TIANBAO HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED 31 MARCH 2013

AND

REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

TIANBAO HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED 31 MARCH 2013

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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, 2013, 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, 2013, 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
September 12, 2013

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 USD	2012 USD
Revenue	8	-	-
Administrative expenses		(668,912)	(733,993)
Operating profit / (loss)		(668,912)	(733,993)
Other income / other gains (losses)	9	12,555,672	28,122
Finance costs	10	(114,734)	(35,943)
Gain on disposal of subsidiary	11	21,227	-
Profit / (loss) before tax		11,793,253	(741,814)
Income tax expense	12	(3,138,825)	-
Profit / (loss) for the year		8,654,428	(741,814)
Other comprehensive income	23		
Foreign currency translation differences		650,314	976,955
Total comprehensive income for the year		9,304,742	235,141
Earnings per share - basic and diluted	14	0.35	(0.03)

The notes on pages 6 to 31 are an integral part of these consolidated financial statements.

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Notes	31 March 2013	31 March 2012	01 April 2011
		USD	USD	USD
ASSETS				
Property, plant and equipment	15	73,282	98,335	52,246
Goodwill	16	-	214,273	-
Investment property	17	17,180,943	4,263,533	4,068,721
NON-CURRENT ASSETS		17,254,225	4,576,141	4,120,967
Prepayment and deposits	18	21,186,088	24,155,839	3,593
Loans and advances receivables	19	2,897	37,742	30,898,804
Bank balances and cash	20	107,758	116,185	289,741
CURRENT ASSETS		21,296,743	24,309,766	31,192,138
TOTAL ASSETS		38,550,968	28,885,907	35,313,105
EQUITY				
Share capital	22	1,425	1,425	1,425
Share premium		1,423,279	1,423,279	1,423,279
Reserves	23	4,403,733	3,753,419	2,776,464
Retained earnings		27,754,006	19,099,578	19,841,392
TOTAL EQUITY		33,582,443	24,277,701	24,042,560
LIABILITIES				
Deferred tax liabilities		3,138,825	-	-
NON-CURRENT LIABILITIES		3,138,825	-	-
Current tax liabilities		-	-	8,111,244
Trade and other payables	21	855,304	2,895,788	2,895,557
Due to related parties	27	974,396	1,712,418	263,744
CURRENT LIABILITIES		1,829,700	4,608,206	11,270,545
TOTAL EQUITY AND LIABILITIES		38,550,968	28,885,907	35,313,105

The notes on pages 6 to 31 are an integral part of these consolidated financial statements.

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013

	Share Capital	Share Premium	Reserves	Retained Earnings	Owners' Equity
	USD	USD	USD	USD	USD
Balance at 01 April 2011	1,425	1,423,279	2,776,464	19,841,392	24,042,560
Loss for the year	-	-	-	(741,814)	(741,814)
Total other comprehensive income	-	-	976,955	-	976,955
Balance at 31 March 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

The notes on pages 6 to 31 are an integral part of these consolidated financial statements.

