptance of the Offers.

No payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company.

Effect of accepting the Offers

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such Shareholder that all Shares sold by such Shareholder under the Share Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the date of despatch of the Offer Document.

By accepting the Option Offer, the Optionholders will agree to the cancellation of the Options and to surrender all rights attached thereto with effect from the date of despatch of the Offer Document.

By accepting the Warrant Offer, the Warrantholders will agree to the cancellation of the Warrants and to surrender all rights attached thereto with effect from the date of despatch of the Offer Document.

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Shareholders, Optionholders and Warrantholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions. It is the responsibility of any such person who wishes to accept the Offers to satisfy himself/herself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities or legal requirements.

Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer, amounting to HK$1.00 for every HK$1,000 or part thereof of the greater of (i) the consideration payable by the Offeror in respect of the relevant acceptance; and (ii) the market value of the Shares, will be payable by the Independent Shareholders who accept the Share Offer and will be deducted from the consideration payable to such

Independent Shareholders. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf and the seller's ad valorem stamp duty on behalf of the accepting Independent Shareholders in respect of the Shares accepted under the Share Offer.

No stamp duty is payable in connection with the acceptances of the Option Offer and the Warrant Offer.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but, in any event, within 10 days of the date of receipt of a duly completed acceptance of the Offers.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability whose Shares are listed on GEM. The Group is principally engaged in the development, production and provision of financial information services and technology solutions to corporate clients and retail investors in Greater China and to develop and operate online games in Mainland China.

INFORMATION ON THE OFFEROR

(This section has been reproduced from the Offer Document)

The Offeror was incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly and beneficially owned by Ms. Lo. The Offeror is principally engaged in investing in financial products such as foreign exchange and interest rate swap in financial capital markets. The directors of the Offeror are Mr. Chiu Pui Yu ("**Mr. Chiu**"), Mr. Wong Po Tin ("**Mr. Wong**") and Mr. Ang Li Ling ("**Mr. Ang**").

Ms. Lo is an experienced investor in cutting-edge technology and venture capital in the past 20 years, her experience covers a broad range of industries crossing biotechnology, internet business, and finance field in the PRC, United States of America and Hong Kong. Ms. Lo also worked in the banking, insurance and finance fields before she became an entrepreneur. She was the chief executive officer and chairman of a listed company in Hong Kong between 2002 and 2006.

Mr. Chiu is the person in-charge of foreign exchanges department in a private company. Mr. Chiu has solid knowledge and experience in financial markets. Mr. Chiu has dedicated his career in finance and brokerage industries and has experience in several sizable financial institutions and brokerage firms.

Mr. Ang has more than 12 years of experience in foreign exchange market analysis and commentaries in a sizable financial information company. He graduated with a Bachelor of Science degree from The Hong Kong Polytechnic University.

Mr. Wong has more than 8 years of experience in financial and audit control in public accounting firm and multi-national corporation. He is a fellow member of the Association of Chartered Certified Accountants.

INTENTION OF THE OFFEROR REGARDING THE COMPANY
(This section has been reproduced from the Offer Document save for the paragraphs headed "Directors and management")

Business

The Offeror intends to continue the existing businesses of the Company and has no intention to dispose of the Company's businesses immediately after completion of the Offers. The Offeror will, following the completion of the Offers, conduct a detailed review of the operations of the Company with a view to developing corporate strategy to enhance its existing businesses and asset base and broaden its income stream, which may include further investing in and expansion of existing businesses or divesting of loss-making operations of the Company should appropriate opportunities arise. However, the Offeror has no plan of injecting any of its assets into the Company (and any proposed injection of assets in the future will be made in compliance with the GEM Listing Rules) or redeploying the employees and fixed assets of the Company other than in the ordinary course of business.

Maintaining the listing status of the Company

The Offeror has no intention to avail itself of any powers of compulsory acquisition and to privatize the Company. The Offeror intends to maintain the listing of the Shares on GEM. The Offeror had undertaken to the Stock Exchange to take appropriate steps following the close of the Offers to maintain the minimum public float as required under the GEM Listing Rules.

Directors and management
(The paragraph below has been reproduced from the Offer Document)

It is the intention of the Offeror to appoint new Directors to the Board upon the despatch of the Offer Document. Any appointment of new Directors by the Offeror will be in full compliance with the requirements pursuant to the Takeovers Code and the GEM Listing Rules.

As disclosed in the Offer Document, on 4 August 2010, the Offeror has deposited with the Company a requisition notice (the "**Requisition**") requiring the Company to convene a general meeting pursuant to Article 58 of the Articles for the purpose of considering and, if thought fit, amongst others, passing the ordinary resolutions to (i) remove each of Mr. Lin Peng, Ben and Mr. Wu Tak Lung from the office as a Director effective from the date of passing of the relevant resolution or the First Closing Date, whichever is later; (ii) remove any Director appointed between the date of the Requisition and the conclusion of the EGM, effective from the date of passing of the relevant resolution or the First Closing Date, whichever is later; (iii) confirm the appointments of Mr. Chow Wing Chau ("**Mr. Chow**"), Mr. Yiu Wing Hei ("**Mr. Yiu**"), Ms. Chan Siu Lai ("**Ms. Chan**") and Mr. Lui Tin Nang

("**Mr. Lui**") as Directors with effect from 29 June 2010 and ratify such appointments; and (iv) appoint each of Mr. Chiu Pui Yu, Mr. Wong Wai Kin, Mr. Siu Siu Ling Robert and Mr. Wong Po Tin as Director on the date of passing of the relevant resolution or the date after which the Offer Document has been posted, whichever is later. Any removal of existing Directors by the Offeror or parties acting in concert with it will take place after the First Closing Date. Any appointment of new Directors by the Offeror or parties acting in concert with it will take place after the Offer Document has been posted. Details of the proposed new Directors have been set out in the Offer Document.

As disclosed in the announcement of the Company dated 27 August 2010 and published on 30 August 2010:

(a) The Company has obtained legal advice from its Cayman Islands legal counsel to confirm that the New Directors had not been validly appointed at the relevant time and it would not be possible to treat them as if they had been appointed on 28 or 29 June 2010. Nonetheless, the Board believes that a genuine misunderstanding has arisen between the Directors and MCFL regarding the appointments of the New Directors and having had the opportunity to consider their profiles, the Board believed that it would be in the interest of the Company and the Shareholders as a whole if the New Directors were appointed as Directors. On 19 August 2010, the Board resolved to appoint Mr. Chow, Mr. Yiu and Ms. Chan as executive Directors and Mr. Lui as an independent non-executive Director, subject to their acceptance, with effect immediately after the despatch of the Offer Document. On 25 August 2010, the New Directors accepted their appointments and such appointments took effect on 26 August 2010.

(b) The Board has also resolved to convene the EGM on 13 September 2010 to consider, and if thought fit, pass the valid resolutions proposed in the Requisition. A circular setting out the details of the resolutions to be proposed at the EGM and the information required under the GEM Listing Rules, together with a notice convening the EGM, has been despatched to the Shareholders on 25 August 2010.

(The paragraph below has been reproduced from the Offer Document)

The Offeror does not intend to make any material changes to the continued employment of the employees of the Group or to the employment terms or conditions of the employees of the Group as a result of the Offers.

The Board is of the view that (a) the Offeror's plan to continue the existing business of the Group will enable the Company to maintain stability after the completion of the Offers; and (b) based on the profiles of the proposed new Directors, the Offeror's plan to appoint additional Directors will be in the interest of the Company and the Shareholders. The Board therefore considers that the Offeror's plan in respect of the Company is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATIONS

The Independent Board Committee comprising Dr. Lam Lee G., Mr. Wu Tak Lung and Mr. Lam Ka Wai, Graham, all of whom are independent non-executive Directors, has been established to recommend to the Independent Shareholders, the Optionholders and the Warrantholders as to whether the terms of the Offers are fair and reasonable and as to acceptances of the Offers. The Independent Board Committee has approved the appointment of Bridge Partners as the Independent Financial Adviser which advises the Independent Board Committee in respect of the Offers.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 15 to 16 of this document, which contains the recommendation of the Independent Board Committee to the Independent Shareholders, the Optionholders and the Warrantholders in respect of the Offers; and (ii) a letter from Bridge Partners to the Independent Board Committee set out on pages 17 to 33 of this document, which contains its advice to the Independent Board Committee in respect of the fairness and reasonableness of the Offers and the principal factors considered by it in arriving at its opinions and recommendations.

ADDITIONAL INFORMATION

You are recommended to read the Offer Document and the Form of Acceptance for information relating to the Offers, taxation and procedures for acceptance and settlement of the Offers.

Your attention is also drawn to the additional information set out in the appendices set out in this document.

Yours faithfully,
By order of the Board
Finet Group Limited
Yu Gang, George
Chairman

FINET GROUP LIMITED
財華社集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8317)

8 September 2010

To the Independent Shareholders,
the Optionholders and the Warrantholders

Dear Sir or Madam,

Response document relating to
the mandatory unconditional cash offers by
PACIFIC FOUNDATION SECURITIES LIMITED
on behalf of
MAXX CAPITAL INTERNATIONAL LIMITED
for
(1) all the issued shares of HK$0.05 each in FINET GROUP LIMITED
(other than those already owned or agreed to be acquired by
MAXX CAPITAL INTERNATIONAL LIMITED
and parties acting in concert with it);
(2) all outstanding options of FINET GROUP LIMITED; and
(3) all outstanding warrants of FINET GROUP LIMITED

We refer to the response document dated 8 September 2010 issued by the Company, of which this letter forms part. Terms used herein shall have the same meanings as those defined in the response document unless the context requires otherwise.

We have been appointed to form the Independent Board Committee to consider the terms of the Offers and to advise you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Independent Shareholders, the Optionholders and the Warrantholders are concerned. Bridge Partners Capital Limited has been appointed as the Independent Financial Adviser to advise us in this respect, details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the letter from the Independent Financial Adviser in the response document.

We also wish to draw your attention to the letter from the Board in the response document, the letter from the Offeror and the additional information set out in the appendices to the Offer Document and the response document.

Taking into account the terms of the Offers and the advice from the Independent Financial Adviser, we consider that the terms of the Offers are not fair and reasonable so far as the Independent Shareholders, the Optionholders and the Warrantholders are concerned and therefore we recommend the Independent Shareholders, the Optionholders and the Warrantholders not to accept the Offers.

Notwithstanding our recommendation, the Independent Shareholders, the Optionholders and the Warrantholders should consider carefully the terms and conditions of the Offers.

Yours faithfully,
the Independent Board Committee

Dr. Lam Lee G.	**Mr. Lam Ka Wai, Graham**	**Mr. Wu Tak Lung**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of a letter of advice to the Independent Board Committee from Bridge Partners regarding to the Offers prepared for the purpose of incorporation in this document:

寶橋 BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

Bridge Partners Capital Limited
Unit 605, 6/F, Grand Millennium Plaza
181 Queen's Road Central
Central, Hong Kong

8 September 2010

*To the independent board committee
of Finet Group Limited*

Dear Sirs,

MANDATORY UNCONDITIONAL CASH OFFERS BY PACIFIC FOUNDATION SECURITIES LIMITED ON BEHALF OF MAXX CAPITAL INTERNATIONAL LIMITED FOR (1) ALL THE ISSUED SHARES OF HK$0.05 EACH IN FINET GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY MAXX CAPITAL INTERNATIONAL LIMITED OR PARTIES ACTING IN CONCERT WITH IT); (2) ALL OUTSTANDING OPTIONS OF FINET GROUP LIMITED; AND (3) ALL OUTSTANDING WARRANTS OF FINET GROUP LIMITED

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee in relation to the terms of the Offers, details of which are set out in the offer document issued by Offeror to the Shareholders dated 25 August 2010 and the Company's offeree board circular dated 8 September 2010 (the "Document") issued by the Company to the Shareholders, Optionholders and Warrantholders. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as in the Document.

On 9 July 2010, the Offeror acquired the Sale Shares from MCFL and WCIL, representing approximately 52.65% of the entire issued share capital of the Company, at an aggregate consideration of HK$60,000,000 (equivalent to approximately HK$0.3098 per Sale Share). Pursuant to the WCIL Option Deed and MFML Option Deed, WCIL and WFML were granted by Opulent the rights to acquire 35,600,000 Shares (representing approximately 9.68% of the issued share capital of the Company) at a consideration of

HK$0.275 (as adjusted) per Share and 18,000,000 Shares (representing approximately 4.89% of the issued share capital of the Company) at a consideration of HK$0.275 (as adjusted) per Share respectively.

According to the Offer Document, the Offeror and parties acting in concert with it did not own any Shares immediately prior to the sale purchases. The Sale Shares were pledged by Opulent in favour of MCFL and WCIL which sold the Sale Shares to the Offeror pursuant to the exercise of powers of sale on 9 July 2010 as a result of the default in the repayment of the loan in the amount of approximately HK$60,632,075.03 and outstanding interest accrued thereon in the amount of HK$6,772,732.59 due to MCFL by Opulent as at 9 July 2010. The bought and sold notes in respect of the Sale Shares were executed on 9 July 2010 and the transactions were completed on the same day.

As a result of the Acquisition, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26 of the Takeovers Code. Pursuant to Rule 13 of the Takeovers Code, the Offeror is also required to make comparable offers for all the outstanding Options and Warrants respectively.

The Board currently comprises 5 executive Directors and 4 independent non-executive Directors. Dr. Yu Gang, George is the beneficial owner of Opulent and Opulent was the controlling shareholder of the Company immediately before the exercise of powers of sale by MCFL and WCIL. Both Dr. Yu Gang, George and Mr. Lin Peng, Ben are salaried executive Directors. Therefore, they are not considered independent to give advice in respect of the Offers. On 25 August 2010, the Board announced that Mr. Chow Wing Chau, Mr. Yiu Wing Hei and Ms. Chan Siu Lai have accepted the appointments as executive Directors and Mr. Lui Tin Nang has accepted the appointment as an independent non-executive Director, and such appointments became effective on 26 August 2010. As Mr. Chow Wing Chau, Mr. Yiu Wing Hei and Ms. Chan Siu Lai were nominated by the Offeror, therefore, they are not considered independent to give advice in respect of the Offers. Mr. Lui Tin Nang was nominated by the Offeror as the independent non-executive Director and it is apparent that there is conflict of interest if he was to be included in the Independent Board Committee. Accordingly, an Independent Board Committee comprising Dr. Lam Lee G., Mr. Wu Tak Lung and Mr. Lam Ka Wai, Graham (all being the independent non-executive Directors), has been formed to advise the Independent Shareholders on whether the terms of the Offers are fair and reasonable so far as the Independent Shareholders are concerned. As such, the Board has therefore resolved, and Mr. Lui Tin Nang has agreed, that he will not be included in the Independent Board Committee. We, Bridge Partners, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee in this regard, in particular as to whether the terms of the Offers are fair and reasonable, and to give a recommendation as regard to the acceptance of the Offers and such appointment has been approved by the Independent Board Committee.

BASIS OF OUR OPINION

In arriving at our opinion and recommendation, we have relied on the accuracy of the information supplied, opinions and representations contained or referred to in the Document and provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, opinions and representations contained or referred to in the Document that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date hereof. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Document and have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Document have been arrived at after due and careful consideration and there are no other facts not contained in the Document the omission of which would make any statement in the Document misleading.

In formulating our opinion, we have made reference to the Comparable Companies (as defined hereafter), which are listed on GEM or main board of the Stock Exchange for analysis and the relevant information was obtained from the website of the Stock Exchange (www.hkex.com.hk). We have assumed the truthfulness and accuracy of the information available to us regarding the Comparable Companies. We have not, however, carried out any independent verification of the information available to us regarding the Comparable Companies, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of these companies. Our opinion are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date.

We have not considered the tax implications on the Independent Shareholders, Optionholders and Warrantholders of their acceptances or non-acceptances of the Offers since these are particular to their own individual circumstances. In particular, the Independent Shareholders, Optionholders and Warrantholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the Offers and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the terms of the Offers, we have considered the following principal factors and reasons:

(I) The Share Offer

1. *Business and financial performance of the Group*

The Group is principally engaged in the development, production and provision of financial information services and technology solutions to corporate clients and retail investors in Greater China and to develop and operate online games in Mainland China.

