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This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules ("GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

SOLUTECK

SOLUTECK HOLDINGS LIMITED
一創科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(stock code: 8111)

RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

CHARACTERISTICS OF GEM

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.

* *for identification only*

ANNUAL RESULTS HIGHLIGHTS

The loss attributable to equity holders of the Company for the financial year ended 31 March 2011 was approximately HK$36.4 million (the loss attributable to equity holders of the Company for the financial year ended 31 March 2010 was approximately HK$28.6 million).

The revenue of the Group for the financial year ended 31 March 2011 was approximately HK$31.9 million, representing an increase of approximately 14.0 per cent. as compared to the financial year ended 31 March 2010.

Gross profit margin of the Group was approximately 26.5 per cent. in the financial year ended 31 March 2011, compared to approximately 27.5 per cent. in the financial year ended 31 March 2010.

Basic loss per share for the financial year ended 31 March 2011 was approximately HK5.61 cents (basic loss per share for the financial year ended 31 March 2010 was approximately HK5.49 cents).

The Directors do not recommend the payment of a dividend for the financial year ended 31 March 2011 (dividend per share for the financial year ended 31 March 2010: Nil).

The board ("Board") of directors ("Directors") of Soluteck Holding Limited ("Company", together with its subsidiaries to "Group") presents the annual results of the Group for the year ended 31 March 2011 as follows:

BUSINESS REVIEW

The Group continued to specialize in the provision of implementation and upgrading of self-service automatic teller machine ("ATM") systems and printing systems, application hardware and software, technical support and consultancy services to commercial banks and Postal Bureaus in the People's Republic of China ("PRC" or "China") during the year ended 31 March 2011.

The Group's revenue amounted to approximately HK$31.9 million for the year ended 31 March 2011, representing an increase of approximately 14.0 per cent. compared with approximately HK$28.0 million recorded for the financial year ended 31 March 2010.

The Group's gross profit margin was approximately 26.5 per cent. in the financial year ended 31 March 2011, compared to approximately 27.5 per cent. in the financial year ended 31 March 2010.

The Group recorded a loss attributable to equity holders of the Company amounting to approximately HK$36.4 million for the year ended 31 March 2011 (2010: loss attributable to equity holders of the Company of approximately HK$28.6 million). Such loss was mainly a result of the impairment loss on the initial deposit of approximately HK$7.7 million paid in the possible acquisition of the entire issued share capital of China-Rus Energy Investment Limited (which the Company decided to terminate such possible acquisition and rescinded the acquisition agreement with effect from 28 May 2010) and the change in fair value of financial assets at fair value through profit or loss of approximately HK$5.9 million.

Basic loss per share was approximately HK5.61 cents for the year ended 31 March 2011, compared with the basic loss per share of approximately HK5.49 cents for the year ended 31 March 2010.

In respect of marketing and sales of self-service ATM systems and printing systems as well as the provision of system maintenance and enhancement services to financial institutions, the Group maintained its position with new contracts clinched with Bank of Wenzhou, Postal Savings Bank of China, the Commercial Bank, Bank of Taizhou, Shanghai Pudong Development Bank, Bank of Communications, Bank of Shaoxing, Bank of Yingkou, Rural Commercial Banks, Rural Credit Cooperatives of China and several branches of the China State Postal Bureau during the year under review.

During the year ended 31 March 2011, the Company has successfully raised an aggregate of approximately HK$72.9 million and approximately HK$25.4 million from the market through placement of shares and convertible bonds of the Company respectively. The funds raised have enhanced the capital base of the Company and provided strong resource for the Group to expand its core businesses and to explore new business opportunities in the future.

BUSINESS PROSPECTS

The Group is recognized as a professional ATM software, hardware and services company in the ATM sector, and is an authorized value-added reseller of self-service ATM systems of NCR (Beijing) Financial Equipment System Co., Ltd and related applications software for commercial banks in China. Moreover, during the year ended 31 March 2011, the Group has entered into an agreement with Fuji Xerox as its marketing agent for its printing systems.

The Group will fully commit itself to being one of the leading ATM total solution providers in the banking sector in the PRC and offer a full range of banking and financial system solutions for the banking and financial sectors, and persist to put efforts on enhancing closer customer relationships, broadening business relationship and exploring new business opportunities in corporate outsourcing technical service sector.

Leveraging on our prudent and experienced management and our strong and determined workforce, the Group, by keeping on boosting its marketing effort in the PRC to bring in new customers, will strive to maintain and expand its operations further, thus expanding our market share while at the same time bringing greater return to our shareholders.

Following the completion of the acquisition of the entire issued share capital of China Technology Solar Power Holdings Limited ("CTSP") (which is principally engaged in solar energy generation and related power system integration business in the PRC) on 1 June 2011, the Group is positioned to benefit from the growing demand in energy in the PRC, as well as the growing emphasis and awareness on renewable energy by the PRC government.

As the new energy industry such as solar photovoltaic power stations and biomass energy power stations are emerging in the PRC, the need for system integration services grows accordingly. Given the strict entry requirements and the business of provision of solar energy is a new industry in the PRC and still in its early stage of development, CTSP, being one of the pioneers in the PRC that commenced operation in early 2009, has (i) since its establishment, conducted preliminary works and studies including various substantial researches and studies about the selection of location, power grid, climate, policies and environment for the development of solar photovoltaic power stations in Qinghai Province; (ii) already obtained certain permits and approvals from the government authority for the construction of the power station, and (iii) established a medium of communication with the local government, with such solid foundation for the business of provision of solar energy, CTSP has a competitive advantage in such new industry in the PRC. The acquisition is an opportunity for the Company to diversify its scope of business and to enter into a high growth business sector, so as to maximize the shareholders' value.

