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REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Tianbao Holdings Limited:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Tianbao Holdings Limited and its subsidiaries ("the Group"), which are comprised of the consolidated statement of financial position as at March 31, 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Tianbao Holdings Limited as at March 31, 2014, and of their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Gregory Scott

Chicago, Illinois USA
June 30, 2014

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 USD	2013 USD
Revenue	7	-	-
Administrative expenses		(596,968)	(668,912)
Operating loss		(596,968)	(668,912)
Other income / other gains	8	379	12,555,672
Finance costs	9	(55,547)	(114,734)
Gain on disposal of subsidiary	10	-	21,227
(Loss) / profit before tax		(652,136)	11,793,253
Income tax expense	11	-	(3,138,825)
(Loss) / profit for the year		(652,136)	8,654,428
Other comprehensive income			
Foreign currency translation differences		(25,127)	650,314
Total comprehensive (loss) / income for the year		(677,263)	9,304,742
Earnings per share - basic and diluted	13	(0.03)	0.35

The notes on pages 5 to 32 are an integral part of these consolidated financial statements.

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Notes	2014	2013
		USD	USD
ASSETS			
Property, plant and equipment	14	39,940	73,282
Goodwill	15	-	-
Investment property	16	17,163,257	17,180,943
NON-CURRENT ASSETS		17,203,197	17,254,225
Prepayment and deposits	17	21,218,742	21,188,985
Bank balances and cash	18	95,655	107,758
CURRENT ASSETS		21,314,397	21,296,743
TOTAL ASSETS		38,517,594	38,550,968
EQUITY			
Share capital	20	1,425	1,425
Share premium		1,423,279	1,423,279
Reserves	21	4,378,606	4,403,733
Retained earnings		27,101,870	27,754,006
TOTAL EQUITY		32,905,180	33,582,443
LIABILITIES			
Deferred tax liabilities		3,135,594	3,138,825
NON-CURRENT LIABILITIES		3,135,594	3,138,825
Current tax liabilities		-	-
Trade and other payables	19	886,812	855,304
Due to related parties	25	1,590,008	974,396
CURRENT LIABILITIES		2,476,820	1,829,700
TOTAL EQUITY AND LIABILITIES		38,517,594	38,550,968

The notes on pages 5 to 32 are an integral part of these consolidated financial statements.

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

	Share Capital	Share Premium	Reserves	Retained Earnings	Owners' Equity
	USD	USD	USD	USD	USD
Balance at 01 April 2012	1,425	1,423,279	3,753,419	19,099,578	24,277,701
Profit for the year	-	-	-	8,654,428	8,654,428
Total other comprehensive income	-	-	650,314	-	650,314
Balance at 31 March 2013	1,425	1,423,279	4,403,733	27,754,006	33,582,443
Loss for the year	-	-	-	(652,136)	(652,136)
Total other comprehensive loss	-	-	(25,127)	-	(25,127)
Balance at 31 March 2014	1,425	1,423,279	4,378,606	27,101,870	32,905,180

The notes on pages 5 to 32 are an integral part of these consolidated financial statements.

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	2014 USD	2013 USD
Cash flows from operating activities:		
(Loss) / profit for the year	(652,136)	8,654,428
Adjustments for:		
Deferred income tax expense	-	3,138,825
Depreciation of property, plant and equipment	34,789	33,040
Interest income	(364)	(349)
Gain arising on changes in fair value of investment property	-	(12,555,299)
Gain on disposal of subsidiary	-	(21,227)
Interest paid	55,547	114,734
Operating cash flows before movements in working capital	(562,164)	(635,848)
Prepayment and deposits	(52,408)	(71,896)
Other receivables	-	12,496
Trade and other payables	32,915	(17,840)
Cash used in operations	(581,657)	(713,088)
Interest paid	(55,547)	(114,734)
Net cash used in operating activities	**(637,204)**	**(827,822)**
Cash flows from investing activities:		
Net cash inflow on disposal of subsidiary	-	1,568,761
Interest income	364	349
Acquisition of property, plant and equipment	(981)	(7,293)
Net cash (used in) / provided by investing activities	**(617)**	**1,561,817**
Cash flows from financing activities:		
Advances from / (repayment to) related parties	626,644	(740,618)
Net cash provided by / (used in) financing activities	**626,644**	**(740,618)**
Effect of exchange rate change on cash and cash equivalents	(926)	(1,804)
Net decrease in cash	**(12,103)**	**(8,427)**
Cash and cash equivalents at beginning of year	**107,758**	**116,185**
Cash and cash equivalents at end of year	**95,655**	**107,758**
Cash and cash equivalents represented by bank balances and cash (Note 18)	**95,655**	**107,758**

