EXTENDING OUR BUSINESS VISION

Info Communication Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8082

A N N U A L   R E P O R T   2 0 0 8

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

The principal means of information dissemination on GEM is publication on the Internet website operated by the Exchange. Listed companies are not generally required to issue paid announcement in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This report, for which the directors of Info Communication Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Info Communication Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: 1. The information contained in this report is accurate and complete in all material respects and not misleading; 2. There are no other matters the omission of which would make any statement in this report misleading; and 3. All opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Chui Bing Sun *(Chairman)*
Mr. Lee Chi Shing, Caesar
Mr. Cheng Kwok Lai
Mr. Kwok Kam Tim

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kwan Hung
Mr. Leung Chi Kong
Mr. Chan Wai Man

COMPANY SECRETARY

Mr. Lee Chi Shing, Caesar

QUALIFIED ACCOUNTANT

Mr. Lee Chi Shing, Caesar CPA ACCA

COMPLIANCE OFFICER

Mr. Lee Chi Shing, Caesar

AUDIT COMMITTEE

Mr. Leung Chi Kong
Mr. Kwok Kwan Hung
Mr. Chan Wai Man

REMUNERATION COMMITTEE

Mr. Leung Chi Kong
Mr. Kwok Kwan Hung
Mr. Chan Wai Man

AUTHORISED REPRESENTATIVES

Mr. Chui Bing Sun
Mr. Lee Chi Shing, Caesar

INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

REGISTERED OFFICE

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681GT
George Town, Grand Cayman KY1-1111
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2406
Nan Fung Tower
173 Des Voeux Road Central
Hong Kong

COMPANY HOMEPAGE

www.infocommunication.com.hk
www.paper-com.com.hk

PRINCIPAL SHARE REGISTRAR

Bank of Butterfield International (Cayman) Ltd
Butterfield House, Fort Street
George Town, Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank
Bank of China (Hong Kong) Limited

STOCK CODE

8082

Chairman's Statement

On behalf of the Board of Directors (the "Directors") of Info Communication Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2008.

CORPORATE PROFILE

Being established in 1985, the Group has been focusing its business in organising trade exhibitions, publishing industrial magazines and providing printing and design services. The Company has successfully listed on The Stock Exchange of Hong Kong Limited (the "Exchange") on 2 November 2001 and the Company was the first listed exhibition organiser in Hong Kong.

The Group is a one-stop value-added exhibition organiser which specialises in the industrial sector, including metals, plastics and packaging, textile and clothing machineries, equipment, components and materials. The exhibitions organised by the Group aim at bridging the potential buyers and suppliers on a face-to-face contact basis and allowing physical examination of products, establishment of business relationships and dissemination of the latest market information, technologies and trend. As a one-stop exhibition organiser, the Group also provides value-added promotion and marketing services and publishes various trade magazines that strengthen the effectiveness of promoting the products of the Group's clients.

"Providing One-stop Services, Bridging You to Success" is the vision of the Group. To align with our vision, the corporate mission is to become one of the leading exhibition organisers in Asia that organises trade shows covering diversified sectors with scales that are comparable to the largest exhibition in each respective sector in Asia. At the same time, the Group continues to offer value-added services to the customers.

RESULTS AND DIVIDENDS

For the year ended 31 March 2008, the Group recorded a turnover of approximately HK$88,545,000 (2007: approximately HK$79,621,000) and a net profit attributable to equity holders of the Company of approximately HK$7,432,000 (2007: approximately HK$19,787,000). The basic earnings per share was HK0.87 cents (2007: HK2.34 cents).

On 14 November 2007, a special dividend of HK$0.015 per ordinary share, totalling HK$13,284,600 was declared and paid during the year ended 31 March 2008 (2007: interim dividend of HK$0.012 per ordinary share).

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2008 (2007: HK$0.005 per ordinary share).

Chairman's Statement

FINANCIAL REVIEW

For the year ended 31 March 2008, the Group recorded a turnover of approximately HK$88.5 million, representing an increase of approximately HK$8.9 million or 11.2% as compared to the Group's turnover for the previous financial year which amounted to approximately HK$79.6 million. Such increase in the Group's turnover was mainly attributable to the increase in exhibition organisation income.

The exhibition costs increased to approximately HK$23,603,000 from approximately HK$11,878,000 recorded in prior year as a result of the increase in exhibition hall rentals and booth construction costs in the PRC exhibitions organised during the year.

The staff costs increased to approximately HK$19,538,000 or 31.7% when compared to previous year as a result of the increase in the total number of staff and general level of staff salaries.

The net profit attributable to equity holders of the Company for the year ended 31 March 2008 was approximately HK$7.4 million. The decrease in profitability was mainly attributable to the increase in exhibition costs and the increase in the number of rivals.

BUSINESS REVIEW

During the year ended 31 March 2008, the Group generated exhibition organisation income of approximately HK$85.6 million, representing an increase of 12.9% when compared with prior year. The steady increase in the exhibition organisation income was mainly attributable to the recurring exhibition held by the Group, in particular, the Asia International Arts & Antiques Fair 2007, the 2nd Hong Kong International Pet & Aqua Accessory & Service Expo, the 9th China Dongguan International Plastic, Packaging, Rubber, Diecasting & Foundary Exhibition (DMP I) and the 9th China Dongguan International Mould & Metalworking Exhibition (DMP II).

During the year ended 31 March 2008, the Group organised certain exhibitions in Vietnam, Malaysia and in major cities in the People's Republic of China (the "PRC") including Hong Kong, details of some major exhibitions are set out below:

Date	Exhibition
24 – 27 April 2007 Guangdong Modern International Exhibition Centre, Houjie, Dongguan, the PRC	19th China Dongguan International Linkage Industry, Mould & Die Exhibition 15th China Dongguan International Plastics & Packaging Exhibition
28 April – 1 May 2007 Asia World-Expo, Chek Lap Kok, Hong Kong	Hong Kong International Auto Parts Fair

Chairman's Statement

Date	Exhibition
25 – 28 May 2007 Asia World-Expo, Chek Lap Kok, Hong Kong	Asia International Arts & Antiques Fair (AIAA 2007)
16 -19 July 2007 Guangzhou International Convention & Exhibition Centre, Guangzhou, the PRC	14th South China International Machinery & Mould Exhibition 14th South China International Plastics Exhibition
26 – 29 July 2007 Putra World Trade Centre, Kuala Lumpur, Malaysia	18th Malaysia International Food Processing & Packaging Exhibition 18th Malaysia International Rubber, Plastics, Mould & Die Industry Technology Exhibition
27 – 29 July 2007 Asia World-Expo, Chek Lap Kok, Hong Kong	2nd Hong Kong International Pet & Aqua Accessory & Service Expo
27 – 30 July 2007 Kuala Lumpur Convention Centre, Kuala Lumpur, Malaysia	18th Malaysia International Printing & Labeling, Sign & Digital Printing Exhibition
8 – 10 August 2007 Guangdong Modern International Exhibition Centre, Dongguan, the PRC	6th South China International Electronic Circuit & Assembly Expo
5 – 8 September 2007 Suzhou International Expo Centre, Suzhou, the PRC	4th Suzhou International Linkage Industry Exhibition: East China (Suzhou) International Machine Tool & Mold Technology Exhibition East China (Suzhou) International Plastics, Packaging & Rubber Technology Exhibition
11 – 14 October 2007 Phu My Hung International Exhibition Centre, Vietnam	7th Vietnam International Textile & Garment Industry and Apparel Accessories Show
18 – 21 October 2007 Phu My Hung International Exhibition Centre, Vietnam	7th Vietnam International Machine Tool & Automation Industry Show
7 – 10 November 2007 Guangdong Modern International Exhibition Centre, Dongguan, the PRC	9th China Dongguan International Plastics, Packaging & Rubber, Diecasting & Foundry Exhibition
14 – 17 November 2007 Guangdong Modern International Exhibition Centre, Dongguan, the PRC	9th China Dongguan International Mould & Metalworking Exhibition

Chairman's Statement

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its daily operations from internally generated cash flows. As at 31 March 2008, the Group had total assets of approximately HK$41,065,000 and had net assets of approximately HK$27,747,000. The Group's cash and bank balances as at 31 March 2008 amounted to approximately HK$25,444,000 and has an obligation under finance lease amounted to HK$79,000 but with no bank and other borrowings or other long-term liabilities. Taking into account the cash on hand and recurring cash flows from its core business, the Group's financial position is healthy, positioning the Group advantageously to expand its core business and to achieve its business objectives.

The gearing ratio, calculated on the basis of total liabilities over total equity holders' funds as at 31 March 2008, is approximately 48% (2007: approximately 61%).

EMPLOYEES AND REMUNERATION POLICIES

The Group recognises the importance of training to its staff. In addition to on-the-job training, the Group regularly provides external training to its staff to enhance technical or product knowledge.

As at 31 March 2008, the Group had 72 (2007: 54) employees, including Directors. Total staff costs for the year under review, including Directors' remuneration, amounted to approximately HK$19,538,000 (2007: approximately HK$14,830,000). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees. The Group also provides provident fund schemes and medical insurance scheme for its employees.

The Group has adopted a share option scheme pursuant to which the Directors may grant options to individuals including directors, employees or consultant of the Group to acquire shares of the Company. The Directors consider that the share option scheme assists in the recruitment and retention of high caliber executives and employees.

CHARGES ON GROUP'S ASSETS

As at 31 March 2008, a motor vehicle with net book value of approximately HK$283,000 was held under finance lease (2007: Nil).

CONTINGENT LIABILITIES

There was no significant contingent liabilities as at 31 March 2008.

Chairman's Statement

FOREIGN EXCHANGE EXPOSURE

The Group's transactions are mainly denominated in Hong Kong dollar and Renminbi ("RMB"). Therefore, the Group is exposed to RMB exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out by the management and the management will consider to hedge the foreign exchange exposure if it is significant to the Group.

SIGNIFICANT INVESTMENT HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

There were no significant investment held or material acquisitions and disposals of subsidiaries in the course of the financial year ended 31 March 2008.

PROSPECTS

The Group has entered in the coal mining industry in the coming year. It anticipates the demand for coal in the domestic market remain strong. Coal price will remain at a high level. The economic development of the People's Republic of China (the "PRC") is maintained at a rapid rate, which results in the strong demand for coal by primary industries, such as power, metallurgy, building materials and chemicals, etc. Newly constructed coalmines will gradually increase production capabilities. Increase in coal price will facilitate expansion in coal production capabilities. The PRC is changing from a net coal export country to a net coal import country which will increase the domestic supply of coal. The railway transportation capacity has been enhanced, however, it is still the bottleneck that restricts coal supply. The China government is also aware of the importance of energy saving and reduction in carbon dioxide emission, which will accelerate the consolidation of the coal industry. This will in turn improve the centralisation of coal industry in the PRC and will enhance the competitive advantages of large-scale coal enterprises.

Chairman's Statement

POST BALANCE SHEET EVENTS

(i) On 2 April 2008, a subsidiary of the Company, Global Challenge Limited lodged an objection against the Inland Revenue Department's ("IRD") assessment through the Group's tax representative in relation to a notice of additional assessment for the year of assessment 2001/02 relating to certain offshore claim on exhibition organisation income arising in prior years in which the IRD has challenged the tax treatment adopted by the subsidiary. The objection is on the grounds that the additional profits assessed were considered as offshore sourced and is not subject to Hong Kong Profits Tax.