DIVIDEND

The Board does not recommend the payment of a dividend for the financial year ended 31 March 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

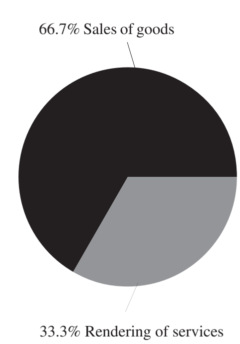
REVENUE

During the year ended 31 March 2011, the Group is principally engaged in the sale of self-service ATM systems and printing systems as well as the provision of hardware and software technical support services. Revenues recognized during the financial year are as follows:

	Financial year ended 31 March	
	2011	2010
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**23,593**	18,648
Rendering of services	**8,285**	9,318
	31,878	27,966
Other revenue		
Government subsidies for business development	**154**	111
Interest income	**55**	11
Others	**96**	95
	305	217
Total revenue	**32,183**	28,183

Analysis of business segments for the financial year ended 31 March 2011

Analysis of business segments for the financial year ended 31 March 2010



IMPLEMENTATION OF SELF-SERVICE ATM SYSTEMS AND PRINTING SYSTEMS

During the financial year ended 31 March 2011, implementation of self-service ATM systems and printing systems (including the provision of technical consultancy and support services) remained the Group's core business and accounted for approximately 100.0 per cent. (2010: approximately 100.0 per cent.) of the Group's revenue from the sales of goods and rendering of services.

The revenue generated from the implementation of self-service ATM systems and printing systems (including the provision of technical consultancy and support services) amounted to approximately HK$31.9 million, representing an increase of approximately 14.0 per cent. compared with the previous financial year.

PROVISION OF TECHNICAL CONSULTANCY AND SUPPORT SERVICES

The provision of technical consultancy and support services, which were already included in the implementation of self-service ATM systems and printing systems, contributed to a stable and recurrent source of income for the Group and accounted for approximately 26.0 per cent. (2010: approximately 33.3 per cent.) of the total revenue from the sales of goods and rendering of services for the financial year ended 31 March 2011. Income derived from the provision of technical consultancy and support services during the financial year ended 31 March 2011 decreased by approximately 11.1 per cent., as compared with that of the previous financial year.

REVIEW OF OPERATION

As an authorised value-added reseller of self-service ATM systems of NCR (Beijing) Financial Equipment System Co., Ltd ("NCR") and marketing agent of printing systems of Fuji Xerox in China, the Group has fully committed itself as a reliable and reputable vendor and a total solution provider for self-service ATM systems and printing systems. With China's entry into the World Trade Organisation, more banks and postal bureaus in the PRC will need to offer additional services and expand their branch networks to compete with international facilities in order to operate in the market. They have to gear up to improve their information technology infrastructure and operating efficiency, so as to consolidate and strengthen their respective market standing. The Group believes that demand for the implementation of self-service ATM systems and printing systems will continue to grow in China, especially with China's steady economic growth.

By having ATM service centers established in major cities in China including Shaoxing, Hainan, Taiyuan, Jinan, Shanghai, Beijing, Hefei, Wenzhou, Nanjing, Yiwu, Chongqing, Wuxi, Changshu, Suzhou, Jinhua, Yingkou, Yancheng, Taizhou, Datong, Jiangdu, Xuzhou, Huzhou, Lvliang, Quzhou and Huaian, the Group has ATM service centers covering a total of 25 strategic cities and locations currently.

Leveraging on its sales network and existing clientele, the Group aims to secure higher renewal rates upon the expiry of the existing contracts.

SELLING EXPENSES

Selling expenses incurred by the Group for the year ended 31 March 2011 amounted to approximately HK$6.0 million (2010: approximately HK$2.8 million), representing an increase of approximately 112.8 per cent. because the Group had allocated some resources to explore new business opportunities.

ADMINISTRATIVE EXPENSES

Administrative expenses incurred by the Group for the financial year ended 31 March 2011 amounted to approximately HK$21.6 million (2010: approximately HK$23.8 million), representing a decrease of approximately 9.1 per cent..

During the year under review, the Group had written off other deposit of approximately HK$7.7 million in relation to the possible acquisition of the entire issued share capital of China-Rus Energy Investment Limited which was subsequently terminated on 28 May 2010 (2010: approximately HK$7.7 million).

During the year ended 31 March 2011, the Group had recognised a change in fair value of financial assets at fair value through profit or loss of approximately HK$5.9 million (2010: HK$Nil).

Staff costs (including Directors' emoluments and research and development costs) which were included in both selling expenses and administrative expenses increased by approximately 19.9 per cent. to approximately HK$13.0 million (2010: approximately HK$10.8 million). As at 31 March 2011, the Group employed 14 and 96 staff in Hong Kong and the PRC respectively (2010: 11 in Hong Kong and 107 in the PRC).

Operating leases for land and building increased by approximately 10.8 per cent. to approximately HK$2.3 million (2010: approximately HK$2.1 million) mainly due to the increase of rental upon renewal of certain leases.

The Group had not written off any bad debts during the year ended 31 March 2011 (2010: Bad debts written off of approximately HK$1.2 million).

Impairment loss of approximately HK$1.0 million was recognised on accounts receivables during the year ended 31 March 2011 (2010: HK$2.0 million).

The Group had not written off any obsolete inventories during the year ended 31 March 2011 (2010: Obsolete inventories written off of approximately HK$1.3 million).

Depreciation expenses increased to approximately HK$541,000 as compared to that of last financial year (2010: approximately HK$73,000) due to depreciation of leasehold improvement at certain representative offices during the year under review.

FINANCE COSTS

During the financial year ended 31 March 2011, the Group has incurred imputed finance costs of approximately HK$927,000 on its convertible bonds issued on 5 November 2010 (2010: approximately HK$Nil).

INCOME TAX EXPENSES

The Group's income tax expenses for the financial year ended 31 March 2011 increased to approximately HK$379,000 (2010: approximately HK$158,000) primarily due to an increase in taxable profit during the financial year ended 31 March 2011.

LIQUIDITY, FINANCIAL RESOURCES AND TREASURY POLICIES

As at 31 March 2011, the Group had cash and bank balances amounting to a total of approximately HK$43.2 million (2010: approximately HK$22.8 million). The Group has no outstanding bank overdraft as at 31 March 2011 (31 March 2010: HK$Nil).