The notes on pages 5 to 32 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Tianbao Holdings Limited ("Tianbao" or the "Company") was incorporated in the nation of Bermuda on October 11, 2013. The Company was originally organized as a "Blank check" or "shell" company to investigate and acquire a target company or business seeking the perceived advantages of being a publicly held corporation. The ultimate controlling party is Mr. Lian Hai Tao. The addresses of its registered office and principal place of business is at Penboss Building, 50 Parliament Street, Hamilton, HM 12, Bermuda. The principal activities of its subsidiaries are set out in Note 26.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

Amendments to IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current year, the Group has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding the transitional guidance. IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - CONTINUED

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation - Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee. Some guidance included in IFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

As all the subsidiaries are wholly owned by the Group, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the consolidated financial statements.

Impact of the application of IFRS 11

IFRS 11 replaces IAS 31 Interests in Joint Ventures, and the guidance contained in a related interpretation. SIC-13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers, has been incorporated in IAS 28 (as revised in 2011) IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement Previously, IAS 31 contemplated three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - CONTINUED

Impact of the application of IFRS 11 - Continued

As the Group does not have any investments in Associates and Joint Ventures in place, the application of the amendments has had no impact on the disclosures in the consolidated financial statements.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements (please see notes 4 and 26 for details).

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction m the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2013 comparative period (please see note 16 for the 2014 disclosures). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - CONTINUED

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' [and the 'income statement' is renamed as the 'statement of profit or loss']. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to IAS 1 Presentation of Financial Statements
(as part of the Annual Improvements to IFRSs 2009 - 2011 Cycle issued in May 2012)

The Annual Improvements to IFRSs 2009 - 2011 have made a number of amendments to IFRSs. The amendments that are relevant to the Group are the amendments to IAS 1 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied a number of new and revised IFRSs, which has resulted in no effects on the information in the consolidated statement of financial position as at 1 April 2013. In accordance with the amendments to IAS 1, the Group does not require to present a third statement of financial position as at 1 April 2013.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - CONTINUED

IAS 19 Employee Benefits (as revised in 2011)

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The directors of the Company anticipate that the application of IAS 19 has had no impact to the Group's financial statements as the Group does not engage in such activities.

New and revised IFRSs in issue but not yet effective

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

IFRS 9	Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures2
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]

1 Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 :

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - CONTINUED

IFRS 9 Financial Instruments

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

  Base on the Group's financial assets and liabilities as at 31 March 2014, the directors of the Company anticipate that the adaption of IFRS 9 in the future may have no material impact on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:
- Obtain funds from one or more investors for the purpose of providing them with professional investment management services.
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

The directors of the Company do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The directors of the Company do not anticipate that the application of these amendments to IAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability,
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of consolidation

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

No revenue was recorded by the Group during the year.

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

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognized as a reduction of rental expense over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Foreign currencies

Functional and Presentation Currency

The functional currency represents the currency of the primary economic environment in which the entity operates. Management has determined the functional currency to be Renminbi ("RMB").

Foreign currency transactions occurring in a denomination other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 operations, except for currency translation adjustments related to equity method investments, which is recognized directly as a component of shareholders' equity in other comprehensive income / (loss).

