



泰德陽光集團

TIDETIME SUN (GROUP) LIMITED

泰德陽光(集團)有限公司

Stock Code 股份代號: 307

Annual Report **2007** 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Ping (*Chairman & Chief Executive Officer*)
Ms. Ma Jian Ying (*Deputy Chief Executive Officer*)
Mr. Walter Stasyshyn
Mr. Man Ming
Ms. Tung Hsiao-Chi

Independent Non-executive Directors

Mr. Yan Tat Wah, Joseph
Mr. Chu Yu Lin, David
Mr. Jordan Z. Deng

QUALIFIED ACCOUNTANT

Ms. Wong Mei Ling

COMPANY SECRETARY

Mr. Chan Kwong Leung, Eric

AUDITORS

CCIF CPA Limited

PRINCIPAL BANKERS

Hong Kong and Shanghai Banking Corporation
Hang Seng Bank Limited

REGISTERED OFFICE

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

董事會

執行董事

陳平先生 (主席兼行政總裁)
馬建英女士 (副行政總裁)
Walter Stasyshyn先生
文明先生
董小琪女士

獨立非執行董事

甄達華先生
朱幼麟先生
鄧志端先生

合資格會計師

黃美玲女士

公司秘書

陳鄭良先生

核數師

陳葉馮會計師事務所有限公司

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司

註冊辦事處

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

Corporate Information

公司資料

PRINCIPAL PLACE OF BUSINESS

Suite 4803, 48th Floor
Convention Plaza Office Tower
1 Harbour Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road
Pembroke HM08, Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Secretaries Limited
Level 25, Three Pacific Place
1 Queen's Road East
Hong Kong

WEBSITE

<http://www.tidetimesun.com>

STOCK CODE

307

主要營業地點

香港灣仔
港灣道1號
會展中心辦公大樓
48樓4803室

股份過戶登記總處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road
Pembroke HM08, Bermuda

香港股份過戶登記分處

秘書商業服務有限公司
香港
皇后大道東1號
太古廣場三期25樓

網址

<http://www.tidetimesun.com>

股份代號

307

Profiles of Directors

董事簡介

EXECUTIVE DIRECTORS

Mr. Chen Ping, aged 52, was appointed as Chairman, Chief Executive Officer and Executive Director of Tidetime Sun (Group) Limited (the “Company”) in October 2004. He is the founder and chairman of the Tide Time Holdings Limited (together with its subsidiaries, collectively the “Tidetime Group”), a substantial shareholder of the Company. The Tidetime Group is principally engaged in the educational publications, remote education, as well as distribution and production of publication and computer peripherals in the People’s Republic of China (the “PRC”). Mr. Chen graduated from 中國安徽機電學院 (Anhui Mechanical College, the PRC) (formerly as “安徽機械學校 (Anhui Mechanical School)”), majoring in industrial automation control. Prior to founding the Tidetime Group in 1990, Mr. Chen acted as researcher in 中國北京中信國際研究所 and 中國上海科學研究所 respectively. Mr. Chen is the brother-in-law of Ms. Ma Jian Ying, the Deputy Chief Executive Officer and Executive Director of the Company.

Ms. Ma Jian Ying, aged 50, was appointed as Deputy Chief Executive Officer and Executive Director of the Company in October 2004. Ms. Ma is the director of the Tidetime Group. She was a graduate-student of the faculty of economics and management of the University of Tongji, Shanghai, the PRC. Ms. Ma has extensive business experience in the PRC and has been an assistant researcher of 中國國務院發展研究中心. Ms. Ma is the sister-in-law of Mr. Chen Ping, the Chairman, Chief Executive Officer and Executive Director of the Company.

Mr. Walter Stasyshyn, aged 57, was appointed as Executive Director of the Company in November 2004. Mr. Stasyshyn is a practicing lawyer in Canada. Mr. Stasyshyn received his honorable bachelor’s degree from the University of Toronto, Canada and a bachelor’s degree in laws (LLB) from the University of Windsor, Canada. He has over 30 years of experience in corporate and commercial laws and corporate finance. Before joining the Company, Mr. Stasyshyn has established his technology-related businesses (covering software development, telecommunication, digital compression, remote education aspects). Mr. Stasyshyn is a director of the Tidetime Group.