The Group financed its operations by internally generated cash flow, proceeds from placing of new shares of the Company, top-up placing of the shares of the Company and placing of convertible bonds of the Company during the year ended 31 March 2011.

Details of the fund raising activities of the Company are set out in the paragraph headed "Fund Raising Exercises During The Year" below.

CURRENT RATIO

As at 31 March 2011, the Group's current ratio, represented by a ratio of current assets to current liabilities, was approximately 4.1 (2010: approximately 14.9).

GEARING RATIO

As at 31 March 2011, the gearing ratio of the Group, based on total liabilities over total assets was approximately 25.2 per cent. (2010: approximately 8.7 per cent.).

DIRECTORS' OPINION ON SUFFICIENCY OF WORKING CAPITAL

In view of the Group's financial and liquidity positions and in the absence of unforeseen circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirements.

BANKING FACILITIES

As at 31 March 2011, the Group did not have any banking facilities (2010: Nil).

CHARGES ON ASSETS

As at 31 March 2011, there was no banking facilities available to the Group (2010: Nil). As of 31 March 2011, the Company and its subsidiaries pledged no asset to banks as security for bank loans and overdraft (2010: HK$Nil).

CONTINGENT LIABILITIES

As at 31 March 2011, the Group did not have any significant contingent liabilities.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC with transactions settled in Renminbi principally and did not have any significant exposure to foreign exchange risk during the year.

EMPLOYEES

As at 31 March 2011, the Group employed 14 and 96 staff in Hong Kong and the PRC respectively (2010: 11 in Hong Kong and 107 in the PRC). The Group has developed its human resources policies and procedures based on performance and merit. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

Share options may be granted to Directors and employees of the Group to subscribe for shares in the Company.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

A. Acquisition of the Common Stock of China Technology Development Group Corporation ("CTDC")

During the year ended 31 March 2011, the Company has acquired on market a total of 1,087,000 Common Stock ("Common Stock") of CTDC, a company incorporated in the British Virgin Islands with limited liability and the common stock of which are listed on Nasdaq Capital Market. The Common Stock represented approximately 4.85% of the common stock of CTDC in issue as at 26 November 2010.

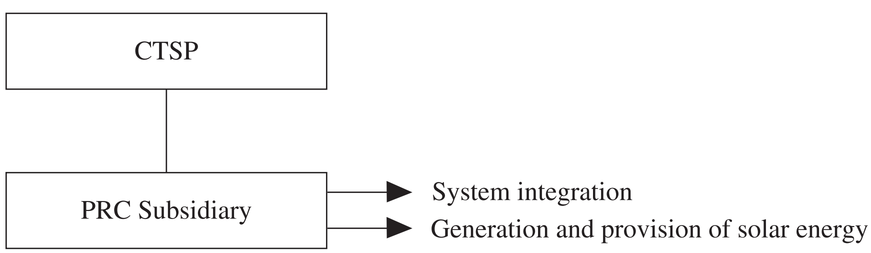
As at the date of this announcement, the Company is still holding the Common Stock and the Board intends to hold the Common Stock for short-term investment purposes.

The Common Stock were acquired at prices ranging from US$2.47558 (equivalent to approximately HK$19.31) to US$2.91737 (equivalent to approximately HK$22.76 per Common Stock) and the consideration for the acquisition is HK$24,249,861.98. The consideration represented the prevailing market price of the Common Stock at the time of the acquisition.

B. Acquisition of the Entire Issued Share Capital of China Technology Solar Power Holdings Limited ("CTSP")

Further to the memorandum of understanding entered into between City Max International Limited ("City Max"), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, Good Million Investments Limited ("Good Million"), a company incorporated in the British Virgin Islands with limited liability, and Mr. Chiu Tung Ping on 15 October 2010, City Max, Good Million, Mr. Chiu Tung Ping and Ms. Yuen Hing Lan entered into an agreement dated 13 December 2010 to formalise the intended acquisition of 2 ordinary shares of US$1.00 each in the share capital of CTSP by City Max at the consideration of HK$292,000,000 (subject to adjustment).

CTSP is principally engaged in solar energy generation and related power system integration business in the PRC:



System integration

CTSP provides system integration services, which is different from contracting and does not provide the related construction works. System integration refers to the optimization of technologies in the civil engineering system, electrical system and other ancillary system, database technologies, surveillance and software management. CTSP shall source equipment and products from different vendors based on the scale and capacity of the respective power stations, and subsequently carry out integration of the separated equipment, functions and information into a connected, unified and coordinated system. System integration enables the utilization of resources at their best so as to enhance optimization of performance of the entire system and achieve centralized, high efficiency, balanced performance, as well as low cost management. CTSP also offers subsequent system management services to the power stations.

To provide system integration service, it does not only require ample knowledge in the structure and construction of power station but also the knowledge in the products and technologies of different manufacturers so as to propose the best system method and technical solution.

Generation and provision of solar energy

Solar energy is generated and converted into electricity via grid connected solar energy power system and transfer the electrical power through inverter directly to the connected grid, instead of going through the storage in batteries. Such technology signifies a new development in solar energy.

Please refer to the circular of the Company dated 16 May 2011 for further details.

FUND RAISING EXERCISES DURING THE YEAR

During the year ended 31 March 2011, the Company has conducted two equity fund raising activities and one issue of convertible bonds as follows:

I. Placing of new shares under general mandate

After trading hours on 3 August 2010, Quam Securities Corporation Limited ("Placing Agent") and the Company entered into the placing agreement ("Placing Agreement") pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, a maximum of 108,600,000 ordinary shares of the Company of HK$0.1 each to not less than six placees at the placing price of HK$0.325 per placing share.

The placing price of HK$0.325 represents (i) a discount of 18.75% to the closing price of HK$0.4 per share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 11.92% to the average closing price of HK$0.369 per share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement.

The reasons of the placing were to enlarge the equity base of the Company and to provide general working capital for the Company's expansion.