On 25 April 2008, the subsidiary received a notice from the IRD advising that the tax demanded would be held over on condition that the subsidiary purchased HK$402,817 of Tax Reserve Certificate (the "TRC") by 9 May 2008. Should any amount of tax held over on condition of the purchase of TRC become payable upon the final determination of the objection, the same amount of TRC would be used for settlement of tax due. In order to fulfil the condition of hold over of tax payment, the subsidiary purchased TRC of HK$402,817 on 28 April 2008.

(ii) On 27 May 2008, the Company announced that Billion Station Limited, a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement dated 18 April 2008 with an independent third party to acquire the entire equity interests in Triumph Fund A Limited and its subsidiaries for a total consideration of approximately HK$460,599,000. The acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and thus it is subject to the Company's shareholders approval at a special general meeting. Further details of the acquisition are set out in the Company's announcement dated 27 May 2008.

(iii) On 29 May 2008, a substantial shareholder of the Company entered into a placing and subscription agreement with Goldin Securities Limited and the Company dated 28 May 2008. Pursuant to the agreement, the substantial shareholder agreed to place the shares to not less than six placees at a price of HK$0.31 each. The Company has conditionally agreed to allot and issue and the substantial shareholder has conditionally agreed to subscribe for the shares at a price of HK$0.31 each. For further details, please refer to the Company's announcement dated 29 May 2008.

On 3 June 2008, the placing of existing shares by a substantial shareholder of the Company totaling 90,000,000 of shares had been successfully completed and placed to not less than six placees at a price of HK$0.31 each. For details of the completion of placing of existing shares, please refer to the Company's announcement dated 3 June 2008.

Chairman's Statement

APPRECIATION

On behalf of the Directors, I would like to express my heartfelt thanks to our shareholders, customers and suppliers for their continued support to the Group. Moreover, I would like to thank all staff of the Group for their tremendous efforts and contributions. With a focused senior management and professional team, I believe the Group will succeed in realising its business goal and create significant value for its shareholders in the forthcoming years.

Chui Bing Sun
Chairman

Hong Kong, 6 June 2008

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

Mr. Chui Bing Sun, aged 31, has over eight years of experience in hedge fund and portfolio management, finance and accounting. He has been a fund manager of two global hedge funds for the last five years. Prior to this, Mr. Chui has worked for two international accounting firms. Mr. Chui is a certified public accountant and a Chartered Financial Analyst charterholder. Mr. Chui is also an executive director of Galileo Holdings Limited, a company listed on GEM.

Mr. Lee Chi Shing, Caesar, aged 44, is experienced in corporate management and internal control. He was an executive director of Tanrich Financial Holdings Limited, a company listed on the Stock Exchange of Hong Kong Limited, from 1 November 2004 to 29 June 2005. In 2000, he joined Ernst & Young, an international accounting firm, as a senior manager. He has worked in the Inland Revenue Department for over 15 years after his graduation. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. In addition, he is a member of the Society of Registered Financial Planners. Mr. Lee graduated from the Department of Accountancy of Hong Kong Polytechnic University in 1985. He later obtained a Master degree in International Accountancy in 2001. Mr. Lee is also an executive director of Galileo Holdings Limited, a company listed on GEM.

Mr. Cheng Kwok Lai, aged 43, is an executive director responsible for overseeing implementation of the Group's marketing campaign and sales strategies. He graduated with a Diploma in Business Administration from Shue Yan College. Mr. Cheng joined the Group in March 1987. He has accumulated over 20 years of experience in the exhibition industry since the Group commenced its exhibition business in March 1989.

Mr. Kwok Kam Tim, aged 42, is an executive director of the Company, he joined the Group in August 1994 and is responsible for the coordination and planning of publishing and editorial matters relating to the Group's publication business. He graduated from The Chinese University of Hong Kong with a Bachelor's Degree in Social Science and a Master's Degree in Philosophy.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kwan Hung, aged 42, is a practicing certified public accountant and has extensive experience in investment banking, corporate finance, financial management and auditing. He has held various senior positions in listed companies, investment banking groups and an international accounting firm. Currently, he is also an executive director of Nam Hing Holdings Limited (a company listed on the Stock Exchange of Hong Kong Limited) and an independent non-executive director of Galileo Holdings Limited (a company listed on GEM). He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Hong Kong Institute of Directors. He holds a Bachelor's degree in Science from the University of London.

Directors and Senior Management Profile

Mr. Leung Chi Kong, aged 38, obtained his Bachelor's Degree in Economics and Social Studies from the Victoria University of Manchester in the United Kingdom. Mr. Leung is a qualified Chartered Financial Analyst and he was admitted as a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He is currently an associate director of a securities company in Hong Kong.

Mr. Chan Wai Man, aged 43, is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and also a fellow member of the Association of Chartered Certified Accountants. Mr. Chan has extensive experience in auditing, tax planning and finance.

SENIOR MANAGEMENT

Mr. Cheng Chun Ho, aged 48, is responsible for coordination of the Group's exhibition organisation business. Before joining the Group in March 2000, Mr. Cheng had worked for 14 years at Hong Kong Productivity Council's Information Services Division and was involved in developing, promoting and implementing industrial information, trade magazines and industrial exhibition services. Mr. Cheng graduated with a High Diploma in Mechanical Engineering from the Hong Kong Polytechnic University and holds a Master's Degree in Business Administration from the University of West London, the United Kingdom. He is a Chartered Engineer of the Engineering Council of the United Kingdom.

Ms. Lok Suet Lin, aged 45, is the exhibition manager of the Group. She possesses over 15 years of experience in organising exhibitions, media planning and advertising representation in both Hong Kong and the PRC. Ms. Lok graduated from The University of Hong Kong with a Bachelor's Degree in Civil Engineering. She joined the Group in September 1986.

Mr. Chau Yat Fan, Raymond, aged 50, is the project manager of the Group. He is responsible for marketing and coordination of exhibitions. He has over 20 years of experience in the exhibition industry. He holds a Diploma in Management Studies from the Hong Kong Polytechnic University. Mr. Chau joined the Group in April 1997.

Ms. Tam Wai Yin, aged 46, is the administration manager of the Group responsible for human resources and administrative functions of the Group. Ms. Tam joined the Group in May 1986.

Mr. Wong Kam Kwong, aged 42, is the art director of the Group in charge of the design department of the Group. He joined the Group in July 1989.

Directors' Report

The Directors have pleasure in submitting their annual report together with the audited financial statements of Info Communication Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 23 to the consolidated financial statements. There were no significant changes in the nature of the principal activities of the Group during the year.

SEGMENT INFORMATION

No business segment information (primary segment information) has been disclosed for the years presented as the Group is operating in a single business segment which is exhibition organisation. Details of the geographical segment information have been disclosed in note 7 to the consolidated financial statements.

FINANCIAL RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2008 are set out in the consolidated income statement on page 31 of this annual report.

At a meeting held on 14 November 2007, the Directors declared a special dividend of HK$0.015 per ordinary share, totalling HK$13,284,600 which has been paid during the year ended 31 March 2008 (2007: interim dividend of HK$0.012 per ordinary share).

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2008 (2007: HK$0.005 per ordinary share).

CHANGE OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

During the year, the head office and principal place of business of the Company has been changed to Room 2406, Nan Fung Tower, 173 Des Voeux Road Central, Hong Kong.

CHANGE OF COMPANY SECRETARY

During the year, Ms. Chan Yuen Bik, Jane resigned and Mr. Lee Chi Shing, Caesar was appointed as the Company Secretary of the Company.

CHANGE OF COMPLIANCE OFFICER

During the year, Mr. Chan Wing Sum resigned and Mr. Lee Chi Shing, Caesar was appointed as the Compliance Officer of the Company.

Directors' Report

CHANGE OF AUTHORISED REPRESENTATIVES

During the year, Mr. Leung Tin Fu and Mr. Chan Wing Sum resigned and Mr. Chui Bing Sun and Mr. Lee Chi Shing, Caesar were appointed as the Authorised Representatives of the Company.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in note 30 to the consolidated financial statements.

As at 31 March 2008, the Company's reserves of approximately HK$5,143,000 (2007: approximately HK$9,346,000) were available for distribution to its equity holders.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2008.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMMITMENTS

As at 31 March 2008, the Group had future minimum payments under non-cancellable terms of an agreement in respect of advertising display panels amounting to approximately HK$1 million (2007: HK$1 million). As at 31 March 2008, the Group also had operating leases commitments in respect of rented office premises of approximately HK$1,082,000 (2007: approximately HK$748,000).

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK$1,246,000 (2007: approximately HK$382,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 21 to the consolidated financial statements.

Directors' Report

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes are set out in note 17 to the consolidated financial statements.

SHARE OPTION SCHEME

Details of the share option scheme are set out in note 29 to the consolidated financial statements.

DIRECTORS

The Directors of the Company in office during the financial year and up to the date of this annual report were:

Executive Directors

Mr. Chui Bing Sun *(Chairman)*	(appointed on 23 November 2007)
Mr. Lee Chi Shing, Caesar	(appointed on 23 November 2007)
Mr. Leung Tin Fu	(resigned on 14 December 2007)
Mr. Chan Wing Sum	(resigned on 27 December 2007)
Mr. Cheng Kwok Lai	
Mr. Kwok Kam Tim	

Independent Non-Executive Directors

Mr. Kwok Kwan Hung	(appointed on 23 November 2007)
Mr. Chan Wai Man	(appointed on 23 November 2007)
Ms. Lam Tung Ming, Eileen	(resigned on 23 November 2007)
Mr. Chan Kam Fuk	(resigned on 23 November 2007)
Mr. Leung Chi Kong	

The Company has received from each of the independent non-executive directors an annual confirmation regarding their independence, and the Directors considered their independence to the Company.

In accordance with the Articles of Association of the Company, Mr. Kwok Kam Tim and Mr. Leung Chi Kong will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2008, the interests or short positions of the directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange of Hong Kong Limited (the "Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors of the Company were as follows:

Interests in shares of the Company

Number of ordinary shares beneficially held

Name of directors	Personal interest	Family interest	Corporate interest	Total interests	Percentage of interests
Mr. Cheng Kwok Lai	6,800,000	–	–	6,800,000	0.77%
Mr. Kwok Kam Tim	8,000,000	–	–	8,000,000	0.90%

Directors' Report

Interests in underlying shares of the Company

Pursuant to the share option scheme adopted by the Company on 22 October 2001 (as more particularly described in Appendix IV to the Company's prospectus), certain directors were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable as at 31 March 2008 were as follows:

Name of directors	Date of grant	Number of share options outstanding and exercisable as at 31 March 2008	Exercise period	Exercise price per share
Mr. Lee Chi Shing, Caesar	14 December 2007	8,000,000 *(Note i)*	14 December 2007 – 13 December 2017	HK$0.28
Mr. Kwok Kwan Hung	15 February 2008	800,000 *(Note ii)*	15 February 2008 – 14 February 2018	HK$0.33
Mr. Leung Chi Kong	15 February 2008	500,000 *(Note ii)*	15 February 2008 – 14 February 2018	HK$0.33
Mr. Chan Wai Man	15 February 2008	500,000 *(Note ii)*	15 February 2008 – 14 February 2018	HK$0.33

Note

(i) The closing price of the shares of the Company before the date of grant (as of 14 December 2007) was HK$0.27.