執行董事

陳平先生，現年五十二歲，於二零零四年十月獲委任為泰德陽光（集團）有限公司（「本公司」）之主席、行政總裁兼執行董事。彼為本公司之主要股東泰德時代控股有限公司（連同其附屬公司，統稱「泰德集團」）之創始人兼董事長。泰德集團主要於中華人民共和國（「中國」）從事教育出版、遙距教育及刊物及電腦周邊產品之分銷與生產。陳先生畢業於中國安徽機電學院（原名：安徽機械學校），主修工業自動控制。於一九九零年創辦泰德集團前，陳先生曾分別於中國北京中信國際研究所及中國上海科學研究所出任研究人員。陳先生為本公司之副行政總裁兼執行董事馬建英女士之姐夫。

馬建英女士，現年五十歲，於二零零四年十月獲委任為本公司之副行政總裁兼執行董事。馬女士為泰德集團之董事。馬女士乃中國上海同濟大學經濟管理學院研究生畢業。馬女士擁有在中國營商之豐富經驗，並曾任中國國務院發展研究中心之助理研究員。馬女士為本公司之主席、行政總裁兼執行董事陳平先生之小姨。

Walter Stasyshyn先生，現年五十七歲，於二零零四年十一月獲委任為本公司之執行董事。Stasyshyn先生為加拿大執業律師。Stasyshyn先生於加拿大University of Toronto獲取榮譽學士學位，並於加拿大University of Windsor獲取法律學士學位（LLB）。彼於企業及商業法律以及企業融資方面擁有逾三十年經驗。於加入本公司前，Stasyshyn先生已成立其科技相關業務（涵蓋軟件開發、電訊、數碼壓縮及遙距教育等範疇）。Stasyshyn先生為泰德集團之董事。

Profiles of Directors 董事簡介

Mr. Man Ming, aged 46, was appointed as Executive Director of the Company in November 2004. Mr. Man is a director of the Tidetime Group. Mr. Man has over 20 years of experience in businesses such as remote education, properties development and corporate investment and management in China. Mr. Man is also a director of 北京景山遠程教育網絡技術有限公司, the Tidetime Group's operating arm for remote education business in China.

Ms. Tung Hsiao-Chi, aged 47, was appointed as Executive Director of the Company in March 2005. Ms. Tung holds a Master of Business Administration degree from Harvard Business School and a Bachelor degree of Science in Mathematics and Computer Science from University of California Los Angeles. Ms. Tung has over 20 years of experience in finance, operation control and project management. Prior to joining the Company, Ms. Tung worked for China Netcom as General Manager of Financial Services Center and Assistant Chief Financial Officer. Ms. Tung has also worked for several renowned global corporations, such as Agilent Technologies, Inc., Hewlett-Packard Company and Mitsubishi Corporation in the United States.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yan Tat Wah, Joseph, aged 42, was appointed as Independent Non-executive Director of the Company in 1998. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Taxation Institute of Hong Kong. He is a senior partner and founder of the accounting firm Messrs. Li, Ko & Yan, Certified Public Accountants.

文明先生，現年四十六歲，於二零零四年十一月獲委任為本公司之執行董事。文先生為泰德集團之董事。文先生於中國之遙距教育、物業發展以及企業投資及管理業務方面擁有逾二十年經驗。文先生亦為北京景山遠程教育網絡技術有限公司（為泰德集團於中國之遙距教育業務之營運分支）之董事。

董小琪女士，現年四十七歲，於二零零五年三月獲委任為本公司之執行董事。董女士持有哈佛商學院工商管理碩士學位及加州大學洛杉磯分校之數學及計算機科學之理學士學位。董女士在財務、營運控制及項目管理方面擁有逾二十年之經驗。董女士於加入本公司前曾任中國網通之財務服務中心總經理及助理財務總監。董女士亦先後於數間著名跨國機構任職，包括美國 Agilent Technologies, Inc.、Hewlett-Packard Company（惠普）及 Mitsubishi Corporation（三菱）。

獨立非執行董事

甄達華先生，現年四十二歲，於一九九八年獲委任為本公司之獨立非執行董事。彼為英國特許會計師公會及香港會計師公會之資深會員，亦為香港稅務學會之資深會員。彼乃李高甄會計師事務所之高級合夥人兼創辦人。