For situations where a currency other than the functional currency is used for financial statement presentation purposes, assets and liabilities are translated at the closing rate at the date of the statement of financial position; income and expenses 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 at the rate on the dates of the translations); and all resulting exchange differences are recognized in other comprehensive income. The Company's functional currency is the Renminbi (RMB) and their presentation currency is the United States dollar (USD). Therefore, a foreign currency translation adjustment to convert RMB to USD is reflected as a component of other comprehensive income in the accompanying consolidated financial statements.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

Retirement benefit costs

Payments made to state-managed retirement benefit scheme are recognized as expenses when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Taxation

Taxable profit differs from 'profit before tax' as reported in the consolidated [statement of profit or loss and other comprehensive income/statement of profit or loss] because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Group has no income tax liability for the current year.

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

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

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

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investment property

Investment property is stated at fair value when its fair values become reliably determinable or upon completion of its construction, whichever is the earlier, otherwise at cost less provision for impairment. Changes in value are included in income statement.

Construction costs incurred for investment property are capitalised as part of the carrying amount of the investment property.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

For a transfer from stock of properties to investment property (which is evidenced by commencement of an operating lease) that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Provisions

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

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments

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

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

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counter party; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments (Cont'd)

Financial assets (Cont'd)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate.

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

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

Financial liabilities

The Group's financial liabilities, which include trade and other payables and due to related parties are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. The related interest expense is recognized within "finance costs" in the statement of comprehensive income.

Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amoritization process.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

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

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments (Cont'd)

Financial liabilities (cont'd)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - CONTINUED

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of property

The Group determines whether a property is classified as investment property or inventory property:

- Investment property comprised land and buildings (principally offices, commercial warehouse and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

Valuation of property

Investment property is valued at fair value as determined by independent real estate valuation experts, except if such values cannot be reliably determined. In the exceptional cases when a fair value cannot be reliably determined, such properties are recorded at cost. The fair value of investment properties is determined using either the Discounted Cash Flow Method or the Residual Method.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue steams. Capital values of fixtures and fittings, plant and machinery, and environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties. These estimates are based on local market conditions existing at reporting date.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are expected to be shorter than estimated, or it will write-off or write-down obsolete or non-strategic assets that have been abandoned or sold. Change in these estimations may have a material impact on the results of the Group. Details of the movement of property, plant and equipment and the estimated useful lives are set out in Note 14.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - CONTINUED

Key sources of estimation uncertainty-continued

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, reserves and retained earnings.

The directors of the Company review the capital structure on a periodical basis. As part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Financial instrument classification	Carrying amount at 31 March	
		2014 USD	2013 USD
Financial assets			
Bank balances and cash	Loans and receivables	95,655	107,758
		95,655	107,758
Financial liabilities			
Trade and other payables *	At amortised cost	869,546	839,761
Due to related parties	At amortised cost	1,590,008	974,396
		2,459,554	1,814,157

* Excluded payroll and welfare payables and accruals.

Financial risk management objectives and policies

The management monitors and manages the financial risks relating to the operations of the Group through internal risk assessment which analyses exposures by degree and magnitude of risks. The risks included market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the bank balances. The Group's borrowings have fixed interest rates and therefore, are subject to fair value interest rate risk.

No sensitivity analysis was prepared for bank balances as the financial impact arising on changes in interest rates was minimal for the years ended 31 March 2014 and 2013.

Currency risk

Certain bank balances and other borrowing of the Group are denominated in Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL INSTRUMENTS- CONTINUED

Currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	31 March	
	2014	2013
	USD	USD
Bank balances	-	-

Credit risk

The Group reviews the financial background and credit worthiness of the third party to whom advances are granted and the management does not expect any significant credit risk.

There is no guarantee provided to banks and others as at 31 March 2014 and 2013.

The credit risk on liquid funds is limited because the counterparties comprise of a number of banks which are state-owned banks located in the PRC or those with high credit ratings assigned by PRC or international credit-rating agencies.

Other than the concentration of the credit risk on loans and advances receivable and bank balances, the Group does not have any other significant concentration of credit risk.