(ii) The closing price of the shares of the Company before the date of grant (as of 15 February 2008) was HK$0.33.

(iii) There were no share options cancelled or lapsed during the year ended 31 March 2008.

Save as disclosed above, as at 31 March 2008, none of the directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors of the Company.

OUTSTANDING SHARE OPTIONS

Save as those share options granted to the directors as disclosed above, certain share options were granted by the Company under the share option scheme to four individuals who are employees and consultant of the Company at the date of grant, details of the share options outstanding and exercisable as at 31 March 2008 were as follows:

	Number of share options							
Category of participants	At 1 April 2007	Granted during the year	Exercised during the year	At 31 March 2008	Date of grant of share options	Exercise period of shares options	Exercise price per share	Options exercisable at the end of the year
Employees	12,000,000 *(Note iii)*	–	(12,000,000) *(Note i)*	–	10 July 2002	10 July 2002 – 9 July 2012	HK$0.08	–
Employee	–	500,000 *(Note ii)*	–	500,000	25 March 2008	25 March 2008 – 24 March 2018	HK$0.25	–
Consultant	4,000,000 *(Note iii)*	–	(4,000,000) *(Note iv)*	–	10 July 2002	10 July 2002 – 9 July 2012	HK$0.08	–
	16,000,000	**500,000**	**(16,000,000)**	**500,000**				**–**

Note

(i) 4,000,000 and 8,000,000 of options were exercised on 15 October 2007 and 19 December 2007 respectively. The weighted average closing price of the Company immediately before the date on which the options were exercised were HK$0.17 and HK$0.27 respectively.

(ii) Options granted to the employee has vesting period of six months and one year of 250,000 each. The closing price of the shares of the Company immediately before the date of grant (as of 25 March 2008) was HK$0.25.

(iii) The closing price of the shares immediately before the date on which the options were granted was HK$0.08.

(iv) The share options were exercised on 15 October 2007. The weighted average closing price of the shares of the Company immediately before the date on which the option were exercised was HK$0.18.

(v) There were no share options cancelled or lapsed during the year ended 31 March 2008.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2008, the following shareholders (including directors) had interests or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Interests in shares of the Company

Number of ordinary shares beneficially held

Name	Capacity	Nature of interest	Number of shares	Percentage of interests
TLX Holdings Limited *(Note i)*	Beneficial owner	Corporate	502,000,000	56.68%
Mdm. Zhang Ze Mei *(Note i)*	Interest of a controlled corporation	Personal	502,000,000	56.68%
Linden Capital L.P. *(Note i, ii)*	Interest of a controlled corporation	Corporate	502,000,000	56.68%
Linden GP LLC *(Note ii, iii)*	Interest of a controlled corporation	Corporate	502,000,000	56.68%
Mr. Wong Siu Min	Interest of a controlled corporation	Personal	502,000,000	56.68%

Note

(i) These shares are held by TLX Holdings Limited, a company incorporated in the British Virgin Islands and beneficially owned as to 50% each by Madam Zhang Ze Mei and Linden Capital L.P..

(ii) Linden Capital L.P. is controlled by its general partner Linden GP LLC.

(iii) Linden GP LLC is controlled by Mr. Wong Siu Min.

Save as disclosed above, as at 31 March 2008, the directors were not aware of any other person who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

Directors' Report

MAJOR CUSTOMERS AND SUPPLIERS

The Group's total turnover to the five largest customers accounted for less than 30% of the Group's turnover during the year (2007: less than 30%).

The information in respect of the Group's purchases (comprising exhibition costs, printing, postage and paper costs and promotion expenses) attributable to the major suppliers during the year is as follow:

	Percentage of the services provided to the Group	
	2008	2007
The largest supplier	**26.3%**	10.1%
Five largest suppliers in aggregate	**68.8%**	40.9%

At no time during the year have the directors, their respective associates and any shareholders of the Company (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interest in any of the five largest customers and suppliers of the Group.

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in note 33 to the consolidated financial statements.

Announced continuing connected transactions

During the year, the Group has entered into the following agency agreement and management service agreement with Chan Chao International Co., Limited ("Chan Chao Taiwan"), a company incorporated in Taiwan, Republic of China and in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests. The transactions under the agency agreement and management service agreement constitute a continuing connected transaction, and is subject to reporting and announcement requirements and exempt from independent shareholders' approval requirements under Rule 20.34 of the GEM Listing Rules. The relevant announcement was published in accordance with GEM Listing Rules on 11 November 2004.

1. *Agency agreement*

   During the year, an indirect wholly-owned subsidiary of the Company, Global Challenge Limited ("GCL"), entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2007, pursuant to which GCL agreed to appoint Chan Chao Taiwan to (i) act as its agent to grant licences of booth space of the exhibitions designated by GCL for use by exhibitors in Taiwan and South East Asia; (ii) conduct promotion and marketing of the exhibitions in Taiwan and South East Asia; and (iii) conduct market research of holding and/or organising any exhibitions when instructed by GCL under the agency agreement.

Directors' Report

During the year ended 31 March 2008, the aggregate commission paid by the Group to Chan Chao Taiwan was approximately HK$573,000 (2007: approximately HK$135,000).

2. *Management service agreement*

During the year, a non-wholly-owned subsidiary of the Company, Chan Chao International Co., Limited ("Chan Chao BVI"), a company incorporated in the British Virgin Islands, entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2007, pursuant to which Chan Chao BVI agreed to engage Chan Chao Taiwan to plan, direct and manage the exhibitions organised by Chan Chao BVI, namely, exhibitions entitled "Linkage Industry Vietnam", "Rubber Plas Malaysia" and "Print-Label Malaysia".

During the year ended 31 March 2008, the aggregate management service fee paid by the Group to Chan Chao Taiwan was approximately HK$276,000 (2007: approximately HK$82,000).

The above continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors have confirmed that the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Directors, including the independent non-executive directors, of the Company are of the view that all of the above transactions were on normal commercial terms and in the ordinary and usual course of business of the Group and that the terms of the relevant agreements were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company confirms that the continuing connected transactions as disclosed above fall under the definition of continuing connected transactions in Chapter 20 of the GEM Listing Rules and that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in the consolidated financial statements, no contracts of significance (as defined in Rule 18.25 of the GEM Listing Rules) in relation to the Group's business to which the Company, its parent company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Report

DIRECTORS' SERVICE IN CONTRACTS

Each of the executive directors of the Company has entered into a service contract with the Company with no specific term of office, or an initial term of one year (subject to individual contract) from the date of appointment and will continue thereafter, until terminated by not less than one to six months (subject to individual contract) notice in writing served by either party on the other. The term of office of each independent non-executive directors is the period up to his retirement by rotation in accordance with the Articles of Association of the Company.

Save as disclosed above, none of the directors offering themselves for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

Save as disclosed in this report, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rule 5.34 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2008.

COMPETING INTERESTS

The Directors are not aware of, as at 31 March 2008, any business or interest of each of the directors, management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with business of the Group or any other conflicts of interest which any such person has or may have with the Group.

Directors' Report

AUDITORS

The accompanying financial statements were audited by HLB Hodgson Impey Cheng. A resolution for the re-appointment of HLB Hodgson Impey Cheng as the auditors for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chui Bing Sun
Chairman

Hong Kong, 6 June 2008

Corporate Governance Report

Info Communication Holdings Limited (the "Company") acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

During the year ended 31 March 2008, the Company was in compliance with the code provisions as set out in Appendix 15 of the GEM Listing Rules. This report includes information relating corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the "Board") assumes overall responsibilities for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its business by directing and supervising the Company's affairs. The Board focuses on overall corporate strategies and policies with attention particularly paid to the financial performance of the Company.

There is a clear division of the responsibilities of the Board and the management. The Board delegated its responsibilities to directors and senior management to deal with day-to-day operations and review those arrangements on a periodic basis. Management has to report back to the Board and obtain prior approval before making decisions for key matters or entering into any commitments on behalf of the Company. The Board has a balance of skill and experience appropriate for the requirements of the business of the Company.

The Board regularly meets in person to discuss and formulate overall strategic direction and objectives and also approve annual, interim and quarterly results as well as other significant matters of the Company. Execution of daily operational matters is delegated to management.

The Company Secretary assists the Chairman in preparing notice and agenda for the meetings, and ensures that the Company complied with the corporate governance practices and other compliance matters. At least 14 days notice of all board meetings were given to all directors, who were all given an opportunity to include matters in the agenda for discussion.

All directors have access to the Company Secretary who is responsible for the Company's compliance with the continuing obligations of the GEM Listing Rules, Code on Takeover and Mergers and Share Repurchases, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations etc.

Corporate Governance Report

Minutes of the Board/committee meetings are recorded in significant detail for any decision and recommendation made during the meetings. Draft and final versions of minutes are circulated to directors or committee members within a reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any director. All directors are entitled to have access to board papers and related materials unless there are legal or regulatory restrictions on disclosure due to regulatory requirements.

If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by way of a Board/committee meeting and the interested shareholder or director shall not vote nor shall he/she be counted in the quorum present at the relevant meeting. Independent non-executive director who, and whose associates, have no material interest in the transaction, should be present at such a board meeting.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has established written guidelines for the required standard of dealings in securities by directors of the Company. Having made specific enquiries of directors of the Company, the Board is pleased to confirm that they have fully complied with the required standard with respect to the securities dealings of the Company and there was no event of non-compliance.

BOARD OF DIRECTORS

The Board comprises four executive directors, including the Chairman of the Board, and three independent non-executive directors. Each of the directors has the relevant experience, competence and skills appropriate to the requirements of the business of the Company. At least one of independent non-executive directors has appropriate professional qualification or accounting or related financial management expertise. The name of independent non-executive directors are expressly identified and disclosed in all corporate communications of the Company.

The Company has received from each independent non-executive director an annual confirmation regarding his independence, and the Board considered their independence to the Company.

Corporate Governance Report

The Board held at lease four regular meetings for the financial year ended 31 March 2008. Details of attendance of individual director at board meetings are presented as below:

	Number of meetings attended
Executive Directors	
Mr. Chui Bing Sun *(Note 1)*	6/7
Mr. Lee Chi Shing, Caesar *(Note 1)*	6/7
Mr. Leung Tin Fu *(Note 2)*	8/8
Mr. Chan Wing Sum *(Note 3)*	8/8
Mr. Cheng Kwok Lai	11/14
Mr. Kwok Kam Tim	11/14
Independent Non-Executive Directors	
Mr. Kwok Kwan Hung *(Note 1)*	4/4
Mr. Chan Wai Man *(Note 1)*	3/4
Ms. Lam Tung Ming, Eileen *(Note 4)*	5/5
Mr. Chan Kam Fuk *(Note 4)*	4/5
Mr. Leung Chi Kong	8/9

Note

1. *Appointed on 23 November 2007*
2. *Resigned on 14 December 2007*
3. *Resigned on 27 December 2007*
4. *Resigned on 23 November 2007*

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chui Bing Sun is the Chairman of the Company and Mr. Lee Chi Shing, Caesar is the Chief Executive Officer ("CEO") of the Company.