Profiles of Directors 董事簡介

Mr. Chu Yu Lin, David, aged 62, was appointed as Independent Non-executive Director of the Company in September 2004. He is a graduate of the University of Harvard with a Master's Degree in Business Administration. Mr. Chu has served a number of international sizable institutions. Since 1996, Mr. Chu has joined Sinochem Hong Kong Holdings Limited ("**Sinochem**") (formerly as "Wah Tak Fung Holdings Limited"), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as director and is responsible for the overall corporate planning and decision making of Sinochem. He is also the non-executive director of Jiuzhou Development Co., Limited (formerly as "Zhu Kuan Development Co., Limited"), Catic Shenzhen Holdings Limited, Catic International Holdings Limited and Hong Kong Pharmaceutical Holdings Limited. Those companies are listed on the main board of the Stock Exchange. He has been a member of a number of consultative committees of the Hong Kong SAR Government ("**HKSAR**"). In May 1998 and September 2000, Mr. Chu was re-elected a legislative councilor for the HKSAR. In 2001, Mr. Chu was conferred with an Honorary Doctorate Degree in Public Service by the Northeastern University in the United States and also appointed as Unofficial Justice of Peace by the HKSAR. In 2003, Mr. Chu was elected as a deputy of the HKSAR to the 10th National Congress of the People's Republic of China.

Mr. Jordan Z. Deng, aged 53, was appointed as Independent Non-executive Director of the Company in March 2005. Mr. Deng is currently the Chief Representative, Asia, International Risk Consultant, LLC, and has over 20 years of experience in China-related business development and management. He graduated from Fudan University in Shanghai, China with a Bachelor of Law. He also holds a Master of Arts in International Development from George Washington University, USA and Doctor Degree in Public and Politics from Penn State University of USA.

朱幼麟先生，現年六十二歲，於二零零四年九月獲委任為本公司之獨立非執行董事。彼為哈佛大學之畢業生，持有工商管理碩士學位。朱先生曾於多間具規模之國際機構工作。自一九九六年起，朱先生出任香港聯合交易所有限公司（「**聯交所**」）主板上市公司中化香港控股有限公司（「**中化**」，前稱「**華德豐集團有限公司**」）之董事，負責中化之整體企業策劃及決策。彼亦為聯交所主板上市公司九洲發展有限公司（前稱「**珠光發展有限公司**」）、深圳中航實業股份有限公司、中國航空技術國際控股有限公司及香港藥業集團有限公司之非執行董事。朱先生為香港特別行政區（「**香港特區**」）政府多個諮詢委員會成員。於一九九八年五月及二零零零年九月，朱先生獲重選為香港特區立法會議員。於二零零一年，朱先生獲美國東北大學頒授公共服務名譽博士學位，亦獲香港特區委任為非官方太平紳士。於二零零三年，朱先生獲選為中華人民共和國香港特區第十屆全國人民大會代表。

鄧志端先生，現年五十三歲，於二零零五年三月獲委任為本公司之獨立非執行董事。彼現為國際風險顧問公司亞洲區總代表，在中國相關業務發展及管理方面擁有逾二十年之經驗。彼於中國上海復旦大學畢業，獲法律學士學位，並取得美國佐治華盛頓大學頒發之國際發展碩士學位，以及美國賓夕法尼亞州大學頒發之行政及政治博士學位。

Chairman's Statement

主席報告書

BUSINESS REVIEW

We scaled down our business in 2006 to release part of our resources for new pursuit. However, the performance of our new business in 2007 has not been satisfactory. Turnover dropped as the sales of our new products needed some time to pick up.

The difficulties the Group encountered during the year were mainly related to its business migration. The performance of its existing business deteriorated at a fast pace while the products and projects of its new business needed a longer period of time to establish their market positions. The turnover of the Group dropped as a result of such time lag. The Group will continue to divest its interests in non-performance subsidiaries and projects for greater flexibility in resources allocation in the coming year.

Broadcasting programmes production and sales have become the Group's major income source in 2007 as compared with 2006. Profit margin of mobile media of its subsidiary had been squeezed to an unacceptable level due to keen competition and price pressure caused by similar products in the market. The Group has discontinued the mobile media business. The operation of DVD9 production line has been under pressure as a result of high rentals, high payrolls and market shrinkage in Hong Kong. The management is reviewing such operation. The Group will also seek opportunities to invest in the business of HD storage and playback media and services.