TIANBAO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2013

	2013 USD	2012 USD
Cash flows from operating activities:		
Net profit / (loss)	8,654,428	(741,814)
Adjustments for:		
Deferred income tax expense	3,138,825	-
Depreciation of property, plant and equipment	33,040	23,125
Loss on disposal property plant and equipment	-	(1,549)
Interest income	(349)	(29,585)
Gain arising on changes in fair value of investment property	(12,555,299)	-
Gain on disposal of subsidiary	(21,227)	-
Interest paid	114,734	35,943
Operating cash flows before movements in working capital	(635,848)	(713,880)
Prepaid expense and other deposits	(71,896)	(161,873)
Other receivables	12,496	(7,068,755)
Payables and accruals	(17,840)	(1,325,152)
Cash used in operations	(713,088)	(9,269,660)
Interest paid	(114,734)	(35,943)
Income tax paid	-	(8,315,049)
Net cash used in operating activities	**(827,822)**	**(17,620,652)**
Cash flows from investing activities:		
Net cash inflow on disposal of subsidiary	1,568,761	-
Interest income	349	29,585
Acquisition of property, plant and equipment	(7,293)	(67,941)
Repayment from an unrelated guarantee company	-	4,120,209
Acquisition of subsidiary	-	(1,546,778)
Repayment from funds advanced for development	-	14,282,559
Net cash provided by investing activities	**1,561,817**	**16,817,634**
Cash flows from financing activities:		
(Repayment to) / advances from related parties	(740,618)	633,857
Net cash (used in) / provided by financing activities	**(740,618)**	**633,857**
Effect of exchange rate change on cash and cash equivalents	(1,804)	(4,395)
Net decrease in cash	**(8,427)**	**(173,556)**
Cash and cash equivalents at beginning of year	**116,185**	**289,741**
Cash and cash equivalents at end of year	**107,758**	**116,185**
Cash and cash equivalents represented by bank balances and cash (Note 20)	**107,758**	**116,185**

The notes on pages 6 to 31 are an integral part of these consolidated financial statements.

TIANBAO HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1. GENERAL INFORMATION

Tianbao Holdings Limited ("Tianbao" or the "Company") was incorporated in the nation of Bermuda on October 11, 2012. 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.

On October 19, 2012, the Company acquired Tianbao Holidngs Limited, a New Brunswick, Canada Corporation (Tianbao Canada), by issuing to the former holders of Tianbao Canada one share of Bermuda for every one share they held of Tianbao Canada. Tianbao Canada has no operations and is just a holding Company for First Jet.

On November 11, 2011, Tianbao Canada acquired all of the outstanding shares of First Jet International Limited ("First Jet") from the former shareholders of First Jet in exchange for 25,000,000 shares of Tianbao Canada's stock ("Share Exchange"). In the Share Exchange, the former holders of First Jet received shares of Tianbao Canada on a pro-rata basis (ie. Owning the same percentage of Tianbao Canada that they owned of First Jet). First Jet was incorporated in Hong Kong on June 7, 2011 as a holding company, and owns 100% of Henan Tianbao Real Estate Company Limited ("Henan Tianbao") which owns 100% Henan Taihang Real Estate Co., Ltd ("Taihang"). First Jet's susidiaries are described below (see First Jet Subsidiaries).

The Share Exchange was accounted for as a reverse acquisition. First Jet is considered to be the accounting acquirer due to its management acquiring the majority of Tianbao's outstanding shares in the transaction, and no goodwill has been recorded because the Company did not meet the definition of a business at the time of the Share Exchange. As a result, the transaction was recorded as a recapitalization of Henan Tianbao, with the consolidated financial statements of First Jet and its subsidiaries presented as the continuing entity. The historical consolidated financial statements also reflect those of First Jet and its subsidiaries, with the exception of the quity structure that was restated to reflect the number of Tianbao's shares issued to effect the merger. Accordingly, the accompanying consolidated financial statements are presented in the name of Tianbao, the legal acquirer.

First Jet Subsidiaries

Henan Tianbao was incorporated in the Peoples' Republic of China ("PRC") on September 20, 2005, and has been principally engaged in development, management and sale of economically affordable apartments and residential real estate properties in Henan province, PRC. Henan Tianbao holds "The PRC Real Estate Development Enterprise Qualification Certificate" issued by Henan Housing and Urban and Rural Construction Department. In order to construct and sell real estate properties, Henan Tianbao had obtained various permits, including two state owned land use permits issued by ZhengZhou Municipal People's Government and construction permits issued by ZhengZhou Construction Commission.

On July 6, 2011, Henan Tianbao acquired 100% Henan Taihang Real Estate Co., Ltd. ("Taihang") to capitalize on Taihang's land use right purchase agreement ("Land Use Rights") with the local government for developing economically affordable apartments on approximately 270,000 square meters in Zhengzhou, Henan Province, PRC. Taihang was disposed off on 31 December 2012, after the execution of Asset Transfer Agreement with Henan Tianbao. (See Notes 11 and 20)

The principal activities of its subsidiaries are set out in Note 28.