Set out below is a summary of the financial results of the Group for the two years ended 31 March 2010 and the three months ended 30 June 2009 and 2010:

	For the three months ended 30 June		**Year ended 31 March**	
	2010	**2009**	**2010**	**2009**
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		(restated)		(restated)
Revenue	7,300	8,763	31,029	33,088
(Loss) before taxation	(5,968)	(4,832)	(48,139)	(62,654)
(Loss) for the period/year	(5,983)	(4,846)	(48,242)	(62,742)

	As at 31 March	
	2010	**2009**
	(Audited)	(Audited)
	HK$'000	*HK$'000*
Non-current assets	24,359	53,754
Current assets	72,403	13,856
Current liabilities	9,814	10,811
Non-current liabilities	2,940	3,709
Net asset value	84,008	53,090
Cash and cash equivalents	33,681	7,444

Year ended 31 March 2010 vs Year ended 31 March 2009

The two business lines of the Group for the year ended 31 March 2010 were (i) financial information services in Greater China, mainly through sales to corporations and financial institutions and (ii) online games in Mainland China. As illustrated from the table above, the Group recorded a turnover of approximately HK$31.03 million for the year ended 31 March 2010, representing a decrease of approximately 6.22% as compared with approximately HK$33.09 million for the year ended 31 March 2009. According to the annual report for the year ended 31 March 2010 (the "2010 Annual Report"), the net decrease in revenue was primarily attributable to (i) a decrease in online game revenue of approximately HK$1.74 million, and (ii) a decrease in financial services and advertising revenue of approximately HK$0.32 million.

The net loss for the Group was narrowed from HK$62.7 million to HK$48.2 million, representing a decrease of 23.1% from that of 2009, which was primarily due to the decrease in general and administrative expenses of HK$8.2 million through cost cutting by the Group and the decrease in other operating expenses of HK$39.6 million as a result of the reduction in goodwill impairment charge related to the Group's online games segment and the impairment loss on an amount due from a former subsidiary of HK$20.2 million for the prior year.

The loss from the financial information services business segment was narrowed from approximately HK$16.22 million to approximately HK$6.09 million as a result from the improved operating efficiency through cost cutting. However, the online game segment business has continued to suffer loss as the Group's online games were still under the developing and testing stage, the loss from the online game segment business was amounted to approximately HK$41.84 million as a result of the impairment charges related to the goodwill and the capitalization of online games development costs.

The cash and cash equivalents of the Group had a significant increase of approximately 352.45%, from approximately HK$7.44 million as at 31 March 2009, to approximately HK$33.68 million as at 31 March 2010. According to the 2010 Annual Report, the total borrowings of the Group had decreased from approximately HK$3.23 million in 2009 to approximately HK$3.00 million in 2010. As at 31 March 2010, the audited consolidated net asset value of the Group was approximately HK$84.01 million, representing a significant increase of approximately 58.23% as compared to approximately HK$53.09 million as at 31 March 2009, which was mainly due to two open offers conducted in 2009 which had successfully raised an aggregate of over HK$75 million.

Three months ended 30 June 2010 vs Three months ended 30 June 2009

For the three months ended 30 June 2010, the Group recorded the unaudited revenue of approximately HK$7.30 million, representing a reduction of approximately 16.69% as compared with that of the corresponding period of approximately HK$8.76 million of the preceding financial year. During the same period, the Group recorded the unaudited consolidated net loss of approximately HK$5.98 million as compared to the net loss of approximately HK$4.85 million for the corresponding period of the preceding financial year.

According to the first quarterly report of the Group, for the three months ended 30 June 2010, the service income from provision of financial information services decreased 26.22%, to approximately HK$6.31 million, as compared with the corresponding period in 2009, as a result of the launch of HKEx's online "Free Real-Time Quote Scheme" in 2009. Meanwhile, the turnover of the online game business was insignificant as the Group is still conducting ongoing research and development of new games.

Future prospects of the Group

As noted from the 2010 Annual Report, fierce competition in financial data and news distribution business along with the on-going development of the Group's online games business affected the financial performance of the Group although they used cost-cutting approach to achieve operating efficiency.

To cope with the market changes, the Group examined different ways to improve the operating efficiency and the deteriorating business environment. In January 2010, the Group signed a memorandum of understanding to acquire 深圳市瓦爾雷思科技開發有限公司 (transliterated as Shenzhen Wireless Technology Development Co., Limited) ("Shenzhen Wireless"). Shenzhen Wireless and its subsidiaries carry out mobile application platforms business to provide mobile games, music, e-reading and other mobile internet applications to mobile phone users in the PRC. Furthermore, the Group envisaged that the traditional information services business will be diminishing as a result of the launch of the HKEx's online "Free Real-Time Quote Scheme" last year. In order to survive and thrive in that competitive industry, the Group has transformed its information business into a one-stop financial services business through acquisition of Fukoku Investment (Asia) Limited ("Fukoku Investment") in February 2010. The acquisition of Fukoku Investment is an extension of the Group's existing financial information services which further fulfill the demands of the investors in Greater China.

We are of the view that the Group has been trying to cope with the intense business environment by broadening the revenue source of the Group through mergers and acquisitions.

2. *Valuation of the Share Offer Price*

As stated in the Offeror Announcement, the Offers are unconditional and the price of HK$0.3578 per Offer Share (the "Share Offer Price") was determined with reference to the aggregate amount of (i) the loan and the outstanding interest accrued thereon due to MCFL by Opulent as at 9 July 2010; and (ii) the estimated expenses incurred for the full recovery of the loan and interest of approximately HK$69,273,808 (equivalent to approximately HK$0.3577 per Sale Share). The Share Offer Price represents:

(a) a premium of approximately 15.49% over the consideration per Sale Share of approximately HK$0.3098;

(b) a discount of approximately 69.42% to the closing price of HK$1.170 per Share as quoted by the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 64.22% to the average of the closing prices of HK$1.00 per Share for the 5 trading days up to and including the Last Trading Day;

(d) a discount of approximately 64.15% to the average of the closing prices of HK$0.998 per Share for the 10 trading days up to and including the Last Trading Day;

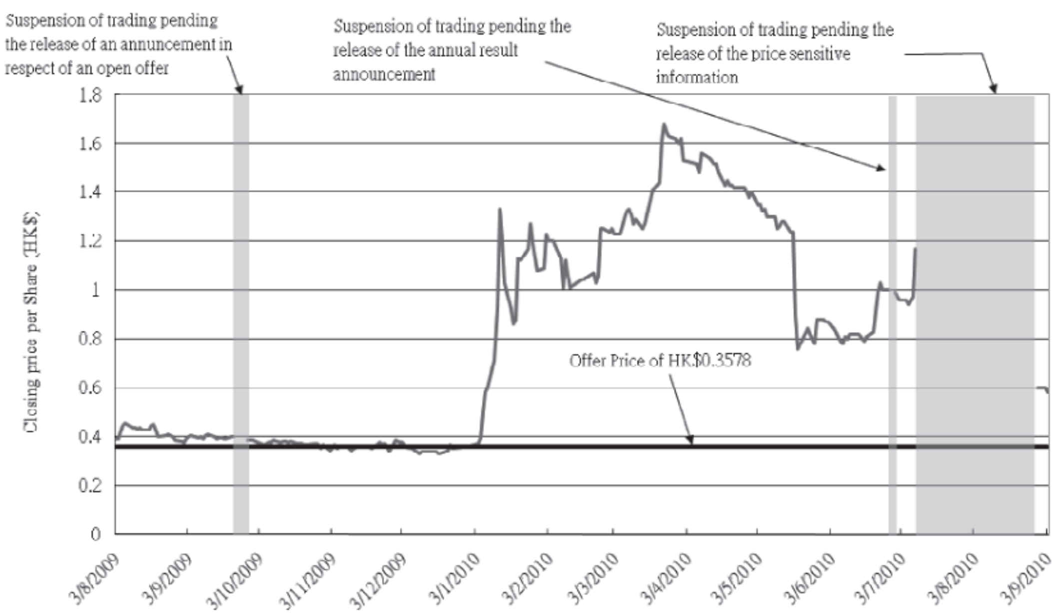
(e) a discount of approximately 29.84% to the closing price of HK$0.51 per Share as quoted by the Stock Exchange on the Latest Practicable Date; and

(f) a premium of approximately 56.93% over the audited consolidated net asset value per Share of approximately HK$0.228 as at 31 March 2010 (based on the audited accounts of the Company for the year ended 31 March 2010 and the number of outstanding Shares as at the Latest Practicable Date).

2.1 Historical Share price performance

For the purpose of comparing the Share Offer Price of HK$0.3578 per Share with the closing price of the Shares, we plot the closing price level of the Shares traded on the Stock Exchange from 3 August 2009 to 9 July 2010 (being the last trading day prior to the release of the Company's announcement dated 30 August 2010 (the "Announcement")) and further up to the Latest Practicable Date (the "Review Period") as follows:

Closing price of the Shares during the Review Period



Source: Website of the Stock Exchange (www.hkex.com.hk)

Note: Trading in the Shares was suspended from 23 September 2009 to 25 October 2009 (both days inclusive), 29 June 2010 and from 12 July 2010 to 27 August 2010 (both days inclusive). There were only 6 and 2 trading days for the month of July and August respectively.

As shown in the chart above, the Share prices were well above the Share Offer Price in most of the time during the period from 3 August 2009 to the Last Trading Day (the "Pre-Announcement Period"). The highest and lowest closing prices during the Pre-Announcement Period were HK$1.68 on 24 March 2010 and HK$0.33 on 10 December 2009 respectively. On 25 September 2009, the Company announced its intention to propose an open offer. Trading in Shares was suspended from 23 September 2009 to 25 September 2009 for three days. On 29 June 2010, the trading in Shares was suspended for one day pending the release of an announcement in respect of the annual result announcement for the year ended 31 March 2010. On 12 July 2010, the Company requested suspension in the trading in Shares pending the release of the price sensitive information.

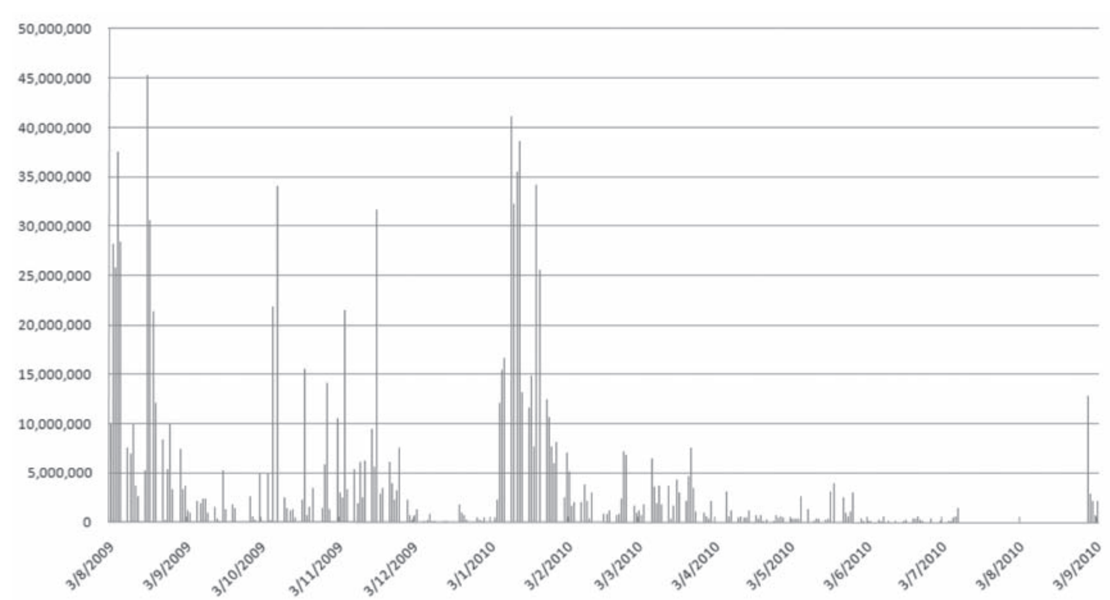
Given that the Share Offer Price of HK$0.3578 represents a discount of approximately 69.42% to the closing price of HK$1.170 per Share on the Last Trading Day. The Share Offer Price represents a discount of approximately 29.84% to the closing price of the Shares of HK$0.51 on the Latest Practicable Date. In this regard, we are of the view that the **Share Offer Price is not attractive to the Independent Shareholders**.

Independent Shareholders should note that although the market prices of the Shares were significantly higher than the Share Offer Price during the Pre-Announcement Period, and the Share Offer Price represents a discount of approximately 69.42% to the closing price of HK$1.170 per Share on the Last Trading Day, there is no assurance that the trading price of the Shares will continue to sustain at high level and be significantly higher than the Share Offer Price during the Offer Period. Independent Shareholders should be reminded to closely monitor the market price of the Shares during the Offer Period.

2.2 Liquidity of the Shares

The following chart shows the trading volume of the Shares on the Stock Exchange during the Review Period:

Trading Volume during the Review Period



Source: Website of the Stock Exchange (www.hkex.com.hk)

The following table also sets out (i) the total trading volume of the Shares in each month, (ii) the average daily trading volume of the Shares in each month; (iii) the percentage of average daily trading volume of the Shares in each month to the total number of Shares in issue and the Shares held by the public Shareholders respectively during the Review Period:

	Total trading volume of the Shares in each month *(Shares)*	**Average daily trading volume of the Shares in each month** *(Shares)*	**% of average daily trading volume of the Shares in each month to the total number of Shares in issue** *(Note 1)* *(approximately)*	**% of average daily trading volume of the Shares in each month to the total number of Shares held by the public Shareholders** *(Note 2)* *(approximately)*
2009				
August	310,061,479	14,764,832	1.64%	2.36%
September	34,410,000	1,811,053	0.20%	0.29%
October	119,258,872	5,962,944	0.66%	0.95%
November	141,442,841	6,735,373	1.87%	4.65%
December	9,649,907	438,632	0.12%	0.27%
2010				
January	346,494,147	17,324,707	4.73%	10.04%
February	50,663,836	2,814,658	0.73%	1.46%
March	57,705,995	2,508,956	0.68%	1.44%
April	14,793,457	778,603	0.22%	0.47%
May	22,199,900	1,109,995	0.30%	0.64%
June	3,358,333	167,917	0.05%	0.10%
July (up to Last Trading Day) *(Note 5)*	2,882,819	480,470	0.13%	0.28%
August (since the resumption of trading of Shares) *(Note 5)*	15,608,574	7,804,287	2.12%	4.48%
September (up to Latest Practicable Date)	9,508,333	2,377,083	0.65%	1.36%

Source: Website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Based on the total number of Shares in issue at the then period.

2. Based on the total number of Shares held by the public Shareholders at the then period.

3. The Company had completed an open offer in November 2009.

4. Share consolidation on the basis of every five issued and unissued shares were consolidated into one Share was effective on 30 November 2009.

5. There were only 6 and 2 trading days for July and August 2010 respectively.

The above table illustrated that the average daily trading volumes of the Shares per month were very thin during the Review Period. During the Review Period, the highest daily average trading volume amounted to approximately 17,324,707 Shares in January 2010, representing approximately 4.73% of the total number of Shares in issue and approximately 10.04% of the total number of Shares held by the public Shareholders and the lowest daily average trading volume amounted to approximately 167,917 Shares in June 2010, representing approximately 0.05% of the total number of Shares in issue and approximately 0.10% of the total number of Shares held by the public Shareholders. The trading volume of the Shares on the Latest Practicable Date amounted to 4,461,000 Shares, representing approximately 1.21% of the total number of Shares in issue and approximately 2.3% of the total number of Shares held by the public Shareholders.

Given the trading of the Shares be rather illiquid during the Review Period, any disposal of large block of Shares held by the public Shareholders in the open market may trigger price slump of the Shares. Independent Shareholders should note that if they wish to realize their investments in the Company, especially those with large block of shares, they might not be able to dispose the Shares in the market without having an adverse impact on the market price level of the Shares. Nevertheless, Independent Shareholders who intend to dispose part or all of their shareholdings should closely monitor the market price and the liquidity of the Shares in the open market.