PROSPECTS

The first year of Group's business expansion was fundamental and influential for future prospects. Looking ahead, building on the experience gained in the last two years, we anticipate potential development for the new media business. Yet, given the high cost to be incurred, the management will make corresponding arrangement to reduce cost and enhance its competitive edge as well as profit margin.

Moreover, the management will keep on reviewing the Group's business mode and expanding its business scope to other domains for a diversified revenue base.

In July 2007, the Group issued convertible notes in the amount of HK\$25,353,600, which will be intended by the Group for new business acquisition to enhance long-term value of our shareholders. The directors are seeking acquisition opportunities and will further raise capital to strengthen the Company's capital structure when necessary.

On behalf the Board, I would like to take this opportunity to extend my thanks to all shareholders and business partners of the Group for their continuous and devoted support; and especially to our major investors for their confidence and support for the Group's extensive expansion efforts. I would also like to express my gratitude and appreciation to our management and staff for their dedication and distinguished teamwork.

業務回顧

對本集團業務而言，雖在二零零六年積蓄了部分力量，但在二零零七年需求新專案中不甚順利，導致部分業務下滑，其轉型產品還未跟上。

本年度業務艱辛主要體現在，傳統業務下滑速度快，其轉型產品或新專案開發、市場接受時間長，二者時間的不一致導致本年度業務量的下降。與此同時，出售及終止現有集團附屬公司中投資沒有回報的公司和專案，以便下一年度可以輕裝上陣。

與二零零六年相比，二零零七年廣播節目製作和銷售為本集團主要收入來源，附屬公司生產的移動媒介產業由於同類競爭產品增加和價格的下降，已無利潤空間，停止經營。DVD9生產線由於香港本地高租金、高人工、包括市場的萎縮，管理層正檢討該業務之運營情況，同時管理層努力創新發展的高清晰光碟存儲、播放系列技術產品與服務將可能成為集團新媒體業務發展的空間和機遇。

前景

本集團業務拓展計劃首年，任重而道遠。展望未來，本集團管理層經過過去兩年之努力，在新媒體系列創新技術產品與服務方面的積累所形成的機遇將有一定的發展潛力。惟成本高昂，管理層將作針對性之部署，減少成本，增加競爭力及利潤空間。

此外，管理層將繼續檢討本集團之業務模式，並擴展至其他業務範圍藉此擴展收入來源。

本集團於二零零七年七月發行港幣25,353,600元之可換股票據，本集團擬動用這些現金以收購新業務，務求提升本集團股東之長遠價值，董事目前尋求其他業務收購良機之同時，更會於有需要時，進一步籌集資金，鞏固本公司之資本架構。

本人借此機會謹代表董事會對所有股東及本集團之業務夥伴一直以來對本集團的全力支援表示感謝；尤其是對本集團主要投資者對本集團的業務大幅度開拓計畫的信任和 support，致以衷心謝意。同時，本人亦對本集團之管理層和員工在過往一年的努力不懈與齊心協力，深表感謝及讚賞。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Result

The Group's consolidated turnover amounted to approximately HK\$32 million (2006: approximately HK\$51.3 million), representing a decrease of 37% over that of 2006. The decline was mainly due to the cessation of operation of a subsidiary of the Group which produced and involved in the sales of mobile media and DVD9 products, etc.

The loss attributable to the shareholders of the year ended 31 March 2007 was approximately HK\$67.0 million (including loss from operation and securities investment HK\$24.5 million and HK\$42.5 million respectively) (2006: HK\$37 million), representing an increase of approximately 83.6% when compared with that of 2006.

Loss per ordinary share was increased to HK\$12 cents (2006: HK\$7.4 cents).

Liquidity and Financial Resources

As at 31 March 2007, the Group's current ratio was 0.7 (2006: 1.5), with current assets of approximately HK\$37.4 million (2006: HK\$109.9 million) against current liabilities of approximately HK\$53.5 million (2006: HK\$75.3 million). Cash and cash equivalents was approximately HK\$2.8 million (2006: HK\$11.5 million).

The Group's gearing ratio as at 31 March 2007 was 2.36 (2006: 0.01).

The Group's working capital is mainly financed through internal generated cashflow, short-term borrowings and equity financing. There has not been any change in the Group's funding and treasury policies during the year, and the Group continues to follow the practice of prudent cash management.