Collectively, the Company and its subsidiaries are referred to as the "Group".

2. EXPLANATION OF TRANSITION TO IFRS

These consolidated financial statements, for the year ended March 31, 2013, are the first the Group has prepared in accordance with International Financial Reporting Standards ("IFRS"). For periods up to and including the year ended March 31, 2012, the Group prepared its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Reconciliation of equity at April 01 2011 (Date of transition to IFRS)

	US GAAP	Effect of transition to IFRS	IFRS
Property, plant and equipment	52,246	-	52,246
Goodwill	-	-	-
Investment property	-	4,068,721	4,068,721
Non-current assets	52,246	4,068,721	4,120,967
Real estate held for development or sale	4,068,721	(4,068,721)	-
Prepayment and deposit	3,593	-	3,593
Loans and advance receivable	30,898,804	-	30,898,804
Cash and cash equivalents	289,741	-	289,741
Current assets	35,260,859	(4,068,721)	31,192,138
Total assets	35,313,105	-	35,313,105
Current tax liabilities	8,111,244	-	8,111,244
Trade and other payable	2,378,489	-	2,378,489
Due to related parties	780,812	-	780,812
Current liabilities	11,270,545	-	11,270,545
Share capital	1,425	-	1,425
Share premium	1,423,279	-	1,423,279
Reserves	2,776,464	-	2,776,464
Retained earnings	19,841,392	-	19,841,392
Total equity	24,042,560	-	24,042,560
Total liabilities and equity	35,313,105	-	35,313,105

2. EXPLANATION OF TRANSITION TO IFRS - CONTINUED

Reconciliation of equity at March 31 2012

	US GAAP	Effect of transition to IFRS	IFRS
Property, plant and equipment	98,335	-	98,335
Goodwill	214,273	-	214,273
Investment property	-	4,263,533	4,263,533
Non-current assets	312,608	4,263,533	4,576,141
Real estate held for development or sale	4,263,533	(4,263,533)	-
Prepayment and deposit	24,155,839	-	24,155,839
Loans and advance receivable	37,742	-	37,742
Cash and cash equivalents	116,185	-	116,185
Current assets	28,573,299	(4,263,533)	24,309,766
Total assets	28,885,907	-	28,885,907
Trade and other payable	2,881,497	-	2,881,497
Due to related parties	1,726,709	-	1,726,709
Current liabilities	4,608,206	-	4,608,206
Share capital	1,425	-	1,425
Share premium	1,423,279	-	1,423,279
Reserves	3,753,419	-	3,753,419
Retained earnings	19,099,578	-	19,099,578
Total equity	24,277,701	-	24,277,701
Total liabilities and equity	28,885,907	-	28,885,907

Under US GAAP, the Company recorded "Real estate held for development or sale" as a current asset. IAS 40 - Investment Property requires this asset to be reflected as a non-current asset classified as "Investment property". This reclassification adjustment had no impact on the Group's total assets or equity.

2. EXPLANATION OF TRANSITION TO IFRS - CONTINUED

Reconciliation of profit or loss from April 01 2011 to March 31 2012

	US GAAP	Effect of transition to IFRS	IFRS
Revenue	-	-	-
Other income	28,122	-	28,122
Administrative expenses	(733,993)	-	(733,993)
Financial cost	(35,943)	-	(35,943)
Loss before tax	(741,814)	-	(741,814)
Income tax expense	-	-	-
Loss for the year	(741,814)	-	(741,814)
Other comprehensive income	-	-	-
Foreign currency translation differences	976,955	-	976,955
Total comprehensive income for the year	235,141	-	235,141

The was no impact on the transition from US GAAP to IFRS for the year ended March 31, 2012.