2.3 Valuation of the Share Offer Price

i) Price earnings multiples

One of the most commonly used references in evaluating a listed company is the price earnings multiple based on its historical earnings. However, given that the Group incurred losses for the financial year ended 31 March 2010, the use of price earnings multiple is inapplicable for evaluation purpose.

ii) Dividend yield

The Group had not declared dividends for the three financial years ended 31 March 2010. In addition, given the loss making position of the Group, the ability of the Company to distribute any future dividend is uncertain. As such, it is not applicable to evaluate the Share Offer Price on a dividend yield basis.

iii) Net asset value ("NAV")

The audited consolidated NAV (excluding minority interest) of the Group were approximately HK$101.6 million, HK$41.1 million and HK$82.8 million as at 31 March 2008, 31 March 2009 and 31 March

2010 respectively, representing an NAV per Share of approximately HK$0.170, HK$0.069 and HK$0.225 respectively. On this basis, the Share Offer Price of HK$0.3578 represents a premium of approximately 110.5%, 421.9% and 58.8% to the NAV per Share for the respective periods.

iv) Comparison with other comparable companies

To assess the fairness and reasonableness of the Share Offer Price, we have researched for companies which are listed on the Stock Exchange and are in similar lines of business as the Company (i.e. having businesses similar to the (i) development, production and provision of financial information services and (ii) development of online games). We have identified seven comparable companies which met our selection criteria (the "Comparable Companies"), which is exhaustive, for comparison. The following table sets out (i) latest audited net profits; (ii) market capitalization; (iii) the implied price to earnings ratio ("PER") and implied price to book ratio ("P/B Ratio") of the Comparable Companies based on (i) their closing prices as at the Last Trading Day; and (ii) the publicly available financial information for their latest financial years:

Name of Comparable Companies	Principal business activities	Closing price of the share at the Last Trading Day	Latest audited net profit/ (net loss) *(HK$' million)*	As at Last Trading Day Market capitalization *(HK$' million)*	PER *(times)* *(Note 1)*	P/B *(times)* *(Note 2)*
China Communication Telecom Services Company Ltd. (HK: 8206)	Principally engaged in (i) operation of an electronic platform for online computer game tournaments; (ii) operation of a licensed online game "Sudden Attack"; and (iii) selling and distribution of computer games.	1.63	(231.49)	1,947.36	N/A *(Note 3)*	N/A *(Note 3)*
Culturecom Holdings Ltd. (HK: 343)	Principally engaged in publishing, investment holding, exploration of crude oil services and Chinese information infrastructure.	0.51	10.56	351.52	30.0	0.58
Kingsoft Corporation Ltd. (HK: 3888)	Principally engaged in research, development, operation and distribution of online game, mobile game and casual game services; and the research, development, operation and distribution of internet security software, dictionary software and office application software products.	4.01	446.13	4,470.12	11.0	2.38

Name of Comparable Companies	Principal business activities	Closing price of the share at the Last Trading Day	Latest audited net profit/ (net loss) *(HK$' million)*	As at Last Trading Day: Market capitalization *(HK$' million)*	PER *(times)* *(Note 1)*	P/B *(times)* *(Note 2)*
Quam Ltd. (HK: 952)	Principally engaged in (i) securities and futures dealing, placement services, margin financing and money lending, the provision of fund management services and wealth management services; (ii) website management and related services; (iii) provision of advisory service; and (iv) investment holding and securities trading.	0.34	19.51	322.31	14.8	0.91
Powerleader Science & Technology Co. Ltd. (HK: 8236)	Principally engaged in (i) design and development, manufacturing and sale of computer server system solution related hardware and software; (ii) value-added platform and related components agency distribution; and (iii) leasing of servers and network value-added business.	0.26	34.09	586.95	21.3	1.25
Sun International Group Ltd. (HK: 8029)	Principally engaged in (i) computer software solution and services; (ii) hotel services; (iii) mining services — provision of mining iron ores and minerals.	0.72	254.19	658.88	2.4	0.46
Tencent Holdings Ltd. (HK: 700)	Principally engaged in provision of Internet value-added services, mobile and telecommunications value-added services and online advertising services to users in the People's Republic of China.	139	5,990.75	254,097.85	42.3	17.92
Average					20.3	3.62
Minimum					2.4	0.46
Maximum					42.3	17.92
The Company	(Based on the Offer Price)	0.3578	(48.20)	131.60	N/A (due to net loss of the Company)	1.59

Source: Website of the Stock Exchange and annual reports of the respective companies above. Amounts denominated in Renminbi (RMB), if any, have been translated into HK$ at an exchange rate of RMB1 = HK$1.1473 for comparison purposes only.

Notes:

1. PERs of the Comparable Companies are calculated based on the closing price per share as quoted on the Stock Exchange divided by the basic earnings per share of the Comparable Companies as extracted from their respective latest published income statement. PER of the Company is calculated based on the Share Offer Price divided by the basic earnings per share of the Group as stated in the annual report.

2. P/B Ratios of the Comparables Companies are calculated based on their respective closing prices as at the Last Trading Day and the net assets value of the Comparables Companies as extracted from their respective latest published balance sheet divided by the total number of issued shares. P/B of the Company is calculated based on the Share Offer Price and the net asset value of the Group divided by the total number of issued Shares as stated in the annual report.

3. The PER and P/B Ratio of China Communication Telecom Service Limited (Stock Code: 8206) are shown as "N/A" (not applicable) due to the fact that it has recorded net losses in its latest published income statement and negative net assets value as extracted from its latest published balance sheet.

The PER is regarded as one of the commonly used valuation methods to evaluate a company with recurrent income base. The Group had recorded losses for the past two financial years. As such, in assessing the fairness and reasonableness of the Share Offer Price, the PER is considered not applicable and the P/B Ratio has been used instead in our analysis. As shown in the table set out above, the P/B Ratio of the Comparable Companies range between 0.46 to 17.92 and the average P/B Ratio of the Comparable Companies is approximately 3.62 times. The P/B Ratio of the Group calculated by the Share Offer Price over the audited net asset value of the Group as at 31 March 2010 was 1.59 times, which falls within the range of the Comparable Companies but below the average P/B ratio. We note that the range of the P/B ratios is too wide and consider that the P/B Ratio of the Group as implied by the Share Offer Price is not attractive.

Background of the Offeror and its intention regarding the future of the Group

As mentioned in the Offeror Announcement, the Offeror was incorporated in the British Virgin Islands and the entire issued share capital of which is wholly and beneficially owned by Ms. Lo. The Offeror is principally engaged in investing in financial products such as foreign exchange and interest rate swap in financial capital markets. Mr. Chiu Oui Yu, Mr. Wong Po Tin and Mr. Ang Li Ling and the directors of the Offeror.

According to the Offeror Announcement, the Offeror intends that the listing status of the Company will be maintained and that they will also appoint new Directors to the Board upon the despatch of the offer document relating to the Offers.

It is the intention of the Offeror to continue the existing business of the Company and has no intention to dispose of Company's businesses immediately after completion of the Offers. The Offeror also has no plan of injecting any of its assets into the Company or redeploying the employees and fixed assets of the Company other than in the ordinary course of business.

RECOMMENDATION ON SHARE OFFER

We have analyzed in the above sections that the Share Offer may represent an exit option for the Independent Shareholders since (i) the revenue of the Group has been declining over the past two years ended 31 March 2010 and the uncertainty that the business operations could be improved after completion of the Offers; (ii) the trading liquidity of the Shares was very thin during the Review Period and it is an opportunity to realise a significant amount of the investment by accepting the Share Offer without depressing the market price of the Shares; (iii) the Share Offer Price represents a premium of approximately 56.93% over the audited consolidated net asset value per Share of approximately HK$0.228 as at 31 March 2010; (iv) the Group has been trying to cope with the intense business environment by broadening the revenue source of the Group through the mergers and acquisitions; and (v) there is no sufficient information to assess the composition of the Group's assets and investments following the Offeror's acquisition of control.

However, we have also taken into account the following factors:

– the Share Offer Price of HK$0.3578 per Share represents a deep discount of approximately 69.42% to the closing price of HK$1.170 per Share as quoted by the Stock Exchange on the Last Trading Day; and

– the Share Offer Price is substantially below the closing prices of the Shares since 3 January 2010,

which would outweigh the above-mentioned factors for the Share Offer to be an exit option.

On balance, we are of the view that the terms of the Share Offer are not fair and reasonable so far as the Independent Shareholders are concerned, and accordingly recommend the Independent Board Committee to advise the Independent Shareholders not to accept the Share Offer.

The Independent Shareholders, in particular those who intend to accept the Share Offer, should be aware of the possible fluctuation in the Share price. There is no guarantee that the current market price will or will not sustain and will or will not be higher than the Offer Price during and after the Offer Period and there may or may not be sufficient trading volume of the Shares in the open market for Independent Shareholders to dispose of their Shares should they so wish. The Independent Shareholders who intend to accept the Share Offer are reminded to closely monitor the market price and the liquidity of the Shares during the Offer

Period and shall, having regard to their own circumstances, consider selling their Shares in the open market, instead of accepting the Share Offer, if the net proceeds from the sale of such Shares would be higher than that receivable under the Share Offer. Furthermore, Independent Shareholders should be aware that trading in Shares on the Stock Exchange has been suspended from 12 July 2010 to 27 August 2010 and there is no guarantee that the trading of the Shares will not be subject to further suspension during and after the Offer Period. The Independent Shareholders, in particular those who may wish to selling their Shares in the open market, are thus reminded to closely monitor the market of the Shares during the Offer Period.

(II) The Option Offer and the Warrant Offer

As advised by the Directors, as at the Latest Practicable Date, the Company had 4,403,933 outstanding Options entitling the Optionholders thereof to subscribe for an aggregate of 4,403,933 Shares with exercise prices ranging from HK$0.608 to HK$2.707 per Share and 9,981,898 outstanding Warrants entitling the relevant Warrantholders thereof to subscribe for an aggregate of 9,981,898 new Shares at the subscription price of HK$0.45 per Share.

For assessing the terms of the Option Offer and the Warrant Offer, we envisage that the adoption of a "see-through" price (representing the difference between the Share Offer Price and any given exercise price of the convertible instrument) is commonly regarded as the minimum offer price for any convertible instrument in conjunction with a general offer for ordinary shares. Under the context of the Option Offer and the Warrant Offer, the Options subject to the Option Offer and the Warrant subject to the Warrant Offer would not command any positive sum of "see-through" price as the Share Offer Price of HK$0.3578 per Share is lower than of the lowest exercise price of HK$0.608 per Share for the Options subject to the Option Offer and the exercise price of HK$0.45 per Share for the Warrants subject to the Warrant Offer respectively. In this respect, we consider that the basis of determining the Option Offer Price and the Warrant Offer Price are acceptable.

However, despite the basis of determining the Option Offer and the Warrant Offer as mentioned above are acceptable, given our view that the Share Offer Price are not fair and reasonable so far as the Independent Shareholders are concerned, we consider that the Option Offer Price and Warrant Offer Price are not fair and reasonable so far as the Optionholders and Warrantholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Optionholders and Warrantholders not to accept the Option Offer and Warrant Offer (as the case maybe).

In any event, the Optionholders and Warrantholders are advised to exercise their Options or Warrants and dispose of the Shares so converted in the open market if the market price per Share exceeds their respective exercise price (and hence becoming or restoring to be in-the-money) during the Offer Period and if the net proceeds from the sales of such converted Shares in the open market after deducting all transaction costs would exceed the net amount receivable under the Option Offer and Warrant Offer.

The Optionholders and Warrantholders should exercise caution in doing so and monitor the market closely. Furthermore, Optionholders and Warrantholders should be aware that trading in Shares on the Stock Exchange has been suspended from 12 July 2010 to 27 August 2010 and there is no guarantee that the trading of the Shares will not be subject to further suspension during and after the Offer Period. The Optionholders and Warrantholders, in particular those who may wish to exercise their Options or Warrants and dispose of the Shares so converted in the open market, are thus reminded to closely monitor the market of the Shares during the Offer Period.

On the other hand, for those Optionholders and Warrantholders who wish to retain some or all of their Options or Warrants or exercise some or all of their subscription rights under the Options and Warrants and retain their Shares thereupon as they are attracted by and confident in the future prospect and/or the new management team of the Group or otherwise, they should carefully consider the future intention of the Offeror regarding the Group and evaluate the prospects of the Group under the new management after the close of the Option Offer and Warrant Offer. **The Optionholders should note that, in accordance with the terms of the Share Option Schemes, the Optionholders may, within 21 days of the notice given by the Directors in relation to the Offers, i.e. on or before 22 September 2010, give written notice to the Company that they wish to exercise the Pre-IPO Options or the Post-IPO Options (as the case may be) in whole or in part as specified in such notice. Options are not exercised within such 21 days' period will lapse and determine.**

RECOMMENDATION ON OPTION OFFER AND WARRANT OFFER

In view of the above analysis, we are of the opinion that the Option Offer and the Warrant Offer are not fair and reasonable so far as Optionholders and the Warrantholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Optionholders and the Warrantholders not to accept the Offers.

Independent Shareholders, the Optionholders and the Warrantholders are reminded that their decisions to dispose or hold their investment in the Shares, Options and Warrants are subject to their individual circumstances and investment objectives. Independent Shareholders should read carefully the procedures for accepting the Share Offer, Option Offer and Warrant Offer as detailed in the Offer Document, the appendices to the Offer Document and the form of acceptance, if they wish to accept the Offers.

Yours faithfully,
For and on behalf of
Bridge Partners Capital Limited
Monica Lin
Managing Director

1. FINANCIAL SUMMARY

The following is a summary of (i) the audited financial results of the Group for each of the three financial years ended 31 March 2010; and (ii) the assets and liabilities as at 31 March 2008, 2009 and 2010 as extracted from the audited financial statements of the Group for the relevant years. The auditors of the Company did not issue any qualified opinion on the financial statements of the Group for the three years ended 31 March 2010. The Company had no exceptional or extraordinary items for each of the three years ended 31 March 2010.

	2010	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
RESULTS			
Revenue	31,029	33,088	35,829
Operating (loss)/profits	(47,929)	(62,317)	4,255
Finance cost	(210)	(332)	(817)
Net (loss)/profits before taxation	(48,139)	(62,654)	3,285
Taxation	(103)	(88)	—
Net (loss)/profits for the year	(48,242)	(62,742)	3,285
Net (loss)/profits attributable to shareholders	(35,575)	(62,309)	5,519
Minority interests	(12,667)	(433)	(2,234)
(Loss)/Profit for the year	(48,139)	(62,654)	3,285
(Loss)/Earnings per share			
— Basic *(in HK cents)*	(15.93)	(51.98)	4.90
— Diluted *(in HK cents)*	(15.93)	(51.98)	4.55
ASSETS AND LIABILITIES			
Non-current assets	24,359	53,754	107,570
Current assets	72,403	13,856	21,500
Current liabilities	9,814	10,811	11,859
Non-current liabilities	2,940	3,709	3,278
Net assets	84,008	53,090	113,933

2. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

The following is the full text of the audited consolidated financial statements of the Company for the year ended 31 March 2010 extracted from the annual report of the Company for the year ended 31 March 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	Note	2010 HK$'000	2009 HK$'000 (restated)
Revenue	5	31,029	33,088
Cost of sales		(9,323)	(10,140)
Gross profit		21,706	22,948
Other income and gains	6	2,037	37,443
Development costs		(4,664)	(6,375)
Selling and marketing expenses		(2,959)	(4,493)
General and administrative expenses		(36,933)	(45,118)
Other operating expenses	8	(27,116)	(66,722)
Finance costs	9	(210)	(332)
Share of loss of an associate		—	(5)
Loss before income tax	10	(48,139)	(62,654)
Income tax expense	11	(103)	(88)
Loss for the year		(48,242)	(62,742)
Loss attributable to:			
Owners of the Company		(35,575)	(62,309)
Minority interests		(12,667)	(433)
		(48,242)	(62,742)
Loss for the year		(48,242)	(62,742)
Other comprehensive income:			
Fair value loss on available-for-sale financial assets		(242)	(497)
Reserve realized upon disposal of available-for-sale financial assets		97	145
Currency translation differences		91	1,036
Other comprehensive income for the year		(54)	684
Total comprehensive income for the year		(48,296)	(62,058)

	Note	2010 *HK$'000*	2009 *HK$'000* (restated)
Attributable to:			
Owners of the Company	12	(35,641)	(61,865)
Minority interests		(12,655)	(193)
		(48,296)	(62,058)
Loss per share for loss attributable to the owners of the Company during the year	13		
— Basic *(in HK cent)*		(15.93)	(51.98)
— Diluted *(in HK cent)*		(15.93)	(51.98)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment	17	7,841	12,168
Investment properties	18	14,000	14,000
Intangible assets	19	2,250	27,006
Available-for-sale financial assets	21	268	580
		24,359	53,754
Current assets			
Accounts receivable	22	997	1,661
Prepayments, deposits and other receivables	23	37,725	4,751
Cash and cash equivalents	24	33,681	7,444
		72,403	13,856
Total assets		96,762	67,610
Current liabilities			
Accounts payable	25	1,389	2,033
Accruals and other payables		4,549	3,540
Deferred income		3,103	4,471
Finance lease payables — due within one year	26	533	533
Borrowings — due within one year	27	240	234
		9,814	10,811
Net current assets		62,589	3,045
Total assets less current liabilities		86,948	56,799
Non-current liabilities			
Finance lease payables — due after one year	26	178	711
Borrowings — due after one year	27	2,762	2,998
		2,940	3,709
Net assets		84,008	53,090

	Note	2010 *HK$'000*	2009 *HK$'000*
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	28	18,373	5,993
Reserves	30	64,435	35,099
		82,808	41,092
Minority interests		1,200	11,998
Total equity		84,008	53,090

STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	Note	2010 *HK$'000*	2009 *HK$'000*
Non-current assets			
Property, plant and equipment	17	177	230
Investment properties	18	14,000	14,000
Investments in subsidiaries	20	11,924	40,056
Available-for-sale financial assets	21	268	580
		26,369	54,866
Current assets			
Amounts due from subsidiaries	20	7,050	6,568
Prepayments, deposits and other receivables	23	32,963	165
Cash and cash equivalents	24	22,399	96
		62,412	6,829
Total assets		88,781	61,695
Current liabilities			
Accruals and other payables		2,055	660
Amounts due to subsidiaries	20	1,572	5,852
Borrowings — due within one year	27	240	234
		3,867	6,746
Net current assets		58,545	83
Total assets less current liabilities		84,914	54,949
Non-current liabilities			
Borrowings — due after one year	27	2,762	2,998
Net assets		82,152	51,951
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	28	18,373	5,993
Reserves	30	63,779	45,958
Total equity		82,152	51,951

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2010

		Reserves									
	Share capital	Share premium	Merger reserve	Employee compensation reserve	Translation reserve	Property revaluation reserve	Investment revaluation reserve	Accumulated losses	Total reserves	Minority interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2008	5,978	134,169	4,870	4,675	1,843	9,989	(567)	(59,349)	95,630	12,325	113,933
Comprehensive income											
Loss for the year	—	—	—	—	—	—	—	(62,309)	(62,309)	(433)	(62,742)
Other comprehensive income											
Fair value loss on available-for-sale financial assets *(Note 21)*	—	—	—	—	—	—	(497)	—	(497)	—	(497)
Reserve realized upon disposal of available-for-sale financial assets	—	—	—	—	—	—	145	—	145	—	145
Currency translation differences	—	—	—	—	796	—	—	—	796	240	1,036
Total other comprehensive income	—	—	—	—	796	—	(352)	—	444	240	684
Total comprehensive income	—	—	—	—	796	—	(352)	(62,309)	(61,865)	(193)	(62,058)
Transactions with owners											
Issue of shares upon exercise of share options *(Note 28)*	15	213	—	—	—	—	—	—	213	—	228
Employee share-based compensation *(Note 14)*	—	—	—	1,366	—	—	—	—	1,366	—	1,366
Exercise of share options *(Note 29)*	—	54	—	(54)	—	—	—	—	—	—	—
Vested share options lapsed/cancelled	—	—	—	(4,239)	—	—	—	4,239	—	—	—
Disposal of interest in a subsidiary	—	—	—	—	(245)	—	—	—	(245)	(134)	(379)
Total transactions with owners	15	267	—	(2,927)	(245)	—	—	4,239	1,334	(134)	1,215
Balance at 31 March 2009 and 1 April 2009	5,993	134,436	4,870	1,748	2,394	9,989	(919)	(117,419)	35,099	11,998	53,090

		Reserves									
	Share capital	Share premium	Merger reserve	Employee compensation reserve	Translation reserve	Property revaluation reserve	Investment revaluation reserve	Accumulated losses	Total reserves	Minority interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Comprehensive income											
Loss for the year	—	—	—	—	—	—	—	(35,575)	(35,575)	(12,667)	(48,242)
Other comprehensive income											
Fair value loss on available-for-sale financial assets *(Note 21)*	—	—	—	—	—	—	(242)	—	(242)	—	(242)
Reserve realized upon disposal of available-for-sale financial assets	—	—	—	—	—	—	97	—	97	—	97
Currency translation differences	—	—	—	—	79	—	—	—	79	12	91
Total other comprehensive income	—	—	—	—	79	—	(145)	—	(66)	12	(54)
Total comprehensive income	—	—	—	—	79	—	(145)	(35,575)	(35,641)	(12,655)	(48,296)
Transactions with owners											
Issue of shares upon exercise of share options *(Note 28)*	3	28	—	—	—	—	—	—	28	—	31
Issue of shares on open offers *(Note 28)*	11,992	65,955	—	—	—	—	—	—	65,955	—	77,947
Issue of shares on exercise of bonus warrants *(Note 28)*	385	3,086	—	—	—	—	—	—	3,086	—	3,471
Shares issue costs	—	(4,114)	—	—	—	—	—	—	(4,114)	—	(4,114)
Employee share-based compensation *(Note 14)*	—	—	—	22	—	—	—	—	22	—	22
Exercise of share options *(Note 29)*	—	2	—	(2)	—	—	—	—	—	—	—
Vested share options lapsed/cancelled	—	—	—	(23)	—	—	—	23	—	—	—
Total contributions by and distributions to owners	12,380	64,957	—	(3)	—	—	—	23	64,977	—	77,357
Capital contributions from minority shareholders	—	—	—	—	—	—	—	—	—	1,857	1,857
Total transactions with owners	12,380	64,957	—	(3)	—	—	—	23	64,977	1,857	79,214
Balance at 31 March 2010	18,373	199,393	4,870	1,745	2,473	9,989	(1,064)	(152,971)	64,435	1,200	84,008

The merger reserve represents the difference between the share capital and share premium of the Company and the nominal value of shares of a subsidiary acquired pursuant to the reorganization in connection with the preparation for the initial listing of the shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
Cash flows from operating activities			
Loss before income tax		(48,139)	(62,654)
Adjustments for:			
— Depreciation of property, plant and equipment		3,603	3,890
— Amortization of intangible assets		67	22
— Goodwill impairment charge		27,000	43,203
— Impairment loss on amount due from a former subsidiary		—	20,193
— Share of loss of an associate		—	5
— Gain on disposal of interests in subsidiaries		—	(34,212)
— Recycling of loss from equity on disposal of available-for-sale financial assets		97	145
— Loss/(gain) on disposal of property, plant and equipment		201	(158)
— Fair value loss on investment properties		—	3,155
— Interest income		(11)	(24)
— Finance costs		210	332
— Equity-settled share-based payments		22	1,366
Changes in working capital:			
— Financial assets at fair value through profit or loss		—	3,056
— Accounts receivable		664	2,227
— Prepayments, deposits and other receivables		(32,974)	2,198
— Accounts payable		(644)	434
— Accruals and other payables		1,009	6
— Deferred income		(1,368)	(7)
Cash used in operations		(50,263)	(16,823)
Interest paid		(125)	(275)
Income tax paid		(103)	(88)
Net cash used in operating activities		(50,491)	(17,186)

	Note	2010 HK$'000	2009 HK$'000
Cash flows from investing activities			
Purchase of property, plant and equipment	17	(258)	(7,100)
Purchase of intangible assets	19	(2,310)	(2)
Proceeds from disposal of property, plant and equipment		791	3,291
Proceeds from disposal of available-for-sale financial assets		70	96
Disposal of interests in subsidiaries		—	20,745
Interest received		11	24
Net cash (used in)/generated from investing activities		(1,696)	17,054
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	28	81,449	228
Shares issue costs		(4,114)	—
Capital contributions from minority shareholders of subsidiaries		1,857	—
Interest element of finance lease rental payments		(85)	(57)
Capital element of finance lease rental payments		(533)	(356)
Proceeds from borrowings		—	4,500
Repayment of borrowings		(230)	(4,720)
Net cash generated from/(used in) financing activities		78,344	(405)
Net increase/(decrease) in cash and cash equivalents		26,157	(537)
Cash and cash equivalents at beginning of the year		7,444	7,556
Effect of foreign exchange rate changes, net		80	425
Cash and cash equivalents at end of the year	24	33,681	7,444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. GENERAL INFORMATION

Finet Group Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in (i) the development, production and provision of financial information services and technology solutions to corporate clients and retail investors in Greater China and (ii) the development and operations of online games in Mainland China. The principal activity of the Company is investment holding. The principal activities and other particulars of its subsidiaries are set out in Note 20.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The Company's registered office is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal place of business is situated at Suite 505–506, 5/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.

The Company's shares have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 7 January 2005.

These consolidated financial statements are presented in Hong Kong dollars (HK$) unless otherwise stated. These consolidated financial statements were approved and authorized for issue by the board of directors on 29 June 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended HKFRSs as of 1 April 2009:

- HKFRS 7 Financial instruments — Disclosures (amendment) — effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

- HKAS 1 (revised) Presentation of financial statements — effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been represented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

- HKFRS 2 (amendment) Share-based payment (effective 1 January 2009) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group and Company has adopted HKFRS 2 (amendment) from 1 April 2009. The amendment does not have a material impact on the Group's or Company's financial statements.

- In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 1 January 2009, the Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group previously recognized all borrowing costs as an expense immediately. This change in accounting policy was due to the adoption of HKAS 23 Borrowing costs (2007) in accordance with the transition provisions of the standard; comparative figures have not been restated. The change in accounting policy had no material impact on earnings per share.

- HKFRS 8 Operating segments (effective 1 January 2009). HKFRS 8 replaces HKAS 14 Segment reporting. The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2010 or later periods, but the Group has not early adopted them:

- HK(IFRIC) 17 Distribution of non-cash assets to owners (effective on or after 1 July 2009). The interpretation is part of the HKICPA's annual improvements project published in April/May 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. HKFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The Group and Company will apply HK(IFRIC) 17 from 1 April 2010. It is not expected to have a material impact on the Group's or Company's financial statements.

- HKAS 27 (revised) Consolidated and separate financial statements (effective from 1 July 2009). The revised standard requires the effects of all transactions with minority interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss. The Group will apply HKAS 27 (revised) prospectively to transactions with minority interest from 1 April 2010.

- HKFRS 3 (revised) Business combinations (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair vale or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (revised) prospectively to all business combinations from 1 April 2010.

- HKAS 38 (amendment) Intangible assets (effective from 1 July 2009). The amendment is part of the HKICPA's annual improvements project published in April/May 2009 and the Group and Company will apply HKAS 38 (amendment) from the date HKFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the Group's or Company's financial statements.

- HKFRS 5 (amendment) Measurement of non-current assets (or disposal groups) classified as held for sale. The amendment is part of the HKICPA's annual improvements project published in April/May 2009. The amendment provides clarification that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1. The Group and Company will apply HKFRS 5 (amendment) from 1 April 2010. It is not expected to have a material impact on the Group's or Company's financial statements.

- HKAS 1 (amendment) Presentation of financial statements. The amendment is part of the HKICPA's annual improvements project published in April/May 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group and Company will apply HKAS 1 (amendment) from 1 April 2010. It is not expected to have a material impact on the Group's or Company's financial statements.

- HKFRS 2 (amendments) Group cash-settled share-based payment transactions (effective from 1 January 2010). In addition to incorporating HK(IFRIC) — Int 8 Scope of HKFRS 2, and HK(IFRIC) — Int 11 HKFRS 2 — group and treasury share transactions, the amendments expand on the guidance in IFRIC 11 to address the classification of Group arrangements that were not covered by the interpretation. The new guidance is not expected to have a material impact on the Group's financial statements.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 March.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated statement of comprehensive income. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized in equity.

Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the investment revaluation reserve in equity.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions); and

- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the consolidated statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the term of leases
Computer equipment	20%
Office equipment	20%
Furniture and fixtures	20%
Motor vehicle	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of comprehensive income during the financial period in which they are incurred.

Changes in fair values are recognized in the consolidated statement of comprehensive income, as part of other income and gains.

Gains or losses on disposal of an investment property are recognized in the consolidated statement of comprehensive income in the year of disposal.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Trademarks and licenses

Acquired trademarks and licenses are shown at historical cost. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (3–5 years).

(c) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5 years).

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives.

2.8 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analyzed between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in profit or loss; translation differences on non-monetary securities are recognized in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated statement of comprehensive income as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the consolidated statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognized in the consolidated statement of comprehensive income as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets in impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of comprehensive income — is removed from equity and recognized in the consolidated statement of comprehensive income. Impairment losses recognized in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

2.10 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio;

  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated statement of comprehensive income.

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria refer to (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss — is removed from equity and recognized in the separate consolidated statement of comprehensive income. Impairment losses recognized in the separate consolidated statement of comprehensive income on equity instruments are not reversed through the separate consolidated statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the separate consolidated statement of comprehensive income.

2.11 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of comprehensive income.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and financial institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statements of financial position.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.15 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.16 Development costs

Expenditure incurred on projects to develop new products is charged to consolidated statement of comprehensive income as incurred unless the Group can demonstrate the technical feasibility of completing the projects so that the asset generated will be available for use or sale, its intention to complete the projects and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. In such case, development expenditure is capitalized and deferred as intangible asset, and is amortized over its estimated useful.

2.17 Deferred income tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.18 Employee benefits

(a) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully within the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a percentage of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of comprehensive income as they become payable in accordance with the rules of the central pension scheme.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision of original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

2.19 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, on the following bases:

(a) Service income from on-line content information provision is recognized on a time-proportion basis over the service period.

(b) Income from Internet solutions is recognized when the services are rendered.

(c) Online game income is recognized when the in-game premium features are consumed or points for in-game premium features are expired.

(d) Income from advertisements on websites is recognized when the advertisements are placed.

(e) Rental income from property letting is recognized in the period in which the properties are let and on a straight-line basis over the lease terms.

(f) Commission income is recognized when the services are rendered.

(g) Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

2.21 Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessors are accounted for as operating leases. Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases.

(a) Where the Group is the lessee (operating leases)

Payments made under operating leases (net of any incentives received from the leasing company) are expensed in the consolidated statement of comprehensive income on a straight-line basis over the lease periods.

(b) Where the Group is the lessor (operating leases)

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset.

Lease income is recognized over the term of the lease on a straight-line basis.

(c) Where the Group is the lessee (finance leases)

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.22 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has no significant transactional currency exposures. The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flows generated from business transactions locally. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(ii) Price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as available-for-sale financial assets (Note 21) as at 31 March 2010. The Group's listed investment is listed on the Osaka Securities Exchange in Japan and is valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to every 5% increase/decrease in the fair values of the equity investments with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period:

	Increase/ (decrease) in carrying amount of equity investments *HK$'000*	**Increase/ (decrease) in loss before income tax** *HK$'000*	**Increase/ (decrease) in equity*** *HK$'000*
2010			
5% increase in equity price	13	—	13
5% decrease in equity price	(13)	—	(13)
2009			
5% increase in equity price	29	—	29
5% decrease in equity price	(29)	—	(29)

* Excluding retained earnings

(iii) Cash flow and fair value interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates.

The Group's policy to manage its interest rate risk is to reduce or maintain its current level of interest-bearing borrowings. As the Group does not expect to significantly increase its level of interest-bearing borrowings, it has not used any interest rate swaps to hedge its exposure to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before income tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in loss before income tax** *HK$'000*	**Increase/ (decrease) in equity*** *HK$'000*
2010			
Hong Kong dollar	50	(6)	—
Hong Kong dollar	(50)	6	—
2009			
Hong Kong dollar	50	(7)	—
Hong Kong dollar	(50)	7	—

* Excluding retained earnings

(b) Credit risk

The Group reviews the recoverability of its trade receivables periodically to ensure that potential credit risk of the counterparty is managed at an early stage and sufficient provision is made for possible defaults. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At the end of the reporting period, the Group has certain concentrations of credit risk as 7% (2009: Nil) and 28% (2009: 28%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively, and 91% (2009: Nil) of the Group's other receivables was due from an individual debtor. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in Notes 22 and 23 to the consolidated financial statements.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

	On demand or within 1 year	**More than 1 year but less than 5 years**	**Over 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
2010				
Accounts payable	1,389	—	—	1,389
Accruals and other payables	4,549	—	—	4,549
Finance lease payables	618	207	—	825
Borrowings	240	1,060	1,702	3,002
2009				
Accounts payable	2,033	—	—	2,033
Accruals and other payables	3,540	—	—	3,540
Finance lease payables	618	825	—	1,443
Borrowings	234	1,274	1,724	3,232

3.2 Capital risk management

One of the Group's subsidiaries is regulated by the Securities and Futures Commission of Hong Kong (the "SFC") and is required to comply with certain minimum capital requirements according to the rules of the SFC. In addition, the Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity, as shown in the consolidated statement of financial position. The gearing ratios at 31 March 2009 and 2010 were as follows:

	2010	**2009**
	HK$'000	*HK$'000*
Total borrowings *(Notes 26 and 27)*	3,713	4,476
Total equity	84,008	53,090
Gearing ratio	4%	8%

3.3 Fair value estimation

Effective 1 April 2009, the Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2010.

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale financial assets	268	—	—	268

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Osaka Securities Exchange equity investments classified as available for sale.