財務回顧

業績

本集團錄得綜合營業額約港幣32,000,000元(二零零六年:約港幣51,300,000元),較二零零六年減少37%,主要是由於本公司過往生產及銷售移動媒介產品和DVD9等項目的附屬公司終止經營所致。

截至二零零七年三月三十一日止年度,股東應佔虧損約港幣67,000,000元(包括經營虧損港幣24,500,000元和證券投資虧損港幣42,500,000元)(二零零六年:港幣37,000,000元),較二零零六年增加約83.6%。

每股普通股虧損增至港幣12仙(二零零六年:港幣7.4仙)。

流動資金及財務資源

於二零零七年三月三十一日,本集團之流動比率為0.7(二零零六年:1.5),其中流動資產約為港幣37,400,000元(二零零六年:港幣109,900,000元),而流動負債則約為港幣53,500,000元(二零零六年:港幣75,300,000元)。現金及現金等值項目約為港幣2,800,000元(二零零六年:港幣11,500,000元)。

本集團於二零零七年三月三十一日之資本負債比率為2.36(二零零六年:0.01)。

本集團主要透過內部產生之現金流量、短期借貸及股本融資應付其營運資金所需。本集團之資金及財政政策於年內並無任何變動,而本集團亦貫徹實行審慎現金管理。

Management Discussion and Analysis

管理層討論及分析

Treasury Policies

The Group adopts conservative funding and treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollars or Renminbi. The Group's financing requirements are regularly reviewed by the management.

The Group adopts a prudent treasury policy whereas majority of its bank balances and cash is denominated in Hong Kong dollars or Renminbi and placed on short-term deposit.

Exposure to Fluctuation in Foreign Exchange

The Group's monetary assets and liabilities were principally denominated in Hong Kong dollars, Renminbi and US dollars. As the Hong Kong dollar is pegged to the US dollars and the fluctuation in exchange rate between Hong Kong dollars and Renminbi is minimal, the Group's exposure to currency exchange risk was insignificant.

Charges on Assets and Contingent Liabilities

The Group leases a motor vehicle under a finance lease arrangement to be expired on May 2009. Save as disclosed herein, the Group did not have any charges on assets or have any material contingent liabilities as at 31 March 2007.

Human Resources

As at 31 March 2007, the Group had a total of 20 employees (2006: 21).

Employees' remuneration packages are reviewed and determined by reference to the market pay and individual performance.

The staff benefits include contributions to mandatory provident fund, medical scheme and share option scheme.

財政政策

本集團在現金及財務管理方面採取審慎資金及財政政策。現金一般存放作主要以港幣或人民幣為單位之短期存款。管理層會定期檢討本集團之融資需求。

儘管本集團多數銀行結餘及現金均以港幣或人民幣為單位存放於短期存款，本集團仍採納審慎之財政政策。

外匯波動風險

本集團之貨幣資產與負債主要以港幣、人民幣及美元為單位。由於港幣與美元掛鈎，而港幣兌人民幣之匯率波動輕微，故本集團面對之外匯波動風險並不重大。

資產抵押及或然負債

本集團根據於二零零九年五月屆滿之融資租賃安排出租汽車。除本年報所披露者外，於二零零七年三月三十一日，本集團並無任何資產抵押或任何重大或然負債。

人力資源

於二零零七年三月三十一日，本集團於香港僱有20名（二零零六年：21名）僱員。

本集團就市場行情及個人表現檢討及釐定僱員之薪酬組合。

僱員福利包括強積金供款、醫療計劃及購股權計劃。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code of Corporate Governance Practices (“the Code”) in Appendix 14 of the Listing Rules as its own code of corporate governance practice.

In the opinion of the Board, the Company has complied with the Code throughout the year ended 31 March 2007 except for certain deviations disclosed herein.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Group (comprising the Company and its subsidiaries) and oversees the Group's businesses, strategic decisions and performance. The Board has delegated the day-to-day responsibility to the Executive Directors and senior management who perform their duties under the leadership of the Chief Executive Officer.

The Board currently consists of five Executive Directors and three Independent non-executive Directors. One of our Independent non-executive Directors has the professional and accounting qualifications required by the Listing Rules.

Under A.1.1 of the Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

The members of the Board held two regular meetings during the year. The significant matters concerning the business activities and operation of the Group during the year had been adequately and duly reported, discussed and resolved at the two Board meetings. Minutes of board meetings and committee meetings are taken by the Company Secretary and are available for all board members.