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

New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective for year ended March 31, 2013:

IFRS 9	Financial Instrui Financial Instruments[3]
IFRS 10	Consolidated Fi Consolidated Financial Statements[1]
IFRS 11	Joint Arrangeme Joint Arrangements[1]
IFRS 12	Disclosure of In Disclosure of Interests in Other Entities[1]
IFRS 13	Fair Value Meas Fair Value Measurement[1]
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities1
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures3
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of interests in Other Entities: Transition Guidance[1]
IAS 19 (as revised in 2012)	Employee Benefits[1]
IAS 27 (as revised in 2012)	Separate Financial Statements[1]
IAS 28 (as revised in 2012)	Investments in Associates and Joint Ventures[1]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle except for the amendment to IAS 1[1]
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 Effective for annual periods beginning on or after 1 January 2013.
2 Effective for annual periods beginning on or after 1 January 2014.
3 Effective for annual periods beginning on or after 1 January 2015.

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

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 are described as follows:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair 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.
- 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. Previously, 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 was presented in profit or loss.

  Based on the Group’s financial assets and financial liabilities as at 31 March 2013, the directors of the Company anticipate that the adoption of IFRS 9 in the future will have no material impact on the Group's 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, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s return. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

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

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

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deal with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Ventures will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements, jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

IFRS 13 Fair Value Measurement

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance or the application of these IFRSs for the first time.

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

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

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and the application of these five standards will have no significant impact on amounts reported in the consolidated financial statements.

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

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

The directors of the Company anticipated that the application of the IFRS 13 may have material impact to the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

It is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

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

Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures

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

The amendments to 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 to IFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The directors anticipate that the application of these amendments to IAS 32 and IFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

IAS 19 Employee Benefits

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 IAS 19 will have no effect to the Group’s financial statements as the Group does not engage in such activities.

Annual Improvements to IFRSs 2009 - 2011 Cycle issued in May 2012

The Annual Improvements to IFRSs 2009 -2011 Cycle include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to IFRSs include:

- amendments to IAS 16 Property, Plant and Equipment; and
- amendments to IAS 32 Financial Instruments: Presentation.

Amendments to IAS 16

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. The directors do not anticipate that the amendments to IAS 16 will have a significant effect on the Group's consolidated financial statements.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS) - CONTINUED

Amendments to IAS 32

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes. The directors anticipate that the amendments to IAS 32 will have no effect on the Group's consolidated financial statements as the Group does not engage in such activities.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

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

IFRIC 20 is effective for annual periods beginning on or after 1 January 2013. Specific transitional provisions are provided to entities that apply IFRIC 20 for the first time. However, IFRIC 20 must be applied to production stripping costs incurred on or after the beginning of the earliest period presented. The directors anticipate that IFRIC 20 will have no effect to the Group's financial statements as the Group does not engage in such activities.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation

The consolidated financial statements are presented in United States dollars ("USD"). In current year, the consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention except as otherwise noted. This is the first time adoption of IFRS by the Group. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

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.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of consolidation- continued

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.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified b applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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.

4. 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Taxation-continued

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.

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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).

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.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments (Cont'd)

Financial assets (Cont'd)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments (Cont'd)

Financial liabilities (Cont'd)

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.

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.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, 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.

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.

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

Key sources of estimation uncertainty (Cont'd)

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 15.

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.

6. 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.

7. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Financial instrument classification	Carrying amount at 31 March		01 April
		2013 USD	2012 USD	2011 USD
Financial assets				
Loan and advance receivable	Loans and receivables	2,897	37,742	30,898,804
Bank balances and cash	Loans and receivables	107,758	116,185	289,741
		110,655	153,927	31,188,545
Financial liabilities				
Trade and other payables *	At amortised cost	839,761	2,852,327	2,861,564
Due to related parties	At amortised cost	974,396	1,712,418	263,744
		1,814,157	4,564,745	3,125,308

* 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 2013 and 2012.

7. FINANCIAL INSTRUMENTS- CONTINUED

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.

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

	31 March		01 April
	2013	2012	2011
	USD	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 2013 and 2012.

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.