The role of the Chairman and CEO are segregated and not performed by the same individual to avoid power being concentrated in any one individual. There are clear division of responsibilities between Chairman and CEO to ensure balance of power and authority. As the Chairman, Mr. Chui Bing Sun is responsible for overseeing strategic planning and leadership of the Company and exercising control over the quality, quantity and timeliness of the flow of information between the management of the Company and the Board that would allow them to effectively discharge their responsibilities. As CEO, Mr. Lee Chi Shing, Caesar is responsible for coordinating the Company's business and assists the Chairman of the Company to market and locates potential business opportunities and also executes the policy of the Company.

Corporate Governance Report

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a Remuneration Committee ("RC") with specific terms of reference which deals clearly with its authorities and duties. The RC comprised of three members, namely Mr. Leung Chi Kong, Mr. Kwok Kwan Hung and Mr. Chan Wai Man, all of them are independent non-executive directors of the Company.

The role and function of RC is to oversee board remuneration matters, including recommend the Board on the Company's policies and structure for the remuneration of the directors and senior management, determine the remuneration packages of all executive directors and senior management, review and approving their performance-based remuneration, review and approving compensation to directors and senior management in connection with any loss or termination of their office or appointment, and to ensure that no director or any of his associates is involved in deciding his own remuneration.

The RC is also authorised to investigate any matter within its terms of reference and seek any information it requires from any employee and obtain outside legal or other independent professional advice at the cost of the Company if necessary.

Meetings of the RC were held to review the compensation of directors and senior management. Details of attendance of individual member at the RC meetings are presented as below:

	Number of meetings attended
RC Members	
Mr. Leung Tin Fu *(Note 1)*	0/0
Mr. Cheng Chun Ho *(Note 3)*	0/0
Mr. Kwok Kwan Hung *(Note 2)*	2/2
Mr. Chan Wai Man *(Note 2)*	2/2
Ms. Lam Tung Ming, Eileen *(Note 3)*	0/0
Mr. Chan Kam Fuk *(Note 3)*	0/0
Mr. Leung Chi Kong	1/2

Note

1. *Resigned on 14 December 2007*
2. *Appointed on 23 November 2007*
3. *Resigned on 23 November 2007*

The RC of the Company considered that the existing terms of employment of all executive directors and appointment letters of independent non-executive directors of the Company are fair and reasonable.

Corporate Governance Report

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Board as a whole is responsible for the appointment of its own members. The Board does not establish a Nomination Committee and is not considering to establish the same in view of the small size of the Board of the Company. The Chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidates recommended by the Chairman and make recommendations on the appointment, re-election and retirement of directors. Candidates are appointed to the Board on the basis of their skill, competence and experience that they can contribute to the Company. The Company believes that members of the Board, individually and collectively, have satisfactorily discharged their duties and will review the need for Nomination Committee at a later time.

Newly appointed director will be briefed and updated to ensure that he has a proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities of the latest changes under the GEM Listing Rules, Companies Ordinance, Securities and Futures Ordinance, and other regulatory requirements.

The independent non-executive directors are not appointed for specific term and are subject to retirement by rotation and re-election by shareholders at Annual General Meeting ("AGM") after their appointment and thereafter at least once every three years in accordance with the Company's Articles of Association.

In accordance with the Company's Articles of Association, one-third of the Directors who have been longest in office since their last election or re-election are also subject to retirement by rotation at the AGM. All retiring directors are eligible for re-election.

AUDIT COMMITTEE

The Company has established an Audit Committee ("AC") with specific terms of reference explaining its role and authorities delegated by the Board. The AC consists of three independent non-executive directors, Mr. Kwok Kwan Hung, Mr. Chan Wai Man and Mr. Leung Chi Kong, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. In accordance with the provisions of the CG Code, the terms of reference of the AC were also revised which are substantially the same as the provisions set out in the CG Code.

The AC's principal duties include reviewing the Group's financial controls, internal control and risk management systems, reviewing and monitoring integrity of financial statements and reviewing annual, interim and quarterly financial statements and reports before submission to the Board and considering and recommending the appointment, re-appointment and removal of external auditors of the Company. The AC meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly. The AC is authorised to take independent professional advice at Company's expense, if necessary.

The AC has reviewed the annual, interim and quarterly results of the Company for the year ended 31 March 2008 and was content that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong.

Corporate Governance Report

The financial statements of the Company for the year have been audited by HLB Hodgson Impey Cheng ("HLB"). During the year, remuneration of approximately HK$175,000 was paid to HLB for the provision of audit services. In addition, approximately HK$165,000 was paid to HLB for other non-audit services. The non-audit services mainly consisted of the provision of consultancy services during the year.

ACCOUNTABILITY AND AUDIT

The directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 31 March 2008, the directors have selected suitable accounting policies and applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, made adjustments and estimates that are prudent and reasonable, and have prepared the financial statements on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

INTERNAL CONTROLS

The Board maintains a system of internal controls for all companies within the Group. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguard, operational controls are in place, business risks are suitably protected and proper accounting records are maintained.

During the year, the Company has conducted a follow-up review of the Group's internal controls and reported an overall satisfactory result of its review and supervise/monitor of the internal control practices and procedures of the Group.

In addition, the Board reviews the internal control system of the Group annually and will take any necessary and appropriate action to maintain adequate internal control system to safeguard Company's equity holders' investments and the Group's assets. The effectiveness of the internal control system was discussed on an annual basis with the AC.

COMMUNICATION WITH SHAREHOLDERS

Communication with shareholders is given high priority. The Company aims to provide its shareholders with high standards of disclosure and financial transparency through the publication of annual, interim and quarterly reports, press announcements and circulars made through Exchange's websites.

The Board also maintains an on-going dialogue with shareholders and use general meeting to communicate with shareholders. The Company encourages all shareholders to attend general meeting which provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Board and members of relevant committees and senior management of the Company are also available to answer the shareholders' questions.

Independent Auditors' Report

HLB 國衛會計師事務所
Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
INFO COMMUNICATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Info Communication Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 79 which comprise the consolidated and company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

Independent Auditors' Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements 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 the directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 6 June 2008

Consolidated Income Statement

For the year ended 31 March 2008

	Note	2008 HK$'000	2007 HK$'000
Turnover	*6*	**88,545**	79,621
Other income	*8*	**423**	1,807
Exhibition costs		**(23,603)**	(11,878)
Printing, postage and paper costs		**(5,185)**	(4,537)
Promotion expenses		**(9,958)**	(6,048)
Staff costs	*11*	**(19,538)**	(14,830)
Finance costs	*9*	**(4)**	–
Other operating expenses		**(20,993)**	(14,028)
Profit before tax		**9,687**	30,107
Income tax expense	*10*	**(1,175)**	(9,798)
Profit for the year	*11*	**8,512**	20,309
Attributable to:			
Equity holders of the Company		**7,432**	19,787
Minority interests		**1,080**	522
		8,512	20,309
Dividends	*15*	**13,285**	14,375
Earnings per share			
Basic *(HK cents per share)*	*16*	**0.87**	2.34
Diluted *(HK cents per share)*	*16*	**0.85**	2.33

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet

At 31 March 2008

	Note	2008 HK$'000	2007 HK$'000
Non-current assets			
Intangible assets	*18*	**–**	4,800
Goodwill	*19*	**6,800**	7,790
Property, plant and equipment	*21*	**2,227**	667
Available-for-sale investments	*22*	**–**	–
		9,027	13,257
Current assets			
Trade and other receivables	*24*	**6,594**	8,013
Bank balances and cash	*25*	**25,444**	31,638
		32,038	39,651
Current liabilities			
Trade and other payables	*26*	**4,901**	4,892
Sales deposits receipt in advance		**6,620**	7,530
Obligation under finance lease	*27*	**32**	–
Tax liabilities		**1,718**	7,623
		13,271	20,045
Net current assets		**18,767**	19,606
Total assets less current liabilities		**27,794**	32,863
Non-current liability			
Obligation under finance lease	*27*	**47**	–
Net assets		**27,747**	32,863
Capital and reserves			
Share capital	*28*	**8,856**	8,456
Reserves			
Proposed final dividend	*15*	**–**	4,228
Others	*30*	**18,822**	20,175
Equity attributable to equity holders of the Company		**27,678**	32,859
Minority interests		**69**	4
Total equity		**27,747**	32,863

The financial statements on pages 31 to 79 were approved and authorised for issue by the Board of Directors on 6 June 2008 and are signed on its behalf by:

Chui Bing Sun
Director

Lee Chi Shing, Caesar
Director

The accompanying notes form an integral part of these financial statements.

Balance Sheet

At 31 March 2008

	Note	2008 HK$'000	2007 HK$'000
Non-current assets			
Intangible assets	*18*	**–**	3,000
Investments in subsidiaries	*23*	**11,594**	10,776
		11,594	13,776
Current assets			
Bank balances and cash		**3,041**	4,122
Current liabilities			
Other payables		**636**	96
Net current assets		**2,405**	4,026
Net assets		**13,999**	17,802
Capital and reserves			
Share capital	*28*	**8,856**	8,456
Reserves			
Proposed final dividend	*15*	**–**	4,228
Others	*30*	**5,143**	5,118
Total equity		**13,999**	17,802

Chui Bing Sun
Director

Lee Chi Shing, Caesar
Director

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2008

	Attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Capital reserve HK$'000	PRC statutory reserve HK$'000	Share options reserve HK$'000	Retained profits HK$'000	Proposed dividend HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 April 2006	8,456	4,552	–	900	–	–	9,311	1,691	24,910	4	24,914
Profit for the year	–	–	–	–	–	–	15,559	4,228	19,787	522	20,309
Total recognised income for the year	–	–	–	–	–	–	15,559	4,228	19,787	522	20,309
Dividends paid:											
– 2006 final dividend	–	–	–	–	–	–	–	(1,691)	(1,691)	–	(1,691)
– 2007 interim dividend	–	–	–	–	–	–	(10,147)	–	(10,147)	–	(10,147)
Dividend paid to a minority shareholder	–	–	–	–	–	–	–	–	–	(522)	(522)
At 31 March 2007 and 1 April 2007	8,456	4,552	–	900	–	–	14,723	4,228	32,859	4	32,863
Exchange differences arising on translation of foreign operations	–	–	1,164	–	–	–	–	–	1,164	–	1,164
Net income recognised directly in equity	–	–	1,164	–	–	–	–	–	1,164	–	1,164
Profit for the year	–	–	–	–	–	–	7,432	–	7,432	1,080	8,512
Total recognised income for the year	–	–	1,164	–	–	–	7,432	–	8,596	1,080	9,676
Issue of ordinary shares upon exercise of share options	400	2,800	–	–	–	–	–	–	3,200	–	3,200
Transaction costs attributable to issue of new shares	–	(62)	–	–	–	–	–	–	(62)	–	(62)
Recognition of equity settled share-based payments	–	–	–	–	–	598	–	–	598	–	598
Capital contributions from a minority shareholder	–	–	–	–	–	–	–	–	–	105	105
Allocation to statutory reserve	–	–	–	–	741	–	(741)	–	–	–	–
Dividends paid:											
– 2007 final dividend	–	–	–	–	–	–	–	(4,228)	(4,228)	–	(4,228)
– 2008 special dividend	–	(4,552)	–	–	–	–	(8,733)	–	(13,285)	–	(13,285)
Dividend paid to minority shareholders	–	–	–	–	–	–	–	–	–	(1,120)	(1,120)
At 31 March 2008	**8,856**	**2,738**	**1,164**	**900**	**741**	**598**	**12,681**	**–**	**27,678**	**69**	**27,747**

The capital reserve of the Group comprises (i) an amount of HK$600,000 representing the difference between the nominal value of the capital of the subsidiaries/businesses acquired pursuant to the Group reorganisation, and the nominal value of the shares in the Company issued in exchange therefore and (ii) an amount of HK$300,000 representing the cost of investment in Inforchain Digital Technology Co., Ltd ("Inforchain") acquired by the Group pursuant to the Group reorganisation in October 2001.