Liquidity risk

In the management of the liquidity risk, the Group closely monitors its cash position resulting from its operations and maintains a level of cash and cash equivalents deemed adequate by the management to meet in full its financial obligations as they fall due for the foreseeable future. The management monitors the utilisation of bank and other borrowings.

The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the next twelve months from the issuance date of this report after taking into consideration of internal generated funds.

Fair value

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. REVENUE AND SEGMENT INFORMATION

The group has no revenue recorded during the years ended 31 March 2014 and 2013.

The Group principally operates in the PRC (country of domicile of the operating subsidiary). No material non-current assets of the Group are located outside the PRC.

All of the Group's revenue from external customers, if any, is attributed to the Group entities' countries of domicile (ie. the PRC).

8. OTHER INCOME / OTHER GAINS (LOSSES)

	2014 USD	2013 USD
Sundry income	15	24
Interest income from bank deposits	364	349
Gain arising on change in fair value of investment property	-	12,555,299
	379	12,555,672

9. FINANCE COSTS

	2014 USD	2013 USD
Interest on :		
Other borrowings wholly repayable within five years	55,547	114,734

10. DISPOSAL OF A SUBSIDIARY

On 31 December 2013, the Group disposed of a subsidary, Henan Taihang Real Estate Co., Ltd.

Consideration recceived	2014 USD	2013 USD
Consideration received in cash and cash equivalents	-	1,568,800

10. DISPOSAL OF A SUBSIDIARY- CONTINUED

Analysis of asset and liabilities over which control was lost	2014 USD	2013 USD
Current assets :		
Cash and cash equivalents	-	39
Other receivables	-	22,547
Real estate held for development or sale	-	27,838
Prepaid expenses and other deposits	-	3,380,745
Non-current assets:		
Goodwill	-	216,589
Current liabilities:	-	
Accrued liabilities	-	(1,124)
Other payables	-	(2,038,649)
Due to related parties	-	(24,638)
Net assets disposed of	-	1,583,347

Gain on disposal of a subsidiary

Consideration received	-	1,568,800
Net assets disposed of	-	(1,583,347)
Cumulative exchange gain in respect of the net assets of the subsidiary to profit or loss on loss of control of subsidiary	- -	35,774
Gain on disposal	-	21,227

Net cash inflow on disposal of a subsidiary

Consideration received in cash and cash equivalents	-	1,568,800
Less : cash and cash equivalent balances disposed of	-	(39)
	-	1,568,761

In order to make the "Xing Long Pu" project more efficient, Henan Tianbao Real Estate Company Limited “Henan Tianbao" (Seller), a wholly-owned subsidiary of First Jet International Limited entered into a Shares Sales and Purchase Agreement with Madam Li Yu Jiao (Buyer) and Mr. Feng Li (Buyer) to sell 100% equity interest in Henan Taihang Real Estate Co., Ltd. ("Taihang") for the total consideration of RMB 10,000,000 on November 01, 2013.

On December 31, 2013, the disposal of equity interest in "Taihang" was completed, the results of "Taihang"'s operation is ceased to be consolidated from the date on which control ceases.

11. INCOME TAX EXPENSE

	2014	2013
Current income tax expense	USD	USD
Current income tax expense for the Group is computed as follows:		
（Loss) / income before income taxes	(652,136)	11,793,253
Expected current income tax expense based on the Chinese statutory tax rate of 25%	(163,034)	2,948,313
Deferred income tax liability on fair value gain on investment property	-	(3,138,825)
Valuation allowance on deferred tax assets	163,034	190,512
Current income tax expense (benefit) for the year	-	-
Total income tax expense		
The components of the Group's total income tax expense consists of the following:		
Current income tax expense	-	-
Deferred income tax expense	-	(3,138,825)
Total income tax expense for the year	-	(3,138,825)
Deferred income tax asset (liability)		
The activity in the Group's deferred income tax asset (liability) consists of the following:		
Balance at beginning of the year	(3,138,825)	-
Exchange on consolidation	3,231	-
Deferred tax liability on fair value gain on investment property	-	(3,138,825)
Deferred tax benefit on current operating losses	163,034	190,512
Valuation allowance on tax benefit from operating losses	(163,034)	(190,512)
Balance at end of the year	(3,135,594)	(3,138,825)
Current income tax asset (liability)		
The activity in the Group's current income tax asset (liability) consists of the following:		
Balance at beginning of the year	-	-
Income tax expense for the year	-	-
Adjustment for tax expense	-	-
Income taxes (paid) refunded during the year	-	-
Balance at end of the year	-	-