All the conditions of the Placing Agreement had been fulfilled and the completion of the placing took place on 18 August 2010 whereby 108,600,000 placing shares were placed to not less than six placees, each an independent third party, through the Placing Agent at HK$0.325 per placing share.

The Company received net proceeds of approximately HK$34.5 million from the placing and the net price to the Company of each placing share is approximately HK$0.318.

The net proceeds were used as general working of the Group. Please refer to the announcements of the Company dated 3 August 2010 and 18 August 2010 for details.

II. Placing of existing shares and subscription for new shares under general mandate

On 18 October 2010, Mr. Hou Hsiao Bing, a substantial shareholder and an executive Director, the Company and the Placing Agent entered into a placing agreement ("Top-up Placing Agreement") pursuant to which Mr. Hou Hsiao Bing has agreed to place, and the Placing Agent has agreed to procure certain placees, on a best effort basis, for the purchase of up to 78,400,000 ordinary shares of the Company of HK$0.1 each at the placing price of HK$0.50 per placing share.

The placing price of HK$0.50 represents (i) a discount of approximately 7.41% to the closing price of HK$0.54 per share as quoted on the Stock Exchange on the date of the Top-up Placing Agreement; and (ii) a discount of approximately 8.09% to the average closing price of HK$0.544 per share as quoted on the Stock Exchange for the last five trading days prior to the date of the Top-up Placing Agreement.

On 18 October 2010, Mr. Hou Hsiao Bing and the Company entered into a subscription agreement pursuant to which Mr. Hou Hsiao Bing has agreed to subscribe for such number of subscription shares which is equivalent to the number of the placing shares, being a maximum number of 78,400,000 ordinary shares of the Company of HK$ 0.1 each at the subscription price of HK$0.50 per subscription share.

The reasons of the subscription were to enlarge the equity base of the Company and to provide general working capital for the Company's business expansion.

All the conditions of the subscription agreement had been fulfilled and the completion of the subscription took place on 29 October 2010 whereby 78,400,000 subscription shares were allotted and issued to Mr. Hou Hsiao Bing at HK$0.50 per subscription share.

The Company received net proceeds of approximately HK$38.5 million. The net price to the Company of each subscription share is approximately HK$0.49. The net proceeds were used for payment of initial deposit of HK$31,200,000 for the major transaction in relation to the acquisition of the entire issued share capital of CTSP and as general working of the Group.

Please refer to the announcements of the Company dated 18 October 2010, 26 October 2010 and 29 October 2010 for details.

III. Placing of convertible bonds under general mandate

On 18 October 2010, the Company and the Placing Agent entered into a placing agreement ("CB Placing Agreement") pursuant to which the Placing Agent has agreed to procure certain placees, on a best effort basis, for the subscription of the convertible bonds ("Convertible Bonds") in the aggregate principal amount of up to HK$26,000,000, which may be converted into 52,000,000 shares at the initial conversion price of HK$0.50 per share of the Company ("CB Placing"). The conversion price of HK$0.50 represents (i) a discount of approximately 7.41% to the closing price of HK$0.54 per share as quoted on the Stock Exchange on the date of the CB Placing

Agreement; and (ii) a discount of approximately 8.09% to the average closing price of HK$0.544 per share as quoted on the Stock Exchange for the last five trading days prior to the date of the CB Placing Agreement.

The reasons of the CB Placing were to enlarge the equity base of the Company and to provide general working capital for the Company's business expansion.

Completion of the CB Placing took place on 5 November 2010 in accordance with the terms of the CB Placing Agreement. Convertible Bonds in the aggregate principal amount of HK$26,000,000 had been issued to three placees, the details of which are as follows:

Name of the placees	Principal amount of the Convertible Bonds
Best Jump International Limited	HK$23,000,000
Ko Chun Fung Henry	HK$2,000,000
Xie Lu	HK$1,000,000

During the year ended 31 March 2011, no conversion rights to the convertible notes had been exercised and no transfer of the Convertible Bonds had been made. The Company received net proceeds of approximately HK$25.4 million. On the basis of 52,000,000 conversion shares may be issued by the Company, the net price to the Company of each conversion share is approximately HK$0.49. The net proceeds were used as general working of the Group.

Please refer to the announcements of the Company dated 18 October 2010, 26 October 2010, 29 October 2010 and 5 November 2010 for details.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the performance of the Group.

The Company has adopted the principles and code provisions in the Code on Corporate Governance Practices (the ''Code'') as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance practices.

In the opinion of the Board, the Company has complied with all code provisions as set out in the Code for the year ended 31 March 2011.

EVENTS AFTER THE REPORTING PERIOD

(a) An extraordinary general meeting was held on 31 May 2011, a resolution was passed to approve the acquisition of the entire issued share capital in the China Technology Solar Power Holdings Limited, at the consideration of HK$292,000,000. The acquisition was completed on 1 June 2011.

(b) The extraordinary general meeting mentioned above also passed a resolution to approve the increase in the authorized share capital of the Company from HK$100,000,000 divided into 1,000,000,000 shares of HK$0.10 each to HK$250,000,000 divided into 2,500,000,000 shares of HK$0.10 each by creation of additional 1,500,000,000 unissued shares in the share capital of the Company.

(c) At an announcement of the Company dated 16 June 2011, the Board proposed to change the name of the Company from "Soluteck Holdings Limited" to "China Technology Solar Power Holdings Limited". The proposed change of Company name will be subject to fulfillment of the following conditions:

    (i) the passing of a special resolution by the Shareholders approving the change of the English name of the Company at the extraordinary general meeting; and

    (ii) the obtaining of the approval of the change of the English name of the Company by the Registrar of Companies in the Cayman Islands.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the financial year ended 31 March 2011. Neither the Company nor any of its subsidiaries purchased or sold any of the shares during the financial year ended 31 March 2011.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises four independent non-executive Directors, including Mr. Tam Kam Biu, William as chairman, Mr. Lai Chun Hung, Ms. Zhang Dandan and Mr. Tang Renhao. The audited consolidated financial statements of the Company for the year ended 31 March 2011 have been reviewed by the Audit Committee.