In accordance with the PRC laws and regulations, PRC companies require to provide statutory reserve. Statutory reserve is appropriated of 10% from net profits after tax as reported in the financial statements of the PRC subsidiaries. Provision for the statutory reserve ceases when the aggregate amount exceeded 50% of the registered capital of the PRC subsidiaries. All statutory reserves are for specific purposes and are not distributed in the form of cash dividends.

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	Note	2008 HK$'000	2007 HK$'000
Operating activities			
Profit for the year		**8,512**	20,309
Adjustments for:			
Income tax expenses		**1,175**	9,798
Depreciation and amortisation		**805**	899
Share-based payment expenses		**598**	–
Finance costs		**4**	–
Bank interest income		**(160)**	(177)
Gain on deemed disposal of a subsidiary		**(45)**	–
Impairment loss recognised in respect of goodwill		**990**	–
Impairment loss recognised in respect of trade and other receivables		**700**	1,423
Impairment loss recognised in respect of intangible assets		**4,444**	2,594
Operating cash flows before movements in working capital		**17,023**	34,846
Decrease/(increase) in trade and other receivables		**719**	(550)
Increase/(decrease) in trade and other payables		**9**	(18)
Decrease in sales deposits receipts in advance		**(910)**	(1,035)
Cash generated from operations		**16,841**	33,243
Bank interest received		**160**	177
Interest paid		**(4)**	–
Income taxes paid		**(7,080)**	(2,401)
Net cash generated from operating activities		**9,917**	31,019
Investing activities			
Proceeds from deemed disposal of a subsidiary		**150**	–
Purchase of property, plant and equipment		**(2,000)**	(349)
Net cash used in investing activities		**(1,850)**	(349)
Financing activities			
Final dividend in respect of the previous year paid		**(4,228)**	(1,691)
Proceeds from issue of shares		**3,200**	–
Share issue expenses		**(62)**	–
Repayment of obligation under finance lease		**(21)**	–
Interim dividend paid		**–**	(10,147)
Special dividend paid		**(13,285)**	–
Dividend paid to minority shareholders		**(1,120)**	(522)
Net cash used in financing activities		**(15,516)**	(12,360)
Net (decrease)/increase in cash and cash equivalents		**(7,449)**	18,310
Cash and cash equivalents at the beginning of the financial year		**31,638**	13,328
Effects of exchange rate changes on the balance of cash held in foreign currencies		**1,255**	–
Cash and cash equivalents at the end of the financial year	*25*	**25,444**	31,638

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

1. GENERAL

Info Communication Holdings Limited (the "Company") is incorporated in the Cayman Islands on 12 July 2001 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 November 2001. The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate information" of the Company's Annual Report.

As at the balance sheet date, the Company's parent and ultimate holding company is TLX Holdings Limited, a company incorporated in the British Virgin Islands ("BVI").

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred as the "Group") are principally engaged in exhibition organisation, provision of promotion and marketing services and trade magazines publication. The principal activities and other particulars of the subsidiaries are set out in note 23 to the consolidated financial statements.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKFRS 2 (Amendment)	Shared-based Payment – Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 12	Service Concession Arranagements[2]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[2]

[1] *Effective for annual periods beginning on or after 1 January 2009*

[2] *Effective for annual periods beginning on or after 1 January 2008*

[3] *Effective for annual periods beginning on or after 1 July 2008*

[4] *Effective for annual periods beginning on or after 1 July 2009*

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

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.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Segment information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of subsidiaries after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill *(Continued)*

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and related taxes.

Consultancy fee income is recognised when services are rendered.

Exhibition organisation income is recognised when services are rendered.

Promotion and marketing income is recognised when services are rendered.

Publication income is recognised on the date of the relevant publication issue.

Interest income from bank deposits 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 the estimated future cash receipts through the expected life of the bank deposits' net carrying amount.

Sundry income is recognised when received.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, where shorter, the term of the relevant lease.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financials statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as revaluation increase under that standard.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet 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 financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction 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.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other category. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities and equity instruments.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain and loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss. 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.

Financial liabilities are derecognised when the obligation specified in the relevant contract is 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions

Provisions are recognised 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. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Share-based payment transactions

Equity-settled share-based payment transactions

For share options granted to employees, the fair value of services received determined by reference to the fair value of share options granted date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve). For share options granted to employees with vesting periods, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting periods, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The effect of the change in estimate, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

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, management is 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.

Estimated impairment of property, plant and equipment and intangible assets

The Group evaluates whether items of property, plant and equipment and intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, in accordance with the stated accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Estimated useful lives of property, plant and equipment and intangible assets

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation and amortisation charges where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Impairment losses on trade and other receivables

The Group's policy for doubtful receivables is based on the on-going evaluation of the collectability and aging analysis of the trade and other receivables and on management's judgments. Considerable judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor, and the present values of the estimated future cash flows discounted at the effective interest rates. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Categories of financial instruments

	2008	2007
	HK$'000	HK$'000
Financial assets		
Loan and receivables (including cash and cash equivalents)		
– trade and other receivables	**4,107**	6,345
– bank balances and cash	**25,444**	31,638
Available-for-sale investments	**–**	–
Financial liabilities		
Amortised cost		
– trade and other payables	**4,901**	4,892
– obligation under finance lease	**79**	–

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and 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.

Market risk

Market risk comprises foreign currency exchange rates, interest rates and equity prices. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Based on the evaluation of the Group's operations, the directors of the Company consider that the Group does not expose to significant market risk.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk

The Group's principal financial assets included trade and other receivables and bank balances and cash. The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2008 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet.

In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's primary cash requirements have been for capital investments and repayment of related debts. The Group finances its working capital requirements primarily through funds generated from operations.

The following tables details the Group's remaining contractual maturity for its financial liabilities as at the year ended 31 March 2008 and 2007:

At 31 March 2008	Weighted average effective interest rate %	Less than 3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Total un-discounted cash flows HK$'000	Total carrying amount HK$'000
Trade and other payables	–	930	3,971	–	4,901	4,901
Obligation under finance lease	6.5	9	28	49	86	79
		939	3,999	49	4,987	4,980

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk management (Continued)

At 31 March 2007	Weighted average effective interest rate %	Less than 3 months HK$'000	3 months to 1 year HK$'000	1-5 years HK$'000	Total un-discounted cash flows HK$'000	Total carrying amount HK$'000
Trade and other payables	–	629	4,263	–	4,892	4,892

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and

- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For share option-based derivative, the fair value is estimated using option pricing model, that is the Black Scholes option pricing model.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

(d) Capital risk management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debts (including trade and other payables, sales deposits receipt in advance and obligation under finance lease). Equity comprising issued share capital, reserves, retained profits and minority interests.

Gearing ratio

The directors of the Company review the capital structure on an annual basis. As a part of this review, the directors of the Company consider the cost of capital and other sources of funds other than issuance of shares. Based on the recommendation of the directors of the Company, the Group will balance its overall capital structure through payment of dividends.

The gearing ratio as at 31 March 2008 and 2007 were as follows:

	2008	2007
	HK$'000	HK$'000
Total liabilities	**13,318**	20,045
Equity	**27,747**	32,863
Gearing ratio	**48%**	61%

The Group overall strategy remains unchanged during the year.

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For the year ended 31 March 2008

6. TURNOVER

An analysis of the Group's turnover for the year is as follow:

	2008 **HK$'000**	2007 HK$'000
Exhibition organisation income	**85,649**	75,888
Promotion and marketing income	**2,645**	3,085
Publication income	**251**	648
	88,545	79,621

7. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting, by business segment. In determining the Group's geographical segments, turnover is attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Business segments – Primary reporting format

For the year ended 31 March 2008 and 2007, over 90% of the Group's turnover were derived from exhibition organisation, accordingly, no further business segment information is presented.

Geographical segments – Secondary reporting format

The Group's exhibition organisation business operates in two main principal geographical areas – the People's Republic of China (including Hong Kong) (the "PRC") and Asia (other than the PRC). All segments assets, liabilities and capital expenditure are located in the PRC and therefore no geographical segments are presented, except for the segment turnover.

The following table provides an analysis of the Group's turnover by geographical markets, irrespective of the origin of the services:

Turnover from external customers

	2008 **HK$'000**	2007 HK$'000
The PRC	**78,607**	71,693
Asia (other than the PRC)	**9,938**	7,928
	88,545	79,621

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

8. OTHER INCOME

	2008 HK$'000	2007 HK$'000
Interest income on bank deposits	**160**	177
Consultancy fee income	**–**	1,486
Gain on deemed disposal of a subsidiary	**45**	–
Sundry income	**218**	144
	423	1,807

9. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Interest on finance lease	**4**	–

10. INCOME TAX EXPENSE

Current tax

	2008 HK$'000	2007 HK$'000
Current year:		
Hong Kong Profits Tax	**973**	5,199
PRC Enterprise Income Tax	**3,151**	4,599
	4,124	9,798
Over provision in prior year:		
Hong Kong Profits Tax	**(2,381)**	–
PRC Enterprise Income Tax	**(568)**	–
	(2,949)	–
	1,175	9,798

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

10. INCOME TAX EXPENSE *(Continued)*

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profit for the year. PRC subsidiaries are subject to PRC Enterprise Income Tax at 33% (2007: 33%).

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No.63 of the President of the PRC. On 6 December 2007, the State Council issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008.

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	2008	2007
	HK$'000	HK$'000
Profit before tax	**9,687**	30,107
Tax at the Hong Kong Profits Tax rate of 17.5% (2007: 17.5%)	**1,695**	5,269
Tax effect of expenses not deductible for tax purpose	**646**	3,098
Tax effect of income not taxable for tax purpose	**(1,085)**	(1,301)
Overprovision in prior year	**(2,949)**	–
Utilisation of tax losses previously not recognised	**–**	(42)
Effect of the different tax rates of group entities operating in jurisdictions other than Hong Kong	**2,868**	2,774
Tax charge for the year	**1,175**	9,798

Deferred tax

No deferred tax assets and liabilities are recognised in the financial statements as the Group and the Company did not have material temporary difference arising between the tax bases of assets or liabilities and their carrying amounts as at 31 March 2008 and 2007.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2008	2007
	HK$'000	HK$'000
Depreciation for property, plant and equipment	**449**	235
Amortisation of intangible assets (included in other operating expenses)	**356**	664
Total depreciation and amortisation	**805**	899
Auditors' remuneration	**175**	200
Net foreign exchange losses	**223**	65
Impairment loss recognised in respect of goodwill	**990**	–
Impairment loss recognised in respect of intangible assets	**4,444**	2,594
Impairment loss recognised in respect of trade and other receivables	**700**	1,423
Operating lease rentals in respect of land and buildings	**700**	417
Staff costs:		
– Staff salaries and allowances	**18,518**	14,442
– Retirement benefits schemes contributions	**422**	388
– Equity settled share-based payment expenses	**598**	–
Total staff costs (including directors' emoluments)	**19,538**	14,830

12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$9,974,000 (2007: approximately HK$11,488,000).