12. DIRECTORS REMUNERATION

Details of the emoluments paid to the directors of the Company for the years ended 31 March 2014 and 2013 are as follow:

	2014 USD	2013 USD
Directors'		
- fees	-	-
- salaries and other benefits	22,123	20,923
- retirement benefits scheme contributions	1,394	1,312
	23,517	22,235

None of the directors waived any remuneration during the years ended 31 March 2014 and 2013.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares in issue during the year.

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

	2014	2013
Earnings		
(Loss) / profit attributable to equity holders of the Company (USD)	(625,136)	8,654,248
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	25,000,000	25,000,000

No diluted earnings per share are presented as there was no potential ordinary share outstanding during the year or as at the end of reporting period.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvement USD	Motor Vehicles USD	Other Equipments USD	Total USD
Cost:				
At 01/04/2012	52,401	40,885	60,923	154,209
Exchange on consolidation	732	572	1,041	2,345
Additions	-	-	7,293	7,293
Disposal	-	-	(16,020)	(16,020)
At 31/03/2013 and at 01/04/2013	53,133	41,457	53,237	147,827
Exchange difference	(55)	(43)	(70)	(168)
Additions	-	-	981	981
At 31/03/2014	53,078	41,414	54,148	148,640
Aggregate depreciation and impairment losses				
At 01/04/2012	10,189	14,770	30,915	55,874
Exchange on consolidation	597	307	747	1,651
Provided for the year	17,257	3,838	11,945	33,040
Disposal	-	-	(16,020)	(16,020)
At 31/03/2013 and at 01/04/2013	28,043	18,915	27,587	74,545
Exchange on consolidation	(318)	(84)	(232)	(634)
Provided for the year	17,981	3,998	12,810	34,789
At 31/03/2014	45,706	22,829	40,165	108,700
Carrying values				
At 31/03/2014	7,372	18,585	13,983	39,940
At 31/03/2013	25,090	22,542	25,650	73,282

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives taking into account of their estimated residual value:

Leasehold improvement, other equipments	3-5 years
Motor vehicles	10 years

15. GOODWILL

	31 March	
	2014	2013
	USD	USD
Cost		
Balance at beginning of year	-	214,273
Acquisition of a subsidiary	-	-
Disposal of a subsidiary	-	(216,589)
Exchange differences	-	2,316
Balance at end of year	-	-
Impairment		
Balance at beginning and end of year	-	-
Carrying values		
Balance at end of year	-	-

16. INVESTMENT PROPERTY

	31 March	
	2014	2013
	USD	USD
Balance at beginning of year	17,180,943	4,263,533
Disposals	-	(27,838)
Gain arising on change in fair value of investment property	-	12,555,299
Exchange translation	(17,686)	389,949
Balance at end of year	17,163,257	17,180,943

During the year ended March 31, 2013, the Company's Zhengzhou West Road investment property has been re-designated from low income housing to a higher level commercial-use property by the local government. As a result, the Company changed its accounting policy from the cost model to a more appropriate fair value model, and recorded a USD12,555,299 fair value gain on its investment property during the year ended March 31, 2013, and has recognized this gain in the accompanying consolidated statement of comprehensive income.

The fair value of the investment property held by the Group at 31 March 2014 and 31 March 2013 has been arrived at on the basis of a valuation carried out on the respective dates by Zhengzhou Lixin Real Estate Valuation and Consulting Company Limited.