企業管治常規

本公司已採納上市規則附錄14所載之企業管治常規守則(「守則」)之守則條文作為其本身之企業管治常規守則。

本公司董事會認為，除以下所披露之若干偏離外，本公司於截至二零零七年三月三十一日止年度一直遵守守則。

董事之證券交易

本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)作為有關董事進行證券交易之操守守則。經作出特定查詢後，全體董事確認彼等於年內一直全面遵守標準守則所載之必守標準。

董事會

董事會負責領導及控制本集團(包括本公司及其附屬公司)，並監管本集團之業務、策略決策及表現。董事會已授權執行董事及高級管理人員負責日常責任，以在行政總裁之帶領下履行彼等之職責。

董事會現由五名執行董事及三名獨立非執行董事組成。本公司一名獨立非執行董事具備上市規則所規定之專業及會計資格。

根據守則A.1.1，董事會應定期開會，並且每年最少舉行四次董事會會議，大約每季一次。

董事會成員年內舉行兩次常規會議。年內有關本集團業務活動及營運之重大事項已在該兩次董事會會議中作出充份報告、討論與議決。董事會會議及委員會會議之會議紀錄由公司秘書擬備，並可供全體董事會成員查閱。

Corporate Governance Report

企業管治報告

The members of the Board and the attendance of each member are as follows:

董事會成員及各成員之出席紀錄如下：

	Directors 董事	Number of attendance 出席次數
Executive Directors 執行董事	Chen Ping (<i>Chairman and Chief Executive Officer</i>) 陳平 (主席兼行政總裁)	2/2
	Ma Jian Ying (<i>Deputy Chief Executive Officer</i>) 馬建英 (副行政總裁)	2/2
	Walter Stasyshyn	2/2
	Man Ming 文明	2/2
	Tung Hsiao-Chi 董小琪	1/2
Independent Non-executive Director 獨立非執行董事	Yan Tat Wah, Joseph 甄達華	2/2
	Chu Yu Lin, David 朱幼麟	2/2
	Jordan Z. Deng 鄧志端	2/2

The Company has received annual confirmations of independence from Mr. Yan Tat Wah, Joseph, Mr. Chu Yu Lin, David and Mr. Jordan Z. Deng and considers them to be independent.

本公司已接獲甄達華先生、朱幼麟先生及鄧志端先生就其獨立性而發出之年度確認書，並認為彼等乃屬獨立人士。

The Board members have no financial, business, family or other material/relevant relationship with each other except that Ms. Ma Jian Ying is the sister-in-law of Mr. Chen Ping, the Chairman, Chief Executive Officer and Executive Director of the Company. Given the nature and business objective of the Company, the Board has a balance of skill and experience appropriate for the requirements of the business of the Company. The list of directors and their respective biographies are set out on pages 4 to 6 of this annual report respectively.

除馬建英女士為本公司主席、行政總裁兼執行董事陳平先生之小姨外，各董事會成員間並無財務、業務、家庭或其他重大／相關關係。鑑於本公司之性質及業務目標，董事會已具備切合本公司業務所需之均衡技能與經驗。董事及彼等各自之履歷分別載列於本年報第4至6頁。

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chen Ping, the Chairman and the Chief Executive Officer of the Company. Although under A.2.1 of the Code, the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual, the Board believes that this structure enables the Company to make and implement decisions promptly and efficiently and believes it is beneficial to the business development of the Company.

Under A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. Currently, none of the Independent non-executive Directors are appointed for specific term. However, they are subject to retirement by rotation at the annual general meeting in accordance with the Bye-laws of the Company.

In addition, under A.4.2 of the Code, every director should be subject to retirement and rotation at least once every three year. Under the provisions of the Bye-laws of the Company, the Chairman of the Board and the Managing Director of the Company (*In the opinion of the Board, the roles of the managing director and the chief executive officer are the same*) are not subject to retirement and rotation at the annual general meeting of the Company while holding such office.

The Company will propose certain amendments to its Bye-laws to the effect that, among others, all Directors, including the Chairman of the Board and the Managing Director of the Company, shall be subject to retirement by rotation at least once every three years whether they are appointed for specific term. The amendments shall also bring the Bye-laws of the Company up to date and in line with the Code.