AUDITORS

The audited financial statements of the Company for the year ended 31 March 2011 have been audited by W.H. Tang & Partners CPA Limited, who will retire and being eligible, offer themselves for reappointment as auditor at the forthcoming annual general meeting of the Company. There is no change to the auditors of the Company in the preceding 3 years.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Note	2011 HK$'000	2010 HK$'000
Revenue	3	**31,878**	27,966
Cost of sales		**(23,423)**	(20,263)
Gross profit		**8,455**	7,703
Other revenue	3	**305**	217
Selling expenses		**(6,039)**	(2,838)
Provision for obsolete inventories		**(1,500)**	–
Impairment loss recognized on accounts receivables		**(1,000)**	(2,000)
Change in fair value of financial assets at fair value through profit or loss		**(5,879)**	–
Written off on other deposit		**(7,745)**	(7,745)
Administrative expenses		**(21,642)**	(23,804)
Loss from operations	4	**(35,045)**	(28,467)
Finance costs	5	**(928)**	–
Loss before taxation		**(35,973)**	(28,467)
Income tax expenses	6	**(379)**	(158)
Loss for the year		**(36,352)**	(28,625)
Other comprehensive income			
Exchange differences on translation of financial statements of overseas subsidiaries		**1,850**	89
Total comprehensive income for the year		**(34,502)**	(28,536)
Loss for the year attributable to:			
Equity holders of the Company		**(36,352)**	(28,625)
Total comprehensive income attributable to:			
Equity holders of the Company		**(34,502)**	(28,536)
Dividend	7	**–**	–
Loss per share			
– Basic	8	**(5.61 cents)**	(5.49 cents)
– Diluted	8	**(6.75 cents)**	(5.64 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

	Note	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		**1,012**	192
Available-for-sale financial assets		**–**	–
		1,012	192
Current assets			
Inventories	*9*	**11,403**	9,238
Accounts receivables	*10*	**9,208**	17,394
Other receivables, deposits and prepayments	*11*	**48,454**	10,912
Financial assets at fair value through profit or loss	*12*	**18,371**	–
Bank balances and cash		**43,235**	22,834
		130,671	60,378
Current liabilities			
Accounts payables	*13*	**1,991**	2,078
Other payables and accruals		**4,489**	1,290
Receipt in advance		**493**	689
Convertible bonds	*14*	**24,540**	–
		31,513	4,057
Net current assets		**99,158**	56,321
Total assets less current liabilities		**100,170**	56,513
Non-current liabilities			
Deferred tax liabilities		**1,626**	1,239
Net assets		**98,544**	55,274
Capital and reserves			
Share capital	*15*	**73,719**	54,379
Reserves		**24,825**	895
Shareholders' funds		**98,544**	55,274

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2011

	Equity attributable to equity holders of the Company							
	Share capital	Share premium	Warrant reserve	Reserve arising from reorganization	Exchange reserve	Convertible bonds reserve	Retained profits (Deficit)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2009	45,316	1,249	–	(24,317)	6,525	–	7,988	36,761
Issue of shares	9,063	29,908	–	–	–	–	–	38,971
Transaction cost on issue of shares	–	(1,602)	–	–	–	–	–	(1,602)
Issue of warrants	–	–	10,000	–	–	–	–	10,000
Transaction cost on issue of warrants	–	–	(320)	–	–	–	–	(320)
Total comprehensive income for the year	–	–	–	–	89	–	(28,625)	(28,536)
At 31 March 2010 and At 1 April 2010	54,379	29,555	9,680	(24,317)	6,614	–	(20,637)	55,274
Issue of shares	18,700	55,795	–	–	–	–	–	74,495
Transaction cost on issue of shares	–	(1,670)	–	–	–	–	–	(1,670)
Equity component of convertible bonds	–	–	–	–	–	2,387	–	2,387
Shares issued on exercise of options	640	1,920	–	–	–	–	–	2,560
Total comprehensive income for the year	–	–	–	–	1,850	–	(36,352)	(34,502)
At 31 March 2011	**73,719**	**85,600**	**9,680**	**(24,317)**	**8,464**	**2,387**	**(56,989)**	**98,544**

Notes:

(a) During the year ended 31 March 2010, the Company issued 100,000,000 warrant at HK$0.10 each for cash. Net proceeds from the issuance of warrant of approximately HK$9,680,000 was recognized as warrant reserve.

(b) The reserve arising from reorganization of approximately HK$24,317,000 represents the difference between the nominal value of the share capital of subsidiaries acquired and the cost of investments in these subsidiaries incurred by the Company in exchange thereof, and has been debited to the reserve of the Group.

(c) On 5 November 2010, the Company issued convertible bonds with a principal amount of HK$26,000,000. Equity component of the convertible bonds of approximately HK$2,387,000 was recognized in the convertible bonds reserve account.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2011