8. REVENUE AND SEGMENT INFORMATION

The group has no revenue recorded during the years ended 31 March 2013 and 2012.

The Group principally operates in the PRC (country of domicile of the operating subsidiarites). 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).

9. OTHER INCOME/ OTHER GAINS AND (LOSSES)

	2013 USD	2012 USD
Loss on disposal of property, plant and equipment	-	(1,549)
Sundry income	24	86
Interest income from bank deposits	349	29,585
Gain arising on change in fair value of investment property	12,555,299	-
	12,555,672	28,122

10. FINANCE COSTS

	2013 USD	2012 USD
Interest on :		
Other borrowings wholly repayable within five years	114,734	35,943

11. DISPOSAL OF A SUBSIDIARY

On 31 December 2012, the Group disposed of a subsidary, Henan Taihang Real Estate Co., Ltd.

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

Analysis of asset and liabilities over which control was lost

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

11. DISPOSAL OF A SUBSIDIARY- CONTINUED

Gain on disposal of a subsidiary	2013 USD
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	2013 USD
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, 2012.

On December 31, 2012, the disposal of equity interest in "Taihang" was completed and accordingly, the results of "Taihang"'s operation is ceased to be consolidated from the date on which control ceases.

12. INCOME TAX EXPENSE

Current income tax expense	2013 USD	2012 USD
Current income tax expense for the Group is computed as follows:		
Income (loss) before income taxes	11,793,253	(741,814)
Expected current income tax expense based on the Chinese statutory tax rate of 25%	2,948,313	(185,454)
Deferred income tax liability on fair value gain on investment property	(3,138,825)	-
Valuation allowance on deferred tax assets	190,512	185,454
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)	-

12. INCOME TAX EXPENSE- CONTINUED

	2013 USD	2012 USD
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	-	-
Deferred tax liability on fair value gain on investment property	(3,138,825)	-
Deferred tax benefit on current operating losses	190,512	185,454
Valuation allowance on tax benefit from operating losses	(190,512)	(185,454)
Balance at end of the year	(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	-	8,111,244
Income tax expense for the year	-	-
Adjustment for tax expense	-	203,805
Income taxes (paid) refunded during the year	-	(8,315,049)
Balance at end of the year	-	-

13. DIRECTORS REMUNERATION

Details of the emoluments paid to the directors of the Company for the years ended 31 March 2013 and 2012 are as follow:

	2013 USD	2012 USD
Directors'		
- fees	-	-
- salaries and other benefits	-	-
- retirement benefits scheme contributions	-	-
	-	-

During the years ended 31 March 2013 and 2012, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation or loss of office. None of the directors waived any remuneration during the years ended 31 March 2013 and 2012.

14. 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:

	2013	2012
Earnings		
Profit (loss) attributable to equity holders of the Company (USD)	8,654,248	(741,814)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	25,000,000	25,000,000

14. EARNINGS PER SHARE- CONTINUED

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.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvement USD	Motor Vehicles USD	Other Equipments USD	Total USD
Cost:				
At 01/04/2011	-	39,271	48,857	88,128
Exchange on consolidation	805	1,614	2,163	4,582
Additions	51,596	-	16,345	67,941
Disposal	-	-	(6,442)	(6,442)
At 31/03/2012 and at 01/04/2012	52,401	40,885	60,923	154,209
Exchange difference	732	572	1,041	2,345
Additions	-	-	7,293	7,293
Disposals	-	-	(16,020)	(16,020)
At 31/03/2013	53,133	41,457	53,237	147,827
Aggregate depreciation and impairment losses				
At 01/04/2011	-	10,456	25,426	35,882
Exchange on consolidation	156	489	1,115	1,760
Provided for the year	10,033	3,825	9,267	23,125
Disposal	-	-	(4,893)	(4,893)
At 31/03/2012 and 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
Written back on disposals	-	-	(16,020)	(16,020)
At 31/03/2013	28,043	18,915	27,587	74,545
Carrying values				
At 31/03/2013	25,090	22,542	25,650	73,282
At 31/03/2012	42,212	26,115	30,008	98,335
At 31/03/2011	-	28,815	23,431	52,246