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For the year ended 31 March 2008

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eleven (2007: seven) directors were as follows:

	Executive directors						
For the year ended 31 March 2008	Mr. Chui Bing Sun *(Note i)* HK$'000	Mr. Lee Chi Shing, Caesar *(Note i)* HK$'000	Mr. Leung Tin Fu *(Note ii)* HK$'000	Mr. Chan Wing Sum *(Note iii)* HK$'000	Mr. Cheng Kwok Lai HK$'000	Mr. Kwok Kam Tim HK$'000	Total HK$'000
Fees	–	–	–	–	–	–	–
Other emoluments							
Salaries and other benefits	240	60	1,000	1030	1128	745	4,203
Contributions to retirement benefits schemes	3	3	9	9	14	20	58
Share-based payments	–	496	–	–	–	–	496
Total emoluments	243	559	1,009	1,039	1,142	765	4,757

	Independent non-executive directors					
For the year ended 31 March 2008	Mr. Kwok Kwan Hung *(Note i)* HK$'000	Mr. Chan Wai Man *(Note i)* HK$'000	Mr. Leung Chi Kong HK$'000	Ms. Lam Tung Ming, Eileen *(Note iv)* HK$'000	Mr. Chan Kam Fuk *(Note iv)* HK$'000	Total HK$'000
Fees	–	–	60	80	80	220
Other emoluments						
Salaries and other benefits	30	30	30	–	–	90
Contributions to retirement benefits schemes	1	1	5	4	4	15
Share-based payments	45	28	28	–	–	101
Total emoluments	76	59	123	84	84	426

Note

(i) Appointed on 23 November 2007
(ii) Resigned on 14 December 2007
(iii) Resigned on 27 December 2007
(iv) Resigned on 23 November 2007

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

13. DIRECTORS' EMOLUMENTS *(Continued)*

For the year ended 31 March 2007	Executive directors: Mr. Leung Tin Fu HK$'000	Mr. Chan Wing Sum HK$'000	Mr. Cheng Kwok Lai HK$'000	Mr. Kwok Kam Tim HK$'000	Independent non-executive directors: Mr. Leung Chi Kong HK$'000	Ms. Lam Tung Ming, Eileen HK$'000	Mr. Chan Kam Fuk HK$'000	Total HK$'000
Fees	–	–	–	–	80	80	80	240
Other emoluments								
Salaries and other benefits	1,300	794	792	412	–	–	–	3,298
Contributions to retirement benefits schemes	12	12	12	19	4	4	4	67
Share-based payments	–	–	–	–	–	–	–	–
Total emoluments	1,312	806	804	431	84	84	84	3,605

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2007: three) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining two (2007: two) individuals were as follows:

	2008 HK$'000	2007 HK$'000
Salaries and other benefits	**2,509**	2,150
Contributions to retirement benefits schemes	**28**	37
Share-based payment expense	**–**	–
	2,537	2,187

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

14. EMPLOYEES' EMOLUMENTS *(Continued)*

	Number of employees **2008**	2007
HK$Nil – HK$1,000,000	**–**	1
HK$1,000,001 – HK$1,500,000	**2**	1
	2	2

There were no arrangements under which the directors of the Company have waived or agreed to waive any remuneration. There were no discretionary bonuses paid to the directors or the highest paid, non-director employees of the Group for the year ended 31 March 2008 (2007: Nil).

During the year ended 31 March 2008 and 2007, no emoluments were paid by the Group to the directors and the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments during the year ended 31 March 2008 and 2007.

15. DIVIDENDS

	2008 HK$'000	2007 HK$'000
Dividends recognised as distributions during the year:		
Interim dividend of HK$ Nil (2007: HK$0.012) per ordinary share	**–**	10,147
Special dividend of HK$0.015 (2007: Nil) per ordinary share *(a)*	**13,285**	–
Proposed final dividend of HK$ Nil (2007: HK$0.005) per ordinary share *(b)*	**–**	4,228
	13,285	14,375
Dividends recognised as distributions in the previous year:		
Final dividend of HK$0.005 (2007: HK$0.002) per ordinary share, in respect of the previous financial year, approved and paid during the year	**4,228**	1,691

Note

(a) At a meeting held on 14 November 2007, the Directors declared a special dividend of HK$0.015 (2007: Nil) per ordinary share pursuant to the agreement relating to the sale of 470,000,000 shares by a substantial shareholder of the Company (2007: interim dividend of HK$0.012 per ordinary share).

(b) The Directors do not recommend the payment of a final dividend for the year ended 31 March 2008 (2007: HK$0.005 per ordinary share).

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For the year ended 31 March 2008

16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	2008	2007
	HK$'000	HK$'000
Earnings		
Earnings attributable to the equity holder of the Company	**7,432**	19,787
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**858,426,885**	845,640,000
Deemed issued of ordinary shares for no consideration	**18,789,703**	4,317,573
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**877,216,588**	849,957,573

The weighted average number of ordinary shares for the purpose of diluted earnings per share has been adjusted for the deemed issued of ordinary shares arising from the Company's share option scheme.

17. RETIREMENT BENEFITS SCHEMES

The Group has arranged for its employees (including certain executive directors) provident funds under a defined contribution scheme (the "Scheme") managed by independent trustee. The employees make monthly contributions to the Scheme with an amount of 3% of their basic salaries, while the Group makes monthly contributions to the Scheme with an amount of 5% of the employees' basic salaries. The employees are entitled to receive their entire contribution and the accrued interest thereon, and 100% of the employer's contribution and the accrued interest thereon upon retirement or leaving the Group after completing 10 years of service, or at a reduced scale of between 30% and 100% after completing 3 to 10 years of service. During the year, no benefits were forfeited in accordance with the Scheme's rules to reduce the employer's contribution (2007: Nil).

Effective from 1 December 2000, the Group has simultaneously implemented a mandatory provident fund scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Schemes Ordinance in Hong Kong. Both the Group (the employer) and its employees make monthly contributions to the MPF Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions of employer and employees are subject to a cap of monthly earnings of HK$20,000 and thereafter contributions are voluntary. The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers.

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For the year ended 31 March 2008

18. INTANGIBLE ASSETS

The Group

	Advertising rights HK$'000	Business information HK$'000	Total HK$'000
COST			
At 1 April 2006	6,645	–	6,645
Additions	–	1,800	1,800
At 31 March 2007 and 31 March 2008	**6,645**	**1,800**	**8,445**
AMORTISATION AND IMPAIRMENT			
At 1 April 2006	387	–	387
Provided for the year	664	–	664
Impairment loss recognised	2,594	–	2,594
At 31 March 2007	3,645	–	3,645
Provided for the year	356	–	356
Impairment loss recognised	2,644	1,800	4,444
At 31 March 2008	**6,645**	**1,800**	**8,445**
CARRYING AMOUNTS			
At 31 March 2008	**–**	**–**	**–**
At 31 March 2007	3,000	1,800	4,800

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

18. INTANGIBLE ASSETS *(Continued)*

The Company

	Advertising right HK$'000
COST	
At 1 April 2006, 31 March 2007 and 31 March 2008	**6,645**
AMORTISATION AND IMPAIRMENT	
At 1 April 2006	387
Provided for the year	664
Impairment loss recognised	2,594
At 31 March 2007	3,645
Provided for the year	356
Impairment loss recognised	2,644
At 31 March 2008	**6,645**
CARRYING AMOUNTS	
At 31 March 2008	**–**
At 31 March 2007	3,000

Intangible assets comprise advertising rights and business information.

Advertising rights represent the costs of acquiring operating rights for the placement of advertisements in advertising display panels in the PRC and include any directly attributable costs of bringing advertising display panels to their present condition and location for their intended use. Advertising rights are stated at cost less accumulated amortisation and any impairment losses.

Business information includes database of customers/vendors, potential exhibitors as well as market information, operations, financial and business plans in respect of the exhibition business acquired from a business partner.

No amortisation is provided for the business information as the directors of the Company are of the opinion that various studies including product life cycle studies, market, competitive trends and brand extension opportunities have been performed by the management of the Group, which supports that the business information is estimated to be indefinite. Advertising rights is amortised on a straight-line basis over the agreed period of use of ten years.

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18. INTANGIBLE ASSETS *(Continued)*

For the purposes of impairment testing on advertising rights and business information, as at 31 March 2008, the Group engaged BMI Appraisal Limited (2007: BMI Appraisal Limited), an independent qualified professional valuer to assessed the recoverable amount of the advertising rights and business information, and determined that the advertising rights was impaired by approximately HK$2,644,000 (2007: HK$2,594,000). The recoverable amount of the advertising rights was determined from the cash flow projection based on financial budgets approved by senior management covering a period of 12-month, and the discount rate of 15% per annum (2007: 18% per annum) was applied in the value-in-use model. The discount rate used is pre-tax and reflect specific risks relating to the industry. The main factor contributing to the impairment of the advertising rights was the decrease in the estimated cash flow generated in the future periods.

The Group also engaged BMI Appraisal Limited to assess the recoverable amount of the business information and determined that the business information was impaired by HK$1,800,000 (2007: Nil). The valuation has been determined based on a value-in-use calculation with reference to financial budgets approved by senior management covering 12-month period, and discounted as approximately 15% per annum. The discount rate used is pre-tax and reflect specific risks relating to the industry. The main factor contributing to the impairment of the intangible asset was the decrease in the estimated cash flow generated from the business information.

The amortisation expense has been included in the line item other operating expenses in the consolidated income statement.

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19. GOODWILL

	HK$'000
COST	
At 1 April 2006, 31 March 2007 and 31 March 2008	**7,790**
IMPAIRMENT	
At 1 April 2006, 31 March 2007 and 1 April 2007	–
Impairment loss recognised	990
At 31 March 2008	**990**
CARRYING AMOUNTS	
At 31 March 2008	**6,800**
At 31 March 2007	7,790

As at year ended 31 March 2008, the Group engaged BMI Appraisal Limited (2007: BMI Appraisal Limited), an independent qualified professional valuer to assessed the recoverable amount of goodwill, and determined that goodwill associated with the Group's cash generating unit ("CGU"), was impaired by approximately HK$990,000 (2007: Nil). The recoverable amount of the CGU was assessed by reference to value-in-use calculation. A discount factor of approximately 15% p.a. (2007: 17% p.a.) was applied in the value-in-use model. The discount rate used is pre-tax and reflect specific risks relating to the industry.

The main factor contributing to the impairment of the CGU was the decrease in the estimated cash flow generated from the CGU.

Particulars regarding impairment testing on goodwill are disclosed in note 20.