The carrying values less impairment provision of receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3.4 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables	Available-for-sale financial assets	Total
	HK$'000	*HK$'000*	*HK$'000*
Financial assets as per consolidated statement of financial position			
31 March 2010			
Available-for-sale financial assets *(Note 21)*	—	268	268
Accounts receivable *(Note 22)*	997	—	997
Deposits and other receivables	34,582	—	34,582
Cash and cash equivalents *(Note 24)*	33,681	—	33,681
Total	69,260	268	69,528

	Loans and receivables	Available-for-sale financial assets	Total
	HK$'000	*HK$'000*	*HK$'000*
Financial assets as per consolidated statement of financial position			
31 March 2009			
Available-for-sale financial assets *(Note 21)*	—	580	580
Accounts receivable *(Note 22)*	1,661	—	1,661
Deposits and other receivables	4,327	—	4,327
Cash and cash equivalents *(Note 24)*	7,444	—	7,444
Total	13,432	580	14,012

	Financial liabilities at amortized cost
	HK$'000
Financial liabilities as per consolidated statement of financial position	
31 March 2010	
Accounts payable *(Note 25)*	1,389
Accruals and other payables	4,549
Finance lease payables *(Note 26)*	711
Borrowings *(Note 27)*	3,002
Total	9,651

	Financial liabilities at amortized cost
	HK$'000
Financial liabilities as per consolidated statement of financial position	
31 March 2009	
Accounts payable *(Note 25)*	2,033
Accruals and other payables	3,540
Finance lease payables *(Note 26)*	1,244
Borrowings *(Note 27)*	3,232
Total	10,049

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Estimated fair values of employee share options

The fair values of employee share options granted are calculated using the binomial model based on the Group management's significant inputs into calculations, including the impact of vesting period, exit rate of employees, estimated life of share options granted based on exercise restrictions and behavioral consideration, volatility of share price and exercise price of the share options granted. Furthermore, the calculations assume nil future dividends.

(c) Estimated fair values of investment properties

The fair values of investment properties are determined annually by independent qualified valuers on open market value, existing use basis calculated on the net income allowing for reversionary potential. In making the judgment, considerations have been given to assumptions that are mainly based on market conditions existing at the end of the reporting period.

5. REVENUE

Revenue, which is also the Group's turnover, represents total invoiced value of services rendered. Revenue recognized during the year is as follows:

	2010	2009
	HK$'000	*HK$'000*
Service income from provision of financial information services	29,658	29,952
Advertising income	1,277	1,306
Online game income	94	1,830
	31,029	33,088

6. OTHER INCOME AND GAINS

	2010	2009
	HK$'000	*HK$'000*
Gain on disposal of interests in subsidiaries	—	34,212
Gain on disposal of property, plant and equipment	—	158
Gross rental income from investment properties	1,018	1,063
Net fair value gains on financial assets at fair value through profit or loss	—	161
Interest income from bank deposits	11	24
Sundry income	1,008	1,825
	2,037	37,443

7. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the board of directors of the Company, in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

At 31 March 2010, the Group is organized into two main business segments:

(i) Financial information services business — the development, production and provision of financial information services and technology solutions to corporate clients and retail investors in Greater China.

(ii) Online game business — the development and operations of online games in Mainland China.

The segment results for the year ended 31 March 2010 are as follows:

	Financial information services business *HK$'000*	**Online game business** *HK$'000*	**Group** *HK$'000*
Revenue	30,935	94	31,029
Segment results	(6,087)	(41,842)	(47,929)
Finance costs			(210)
Loss before income tax			(48,139)
Income tax expense			(103)
Loss for the year			(48,242)
Other segment items included in the consolidated statement of comprehensive income are as follows:			
Goodwill impairment charge	—	27,000	27,000
Recycling of loss from equity on disposal of available-for-sale financial assets	97	—	97
Amortization of intangible assets	—	67	67
Depreciation of property, plant and equipment	2,389	1,214	3,603

The segment results for the year ended 31 March 2009 are as follows:

	Financial information services business	Online game business	Group
	HK$'000	*HK$'000*	*HK$'000*
Revenue	31,258	1,830	33,088
Segment results	(16,217)	(46,100)	(62,317)
Finance costs			(332)
Share of loss of an associate			(5)
Loss before income tax			(62,654)
Income tax expense			(88)
Loss for the year			(62,742)
Other segment items included in the consolidated statement of comprehensive income are as follows:			
Goodwill impairment charge	—	43,203	43,203
Impairment loss on amount due from a former subsidiary	—	20,193	20,193
Fair value loss on investment properties	3,155	—	3,155
Recycling of loss from equity on disposal of available-for-sale financial assets	145	—	145
Amortization of intangible assets	—	22	22
Depreciation of property, plant and equipment	2,498	1,392	3,890

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, available-for-sale financial assets, accounts receivable, prepayments, deposits and other receivables, and cash and cash equivalents.

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise items such as taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment (Note 17) and intangible assets (Note 19), including additions resulting from acquisitions through business combinations.

The segment assets and liabilities at 31 March 2010 and capital expenditure for the year then ended are as follows:

	Financial information services business	Online game business	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets	83,691	13,071	—	96,762
Liabilities	7,580	1,461	3,713	12,754
Capital expenditure	20	2,548	—	2,568

The segment assets and liabilities at 31 March 2009 and capital expenditure for the year then ended are as follows:

	Financial information services business	Online game business	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets	31,511	36,099	—	67,610
Liabilities	8,338	1,706	4,476	14,520
Capital expenditure	4,052	4,650	—	8,702

The Group mainly operates in Hong Kong and the People's Republic of China (the "PRC").

	2010	2009
	HK$'000	*HK$'000*
Revenue		
Hong Kong	25,306	24,076
PRC	5,723	9,012
	31,029	33,088

Revenue is allocated based on the country in which the customer is located.

	2010	2009
	HK$'000	*HK$'000*
Total assets		
Hong Kong	67,162	12,431
PRC	29,332	54,599
Other countries	268	580
	96,762	67,610

Total assets are allocated based on where the assets are located.

	2010	2009
	HK$'000	*HK$'000*
Capital expenditure		
Hong Kong	15	2,243
PRC	2,553	6,459
	2,568	8,702

Capital expenditure is allocated based on where the assets are located.

Revenue of approximately HK$5,734,000 (2009: HK$5,269,000) are derived from a single external customer. These revenue are attributable to financial information services business segment.

8. OTHER OPERATING EXPENSES

	2010	2009
	HK$'000	*HK$'000*
Goodwill impairment charge	27,000	43,203
Impairment loss on amount due from a former subsidiary	—	20,193
Fair value loss on investment properties	—	3,155
Recycling of loss from equity on disposal of available-for-sale financial assets	97	145
Others	19	26
	27,116	66,722

9. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest expense on bank borrowings:		
— not wholly repayable within five years	125	139
Interest expense on other borrowings:		
— wholly repayable within five years	—	136
Interest on a finance lease	85	57
	210	332

10. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2010	2009
	HK$'000	*HK$'000*
Operating lease payments in respect of rented premises	5,305	5,760
Amortization of intangible assets (included in general and administrative expenses)	67	22
Depreciation of property, plant and equipment	3,603	3,890
Development costs *(Note)*	4,664	6,375
Loss on disposal of property, plant and equipment	201	—
Auditors' remuneration — current year provision	300	320
— under-provision in prior year	—	160
Net foreign exchange losses	4	244

Note: Development costs mainly comprise depreciation of property, plant and equipment of approximately HK$261,000 (2009: HK$181,000) and employee benefit expenses of approximately HK$3,328,000 (2009: HK$5,504,000), which are also included in the total amounts disclosed separately above and in Note 14 for each of these types of expenses.

11. INCOME TAX

Hong Kong profits tax is calculated at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. No provision for Hong Kong profits tax has been made in the financial statements as the Group had no assessable profit arising in or derived from Hong Kong for the year (2009: Nil). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2010	2009
	HK$'000	*HK$'000*
Current tax:		
— Hong Kong profits tax	—	—
— Overseas taxation — PRC	54	62
Adjustments in respect of prior years	49	26
Income tax expense	103	88

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate of 16.5% (2009: 16.5%) as follows:

	2010	2009
	HK$'000	*HK$'000*
Loss before income tax	(48,139)	(62,654)
Tax calculated at Hong Kong profits tax rate	(7,943)	(10,338)
Effect of different tax rates of other jurisdictions	(1,582)	(3,285)
Income not subject to tax	(328)	(3,428)
Expenses not deductible for tax purposes	9,418	14,709
Tax effect of temporary differences not recognized	277	(53)
Tax losses for which no deferred income tax asset was recognized	212	2,457
Adjustment in respect of prior years	49	26
Income tax expense	103	88

No deferred tax liabilities are recognized in the financial statements as the Group and the Company did not have material temporary difference arising between the tax bases of assets and liabilities and their carrying amounts at 31 March 2010 (2009: Nil). The Group's deferred tax assets and liabilities not recognized in the financial statements are as follows:

	2010	2009
	HK$'000	*HK$'000*
Tax losses	13,871	14,362
Accelerated depreciation allowance	(403)	(416)
Revaluation of properties	(3,525)	(3,525)
	9,943	10,421

Deferred tax assets are recognized for tax losses carried forward to the extent that realization of the related tax benefit through future taxable profit is probable. No deferred tax assets are recognized in the Group's financial statements as it is uncertain as to whether these tax benefits will be utilized in the foreseeable future. The tax losses arising from subsidiaries operating in Hong Kong are subject to approval by the Inland Revenue Department of Hong Kong.

12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to the owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$47,011,000 (2009: HK$62,009,000).

13. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company for the year ended 31 March 2010 of HK$35,575,000 (2009: HK$62,309,000) by the weighted average number of 223,270,153 (2009 (restated): 119,869,463) ordinary shares in issue during the year.

(b) Diluted

The computation of diluted loss per share for the years ended 31 March 2010 and 2009 did not assume the exercise of the Company's share options and warrants outstanding during the years ended 31 March 2010 and 2009 since their exercise would result in a decrease in loss per share.

Both the weighted average number of ordinary shares adopted in the calculation of the basic and diluted loss per share for the years ended 31 March 2010 and 2009 have been adjusted to reflect the impact of the share consolidation and open offers effected during the year.

14. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses (including directors' remuneration) during the year are as follows:

	2010	**2009**
	HK$'000	*HK$'000*
Wages and salaries	20,854	27,169
Equity-settled share-based payments	22	1,366
Pension costs — defined contribution plans	278	304
Others	340	415
	21,494	29,254

15. DIRECTORS' REMUNERATION

The remuneration of every director of the Company for the years ended 31 March 2009 and 2010 is set out below:

	Fees	**Salaries and allowances**	**Contributions to pension schemes**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2010				
Executive directors				
Yu Gang, George	—	990	12	1,002
Lin Peng, Ben (Appointed on 16 June 2009)	—	760	10	770
Independent non-executive directors				
Lam Lee G.	60	—	—	60
Wu Tak Lung	60	—	—	60
Lam Ka Wai, Graham (Appointed on 5 August 2009)	40	—	—	40
William Hay (Retired on 31 July 2009)	20	—	—	20
	180	1,750	22	1,952

	Fees	Salaries and allowances	Contributions to pension schemes	Share-based payments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2009					
Executive director					
Yu Gang, George	—	1,070	12	426	1,508
Non-executive director					
Kwan Pun Fong, Vincent (Resigned on 10 June 2008)	11	—	—	—	11
Independent non-executive directors					
Lam Lee G.	60	—	—	85	145
Wu Tak Lung	60	—	—	85	145
William Hay	60	—	—	60	120
	191	1,070	12	656	1,929

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2009: Nil). None of the directors waived or agreed to waive any remuneration during the year (2009: Nil).

The directors consider that they are the only key management personnel of the Group and details of their compensation have been set out above.

16. FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year included two (2009: one) directors whose emoluments have been reflected in the analysis presented above. The emoluments payable to the remaining three (2009: four) individuals during the year are as follows:

	2010	2009
	HK$'000	*HK$'000*
Basic salaries and allowances	1,692	1,970
Share-based payments	—	295
Discretionary bonus	—	174
Contributions to pension schemes	36	48
	1,728	2,487

The emoluments fell within the following bands:

	2010 Number of individuals	2009 Number of individuals
Emolument band		
Nil to HK$1,000,000	3	4

During the year, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2009: Nil).

17. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements *HK$'000*	Computer equipment *HK$'000*	Furniture and fixtures *HK$'000*	Office equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
At 1 April 2008						
Cost	795	18,566	395	583	888	21,227
Accumulated depreciation	(739)	(9,401)	(202)	(249)	(262)	(10,853)
Net book amount	56	9,165	193	334	626	10,374
Year ended 31 March 2009						
Opening net book amount	56	9,165	193	334	626	10,374
Additions	—	6,825	—	1,762	113	8,700
Depreciation	(56)	(3,275)	(79)	(193)	(287)	(3,890)
Disposals	—	(2,710)	—	(193)	(230)	(3,133)
Exchange differences	—	103	—	6	8	117
Closing net book amount	—	10,108	114	1,716	230	12,168
At 31 March 2009						
Cost	795	20,964	395	2,029	265	24,448
Accumulated depreciation	(795)	(10,856)	(281)	(313)	(35)	(12,280)
Net book amount	—	10,108	114	1,716	230	12,168
Year ended 31 March 2010						
Opening net book amount	—	10,108	114	1,716	230	12,168
Additions	—	225	—	33	—	258
Depreciation	—	(3,222)	(79)	(249)	(53)	(3,603)
Disposals	—	(562)	—	(430)	—	(992)
Exchange differences	—	8	—	2	—	10
Closing net book amount	—	6,557	35	1,072	177	7,841
At 31 March 2010						
Cost	795	20,637	395	1,619	265	23,711
Accumulated depreciation	(795)	(14,080)	(360)	(547)	(88)	(15,870)
Net book amount	—	6,557	35	1,072	177	7,841

At 31 March 2010, the carrying amount of computer equipment included an amount of approximately HK$1,040,000 (2009: HK$1,360,000) in respect of assets held under finance lease.

Company

	Motor vehicle
	HK$'000
At 1 April 2008	
Cost	—
Accumulated depreciation	—
Net book amount	—
Year ended 31 March 2009	
Opening net book amount	—
Additions	265
Depreciation	(35)
Closing net book amount	230
At 31 March 2009	
Cost	265
Accumulated depreciation	(35)
Net book amount	230
Year ended 31 March 2010	
Opening net book amount	230
Depreciation	(53)
Closing net book amount	177
At 31 March 2010	
Cost	265
Accumulated depreciation	(88)
Net book amount	177

18. INVESTMENT PROPERTIES

Group and Company

	2010	2009
	HK$'000	*HK$'000*
Beginning of the year	14,000	17,155
Fair value loss	—	(3,155)
End of the year	14,000	14,000

The fair value of the investment properties at 31 March 2010 was arrived at on the basis of a valuation carried out at that date by Dynasty Premium Asset Valuation & Real Estate Consultancy Limited, an independent professional valuer, on open market value, existing use basis calculated on the net income allowing for reversionary potential.

The Group's interests in investment properties at their net book values are analyzed as follows:

	2010	2009
	HK$'000	*HK$'000*
In the PRC, held on:		
Leases of between 10 to 50 years	14,000	14,000

Bank loans (Note 27) are secured by the above investment properties with carrying amount of approximately HK$14,000,000 (2009: HK$14,000,000).

The future aggregate minimum rentals receivable under non-cancelable operating leases are as follows:

	2010	2009
	HK$'000	*HK$'000*
Not later than 1 year	1,185	1,082
Later than 1 year and no later than 5 years	1,185	—
	2,370	1,082

19. INTANGIBLE ASSETS

Group

	Goodwill	Trademarks, licenses and computer software	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2008			
Cost	73,803	172	73,975
Accumulated amortization and impairment	(3,600)	(36)	(3,636)
Net book amount	70,203	136	70,339
Year ended 31 March 2009			
Opening net book amount	70,203	136	70,339
Exchange differences	—	3	3
Additions	—	2	2
Impairment charge	(43,203)	—	(43,203)
Amortization charge	—	(22)	(22)
Disposal of interest in a subsidiary	—	(113)	(113)
Closing net book amount	27,000	6	27,006
At 31 March 2009			
Cost	73,803	8	73,811
Accumulated amortization and impairment	(46,803)	(2)	(46,805)
Net book amount	27,000	6	27,006
Year ended 31 March 2010			
Opening net book amount	27,000	6	27,006
Exchange differences	—	1	1
Additions	—	2,310	2,310
Impairment charge	(27,000)	—	(27,000)
Amortization charge	—	(67)	(67)
Closing net book amount	—	2,250	2,250
At 31 March 2010			
Cost	73,803	2,319	76,122
Accumulated amortization and impairment	(73,803)	(69)	(73,872)
Net book amount	—	2,250	2,250

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segment.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated constant growth rate of 3.5% (2009: 3.5%). The growth rate does not exceed the long-term average growth rate for the online game business in which the CGU operates. In preparing the cash flow projections, management determined budgeted revenue and expenses based on past performance and its expectations for the market development. A discount rate of 20.80% (2009: 20.80%) was used which was determined with reference to independent research sources, and reflects the specific risks relating to the industry and the business segment.