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

16. GOODWILL

	31 March		01 April
	2013	2012	2011
	USD	USD	USD
Cost			
Balance at beginning of year	214,273	-	-
Acquisition of a subsidiary	-	208,769	-
Disposal of a subsidiary	(216,589)	-	-
Exchange differences	2,316	5,504	-
Balance at end of year	-	214,273	-
Impairment			
Balance at beginning and end of year	-	-	-
Carrying values			
Balance at end of year	-	214,273	-

17. INVESTMENT PROPERTY

	31 March		01 April
	2013	2012	2011
	USD	USD	USD
Balance at beginning of year	4,263,533	4,068,721	27,545,220
Additions to construction costs	-	-	249,885
Disposals	(27,838)	-	(24,298,350)
Gain arising on change in fair value of investment property	12,555,299	-	-
Exchange translation	389,949	194,812	571,966
Balance at end of year	17,180,943	4,263,533	4,068,721

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 2013 has been arrived on the basis of a valuation carried out on 13 November 2012 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 valuation for properties was arrived at by making reference to comparable sales evidence as available in the relevant market.

18. PREPAYMENT AND DEPOSITS

	31 March		01 April
	2013	2012	2011
	USD	USD	USD
Advances to suppliers	26,328	23,219	-
Rental deposits	9,725	9,528	-
Prepaid purchases and expenses	218,421	158,820	3,593
Prepaid land use right	20,931,614	23,964,272	-
	21,186,088	24,155,839	3,593

19. LOANS AND ADVANCES RECEIVABLE

	31 March		01 April
	2013	2012	2011
	USD	USD	USD
Loan to unrelated gurantee company	-	-	4,019,221
Funds advanced for development	-	-	13,932,488
Other receivables	2,897	37,742	12,947,095
	2,897	37,742	30,898,804

20. 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.

21. TRADE AND OTHER PAYABLES

	31 March		01 April
	2013	2012	2011
	USD	USD	USD
Land compensation payable to farmers	217,419	214,617	205,959
Construction costs	-	-	1,767,564
Others	-	-	295
	217,419	214,617	1,973,818
Accured expenses	15,543	43,461	33,993
Security deposits received	-	793,966	-
Other payables	622,342	1,843,744	887,746
Total trade and other payables shown under current liabilities	855,304	2,895,788	2,895,557

22. SHARE CAPITAL

	2013 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 received 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.

23. RESERVES

	31 March		01 April
	2013 USD	2012 USD	2011 USD
Foreign currency translation reserve	2,199,134	1,548,820	571,865
Statutory surplus reserve	2,204,599	2,204,599	2,204,599
	4,403,733	3,753,419	2,776,464

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.

24. 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 2013.

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:

	2013 USD	2012 USD
Within one year	119,225	108,863
Between second and fifth year inclusive	27,721	144,920
	146,946	253,783

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.

25. 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.

26. 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.

27. RELATED PARTY DISCLOSURES

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

Name of related party	Relationship	2013 Non-trade USD	2012 Non-trade USD	2011 Non-trade USD
Lian Hai Tao	Managing Director	751,389	1,497,305	54,718
Zhang Ru Yin	Director	223,007	215,113	209,026
		974,396	1,712,418	263,744

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 2013 and 2012, the Group did not provide any financial guarantees to related parties.

28. PARTICULARS OF SUBSIDIARIES

At 31 March 2013, 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			Principal activities
			2013	2012	2011	
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%	100%	Property Development
Henan Taihang Real Estate Limited	Henan PRC May 1994	RMB 10,000,000	-	100%	100%	Property Development

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events occurred subsequent to March 31, 2013, that would require adjustment to the accompanying consolidated financial statements.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the board of directors and authorized for issue on 12 September 2013.