	2011	2010
	HK$'000	*HK$'000*
OPERATING ACTIVITIES		
Loss before taxation	**(35,973)**	(28,467)
Adjustment for:		
Depreciation	**541**	73
Interest income	**(55)**	(11)
Finance cost	**928**	–
Written off on other deposit	**7,745**	7,745
Impairment loss recognized on accounts receivables	**1,000**	2,000
Provision for obsolete inventories	**1,500**	–
Change in fair value of financial assets at fair value through profit or loss	**5,879**	–
Operating cash flows before movements in working capital	**(18,435)**	(18,660)
(Increase) Decrease in inventories	**(3,664)**	3,413
Decrease in accounts receivables	**7,183**	2,129
Increase in other receivables, deposits and prepayments	**(45,287)**	(15,415)
(Decrease) Increase in accounts payables	**(87)**	1,235
Increase (Decrease) in other payables and accruals	**3,199**	(1,892)
Decrease in receipt in advance	**(196)**	(339)
Cash used in operations	**(57,287)**	(29,529)
Interest paid	**(1)**	–
Overseas taxation paid	**(24)**	(408)
NET CASH USED IN OPERATING ACTIVITIES	**(57,312)**	(29,937)
INVESTING ACTIVITIES		
Interest received	**55**	11
Purchase of property, plant and equipment	**(1,365)**	(22)
Purchase of financial assets at fair value through profit or loss	**(24,250)**	–
NET CASH USED IN INVESTING ACTIVITIES	**(25,560)**	(11)
FINANCING ACTIVITIES		
Shares issued	**19,340**	9,063
Proceed from issue of equity shares	**57,715**	29,908
Transaction cost on issue of equity shares	**(1,670)**	(1,602)
Proceed from issue of warrants	**–**	10,000
Transaction cost on issue of warrants	**–**	(320)
Proceed from issue of convertible bonds	**26,000**	–
NET CASH FROM FINANCING ACTIVITIES	**101,385**	47,049
NET INCREASE IN CASH AND CASH EQUIVALENTS	**18,513**	17,101
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**22,834**	5,642
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**1,888**	91
CASH AND CASH EQUIVALENTS AT ENDED OF YEAR, represented by		
Bank balances and cash	**43,235**	22,834

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2011

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is located at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, George Town, Grand Cayman, Cayman Islands, British West Indies and its principal place of business is located at Room 1104, SUP Tower, 75 King's Road, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as functional currency of the Company.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the sale of electronic banking systems, printing systems and provision of hardware and software technical support services of computer communication systems, technical development of network communication, development and design of system software.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("HK(IFRIC)-Int and HK-Int") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

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

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (as revised in 2008)	Business combinations
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 32 (Amendment)	Classification of rights issues
HKAS 39 (Amendment)	Eligible hedged items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of improvements to HKFRSs issued in 2008
HK(IFRIC)-Int 17	Distribution of non-cash assets to owners
HK-Int 5	Presentations of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause

The application of the new and revised Standards, Amendments and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvement to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures – transfers of financial assets[4]
HKFRS 9	Financial instruments[6]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[5]
HKAS 24 (revised in 2009)	Related party disclosures[3]
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a minimum funding requirement[3]
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 January 2011.
4 Effective for annual periods beginning on or after 1 July 2011.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 "Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial Instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognized financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at either amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

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

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidate financial statements for financial year ended 31 March 2014 and that the application of the new standard might affect the classification and measurement of the Group's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

Other than as described above, the directors of the Company anticipate that the application of the other new and revised Standards, Amendments and Interpretations will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the sales of self-service automatic teller machine ("ATM") systems and printing systems, and the provision of hardware and software technical support services. Revenue during the year is as follows:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**23,593**	18,648
Rendering of services	**8,285**	9,318
	31,878	27,966
Other revenue		
Government subsidies for business development	**154**	111
Interest income	**55**	11
Others	**96**	95
	305	217
Total revenue	**32,183**	28,183

Business segments

The Group is organized into two main business segments:

i. Sales of goods – sales of self-service ATM systems and printing systems

ii. Rendering of services – provision of hardware and software technical support services

	Sales of goods 2011 *HK$'000*	Rendering of services 2011 *HK$'000*	Total 2011 *HK$'000*
Revenue	**23,593**	**8,285**	**31,878**
Segment results	**608**	**(1,103)**	**(495)**
Other revenue			**252**
Unallocated costs			**(34,802)**
Loss from operations			**(35,045)**
Finance costs			**(928)**
Loss before taxation			**(35,973)**
Income tax expenses			**(379)**
Loss for the year			**(36,352)**

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

	Sales of goods 2011 *HK$'000*	Rendering of services 2011 *HK$'000*	Total 2011 *HK$'000*
Segment assets	**34,557**	**10,213**	**44,770**
Property, plant and equipment (for corporate)			**265**
Other receivables, deposits and prepayments (for corporate)			**34,043**
Financial asset at fair value through profit or loss (for corporate)			**18,371**
Bank balances and cash (for corporate)			**34,234**
Consolidated assets			**131,683**
Segment liabilities	**2,460**	**1,871**	**4,331**
Other payables and accruals (for corporate)			**4,268**
Convertible bonds (for corporate)			**24,540**
Consolidated liabilities			**33,139**

	Sales of goods 2010 *HK$'000*	Rendering of services 2010 *HK$'000*	Total 2010 *HK$'000*
Revenue	18,648	9,318	27,966
Segment results	–	(384)	(384)
Other revenue			206
Unallocated costs			(28,289)
Loss from operations			(28,467)
Finance costs			–
Loss before taxation			(28,467)
Income tax expenses			(158)
Loss for the year			(28,625)

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

	Sales of goods 2010 *HK$'000*	Rendering of services 2010 *HK$'000*	Total 2010 *HK$'000*
Segment assets	15,977	16,638	32,615
Property, plant and equipment (for corporate)			7
Other receivables, deposits and prepayments (for corporate)			8,142
Bank balances and cash (for corporate)			19,806
Consolidated assets			60,570
Segment liabilities	2,078	1,156	3,234
Other payables and accruals (for corporate)			2,062
Consolidated liabilities			5,296

For the purpose of monitoring segment performances and allocation resources among segments:

– all assets are allocated to reportable-segments, other than corporate assets of the Group

– all liabilities are allocated to reportable-segments, other than liabilities not directly related to operation of segments such as other payables and accruals, convertible bonds for corporate.

Other segments information

Amounts included in the measure of segment profits or loss or segment assets:

	Sales of goods 2011 *HK$'000*	**Rendering of services 2011** *HK$'000*	**Total 2011** *HK$'000*
Additions to property, plant and equipment	**5**	**1,091**	**1,096**
Depreciation of property, plant and equipment	**7**	**523**	**530**
Impairment loss recognized on accounts receivables	**500**	**500**	**1,000**
Provision for obsolete inventories	**500**	**1,000**	**1,500**

	Sales of goods 2010 *HK$'000*	Rendering of services 2010 *HK$'000*	Total 2010 *HK$'000*
Additions to property, plant and equipment	15	–	15
Depreciation of property, plant and equipment	–	19	19
Impairment loss recognized on accounts receivables	500	1,500	2,000
Bad debt written off	531	251	782
Written off of obsolete inventories	615	717	1,332

Geographical information

No geographical analysis is provided as less than 10% of the consolidated revenue and less than 10% of the operating results of the Group are attributable to markets outside the PRC. Therefore, no geographical information is presented.