As a result of the above impairment test for goodwill, the Group recognized a goodwill impairment charge of approximately HK$27,000,000 which has been charged to the consolidated statement of comprehensive income for the year ended 31 March 2010 (2009: HK$43,203,000).

20. INVESTMENTS IN SUBSIDIARIES

Company

	2010	**2009**
	HK$'000	*HK$'000*
Unlisted investments, at cost	113,715	97,761
Provision for impairment *(Note)*	(101,791)	(57,705)
	11,924	40,056

Note: A provision for impairment against the Company's costs of investments in subsidiaries of approximately HK$101,791,000 (2009: HK$57,705,000) was made at 31 March 2010 because the related recoverable amounts of the investments with reference to the net assets value of the respective subsidiaries were estimated to be less than the carrying amounts of the investments. Accordingly, the carrying amounts of the related investments were reduced to their recoverable amounts at 31 March 2010.

The following is a list of the Company's subsidiaries at 31 March 2010:

Name	**Place of incorporation and kind of legal entity**	**Principal activities and place of operations**	**Particulars of issued capital/registered capital**	**Interest held**
China Game & Digital Entertainment Limited	Cayman Islands, limited liability company	Investment holding	1,098,000 ordinary share of US$0.01 each	85.71% (Direct)
Finet Group (BVI) Limited	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of US$1 each	100% (Direct)
China Finance Holdings Limited (Formerly known as "Finet Introducing Broker Limited")	Hong Kong, limited liability company	Provision of securities dealing referral services in Hong Kong	5,000,000 ordinary shares of HK$1 each	100% (Direct)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operations	Particulars of issued capital/registered capital	Interest held
Finet Group Technology (Shenzhen) Limited	PRC, wholly foreign owned enterprise	Provision of financial information services in Mainland China	Registered capital of HK$11,000,000	100% (Direct)
深圳市財科信息技術有限公司 (transliterated as Shenzhen Cai Ke Information Technology Company Limited)	PRC, limited liability company	Provision of financial information services in Mainland China	Registered capital of RMB1,000,000	100% (Direct)
Finet Holdings Limited	Hong Kong, limited liability company	Provision of financial information management and technology solutions, internet advertising and investment holding in Hong Kong	68,990,025 ordinary shares of HK$1 each	100% (Indirect)
Finet News Services Limited	Hong Kong, limited liability company	Provision of financial information services in Hong Kong and Mainland China and investment holdings	10,000 ordinary shares of HK$1 each	100% (Indirect)
East Treasure Limited	Republic of Seychelles, limited liability company	Investment holding	50,000 ordinary shares of US$1 each	85.71% (Indirect)
杭州笑傲數碼科技有限公司 (transliterated as Hangzhou Xiaoao Digital Technology Company Limited)	PRC, wholly foreign owned enterprise	Provision of online game products, computer network products, technology services and technology consultancy services in the PRC	Registered capital of US$5,000,000	85.71% (Indirect)
上海龍傲游數碼科技有限公司 (transliterated as Shanghai Long Ao You Digital Technology Company Limited)	PRC, limited liability company	Development and operations of online games in the PRC	Registered capital of RMB10,000,000	85.71% (Indirect)
杭州仙暢網絡科技有限公司 (transliterated as Hangzhou Xian Chang Network Technology Company Limited)	PRC, limited liability company	Development and operations of online games in the PRC	Registered capital of RMB200,000	85.71% (Indirect)

Amounts due from and due to subsidiaries

The amounts due from and due to subsidiaries as shown on the Company's statement of financial position are unsecured, interest-free and repayable on demand.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

	2010	2009
	HK$'000	*HK$'000*
Beginning of the year	580	1,098
Additions	—	75
Disposals	(70)	(96)
Net losses transfer to equity	(242)	(497)
End of the year	268	580

Company

	2010	2009
	HK$'000	*HK$'000*
Beginning of the year	580	1,098
Disposals	(70)	(77)
Net losses transfer to equity	(242)	(441)
End of the year	268	580

Available-for-sale financial assets include the following:

Group and Company

	2010	2009
	HK$'000	*HK$'000*
Equity securities listed in Japan	268	580
Market value of listed equity securities	268	580

Available-for-sale financial assets are denominated in Japanese Yen.

22. ACCOUNTS RECEIVABLE

The credit terms granted by the Group to its customers range from 10 days to 90 days. At 31 March 2010, the ageing analysis of the accounts receivable was as follows:

Group

	2010	**2009**
	HK$'000	*HK$'000*
0–30 days	771	1,186
31–60 days	127	194
61–90 days	30	109
Over 90 days	69	172
	997	1,661

As of 31 March 2010, accounts receivable of approximately HK$69,000 (2009: HK$172,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these accounts receivable is as follows:

	2010	**2009**
	HK$'000	*HK$'000*
Over 90 days	69	172

The carrying amounts of the Group's accounts receivable are denominated in the following currencies:

	2010	**2009**
	HK$'000	*HK$'000*
HK dollars	784	1,419
US dollars	213	242
	997	1,661

The maximum exposure to credit risk at the reporting date is the carrying amount of the accounts receivable mentioned above. The Group does not hold any collateral as security.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

Included in the Group's prepayments, deposits and other receivables as at 31 March 2010 are approximately HK$1,858,000 (2009: Nil) due from minority shareholders, which are unsecured, interest-free and repayable on demand.

Group and Company

Included in the Group's and the Company's prepayment, deposits and other receivables as at 31 March 2010 was a loan receivable of HK$30,000,000 and accrued interest thereon of HK$646,000 due from an independent third party, which was secured and bore interest at 6.5% per annum. The loan was fully settled in June 2010.

Included in the Group's and the Company's prepayments, deposits and other receivables as at 31 March 2010 is deposits paid for acquisition of a subsidiary of HK$1,500,000 (2009: Nil). The acquisition was completed on 19 May 2010 (Note 33).

24. CASH AND CASH EQUIVALENTS

	2010	2009
	HK$'000	*HK$'000*
Group		
Cash at banks and in hand	28,677	7,444
Short-term bank deposits	5,004	—
	33,681	7,444
Company		
Cash at banks and in hand	22,399	96

Cash at banks earns interest at floating rates based on daily bank deposit rates. Bank balances are deposited with credit worthy banks with no recent history of default.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK$8,232,000 (2009: HK$4,800,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

25. ACCOUNTS PAYABLE

At 31 March 2010, the ageing analysis of the accounts payable was as follows:

Group

	2010	2009
	HK$'000	*HK$'000*
0–30 days	798	1,110
31–60 days	486	562
61–90 days	26	101
Over 90 days	79	260
	1,389	2,033

26. FINANCE LEASE PAYABLES

The Group leased certain of its computer equipment under a finance lease agreement. The finance lease is repayable by instalments of 36 months and has a remaining lease term of 16 months as at 31 March 2010.

At 31 March 2010, the total future minimum lease payments under the finance lease and their present values were as follows:

Group

	Minimum lease payments		Present value of minimum lease payments	
	2010	**2009**	**2010**	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts payable:				
Within one year	618	618	533	533
In the second year	207	618	178	533
In the third to fifth years, inclusive	—	207	—	178
Total minimum finance lease payments	825	1,443	711	1,244
Future finance charges	(114)	(199)	—	—
Total net finance lease payables	711	1,244	711	1,244
Portion classified as current liabilities	(533)	(533)		
Non-current portion	178	711		

The Group's finance lease arrangement bears interest at a fixed rate and its carrying amount approximates to its fair value.

The carrying amount of the finance lease payables are denominated in Hong Kong dollars.

27. BANK BORROWINGS

Group and Company

	2010	2009
	HK$'000	*HK$'000*
Secured bank loans — floating rates	3,002	3,232

At 31 March 2010, the bank loans are repayable as follows:

Within 1 year	240	234
Between 1 and 2 years	249	300
Between 2 and 5 years	811	974
Over 5 years	1,702	1,724
	3,002	3,232
Less: Amount due within one year shown under current liabilities	(240)	(234)
Amount due after one year shown under non-current liabilities	2,762	2,998

The bank loans were secured by the investment properties of the Group (Note 18).

The effective interest rates (which are also equal to contracted interest rates) on the Group's floating rate bank loans are the PRC bank's prime lending rates minus 1.25% per annum.

The carrying amounts of the bank loans approximate their fair values, as the impact of discounting is not significant.

The carrying amounts of the bank loans are denominated in Hong Kong dollars.

28. SHARE CAPITAL

Ordinary shares of HK$0.05 (2009: HK$0.01) each	2010 Number of shares	2010 Amount *(HK$'000)*	2009 Number of shares	2009 Amount *(HK$'000)*
Authorized:				
At beginning of the year	1,000,000,000	10,000	1,000,000,000	10,000
Increase during the year *(Note (a)(i))*	1,000,000,000	10,000	—	—
	2,000,000,000	20,000	1,000,000,000	10,000
Share consolidation *(Note (a)(ii))*	(1,600,000,000)	—	—	—
	400,000,000	20,000	1,000,000,000	10,000
Increase during the year *(Note (a)(iii))*	600,000,000	30,000	—	—
At end of the year	1,000,000,000	50,000	1,000,000,000	10,000
Issued and fully paid:				
At beginning of the year	599,370,000	5,993	597,850,000	5,978
Issue of shares under open offers *(Note (c))*	1,199,150,189	11,992	—	—
Issue of shares on exercise of bonus warrants *(Note (d))*	410,189	4	—	—
	1,798,930,378	17,989	597,850,000	5,978
Share consolidation *(Note (e))*	(1,439,144,303)	—	—	—
	359,786,075	17,989	597,850,000	5,978
Issue of shares upon exercise of share options *(Note (b))*	50,588	3	1,520,000	15
Issue of shares on exercise of bonus warrants *(Note (d))*	7,621,207	381	—	—
At end of the year	367,457,870	18,373	599,370,000	5,993

Notes:

(a) (i) Pursuant to the resolution passed in the extraordinary general meeting of the Company on 3 July 2009, the authorized share capital of the Company increased to HK$20,000,000 by the creation of an additional 1,000,000,000 shares of HK$0.01 each of the Company.

(ii) Upon the share consolidation (note (e)) becoming effective on 30 November 2009, the authorized share capital of the Company became HK$20,000,000 divided into 400,000,000 shares of HK$0.05 each.

(iii) Pursuant to the resolution passed in the extraordinary general meeting of the Company on 11 February 2010, the authorized share capital of the Company increased to HK$50,000,000 by the creation of an additional 600,000,000 shares of HK$0.05 each of the Company.

(b) Share options were exercised by option-holders during the year ended 31 March 2010 to subscribe for the total of 50,588 (2009: 1,520,000) shares in the Company by payment of subscription monies of approximately HK$31,000 (2009: HK$228,000), of which approximately HK$3,000 (2009: HK$15,000) was credited to share capital and the balance of approximately HK$28,000 (2009: HK$213,000) was credited to the share premium account.

(c) Pursuant to the resolution passed in the extraordinary general meeting of the Company held on 3 July 2009, the Company issued 299,685,000 new ordinary shares ("1st Offer Shares") at a subscription price of HK$0.05 per 1st Offer Share under the open offer on the basis of one 1st Offer Share for every two existing shares held on 3 July 2009 ("1st Open Offer").

Pursuant to the resolution passed in the extraordinary general meeting of the Company held on 30 October 2009, the Company issued 899,465,189 new ordinary shares ("2nd Offer Shares") at a subscription price of HK$0.07 per 2nd Offer Share under the open offer on the basis of one 2nd Offer Share for every existing share held on 30 October 2009.

(d) In conjunction with the 1st Open Offer, each of the registered holders of fully-paid 1st Offer Shares was issued three bonus warrants for every ten Offer Shares issued and allotted by the Company under the 1st Open Offer, resulting in HK$8,990,550 bonus warrants having been issued.

Up to 31 March 2010, approximately HK$41,019 and HK$3,429,543 bonus warrants were exercised at a subscription price of HK$0.10 and HK$0.45 per share, resulting in the issue of 410,189 ordinary shares of HK$0.01 each and 7,621,207 ordinary shares of HK$0.05 each respectively. As at 31 March 2010, the Company had HK$4,625,035 bonus warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in the issue of 10,277,855 additional shares of HK$0.05 each.

(e) Share Consolidation

On 30 November 2009, the Company completed the share consolidation on the basis that every five issued and unissued ordinary shares of HK$0.01 each in the share capital of the Company was consolidated into one share of HK$0.05 each in the share capital of the Company, as set out in the announcement of the Company dated 30 September 2009.

Upon the share consolidation becoming effective on 30 November 2009, the issued share capital of the Company became HK$17,989,000 divided into 359,786,075 shares of HK$0.05 each.

29. SHARE-BASED EMPLOYEE COMPENSATION

Pre-IPO Share Option Scheme

The Company adopted a share option scheme ("Pre-IPO Share Option Scheme") on 23 July 2004 for the purpose of providing incentives and recognizing the contributions which the eligible participants have made to the Group.

The Pre-IPO Share Option Scheme terminated on 6 January 2005 being the date immediately preceding the date on which the shares of the Company were listed on GEM. The maximum number of shares issuable under this scheme is limited to 74,076,000 shares. The grant of share options is effective upon receipt of the acceptance of the offer in writing duly signed by the eligible participant together with a payment of a nominal consideration of HK$1 in total.

The provisions of this scheme relating to matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of any grantees or prospective grantees except with the prior sanction of an ordinary resolution of the Company in general meeting. Any alterations to the terms and conditions of this scheme which are of a material nature or any change to the terms of the share options granted prior to such alteration, except where the alterations take effect automatically under the existing terms of this scheme and any change in the authority of the board of directors in relation to any alteration to the terms of this scheme shall be approved by the shareholders of the Company in a general meeting.

As a result of two open offers and share consolidation of the Company during the year (Notes 28 (c) and (e)), the exercise prices and numbers of the outstanding share options have been adjusted.

The following table discloses movements of the share options granted under the Pre-IPO Share Option Scheme during the year ended 31 March 2009:

Grantee	Date of grant	Exercise price	Exercise period	Outstanding as at 1 April 2008	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2009
Pre-IPO Share Option Scheme:							
Director							
Yu Gang, George	21 September 2004	HK$0.15	*Note 1*	12,126,000	—	—	12,126,000
Employees	21 September 2004	HK$0.15	*Note 1*	11,115,000	(1,520,000)	(7,840,000)	1,755,000
Total				23,241,000	(1,520,000)#	(7,840,000)*	13,881,000

The weighted average share price of the Company during the period which the share options were exercised was HK$0.15.

* The 7,840,000 share options granted under the Pre-IPO Share Options Scheme lapsed upon the resignation of the employees of the Group.

The following table discloses movements of the share options granted under the Pre-IPO Share Option Scheme during the year ended 31 March 2010:

Grantee	Date of grant	Adjusted exercise price	Exercise period	Outstanding as at 1 April 2009	Adjustments during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2010
Pre-IPO Share Option Scheme:								
Director								
Yu Gang, George	21 September 2004	HK$0.6080	*Note 1*	12,126,000	(9,133,616)	—	—	2,992,384
Employees	21 September 2004	HK$0.6080	*Note 1*	1,755,000	(811,911)	(50,588)	(667,936)	224,565
Total				13,881,000	(9,945,527)	(50,588)#	(667,936)*	3,216,949

The weighted average share price of the Company during the period which the share options were exercised was HK$0.5798.

* The 667,936 share options granted under the Pre-IPO Share Options Scheme lapsed upon the resignation of the employees of the Group.

Share Option Scheme

The Company adopted another share option scheme ("Share Option Scheme") on 16 December 2004 for the purpose of providing incentives and recognizing the contributions which the eligible participants have made to the Group. The Share Option Scheme unless otherwise altered or terminated, will remain in force for 10 years from the date of adoption.

The maximum number of shares issuable to each eligible participant in the Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options to any eligible participant in excess of this limit is subject to shareholders' approval in a general meeting. The total number of shares which may be issued upon exercise of all share options to be granted under this scheme and any other share option scheme of the Company must not, in aggregate, exceed 10% of the shares in issue of the Company (the "Scheme Mandate Limit") as at the date of listing of the Company. The Company may seek approval from its shareholders in a general meeting to refresh the Scheme Mandate Limit at any time in accordance with the GEM Listing Rules.

The maximum number of unexercised share options currently permitted to be granted under this scheme and any other share option scheme of the Company is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue from time to time.

Share options granted to a director, chief executive, management shareholder or substantial shareholder of the Company, or any of their respective associates, are subject to the approval of the independent non-executive directors (excluding any independent non-executive director who is a grantee of the share options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK$5 million, within a 12-month period, are subject to the shareholders' approval in a general meeting in accordance with the GEM Listing Rules.