20. IMPAIRMENT TESTING ON GOODWILL

As explained in note 7, the Group uses business segments as its primary segment for reporting segment information. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The Group assesses the value of goodwill by reference to a valuation report prepared by an independent professional valuer, dated 5 June 2008. The carrying amount of goodwill (net of accumulated impairment losses) as at 31 March 2008 and 2007 is allocated as follow:

	2008 **HK$'000**	2007 HK$'000
Exhibition organisation – Asia (other than the PRC)	**6,800**	7,790

The valuation was prepared using the value-in-use model and was determined from the cash flow projection based on the CGU's financial budgets approved by senior management covering a period of five-years, and discounted at 15% p.a. (2007: 17% p.a.). The key assumption for the value in use calculation is the discount rate applied which is determined based on past performance and the expectations for the market development.

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For the year ended 31 March 2008

21. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2006	–	4,012	849	4,861
Additions	–	310	39	349
At 31 March 2007	–	4,322	888	5,210
Additions	721	576	703	2,000
Exchange adjustments	–	8	6	14
At 31 March 2008	**721**	**4,906**	**1,597**	**7,224**
DEPRECIATION				
At 1 April 2006	–	3,570	738	4,308
Provided for the year	–	187	48	235
At 31 March 2007	–	3,757	786	4,543
Provided for the year	54	270	125	449
Exchange adjustments	–	2	3	5
At 31 March 2008	**54**	**4,029**	**914**	**4,997**
CARRYING AMOUNTS				
At 31 March 2008	**667**	**877**	**683**	**2,227**
At 31 March 2007	–	565	102	667

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	20%
Furniture and equipment	20%
Motor vehicles	20%

The net book value of motor vehicles includes an amount of approximately HK$283,000 (2007: Nil) in respect of asset held under obligation under finance lease which shown in note 27 to the financial statements.

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For the year ended 31 March 2008

22. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2008	2007
	HK$'000	HK$'000
Unlisted securities:		
– Equity securities	**300**	300
– Less: impairment losses recognised	**(300)**	(300)
Total	**–**	–

The available-for-sale investments represent 19.5% equity interests in Inforchain, a company incorporated in the BVI and the branch of which operates a portal that provides online exhibition services complementary to the Group's offline exhibition business.

23. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of subsidiary	**Place/country of incorporation or registration**	**Issued and fully paid share capital/ registered capital**	**Proportion ownership interest held by the Company Direct %**	**Indirect %**	**Principal activities**
Infosky Group Limited *(Note iii)*	BVI	US$201	99.5	–	Investment holding
Chan Chao International Co., Limited	BVI	US$1,000	50.1	–	Exhibition organisation and provision of promotion and marketing services
Global Challenge Limited	BVI	US$10	–	99.5	Exhibition organisation and provision of promotion and marketing services
Paper Communication Publications Limited	Hong Kong	HK$1,000	–	99.5	Publication of trade magazine
廣東訊展會議展覽有限公司 *(Note i)*	PRC	HK$1,000,000	–	99.5	Exhibition organisation
上海訊展會議展覽有限公司 *(Note ii)*	PRC	US$140,000	–	99.5	Exhibition organisation
Billion Station Limited	BVI	US$1	100	–	Investment holding
Glory Prospect Limited	Hong Kong	HK$1	–	100	Provision of administrative services

Note

(i) 廣東訊展會議展覽有限公司 was established as wholly-foreign owned enterprise under the laws of the PRC with limited liability on 27 December 2004 and is currently wholly-owned by Global Challenge Limited.

(ii) 上海訊展會議展覽有限公司 was established as wholly-foreign owned enterprise under the laws of the PRC with limited liability on 8 August 2006 and is currently wholly-owned by Global Challenge Limited.

(iii) During the year ended 31 March 2008, the Group recognised a gain of approximately HK$45,000 on deemed disposal of a subsidiary following the dilution of the Group's interest in Infosky Group Limited from 100% to 99.5% as a result of subscription of newly issued share capital of Infosky Group Limited by an independent third party.

Notes to the Consolidated Financial Statements

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24. TRADE AND OTHER RECEIVABLES

	2008 HK$'000	2007 HK$'000
Trade receivables *(Note)*	**3,751**	2,601
Less: impairment loss recognised	**(1,384)**	(893)
	2,367	1,708
Other receivables, deposits and prepayments	**5,625**	7,494
Less: impairment loss recognised	**(1,398)**	(1,189)
	4,227	6,305
Total trade and other receivables	**6,594**	8,013

Notes

(i) Credit terms are normally negotiable between the Group and its customers and vary for the different business activities of the Group. For the exhibition organising business, customers are normally required to pay a 50% deposit upon signing of agreements and the remaining 50% prior to the opening of exhibitions. A credit period of up to 9 months may be given to those customers who have longstanding business relationships with the Group for the remaining 50% balance, following financial assessment by the senior management and based on the established payment records of the customers. For the promotion and marketing services, the Group normally requires full payment before rendering of services and the advertising fees from placement of advertisements in newspapers and magazines are normally payable on per issue basis 30 days before the date of publication. For the publication business, customers are required to make full payment at the time of subscription to the trade magazines published by the Group.

(ii) Included in other receivables is an amount due by Chan Chao International Co., Limited, a company incorporated in Taiwan, Republic of China amounted to HK$Nil (2007: approximately HK$777,000), in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests. The amount due is unsecured, interest-free and has no fixed terms of repayment. The highest balance during the year was approximately HK$1,659,000 (2007: approximately HK$1,213,000).

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24. TRADE AND OTHER RECEIVABLES *(Continued)*

The following is an aged analysis of trade receivables net of impairment loss at the balance sheet date:

	2008 **HK$'000**	2007 HK$'000
0 – 30 days	**476**	341
31 – 60 days	**155**	394
Over 60 days	**1,736**	973
	2,367	1,708

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$351,000 (2007: HK$163,000) which are past due at the reporting date for which the Group has not provided for impairment loss.

Movement of impairment losses recognised

	2008 **HK$'000**	2007 HK$'000
Balance at beginning of the year	**2,082**	659
Impairment losses recognised during the year	**744**	1,423
Amount recovered during the year	**(44)**	–
Balance at end of the year	**2,782**	2,082

The Group has provided in full all receivables overdue for one year because historical experience is such that receivables that are past due beyond one year are generally not recoverable.

Ageing of impaired trade receivables

	2008 **HK$'000**	2007 HK$'000
31 – 60 days	**–**	–
Over 60 days	**1,384**	893
	1,384	893

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For the year ended 31 March 2008

25. BANK BALANCES AND CASH

Bank balances and cash comprised cash held by the Group and bank balances that are interest bearing at prevailing market rate and have original maturity of three months or less. The directors consider that the carrying amounts approximate their fair values.

Bank balances carry interest at market rates which range from 3% to 5.5% p.a. (2007: 3.5% to 4% p.a.). No pledged bank deposits were held by the Group and the Company as at year ended 31 March 2008 and 2007.

The bank balances and cash of the Group are mainly denominated in Hong Kong dollars and Renminbi ("RMB"). Included in the bank balances and cash as at 31 March 2008 was amount denominated in RMB of approximately HK$14,871,000 (2007: approximately HK$13,071,000). RMB is not freely convertible into their currencies. As at 31 March 2008 and 2007, all bank balances and cash of the Company are denominated in Hong Kong dollars.

26. TRADE AND OTHER PAYABLES

	2008	2007
	HK$'000	HK$'000
Trade payables	**1,348**	1,066
Other payables	**3,553**	3,826
	4,901	4,892

The following is an aged analysis of trade payables at the balance sheet date:

	2008	2007
	HK$'000	HK$'000
0 – 30 days	**930**	629
31 – 60 days	**374**	394
Over 60 days	**44**	43
	1,348	1,066

The average credit period given by the suppliers are of three months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

As at the balance sheet date, none of the trade payables were past due.

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27. OBLIGATION UNDER FINANCE LEASE

During the year, the Group has obligation under finance lease with a motor vehicle. The lease term is 3 years (2007: Nil). Interest rate underlying the obligation under finance lease is fixed at contract date of 6.5% (2007: Nil) per annum. The lease has no terms of renewal or purchase options and escalation clauses. No arrangements have been entered into for contingent rental payments.

	Minimum lease payments		**Present value of minimum lease payments**	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance lease:				
Within one year	**37**	–	**32**	–
In more than one year but not more than five years	**49**	–	**47**	–
	86	–	**79**	–
Less: future finance charges	**(7)**	–	**–**	–
Present value of lease obligation	**79**	–	**79**	–
Less: Amount due for settlement with 12 months under current liabilities			**(32)**	–
Amount due for settlement after 12 months			**47**	–

The Group's obligation under finance lease is secured by the charge over the leased asset.

Financial lease obligation is denominated in Hong Kong dollars.

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For the year ended 31 March 2008

28. SHARE CAPITAL

	Number of shares		Share capital	
	2008	2007	**2008**	2007
	'000	'000	**HK$'000**	HK$'000
Authorised				
2,000,000,000 ordinary shares of HK$0.01 each	**2,000,000**	2,000,000	**20,000**	20,000
Issued and fully paid				
At beginning of the year	**845,640**	845,640	**8,456**	8,456
Issue of shares on exercise of share options *(Notes)*	**40,000**	–	**400**	–
At end of the year	**885,640**	845,640	**8,856**	8,456

Notes

(i) On 15 October 2007, the Company issued 8,000,000 ordinary shares of HK$0.01 each, at HK$0.08 on exercise of share options which were granted on 10 July 2002. These shares issued rank pari passu in all respects with the existing shares of the Company. The proceeds were used to provide general working capital for the Company.

(ii) On 19 December 2007, the Company issued 32,000,000 ordinary shares of HK$0.01 each, at HK$0.08 on exercise of share options which were granted on 10 July 2002. These shares issued rank pari passu in all respects with the existing shares of the Company. The proceeds were used to provide general working capital for the Company.

29. SHARE OPTION SCHEME

Pursuant to the share option scheme (the "Share Option Scheme") adopted by the Company on 22 October 2001, the Directors may at their discretion grant options to (i) any director, employee or consultant of the Group or a company in which the Group holds an equity interest or a subsidiary of such company (the "Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any person or entity whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group, to subscribe for shares of the Company during such period as may be determined by the Directors (which shall not be more than ten years from the date of issue of the relevant options).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

29. SHARE OPTION SCHEME *(Continued)*

The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme(s) of the Company shall not exceed 30% of the shares of the Company in issue from time to time. Options may be granted without any initial payment at a price (subject to adjustments as provided therein) equal to the higher of (i) the nominal value of the shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Each option gives the holder the right to subscribe for one share.