Information about major customers

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

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Customer A – Sales of goods	**1,045**	4,393
Customer A – Rendering of services	**3,138**	5,037
Customer B – Sales of goods	**3,898**	973
Customer C – Sales of goods	**3,765**	4,503
Customer C – Rendering of services	**210**	–

4. LOSS FROM OPERATIONS

Loss from operations is stated after crediting and charging the following:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Crediting:		
Net foreign exchange gains	**193**	12
Charging:		
Auditors' remuneration		
– current year	**284**	251
– underprovision in last year	**9**	5
Cost of inventories	**18,403**	15,602
Depreciation	**541**	73
Change in fair value of financial assets at fair value through profit or loss	**5,879**	–
Operating leases for land and building	**2,324**	2,098
Bad debts written off	**–**	1,182
Provision for obsolete inventories	**1,500**	–
Written off of obsolete inventories	**–**	1,332
Impairment loss recognized on accounts receivables	**1,000**	2,000
Written off on other deposit	**7,745**	7,745
Research and development costs	**178**	133
Provision for long service payment	**570**	–
Staff costs (including directors' emoluments and research and development costs)	**13,002**	10,848

5. FINANCE COSTS

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Imputed finance costs on convertible bonds	**927**	–
Interest on bank overdraft	**1**	–
	928	–

6. INCOME TAX EXPENSES

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands until 2021. The Company's subsidiaries established in the British Virgin Islands is incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, is exempted from payment of the British Virgin Islands income taxes.

The Company's subsidiaries established in the PRC are subject to enterprise income tax ("EIT") rate of 22% – 25% (2010: 20% – 25%).

No provision for Hong Kong profits tax has been made as there is no assessable profit (2010: nil) for the subsidiaries operating in Hong Kong during the year ended 31 March 2011.

The amount of taxation charged to the consolidated statement of comprehensive income represents:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Current income tax:		
– Hong Kong Profits Tax	**–**	–
– Overseas taxation	**4**	408
Underprovision in prior years	**20**	–
Deferred taxation	**355**	(250)
Income tax expenses	**379**	158

The income tax expenses can be reconciled to the loss before taxation as per the consolidated statement of comprehensive income as follows:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Loss before taxation	**(35,973)**	(28,467)
Calculated at a rate of income tax of 16.5% (2010: 16.5%)	**(5,935)**	(4,697)
Effect of difference rate of income tax in other countries	**(137)**	(256)
Tax effect on expenses not deductible for taxation purposes	**5,525**	4,673
Tax effect on tax losses not recognized	**1,353**	493
Tax effect of utilization of tax loss not previously recognized	**(782)**	–
Others	**355**	(55)
	379	158

7. DIVIDEND

No dividend was paid or proposed during the two years ended 31 March 2011 and 2010 nor has any dividend been proposed since the end of reporting date.

8. LOSS PER SHARE

Basic

	2011	2010
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted earning per share	**36,352**	28,625

	2011	2010
Number of share		
Weighted average number of ordinary shares for the purpose of basic earning per share	**647,712,072**	521,134,572
Effect of dilutive potential ordinary shares:		
Warrants issued by the Company	**(108,962,155)**	(13,377,726)
Weighted average number of ordinary shares for the purpose of basic earning per share	**538,749,917**	507,756,846

9. INVENTORIES

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Merchandize for re-sale	**11,066**	6,770
Spare parts	**3,837**	4,468
	14,903	11,238
Less: Provision for slow moving and obsolete inventories	**(3,500)**	(2,000)
	11,403	9,238

10. ACCOUNTS RECEIVABLES

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Accounts receivables	**13,979**	21,162
Less: Allowance for doubtful debts	**(4,771)**	(3,768)
	9,208	17,394

The majority of the Group's sales are on open account in accordance with terms specified in the contracts governing relevant transactions. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

At 31 March 2011 the ageing analysis of the Group's accounts receivables was as follows:

	2011	2010
	HK$'000	*HK$'000*
Current to 60 days	**3,265**	8,197
61 – 90 days	**3,399**	2,339
Over 90 days	**7,315**	10,626
	13,979	21,162
Less: Allowance for doubtful debts	**(4,771)**	(3,768)
	9,208	17,394

As at 31 March 2011, the top five customers accounted for 51.39% (2010: 72.75%) of the Group's accounts receivables. The overdue but not impaired balances are approximately HK$2,544,000 (2010: HK$6,858,000).

Movement in the allowance for doubtful debts:

	2011	2010
	HK$'000	*HK$'000*
Balance at the beginning of the year	**3,768**	1,768
Impairment loss recognized on accounts receivables	**1,000**	2,000
Exchange adjustment	**3**	–
Balance at end for the year	**4,771**	3,768

At 31 March 2011 and 2010, the analysis of accounts receivables that were past due but not impaired are as follows:

	2011	2010
	HK$'000	*HK$'000*
Over 90 days	**2,544**	6,858

Accounts receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Accounts receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables, deposits and prepayments included the following:

(a) Deposit of approximately HK$31,200,000 (2010: approximately HK$7,745,000) for the acquisition of an investment.

(b) Deposit of approximately HK$11,635,000 (2010: Nil) for purchase of trading goods.