The grant of share options is effective upon receipt of the acceptance of the offer in writing duly signed by the eligible participant together with a payment of a nominal consideration of HK$1 in total.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the share options, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the share options; and (iii) the nominal value of the Company's shares.

As a result of two open offers and share consolidation of the Company during the year (Notes 28(c) and (e)), the exercise prices and numbers of the outstanding share options have been adjusted.

The following table discloses movements of the share options granted under the Share Option Scheme during the year ended 31 March 2009:

Grantee	Date of grant	Exercise price	Exercise period	Outstanding as at 1 April 2008	Exercised during the year	Lapsed/ cancelled during the year	Reclassified during the year	Outstanding as at 31 March 2009
Share Option Scheme:								
Directors								
Yu Gang, George	6 December 2006	HK$0.668	*Note 3(d)*	5,000,000	—	(5,000,000)ˆ	—	—
Kwan Pun Fong,	29 September 2005	HK$0.365	*Note 2(a)*	400,000	—	—	(400,000)†	—
Vincent	6 December 2006	HK$0.668	*Note 3(d)*	1,000,000	—	(1,000,000)*	—	—
Lam Lee G.	29 September 2005	HK$0.365	*Note 2(a)*	1,000,000	—	—	—	1,000,000
	6 December 2006	HK$0.668	*Note 3(d)*	1,000,000	—	(1,000,000)ˆ	—	—
Wu Tak Lung	29 September 2005	HK$0.365	*Note 2(a)*	1,000,000	—	—	—	1,000,000
	6 December 2006	HK$0.668	*Note 3(d)*	1,000,000	—	(1,000,000)ˆ	—	—
William Hay	6 December 2006	HK$0.668	*Note 3(b)*	1,000,000	—	(1,000,000)ˆ	—	—
Sub-total				11,400,000	—	(9,000,000)	(400,000)	2,000,000
Employee	5 September 2005	HK$0.280	*Note 2(b)*	2,650,000	—	—	—	2,650,000
Employee	29 September 2005	HK$0.365	*Note 2(a)*	—	—	—	400,000	400,000
Employees	6 December 2006	HK$0.668	*Note 3(d)*	4,980,000	—	(4,980,000)ˆ	—	—
Employees	6 December 2006	HK$0.668	*Note 3(a)*	4,500,000	—	(4,500,000)ˆ	—	—
Employee	6 December 2006	HK$0.668	*Note 3(c)*	1,000,000	—	—	—	1,000,000
Sub-total				13,130,000	—	(9,480,000)	400,000	4,050,000
Total				24,530,000	—	(18,480,000)	—	6,050,000

ˆ The 17,480,000 share options granted under the Share Options Scheme were cancelled at no consideration, of which 5,200,000 share options were not yet vested at the date of cancellation. The cancellation of the share options during the vesting period was accounted for as an acceleration of vesting, and an amount of approximately HK$1,306,000 (representing the amount that otherwise would have been recognized for services received over the remainder of the vesting period) was recognized immediately in profit or loss in the consolidated statement of comprehensive income for the year ended 31 March 2009.

* The 1,000,000 share options granted under the Share Options Scheme lapsed upon the resignation of a director of the Group.

† Mr. Kwan Pun Fong, Vincent resigned as a director of the Company on 10 June 2008. Accordingly, the share options held by him were reclassified to the pool of employee.

The following table discloses movements of the share options granted under the Share Option Scheme during the year ended 31 March 2010:

Grantee	Date of grant	Adjusted exercise price	Exercise period	Outstanding as at 1 April 2009	Adjustments during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding as at 31 March 2010
Share Option Scheme:								
Directors								
Lam Lee G.	29 September 2005	HK$1.4790	*Note 2(a)*	1,000,000	(753,226)	—	—	246,774
Wu Tak Lung	29 September 2005	HK$1.4790	*Note 2(a)*	1,000,000	(753,226)	—	—	246,774
Sub-total				2,000,000	(1,506,452)	—	—	493,548
Employee	5 September 2005	HK$1.1345	*Note 2(b)*	2,650,000	(1,996,048)	—	—	653,952
Employee	29 September 2005	HK$1.4790	*Note 2(a)*	400,000	(301,290)	—	—	98,710
Employee	6 December 2006	HK$2.7070	*Note 3(c)*	1,000,000	(753,226)	—	—	246,774
Sub-total				4,050,000	(3,050,564)	—	—	999,436
Total				6,050,000	(4,557,016)	—	—	1,492,984

The exercise price in respect of any share options, shall subject to any adjustments in the event of any alteration in the capital structure of the Company whilst any share option remains exercisable or this scheme remains in effect. The exercise of any share option shall be subject to the shareholders in the general meeting approving any necessary increase in the authorized share capital of the Company.

The vesting period of the share options is from the date of grant until the commencement of the exercise period. All share options granted are exercisable within a period of ten years from the date of grant and subject to a vesting period and becoming exercisable in whole or in part as follows:

Note 1:

Date of vesting of the options (that is, the date when the share options became exercisable)	Percentage of share options vested on such dates
7 January 2006	30%
7 January 2007	30%
7 January 2008	40%

Note 2:

Date of vesting of the options (that is, the date when the share options became exercisable)					Percentage of share options vested on such dates
(a)	(b)	(c)	(d)	(e)	
7 January 2006	6 April 2006	3 May 2006	24 June 2006	8 November 2006	30%
7 January 2007	6 April 2007	3 May 2007	24 June 2007	8 November 2007	30%
7 January 2008	6 April 2008	3 May 2008	24 June 2008	8 November 2008	40%

Note 3:

Date of vesting of the options (that is, the date when the share options became exercisable)				Percentage of share options vested on such dates
(a)	(b)	(c)	(d)	
1 January 2007	2 May 2007	5 November 2007	5 December 2007	30%
1 January 2008	2 May 2008	5 November 2008	5 December 2008	30%
1 January 2009	2 May 2009	5 November 2009	5 December 2009	40%

During the year ended 31 March 2010, employee share-based compensation of approximately HK$22,000 (2009: HK$1,366,000) has been included in the consolidated statement of comprehensive income with a corresponding credit to the employee compensation reserve.

At 31 March 2010, the Company had 3,216,949 and 1,492,984 share options outstanding under the Pre-IPO Share Option Scheme and Share Option Scheme respectively. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 4,709,933 additional ordinary shares of the Company and additional share capital of approximately HK$235,000 and share premium of approximately HK$4,006,000 (before issue expenses).

30. RESERVES

Group

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

Company

	Share premium *HK$'000*	Employee compensation reserve *HK$'000*	Property revaluation reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Accumulated losses *HK$'000*	Total reserves *HK$'000*
Balance at 1 April 2008	134,169	4,675	9,989	(567)	(41,526)	106,740
Comprehensive income						
Loss for the year	—	—	—	—	(62,009)	(62,009)
Other comprehensive income						
Fair value loss on available-for-sale financial assets *(Note 21)*	—	—	—	(441)	—	(441)
Reserve realized upon disposal of available-for-sale financial assets	—	—	—	89	—	89
Total other comprehensive income	—	—	—	(352)	—	(352)
Total comprehensive income	—	—	—	(352)	(62,009)	(62,361)
Transactions with owners						
Issue of shares upon exercise of share options *(Note 28)*	213	—	—	—	—	213
Employee share-based compensation	—	1,366	—	—	—	1,366
Exercise of share options	54	(54)	—	—	—	—
Vested share options lapsed/cancelled	—	(4,239)	—	—	4,239	—
Total transactions with owners	267	(2,927)	—	—	4,239	1,579
Balance at 31 March 2009 and 1 April 2009	134,436	1,748	9,989	(919)	(99,296)	45,958
Comprehensive income						
Loss for the year	—	—	—	—	(47,011)	(47,011)
Other comprehensive income						
Fair value loss on available-for-sale financial assets *(Note 21)*	—	—	—	(242)	—	(242)
Reserve realized upon disposal of available-for-sale financial assets	—	—	—	97	—	97
Total other comprehensive income	—	—	—	(145)	—	(145)
Total comprehensive income	—	—	—	(145)	(47,011)	(47,156)

	Share premium HK$'000	Employee compensation reserve HK$'000	Property revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Accumulated losses HK$'000	Total reserves HK$'000
Transactions with owners						
Issue of shares upon exercise of share options *(Note 28)*	28	—	—	—	—	28
Issue of shares on open offers *(Note 28)*	65,955	—	—	—	—	65,955
Issue of shares on exercise of bonus warrants *(Note 28)*	3,086	—	—	—	—	3,086
Share issue costs	(4,114)	—	—	—	—	(4,114)
Employee share-based compensation	—	22	—	—	—	22
Exercise of share options	2	(2)	—	—	—	—
Vested share options lapsed/ cancelled	—	(23)	—	—	23	—
Total transactions with owners	64,957	(3)	—	—	23	64,977
Balance at 31 March 2010	199,393	1,745	9,989	(1,064)	(146,284)	63,779

Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

31. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

Group

	2010 HK$'000	2009 HK$'000
Investment in a subsidiary	8,745	—

(b) Operating lease commitments

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

Group

	2010	**2009**
	HK$'000	*HK$'000*
No later than 1 year	4,752	5,416
Later than 1 year and no later than 5 years	1,173	4,282
	5,925	9,698

The Company had no significant operating lease commitment as at 31 March 2009 and 2010.

32. CONTINGENT LIABILITIES

In the year ended 31 March 2008, three libel actions were brought by a company and an individual against the Group in respect of the publication of words alleged to be defamatory of and concerning the plaintiffs contained in certain articles published at the Group's website. At the end of the reporting period, the Company's directors believe that the Group has meritorious defense against such claims and accordingly, the directors do not believe that these claims will have any material adverse effect on the Group. Therefore no provisions have been made in the financial statements in respect thereof.

33. EVENTS AFTER THE REPORTING PERIOD

Business combination

On 19 May 2010, the Group acquired the entire issued share capital of Fukoku Investment (Asia) Limited ("Fukoku") for a cash consideration of approximately HK$10,245,000. Fukoku is a company incorporated in Hong Kong with limited liability and a licensed corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities.

Details of net assets acquired and goodwill are as follows:

	HK$'000
Total purchase consideration	10,245
Fair value of net assets acquired — shown as below	(8,537)
Goodwill	1,708

The assets and liabilities arising from the acquisition, provisionally determined, are as follows:

	Acquiree's carrying amount and fair value
	HK$'000
Property, plant and equipment	502
Other non-current assets	950
Accounts receivable	34,088
Prepayments, deposits and other receivables	2,340
Cash and cash equivalents	42,301
Accounts payable	(69,775)
Accruals and other payables	(1,869)
Net assets acquired	8,537

There were no acquisitions in the year ended 31 March 2010.

3. UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2010

The following financial information is extracted from the first quarterly report of the Company for the three months ended 30 June 2010. The Company had no exceptional or extraordinary items for the three months ended 30 June 2010.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2010

		For the three months ended 30 June	
		2010	2009
	Notes	*HK$'000*	*HK$'000*
			(restated)
Revenue	2	7,300	8,763
Cost of sales		(2,090)	(2,303)
Gross profit		5,210	6,460
Other operating incomes	2	930	284
Development costs		(1,215)	(1,325)
Selling expenses		(810)	(582)
General and administrative expenses		(10,032)	(9,502)
Other operating expenses		—	(114)
Operating loss		(5,917)	(4,779)
Finance costs		(51)	(53)
Loss before tax expenses		(5,968)	(4,832)
Income tax expense	3	(15)	(14)
Loss for the period		(5,983)	(4,846)
Attributable to:			
Owners of the Company		(5,450)	(4,350)
Minority Interests		(533)	(496)
		(5,983)	(4,846)

	Notes	For the three months ended 30 June 2010 HK$'000	2009 HK$'000 (restated)
Loss for the period		(5,983)	(4,846)
Other comprehensive income:			
Fair value loss on available-for-sale financial assets		(64)	5
Reserve realized upon disposal of available-for-sale financial assets		—	97
Currency translation differences		(11)	(10)
Other comprehensive income for the period		(75)	92
Total comprehensive income for the period		(6,058)	(4,754)
Attributable to:			
Owners of the Company		(5,525)	(4,257)
Minority interests		(533)	(497)
		(6,058)	(4,754)
Loss per share for loss attributable to the owners of the Company			
— Basic *(in HK cent)*	5(a)	(1.48)	(3.63)
— Diluted *(in HK cent)*	5(b)	N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF THE ACCOUNTS

The unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules.

The principal accounting policies and methods of computation used in the preparation of these accounts are consistent with those adopted in the preparation of the annual accounts for the year ended 31 March 2010.

The unaudited consolidated results for the three months ended 30 June 2010 have been reviewed by the audit committee.

2. REVENUE AND OTHER OPERATING INCOMES

Revenue, which is also the Group's turnover, represents total invoiced value of goods supplied and services rendered. Revenue recognised during the period is as follows:

	For the three months ended 30 June	
	2010	**2009**
	HK$'000	*HK$'000*
Revenue		
Service income from provision of financial information services	6,310	8,553
Advertising income	389	162
Online games income	1	48
Brokerage commission and service income	600	—
	7,300	8,763
Other operating incomes		
Recycling of gain from equity on disposal of available-for-sale financial asset	71	—
Gross rental income from investment properties	282	282
Interest income	499	2
Others	78	—
	930	284
Total incomes	8,230	9,047

3. INCOME TAX EXPENSE

The Company and one of its subsidiaries were incorporated in the Cayman Islands as exempted companies and, accordingly, are exempted from payment of Cayman Islands income tax. The Company's subsidiary established in the British Virgin Islands was exempted from payment of the British Virgin Islands income tax. The Company's subsidiary established in the Republic of Seychelles was exempted from payment of the Republic of Seychelles income tax.

No Hong Kong profits tax has been provided for the three months ended 30 June 2010 (2009: Nil) as the Group had no assessable profit arising in or derived from Hong Kong for the period.

The PRC income tax of approximately HK$15,000 was paid during the three months ended 30 June 2010 (2009: HK$14,000) for the net rental income from the investment properties of the Company in the PRC.

4. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2010 (2009: Nil).

5. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the three months ended 30 June 2010 of approximately HK$5,450,000 (2009: HK$4,350,000) on the weighted average number of 367,642,013 ordinary shares in issue during the three months ended 30 June 2010 (2009 (restated): 119,874,000).

(b) Diluted loss per share

Diluted loss per share for the three months ended 30 June 2010 and 2009 have not been disclosed as the share options and bonus warrants outstanding have an anti-dilutive effect on the basic loss per share.

6. MOVEMENT OF RESERVES

	Share capital	Share premium	Merger reserve	Employee compensation reserve	Translation reserve	Property revaluation reserve	Investment revaluation reserve	Accumulated losses	Total reserve	Minority interest	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2009	5,994	134,436	4,870	1,748	2,394	9,989	(919)	(117,419)	35,099	11,998	53,091
Fair value loss on available-for-sale financial assets	—	—	—	—	—	—	5	—	5	—	5
Currency translation differences	—	—	—	—	(9)	—	—	—	(9)	(1)	(10)
Reserve realized upon disposal of available-for-sale financial assets	—	—	—	—	—	—	97	—	97	—	97
Loss for the period	—	—	—	—	—	—	—	(4,350)	(4,350)	(496)	(4,846)
At 30 June 2009	5,994	134,436	4,870	1,748	2,385	9,989	(817)	(121,769)	30,842	11,501	48,337
At 1 April 2010	18,373	199,393	4,870	1,745	2,473	9,989	(1,064)	(152,971)	64,435	1,200	84,008
Fair value loss on available-for-sale financial assets	—	—	—	—	—	—	(64)	—	(64)	—	(64)
Issue of shares on exercise of bonus warrants	13	105	—	—	—	—	—	—	105	—	118
Issue of shares upon exercise of share options	3	33	—	—	—	—	—	—	33	—	36
Currency translation differences	—	—	—	—	(11)	—	—	—	(11)	—	(11)
Loss for the period	—	—	—	—	—	—	—	(5,450)	(5,450)	(533)	(5,983)
At 30 June 2010	18,389	199,531	4,870	1,745	2,462	9,989	(1,128)	(158,421)	59,048	667	78,104

4. INDEBTEDNESS STATEMENT

At the close of business on 30 June 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this document, the Group had outstanding indebtedness of approximately HK$3,613,000, comprising secured bank loans of approximately HK$2,943,000 which were secured by legal charges over the Group's investment properties; and obligations under finance leases of approximately HK$670,000.

In the year ended 31 March 2008, three libel actions were brought by a company and an individual against the Group in respect of the publication of words alleged to be defamatory of and concerning the plaintiffs contained in certain articles published at the Group's website and seeking, among other things, injunctive relief and unliquidated damages. The Directors believed that the Group had meritorious defence against such claims and accordingly, the Directors did not believe that these claims would have any material adverse effect on the Group.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have at the close of business on 30 June 2010 any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

There has been no material change in the indebtedness or contingent liabilities of the Group since 30 June 2010.