Zhengzhou Lixin Real Estate Valuation and Consulting Company Limited is an independent firm of professional valuers not connected with the Group, who have appropriate qualification and recent experience in the valuation of similar properties in the relevant location. The fair value was arrived at by making reference to comparable sales evidence as available in the relevant market. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

17. PREPAYMENT AND DEPOSITS

	31 March	
	2014	2013
	USD	USD
Advances to suppliers	15,249	26,328
Rental deposits	9,651	9,725
Prepaid purchases and expenses	283,795	221,318
Prepaid land use right	20,910,048	20,931,614
	21,218,743	21,188,985

18. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks.

19. TRADE AND OTHER PAYABLES

	31 March	
	2014	2013
	USD	USD
Land compensation payable to farmers	217,196	217,419
	217,196	217,419
Accured expenses	17,266	15,543
Security deposits received	-	-
Other payables	652,350	622,342
Total trade and other payables shown under current liabilities	886,812	855,304

20. SHARE CAPITAL

	2014
	USD
Authorized:	
100,000,000 ordinary shares of par value US$ 0.0001 each	10,000
Issued and fully paid:	
25,000,000 ordinary shares of par value US$ 0.0001 each	2,500

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

21. RESERVES

	31 March	
	2014	2013
	USD	USD
Foreign currency translation reserve	2,174,007	2,199,134
Statutory surplus reserve	2,204,599	2,204,599
	4,378,606	4,403,733

Statutory surplus reserve is non-distributable and the transfer of this reserve is determined according to the relevant laws in the Mainland China (the "PRC") and by the board of directors of the PRC subsidiary in accordance with the Article of Association of the subsidiary. Statutory surplus reserve can be used to make up for previous years' losses or convert into additional capital of the PRC subsidiary of the Company.

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

22. OPERATING LEASE COMMITEMENTS

The Group as lessee

The minimum lease payment under operating lease in respect of office premises for the year ended 31 March 2014.

At the end of the reporting period, the Group had commitments for future lease payments under non-cancellable operating leases which fall due as follows:

	2014	2013
	USD	USD
Within one year	31,154	119,225
Between second and fifth year inclusive	-	27,721
	31,154	146,946

Operating lease payments represent rental payable by the Group for certain office premises. Lease is negotiated for a term of three years with 8% annual increment.

23 CONTINGENCIES

The Group is subject to legal claims that may arise in the normal course of business. However, management is unaware of any pending or threatened claims that would require adjustment or disclosure to the accompanying financial statements.

24. RETIREMENT BENEFIT PLAN

The employees of the Group are members of state-managed retirement benefit scheme operated by the PRC government. The Company's subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

25. RELATED PARTY DISCLOSURES

At the end of the reporting period, the Group has the following balances with related parties:

Name of related party	Relationship	2014 Non-trade USD	2013 Non-trade USD
Lian Hai Tao	Managing Director	1,362,344	751,389
Zhang Ru Yin	Director	227,664	223,007
		1,590,008	974,396

The amounts due to related parties are unsecured and bear interest of 6% per annum and are without any payment terms specified.

During the years ended 31 March 2014 and 2013, the Group did not provide any financial guarantees to related parties.

26. PARTICULARS OF SUBSIDIARIES

At 31 March 2014, the Company has the following indirectly held, unless otherwise stated, subsidiaries:

Name of subsidiary	Place and date of incorporation	Issued and fully paid registered capital	Effective equity interest attributable to the Group 2014	Effective equity interest attributable to the Group 2013	Principal activities
Tianbao Holdings Limited New Brunswick	Canada 8 November 2011	USD 2,500	100%	100%	Investment Holding
First Jet International Limited	Hong Kong 7 June 2011	HKD 1,000,000	100%	100%	Investment Holding
Henan Tianbao Real Estate Limited	Henan PRC 20 September 2005	RMB 10,000,000	100%	100%	Property Development

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events occurred subsequent to March 31, 2014 that would require adjustment to the accompanying consolidated financial statements.