(c) Loan receivable of approximately HK$190,000 (2010: Nil). The loan is secured, interest free and repayable within one year.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group and the Company	
	2011	2010
	HK$'000	*HK$'000*
Listed securities held for trading:		
Market value of equity securities listed In New York		
Cost	**24,250**	–
Impairment loss	**(5,879)**	–
	18,371	–

13. ACCOUNTS PAYABLES

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Accounts payables	**1,991**	2,078

At 31 March 2011, the ageing analysis of the Group's accounts payables was as follows:

	2011	2010
	HK$'000	*HK$'000*
Current to 60 days	**1,967**	1,924
61 – 90 days	**–**	–
Over 90 days	**24**	154
	1,991	2,078

14. CONVERTIBLE BONDS

Zero-Coupon Bonds due 2011

On 5 November 2010, the Company issued the Bonds due on 5 November 2011 with a principal amount of HK$26,000,000, which is interest free, as a general working capital for the Company's business expansion. The Bonds are convertible into fully paid ordinary shares with a conversion price of HK$0.5 per conversion share.

Upon full conversion of the Bonds at the conversion price of HK$0.5 per ordinary share of the Company, a total of 52,000,000 new ordinary shares, as at 31 March 2010 and 2011, would be issued by the Company upon the exercise of the conversion rights attached to the Bonds. The Company shall redeem any convertible bonds which remain outstanding on the maturity date at its principal amount.

None of the Bonds were converted from the date of issue to the end of the reporting period.

The convertible bonds contain liability and equity components. The effective interest rate of the liability component is 9.8652% per annum. The equity component is presented under the equity heading of "convertible bonds reserve".

The fair value of the liability component of the convertible bonds at the issue date was valued by an independent valuer determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan.

The movement of the liability component of the convertible bonds for the year is set out below:

	The Group and the Company	
	2011	2010
	HK$'000	*HK$'000*
Nominal value of convertible bonds issued	**26,000**	–
Equity component	**(2,387)**	–
Liability component at the issuance date	**23,613**	–
Imputed finance costs *(note 5)*	**927**	–
Carrying amount at the end of the year	**24,540**	–

15. SHARE CAPITAL

	Authorized Ordinary shares of HK$0.1 each	
	No. of shares	*HK$'000*
At 31 March 2010 and 2011	1,000,000,000	100,000

	Issued and fully paid Ordinary shares of HK$0.1 each	
	No. of shares	*HK$'000*
At 1 April 2009	453,162,072	45,316
Shares issued pursuant to placing and subscription agreement	90,630,000	9,063
At 31 March 2010 and At 1 April 2010	543,792,072	54,379
Shares issued pursuant to placing and subscription agreement	187,000,000	18,700
Shares issued pursuant to exercise of share options	6,400,000	640
At 31 March 2011	737,192,072	73,719

During the year, the movements in share capital were as follows:

(a) Issuance of new shares

On 18 August 2010 and 29 October 2010, pursuant to placing and subscription agreements the Company issues 108,600,000 shares and 78,400,000 shares of HK$0.325 and HK$0.5 each respectively, for cash. The total proceeds and net proceeds from the placing of shares, after deducting all related expenses, were approximately HK$74,495,000 and HK$72,825,000. The Company has utilized the net proceed for providing general working capital for the Company's business expansion and were used for payment of initial deposit in relation to the acquisition of an investment.

(b) Exercise of share options

On 27 September 2010 and 22 November 2010, 4,400,000 share options and 2,000,000 share options were exercised and 6,400,000 shares were issued pursuant to exercise of share options.

Issuance of unlisted warrants

On 23 December 2009, 100,000,000 unlisted warrants of HK$0.10 each for cash had been issued. The total proceeds and net proceeds from the placing of warrants, after deducting all related expenses, were approximately HK$10,000,000 and HK$9,680,000. The Company has utilized the net proceed as general working capital. During the year, no warrant was exercised.

Share options

(a) Under a share option scheme approved and adopted by the shareholders on 13 December 2000 (the "Share Option Scheme"), the directors of the Company may, at their discretion, invite full-time employees including executive directors to take up options to subscribe for shares in the Company representing up to a maximum of 30% of the shares in issue from time to time (excluding shares issued up on the exercise of options granted under the share option scheme).

(b) On 13 December 2000, Pre-IPO share options (the "Pre-IPO share options") were granted to certain directors of the Company and employees of the Group, respectively under the Share Option Scheme to subscribe for the shares of the Company. The exercise prices of these share options range from HK$0.2 to HK$0.4 per share. All options are only exercisable to the extent of an aggregate total of 25 per cent., 50 per cent., 75 per cent. and 100 per cent. of the Pre-IPO Share Options in each of the first to fourth anniversaries of the commencement of the trading of the shares of the Company on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, respectively. These options have a life of 10 years from the date on which the grant was made.

(c) During the year, 6,400,000 options were exercised under the Share Option Scheme (2010: Nil) and there was no options granted under the Share Option Scheme for the year ended 31 March 2011 and 31 March 2010 respectively. In addition, there was no options were lapsed upon resignation of the relevant employees of the Group (2010: Nil). As at 31 March 2011, no option to subscribe for Nil (2010: 6,400,000) shares of the Company was outstanding.

(d) The Company has adopted a new share option scheme ("New Scheme") and terminated the Share Option Scheme by shareholders' resolutions passed at its Annual General Meeting held on 30 July 2004. The New Scheme became effective on 30 July 2004. Upon the termination of the Share Option Scheme on 30 July 2004, no further options may be offered under the Share Option Scheme but the Share Option Scheme would in all respects remain in force to the extent necessary to give effect to the exercise of the outstanding Pre-IPO Share Options granted under it prior to its termination. The outstanding Pre-IPO Share Options will continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme. No option shares have been granted under the New Scheme to any person since its adoption.

By order of the Board
Soluteck Holdings Limited
Chiu Tung Ping
Chairman and executive Director

Hong Kong, 24 June 2011

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:	*Chiu Tung Ping (Chairman)*
	Yuen Hing Lan
	Hou Hsiao Bing
	Hou Hsiao Wen
	Zeng Xiangyi
	Wang Daling
	Xu Wei
	Leung King Pak
Independent non-executive Directors:	*Tam Kam Biu, William*
	Lai Chun Hung
	Zhang Dandan
	Tang Renhao

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