主席及行政總裁

陳平先生為本公司主席兼行政總裁。儘管根據守則A.2.1，主席及行政總裁之角色應有區分，不應由一人同時兼任，惟董事會相信，此架構令本公司得以迅速及有效地作出及推行決策，並相信此有利公司業務發展。

根據守則A.4.1，非執行董事之委任應有指定任期，並須接受重新選舉。現時獨立非執行董事概無指定任期，惟彼等須根據本公司之公司細則於股東週年大會輪席告退。

此外，根據守則A.4.2，每名董事須至少每三年輪席告退一次。根據本公司之公司細則條文，董事會主席及本公司董事總經理（董事會認為，董事總經理與行政總裁之角色並無分別）在任期間毋須於本公司股東週年大會上退任及膺選連任。

本公司將對其公司細則作出若干修訂，以使（其中包括）全體董事（包括董事會主席及本公司董事總經理）不論是否獲委任指定任期，均須至少每三年輪席告退一次。此修定亦須更新本公司之公司細則及使其符合守則之規定。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for reviewing and making recommendations to the Board on, among other things, the Company's policy for the remuneration of all directors and senior management of the Company.

During the year, the Remuneration Committee held one meeting. Members of the Remuneration Committee and the attendance of each member are as follows:

	Directors 董事	Number of attendance 出席次數
Independent non-executive Directors 獨立非執行董事	Yan Tat Wah, Joseph (<i>Chairman</i>) 甄達華 (主席)	1/1
	Chu Yu Lin, David 朱幼麟	1/1
	Jordan Z. Deng 鄧志端	1/1
Executive Directors 執行董事	Chen Ping 陳平	0/1
	Tung Hsiao-Chi 董小琪	0/1

During the year, the Remuneration Committee reviewed the remuneration packages of the Executive Directors and recommended a reduction of their salaries in light of the performance of the Group.

NOMINATION OF DIRECTORS

The Company has not established a Nomination Committee. The duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no director being involved in fixing his/her own terms of appointment and no Independent non-executive Director being involved in assessing his own independence.

AUDITORS' REMUNERATION

During the year, the Group was charged HK\$303,000 for auditing services by the Company's auditors, CCIF CPA Limited.

薪酬委員會

薪酬委員會負責就(其中包括)本公司全體董事及高級管理人員之薪酬進行檢討及向董事會提出建議。

年內,薪酬委員會已舉行一次會議,薪酬委員會成員及各成員之出席紀錄如下:

年內,薪酬委員會已檢討執行董事之薪酬待遇,並應本集團之表現提出減薪建議。

提名委員會

本公司並無成立提名委員會。守則所建議提名委員會之職責及職能乃由董事會整體履行,而概無董事參與釐定其本身之委任條款,亦無獨立非執行董事參與評估其本身之獨立性。

核數師酬金

年內,本集團已就核數服務向本公司核數師陳葉馮會計師事務所有限公司支付港幣303,000元。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee is responsible for reviewing the financial reporting process and internal control system of the Group and providing advice and comments to the Board.

During the year, the Audit Committee held two meetings. Members of the Audit Committee and the attendance of each member are as follows:

	Directors 董事	Number of attendance 出席次數
Independent non-executive Directors 獨立非執行董事	Yan Tat Wah, Joseph (<i>Chairman</i>) 甄達華 (主席)	2/2
	Chu Yu Lin, David 朱幼麟	2/2
	Jordan Z. Deng 鄧志端	2/2

During the year, the Audit Committee has performed the following duties:

- reviewed with the management and the external auditors the audited financial statements for the year ended 31 March 2006 and the unaudited interim financial statements for the six months ended 30 September 2006, with recommendations to the Board for approval;
- receiving management's report on the effective implementation of internal control system covering financial, operational, and procedural compliance; and
- reviewed the compliance issues with the regulatory and statutory requirements.

The Chairman of the Audit Committee, Mr. Yan Tat Wah, Joseph possesses appropriate professional qualifications in finance and accounting and meets the requirements of rule 3.21 of the Listing Rules.

ACCOUNTABILITY

The directors are responsible for the preparation of the accounts of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give true and fair view of the state of affairs, the results of operations and cashflows of the Group. In preparing the accounts for the six months ended 30 September 2006 and for the year ended 31 March 2007, the directors have adopted suitable accounting policies and applied them consistently. The accounts for the reporting year have been prepared on a going concern basis.