5. MATERIAL CHANGE

The Directors confirm that, save and except for the below, there was no material change in the financial or trading position or outlook of the Group since 31 March 2010, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

(a) First quarterly report for the three months ended 30 June 2010 ("First Quarterly Report")

As disclosed in the First Quarterly Report, the Group recorded an unaudited consolidated revenue of approximately HK$7.3 million for the three months ended 30 June 2010, representing a decrease of approximately 17% from the same period in 2009; an unaudited consolidated net loss of the Company of approximately HK$5.983 million for the three months ended 30 June 2010; and an unaudited consolidated net asset of approximately HK$78.1 million. The general and administrative expenses of the Group for the three months ended 30 June 2010 were increased by approximately HK$530,000 to approximately HK$10,032,000, which was mainly due to increase in the expenses in the new brokerage services since the date of acquisition of Fukoku Investment (Asia) Limited.

(b) Revenue generated from brokerage business

As announced on 11 February 2010, the Company acquired the entire issued share capital of Fukoku Investment (Asia) Limited (thereafter renamed to Finet Securities Limited) ("**Finet Securities**"), an online broker in Hong Kong, for a cash consideration of approximately HK$10,245,000. As disclosed in the First Quarterly Report, the Group completed the acquisition of Finet Securities on 19 May 2010. The financial results of Finet Securities will be consolidated into the accounts of the Group from the date of acquisition.

1. RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Takeovers Code for the purpose of providing information with regards to the Offer and the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this document (other than those relating to the Offeror and parties acting in concert with it, the terms and conditions of the Offers and the intention of the Offeror regarding the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this document have been arrived at after due and careful consideration and there are no other facts not contained in this document the omission of which would make any statement contained in this document misleading.

The Directors also jointly and severally accept full responsibility for the fair and accurate extraction, reproduction and presentation of information from the Offer Document relating to the Offeror and parties acting in concert with it, the terms and conditions of the Offers and the intention of the Offeror regarding the Company but accept no further responsibility in respect of such information.

2. SHARE CAPITAL, OPTIONS AND WARRANTS

(a) Share capital

As at the Latest Practicable Date, the authorised and issued share capital of the Company was as follows:

Authorised:

1,000,000,000	Shares	HK$50,000,000

Issued and fully paid-up:

367,813,053	Shares	HK$18,390,652.65

All issued Shares are fully paid-up and rank *pari passu* with each other in all respects including the rights as to capital, dividends and voting.

Since 31 March 2010, being the end of the last financial year of the Company, and up to the Latest Practicable Date, the Company has issued an aggregate of 355,183 Shares.

(b) Options

The Company adopted the Pre-IPO Share Option Scheme on 23 July 2004 pursuant to which the Company has granted Pre-IPO Options to certain Directors and employees of the Company to subscribe for new Shares. The Pre-IPO Share Option Scheme was terminated on 6 January 2005, being the date immediately preceding the date on which the Shares were listed on GEM. As at the Latest Practicable Date, there were outstanding Pre-IPO Options which entitle the holders thereof to subscribe for an aggregate of 3,157,723 Shares at the existing adjusted exercise price of HK$0.608 per Share. The Pre-IPO Options are exercisable within a period of ten years from the date of grant and subject to a vesting period.

The Company adopted the Post-IPO Share Option Scheme on 16 December 2004 pursuant to which the Company has granted Post-IPO Options to certain Directors and employees of the Company to subscribe for new Shares. As at the Latest Practicable Date, there were outstanding Post-IPO Options which entitle the holders thereof to subscribe for an aggregate of 1,246,210 Shares at the existing adjusted exercise prices of HK$1.1345 per Share or HK$1.479 per Share (as the case may be). The Post-IPO Options are exercisable within a period of ten years from the date of grant and subject to a vesting period.

(c) Warrants

On 3 August 2009, the Company issued the Warrants to the Shareholders by way of capitalisation issue which entitle the holders thereof to subscribe, at any time between the date of issue of the Warrants and the date immediately preceding the date falling on the second anniversary of the date of issue of the Warrants (both dates inclusive), for new Shares at an initial subscription price of HK$0.10. As at the Latest Practicable Date, there were outstanding Warrants which entitle the holders thereof to subscribe for an aggregate of 9,981,898 Shares at the existing adjusted exercise price of HK$0.45 per Share.

Save as disclosed above, the Company did not have any other options, warrants and other convertible securities or rights affecting the Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the Shares, underlying shares and debentures of the Company and associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein;

or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange; or (d) were required to be disclosed in this document pursuant to the requirements of the Takeovers Code, were as follows:

Aggregate long positions in the Shares and underlying Shares

	Number of Shares		Number of underlying Shares				
Name of Director	**Personal interest**	**Interest of controlled corporation**	**Personal interest**	**Interest of controlled corporation**	*Note*	**Total**	**% of Shares in issue**
Executive Director:							
Dr. Yu Gang, George	—	—	2,992,384	5,500,123	1	8,492,507	2.30
Independent non-executive Directors:							
Dr. Lam Lee G.	—	—	246,774	—	2	246,774	0.06
Mr. Wu Tak Lung	—	—	246,774	—	3	246,774	0.06

Notes:

1. Dr. Yu Gang, George is interested in the entire issued share capital of Opulent. Dr. Yu Gang, George is deemed (by virtue of the SFO) to be interested in an aggregate of 8,492,507 underlying Shares, comprising (a) 5,500,123 underlying Shares in respect of the Warrants held by Opulent; and (b) 2,992,384 underlying Shares in respect of the Options held by him.

2. This represents the 246,774 underlying Shares in respect of the Options held by Dr. Lam Lee G..

3. This represents the 246,774 underlying Shares in respect of the Options held by Mr. Wu Tak Lung.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange; or (d) were required to be disclosed in this document pursuant to the requirements of the Takeovers Code.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interest in the shares, warrants, options, derivatives, and securities carrying conversion or subscription rights into the Shares.

(b) Substantial shareholders' interests and short positions in the Shares

As at the Latest Practicable Date, so far as the Directors were aware, persons other than the Directors or the chief executive of the Company who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the SFO, or, who were expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, were as follows:

(i) the Company

	Number of Shares		Number of underlying Shares			
Name of substantial shareholder	**Personal interest**	**Interest of controlled corporation**	**Interest of controlled corporation**	*Note*	**Total**	**% of Shares in issue**
Ms. Lo	—	193,654,616	53,600,000	1	247,254,616	67.23
Offeror	193,654,616	—	—	1	193,654,616	52.65

(ii) China Game and Digital Entertainment Limited

	Number of shares				
Name of substantial shareholder	**Personal interest**	**Interest of controlled corporation**	*Note*	**Total**	**% of shares in issue**
The Pride of Treasure Fund	120,000	—	2	120,000	12

Notes:

1. Ms. Lo is indirectly interested in the entire issued share capital of the Offeror and is therefore deemed to be interested in the 193,654,616 Shares held by the Offeror. Mr. Lo is also directly interested in the entire issued share capital of each of WCIL and MFML and is hence deemed to be interested in an aggregate of 53,600,000 underlying Shares held by WCIL and MFML under the WCIL Option Deed and the MFML Option Deed, respectively.

2. As at the Latest Practicable Date, the issue share capital of China Game and Digital Entertainment Limited was US$10,000 divided into 1,000,000 shares of US$0.01 each, in which the Company held 85.71% equity interest.

4. INTERESTS IN THE OFFEROR

As at the Latest Practicable Date, none of the Company or any of its Directors had any interest in the shares, warrants, options, derivatives, and securities carrying conversion or subscription rights into shares of the Offeror.

5. DEALINGS IN SECURITIES OF THE COMPANY

As disclosed in the Offer Document, on 9 July 2010, MCFL and WCIL sold to the Offeror the Sale Shares at a consideration of HK$60,000,000 pursuant to the exercise of powers of sale on 9 July 2010 as a result of the default in the repayment of the loan in the amount of approximately HK$60,632,075.03 and outstanding accrued thereon in the amount of approximately HK$6,772,732.59 due to MCFL by Opulent as at 9 July 2010. Opulent is wholly-owned by Dr. Yu Gang, George.

Save as disclosed above, during the Relevant Period, the Directors did not have any dealings in any shares, warrants, options, derivatives and securities carrying conversion or subscription rights into the Shares.

During the Relevant Period,

(a) no subsidiaries of the Company, pension funds of any member of the Group or advisers to the Company as specified in class (2) of the definition of associate under the Takeovers Code had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into the Shares;

(b) no fund managers connected with the Company had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into the Shares; and

(c) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate under the Takeovers Code had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into the Shares.

6. DEALINGS IN SECURITIES OF THE OFFEROR

During the Relevant Period, none of the Company and the Directors had any dealings in the share, warrants, options, derivatives, and securities carrying conversion or subscription rights into shares of Offeror.

7. OTHER DISCLOSURE OF INTERESTS

(a) As at the Latest Practicable Date, no Shares or any convertible securities, warrants, option or derivatives issued by the Company was owned or controlled by a subsidiary of the Company or by a pension fund (if any) of any member of the Group or by an adviser to the Company as specified in class (2) of the definition of associate under the Takeovers Code.

(b) As at the Latest Practicable Date, none of the Company or any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate under the Takeovers Code had any arrangement or indemnity of the kind described in Note 8 to Rule 22 of the Takeovers Code with any person.

(c) As at the Latest Practicable Date, no Shares or any convertible securities, warrants, option or derivatives issued by the Company was owned or controlled by a person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate under the Takeovers Code.

(d) As at the Latest Practicable Date, no shareholding in the Company was managed on a discretionary basis by fund managers connected with the Company.

(e) As at the Latest Practicable Date, no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offers.

(f) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers.

(g) As at the Latest Practicable Date, no material contracts have been entered into by the Offeror in which any Director has a material personal interest.

(h) On 30 August 2010, each of Mr. Chow Wing Chau, Mr. Yiu Wing Hei, Ms. Chan Siu Lai and Mr. Lui Tin Nang entered into a letter of appointment with the Company pursuant to which each of the New Directors was appointed as an independent non-executive Director (in case of Mr. Lui Tin Nang) or an executive Director (in case of the other New Directors) effective from 26 August 2010 for a term of one year and expiring on 25 August 2011 at director's fee of HK$60,000 per annum.

    In addition, each of Dr. Lam Lee G. and Mr. Wu Tak Lung entered into a letter of appointment with the Company on 12 February 2009 pursuant to which each of Dr. Lam Lee G. and Mr. Wu Tak Lung was appointed as an independent non-executive Director for a term of three years commencing on 1 March 2009 and expiring on 28 February 2012 at a director's fee of HK$60,000 per annum.

    Each of the New Directors, Dr. Lam Lee G. and Mr. Wu Tak Lung is eligible to receive share options at the discretion of the Board under his/her letter of appointment.

    The Company has also entered into a service agreement with Dr. Yu Gang, George for a term of two years commencing on 7 January 2005 which shall continue thereafter until terminated by either party giving to the other not less than three months' written notice, subject to retirement by rotation and re-election at general meeting of the Company in accordance with the Articles.

    Under the service agreement, Dr. Yu Gang, George is entitled to an annual salary of HK$600,000 and housing allowance of HK$360,000 per annum (which was increased to HK$420,000 per annum from July 2010). The Company may, at its sole discretion, pay Dr. Yu Gang, George additional bonus at year-end depending on his performance and overall business conditions of the Group, but the aggregate yearly bonus cannot exceed 10% of the audited consolidated net profits after taxation and expenses of the Company in the relevant financial year. In addition, the Company may, at its sole discretion, grant Dr. Yu Gang, George options to subscribe for shares in one or more companies with the Group.

Save as disclosed above, there is no service contract with the Company or any of its subsidiaries or associated companies in force for the Directors (i) which (including both continuous and fixed term contracts) has been entered into or amended within 6 months before Wednesday, 4 August 2010 (being the date of commencement of the Offer Period); (ii) which is a continuous contract with a notice period of 12 months or more; or (iii) which is fixed term contract with more than 12 months to run irrespective of the notice period.

(i) Among the Directors, (i) Dr. Yu Gang, George (together with Opulent) have indicated that he does not intend to accept the Option Offer in respect of the Options held by him to subscribe for an aggregate of 2,992,384 Shares and the Warrant Offer in respect of the Warrants held by Opulent to subscribe for an aggregate of 5,500,123 Shares; (ii) Dr. Lam Lee G. has indicated that he intends to accept the Option Offer in respect of the Options held by him to subscribe for an aggregate of 246,774 Shares; and (iii) Mr. Wu Tak Lung has indicated that he intends to accept the Option Offer in respect of the Options held by him to subscribe for an aggregate of 246,774 Shares.

(j) During the Relevant Period, none of the Company or any of the Directors has borrowed or lent any Shares, warrants, options, derivatives, and securities carrying conversion or subscription rights into Shares.

8. MATERIAL CONTRACTS

The following material contracts, not being contracts entered into in the ordinary course of business of the Group, have been entered into by the Group after the date two years before the commencement of the Offer Period:

(a) the supplemental memorandum of understanding dated 16 April 2010 entered into between the Company and 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) in relation to the proposed acquisition of the entire equity interests in 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) for a consideration of HK$220 million;

(b) the sale and purchase agreement dated 11 February 2010 entered into between Wong Kin Man, Iso Masahito and Hanai Mitsuru as vendors and the Company as purchaser in respect of the acquisition by the Company of the entire issued share capital of Fukoku Investment (Asia) Limited for an aggregate consideration of approximately HK$10,245,000;

(c) the memorandum of understanding dated 26 January 2010 entered into between the Company and 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) in relation to the proposed acquisition of the entire equity interests in 深圳市瓦爾雷思科技開發有限公司 (Shenzhen Wireless Technology Development Co., Ltd*) for a consideration of HK$220 million;

(d) the underwriting agreement dated 22 September 2009 entered into between the Company and Opulent in relation to the Second Open Offer;

(e) the irrevocable undertakings dated 22 September 2009 given by Dr. Yu Gang, George to Opulent and the Company in relation to the Second Open Offer;

(f) the underwriting agreement dated 29 April 2009 entered into between the Company and Opulent in relation to the First Open Offer;

(g) the irrevocable undertakings dated 29 April 2009 given by Dr. Yu Gang, George to Opulent and the Company in relation to the First Open Offer;

(h) the agreement dated 24 September 2008 entered into between Huang Shouxiang, a then PRC employee of the Group (as vendor) on behalf of the Company, and Guo Yu, Cai Quoping, Liu Xiaoren, 杭州理想投資管理有限公司 (Hangzhou Lixiang Investment Management Limited*) (as purchasers) in relation to the disposal of 杭州天暢網絡科技有限公司 (Hangzhou Tianchang Network Technology Company Limited*), a wholly-owned subsidiary of a non wholly-owned subsidiary of the Company, at a consideration of RMB20.0 million (approximately HK$23.0 million).

Save as disclosed above, there are no other contracts, not being contracts entered into in the ordinary course of business of the Group, having been entered into by the Group after the date two years before the commencement of the Offer Period.

9. LITIGATION

During the year ended 31 March 2008, three libel actions were brought by a company and an individual against the Group in respect of the publication of words alleged to be defamatory of and concerning the plaintiffs contained in certain articles published at the Group's website and seeking, among other things, injunctive relief and unliquidated damages. The Directors believed that the Group had meritorious defence against such claims and accordingly, the Directors did not believe that these claims would have any material adverse effect on the Group.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this document:

Bridge Partners	a licensed corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Bridge Partners has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and references to its name in the form and context in which they appear.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal office and place of business of the Company in Hong Kong at Suite 505–506, 5th Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong; (ii) on the website of the Securities and Futures Commission (www.sfc.hk); and (iii) the Company's website at www.finet.hk from the date of this document up to and including the First Closing Date:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the year ended 31 March 2009 and 2010;

(c) the quarterly report of the Company for the three months ended 30 June 2010;

(d) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 15 to 16 of this document;

(e) the letter of advice from Bridge Partners to the Independent Board Committee, the text of which is set out on pages 17 to 33 of this document;

(f) the written consent referred to in the section headed "Expert and Consent" in this appendix;

(g) the material contracts referred to in the section headed "Material contracts" in this appendix; and

(h) the service agreement and letters of appointment referred to in paragraph (h) under the section headed "Other disclosure of interests" in this appendix.

12. MISCELLANEOUS

(a) The registered address of Bridge Partners is Unit 605, 6/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.

(b) This document has been prepared in both English and Chinese languages. In case of any inconsistency, the English text of this document shall prevail over the Chinese text.

* *for identification purposes only*