Details of the share options outstanding and exercisable as at 31 March 2008 are as follows:

Name/category of participants	Number of share options At 1 April 2007	Granted during the year	Exercised during the year	At 31 March 2008	Date of grant of share options	Exercise period of shares options	Exercise price per share	Options exercisable at the end of the year
Directors								
Mr. Cheng Kwok Lai	8,000,000 *(Note vii)*	–	(8,000,000) *(Note i)*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Mr. Chan Wing Sum	8,000,000 *(Note vii)*	–	(8,000,000) *(Note i)*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Mr. Kwok Kam Tim	8,000,000 *(Note vii)*	–	(8,000,000) *(Note i)*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Mr. Lee Chi Shing, Caesar	–	8,000,000 *(Note ii)*	–	8,000,000	14 December 2007	14 December 2007 - 13 December 2017	HK$0.28	8,000,000
Mr. Kwok Kwan Hung	–	800,000 *(Note iii)*	–	800,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	800,000
Mr. Leung Chi Kong	–	500,000 *(Note iii)*	–	500,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	500,000
Mr. Chan Wai Man	–	500,000 *(Note iii)*	–	500,000	15 February 2008	15 February 2008 - 14 February 2018	HK$0.33	500,000
	24,000,000	9,800,000	(24,000,000)	9,800,000				9,800,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

29. SHARE OPTION SCHEME *(Continued)*

Name/category of participants	Number of share options: At 1 April 2007	Granted during the year	Exercised during the year	At 31 March 2008	Date of grant of share options	Exercise period of shares options	Exercise price per share	Options exercisable at the end of the year
Employees	12,000,000 *(Note vii)*	–	(12,000,000) *(Note iv)*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
Employee	–	500,000 *(Note v)*	–	500,000	25 March 2008	25 March 2008 - 24 March 2018	HK$0.25	–
Consultant	4,000,000 *(Note vii)*	–	(4,000,000) *(Note vi)*	–	10 July 2002	10 July 2002 - 9 July 2012	HK$0.08	–
	40,000,000	**10,300,000**	**(40,000,000)**	**10,300,000**				**9,800,000**

Note

(i) The share options were exercised on 19 December 2007. The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$0.28.

(ii) The closing price of the shares of the Company before the date of grant (as of 14 December 2007) was HK$0.27.

(iii) The closing price of the shares of the Company before the date of grant (as of 15 February 2008) was HK$0.33.

(iv) 4,000,000 and 8,000,000 of options were exercised on 15 October 2007 and 19 December 2007 respectively. The weighted average closing price of the Company immediately before the date on which the options were exercised were HK$0.17 and HK$0.27 respectively.

(v) Options granted to the employee has vesting period of six months and one year of 250,000 each. The closing price of the shares of the Company immediately before the date of grant (as of 25 March 2008) was HK$0.25.

(vi) The share options were exercised on 15 October 2007. The weighted average closing price of the shares of the Company immediately before the date on which the option were exercised was HK$0.18.

(vii) The closing price of the shares immediately before the date on which the options were granted was HK$0.08.

(viii) There were no share options cancelled or lapsed during the year ended 31 March 2008.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

29. SHARE OPTION SCHEME *(Continued)*

The fair value of the options granted during the year ended 31 March 2008 was estimated as at the date of grant using the Black-Scholes option pricing model with the following assumptions:

(a) Risk-free interest rate – the yields of 10-year Hong Kong Exchange Fund Note;

(b) Expected volatility of share price – the 156 weeks historical volatility of closing prices of the shares of the Company from Bloomberg;

(c) Expected life of share options – one to two years; and

(d) Dividend yield – five to six percents.

According to the Black Scholes option pricing model, the fair value of the options granted during the year ended 31 March 2008 was approximately HK$637,000 (2007: Nil) of which the Group recognised a share option expense of approximately HK$598,000 (2007: Nil) for the year ended 31 March 2008.

40,000,000 options exercised during the year resulted in the issue of 40,000,000 ordinary shares of the Company and new share capital of HK$400,000 and share premium of HK$2,800,000 (before share issue expenses), as further detailed in note 28 to the financial statements.

As at 31 March 2008, the Company had 10,300,000 options outstanding under the Share Option Scheme. The exercise in full of the remaining options would, under the present capital structure of the Company, result in the issue of 10,300,000 additional ordinary shares of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

30. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 34 to the financial statements.

The Company

	Share premium HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2006	4,552	5,144	9,696
Profit for the year	–	11,488	11,488
Dividends paid in respect of *(Note 15)*			
– 2006 final dividend	–	(1,691)	(1,691)
– 2007 interim dividend	–	(10,147)	(10,147)
At 31 March 2007 and 1 April 2007	4,552	4,794	9,346
Profit for the year	–	9,974	9,974
Issue of ordinary shares upon exercise of share options	2,800	–	2,800
Transaction costs attributable to issue of new shares	(62)	–	(62)
Recognition of equity-settled share-based payments	–	598	598
Dividends paid in respect of *(Note 15)*			
– 2007 final dividend	–	(4,228)	(4,228)
– 2008 special dividend	(4,552)	(8,733)	(13,285)
At 31 March 2008	**2,738**	**2,405**	**5,143**

Under the Companies Laws of the Cayman Islands, the share premium account is distributable to the equity holders of the Company provided that immediately following the distribution or payment of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's reserves available for distribution comprise the share premium account and retained profits. At 31 March 2008, in the opinion of the Directors, the reserves of the Company available for distribution to the equity holders of the Company amounted to approximately HK$5,143,000 (2007: approximately HK$9,346,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

31. OPERATING LEASES

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2008	2007
	HK$'000	HK$'000
Within one year	**704**	430
In the second to fifth years inclusive	**378**	318
	1,082	748

At 31 March 2008 and 2007, the Company had no commitment under operating lease.

32. COMMITMENTS

Pursuant to an agreement entered into between the Company and 中國吸煙與健康協會 (the "Association") in April 2004, the Association assigned to the Company the exclusive rights for the placement of advertisements in the advertising display panels which are to be built in primary and secondary schools in Guangzhou, the PRC, for a period of ten years. A fee would be paid to the Association for such exclusive rights in accordance with the terms of the agreement. At 31 March 2008, the Company had future minimum payments under the non-cancellable terms of the agreement in respect of such exclusive rights amounting to approximately HK$1 million and such amount is payable within the next twelve months after the balance sheet date. According to the confirmation letter issued by the Association in August 2005, settlement of the amount would be deferred until the operation of the advertising display panels generates income. As income generated from the use of the aforementioned panels did not reach the Company's expected target, the Company had not paid the amount up to 31 March 2008. In the opinion of the Directors, the Company would not incur any legal liability to pay or to compensate the Association.

33. RELATED PARTY TRANSACTIONS

Rentals

During the year ended 31 March 2008, the Group paid rent totalling HK$250,000 (2007: HK$240,000) to a former executive director of the Company for the lease of office premises owned by him. The Directors consider that the rental was calculated by reference to open market rentals.

Agency and management services agreements

During the year, the Group has entered into the following agency agreement and management service agreement with Chan Chao International Co., Limited ("Chan Chao Taiwan"), a company incorporated in Taiwan, Republic of China and in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests.

(i) *Agency agreement*

During the year, an indirect wholly-owned subsidiary of the Company, Global Challenge Limited ("GCL"), entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2007, pursuant to which GCL agreed to appoint Chan Chao Taiwan to (i) act as its agent to grant licences of booth space of the exhibitions designated by GCL for use by exhibitors in Taiwan and South East Asia; (ii) conduct promotion and marketing of the exhibitions in Taiwan and South East Asia; and (iii) conduct market research of holding and/or organising any exhibitions when instructed by GCL under the agency agreement.

During the year ended 31 March 2008, the aggregate commission paid by the Group to Chan Chao Taiwan was approximately HK$573,000 (2007: approximately HK$135,000).

(ii) *Management service agreement*

During the year, a non-wholly-owned subsidiary of the Company, Chan Chao International Co., Limited ("Chan Chao BVI"), a company incorporated in the British Virgin Islands, entered into an agreement with Chan Chao Taiwan for a term of one year commencing from 1 April 2007, pursuant to which Chan Chao BVI agreed to engage Chan Chao Taiwan to plan, direct and manage the exhibitions organised by Chan Chao BVI, namely, exhibitions entitled "Linkage Industry Vietnam", "Rubber Plas Malaysia" and "Print-Label Malaysia".

During the year ended 31 March 2008, the aggregate management service fee paid by the Group to Chan Chao Taiwan was approximately HK$276,000 (2007: approximately HK$82,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

33. RELATED PARTY TRANSACTIONS *(Continued)*

Agency and management services agreements *(Continued)*

The Directors consider that the consideration paid for the above significant related party transactions were based on rates mutually agreed with reference to the then market conditions and in the ordinary course of the Group's business. The Directors consider that these significant related party transactions, which also constitute connected transactions under the GEM Listing Rules, have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Compensation to key management personnel

The remuneration of directors and other members of key management during the year was as follow:

	2008	2007
	HK$'000	HK$'000
Short-term benefits	**9,039**	7,060
Post-employment benefits	**150**	163
Share-based payments	**597**	–
	9,786	7,223

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2008

34. POST BALANCE SHEET EVENTS

(i) On 2 April 2008, a subsidiary of the Company, Global Challenge Limited lodged an objection against the Inland Revenue Department's ("IRD") assessment through the Group's tax representative in relation to a notice of additional assessment for the year of assessment 2001/02 relating to certain offshore claim on exhibition organisation income arising in prior years in which the IRD has challenged the tax treatment adopted by the subsidiary. The objection is on the grounds that the additional profits assessed were considered as offshore sourced and is not subject to Hong Kong Profits Tax.

On 25 April 2008, the subsidiary received a notice from the IRD advising that the tax demanded would be held over on condition that the subsidiary purchased HK$402,817 of Tax Reserve Certificate (the "TRC") by 9 May 2008. Should any amount of tax held over on condition of the purchase of TRC become payable upon the final determination of the objection, the same amount of TRC would be used for settlement of tax due. In order to fulfil the condition of hold over of tax payment, the subsidiary purchased TRC of HK$402,817 on 28 April 2008.

(ii) On 27 May 2008, the Company announced that Billion Station Limited, a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement dated 18 April 2008 with an independent third party to acquire the entire equity interests in Triumph Fund A Limited and its subsidiaries for a total consideration of approximately HK$460,599,000. The acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and thus it is subject to the Company's shareholders approval at a special general meeting. Further details of the acquisition are set out in the Company's announcement dated 27 May 2008.

(iii) On 29 May 2008, a substantial shareholder of the Company entered into a placing and subscription agreement with Goldin Securities Limited and the Company dated 28 May 2008. Pursuant to the agreement, the substantial shareholder agreed to place the shares to not less than six placees at a price of HK$0.31 each. For further details, please refer to the Company's announcement dated 29 May 2008.

On 3 June 2008, the placing of existing shares by a substantial shareholder of the Company totaling 90,000,000 of shares had been successfully completed and placed to not less than six placees at a price of HK$0.31 each. For details of the completion of placing of existing shares, please refer to the Company's announcement dated 3 June 2008.

Financial Summary

The following table summarises the results, assets and liabilities of the Group for the last five financial years as extracted from the audited financial statements:

	2008	2007	2006	2005	2004
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**88,545**	79,621	48,618	58,918	54,639
Profit attributable to equity holders of the Company	**7,432**	19,787	8,129	13,010	7,849
Total assets	**41,065**	52,908	37,315	34,646	34,274
Total liabilities	**(13,318)**	(20,045)	(12,401)	(7,718)	(9,786)
Net assets	**27,747**	32,863	24,914	26,928	24,488

Note

1. The results and assets and liabilities of the Group for the year ended 31 March 2008 have been extracted from the consolidated income statement and consolidated balance sheet as set out on pages 31 and 32 respectively of the accompanying consolidated financial statements.

2. The financial summary of the Group has been included is for information only and does not form part of the audited financial statements.