INTERNAL CONTROLS

The internal control system of the Group is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

審核委員會

審核委員會負責檢討本集團之財務申報程序及內部監控制度，並向董事會提供建議及意見。

年內，審核委員會已舉行兩次會議。審核委員會成員及各成員之出席紀錄如下：

年內，審核委員會已履行以下職責：

- 與管理層及外聘核數師審閱截至二零零六年三月三十一日止年度之經審核財務報告及截至二零零六年九月三十日止六個月之未經審核中期財務報告，並向董事會提供建議以待審批；
- 接收管理層有關有效實行涵蓋財務、運作及程序合規之內部監控制度報告書；及
- 審閱規管及法律規定之合規事宜。

審核委員會主席甄達華先生具備財務及會計適當專業資格，故符合上市規則第3.21條之規定。

問責性

董事負責根據適用法定及規管規定，編製本公司相關會計期間之賬目，該等賬目須真實中肯地反映本集團狀況、經營業績及現金流量。於編製截至二零零六年九月三十日止六個月及截至二零零七年三月三十一日止年度之賬目時，董事已貫徹採用適合之會計政策。申報年度之賬目已按持續經營基準編製。

內部監控

本集團之內部監控制度乃專門設立以就不會發生重大錯誤陳述或損失而提供合（而非絕對）之保證，並管理（而非消除）運作系統失靈及未能達成本集團目標之風險。

Directors' Report

董事會報告書

The directors of the Company present the Directors' Report together with the audited financial statements for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2007 are set out in the consolidated income statement on page 25.

No interim dividend was paid for the year ended 31 March 2007 (2006: Nil) and the Board did not recommend any payment of final dividend for the year ended 31 March 2007 (2006: Nil).

RESERVES

Details of the movements in the reserves of the Group during the year are set out in note 27(a) to the financial statements.

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 14 to the financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 132.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 27(c) to the financial statements.

DISTRIBUTABLE RESERVES

Pursuant to the Company Act 1981 of Bermuda, at 31 March 2007, the Company cannot distribute any of its reserves to the shareholders of the Company. However, the Company's share premium account of HK\$13,710,000 as at 31 March 2007 can be distributed in the form of fully paid bonus shares.

本公司董事呈奉截至二零零七年三月三十一日止年度之董事會報告書連同經審核財務報告。

主要業務

本公司之主要業務為投資控股，其主要附屬公司之業務載於財務報告附註1。

業績及股息

本集團截至二零零七年三月三十一日止年度之業績載於第25頁之綜合收益表。

截至二零零七年三月三十一日止年度並無已派付中期股息（二零零六年：無），而董事會並不建議派付截至二零零七年三月三十一日止年度末期股息（二零零六年：無）。

儲備

本集團之儲備於年內之變動詳情載於財務報告附註27(a)。

固定資產

本集團之固定資產之變動詳情載於財務報告附註14。

五年財務摘要

本集團於過去五個財政年度之業績以及資產及負債概要載於第132頁。

股本

本公司之股本於年內之變動詳情載於財務報告附註27(c)。

可供分派儲備

根據百慕達一九八一年公司法，本公司於二零零七年三月三十一日無法向本公司股東分派任何儲備。然而，於二零零七年三月三十一日，本公司之股份溢價賬港幣13,710,000元可以繳足紅股方式分派。

Directors' Report

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2007, the aggregate sales attributable to the Group's five largest customers were less than 30% of the total turnover. The aggregate purchases contributed to the Group's five largest suppliers were less than 30% of the Group's cost of sales.

DIRECTORS

The directors of the Company in office during the year and up to the date of this report are as follows:

Mr. Chen Ping (*Chairman & Chief Executive Officer*)
Ms. Ma Jian Ying (*Deputy Chief Executive Officer*)
Mr. Walter Stasyshyn
Mr. Man Ming
Ms. Tung Hsiao-Chi
Mr. Yan Tat Wah, Joseph #
Mr. Chu Yu Lin, David #
Mr. Jordan Z. Deng #

independent non-executive Directors

Pursuant to Bye-law 110 of the Bye-laws, the directors who are retiring by rotation at the annual general meeting to be held on 12 September 2007, are Ms. Ma Jian Ying and Ms. Tung Hsiao-Chi, Ms. Ma Jian Ying, who being eligible, will offer herself for election. Ms. Tung Hsiao-Chi, who will be leaving the Group in August 2007, will not offer herself for re-election.

The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

主要客戶及供應商

截至二零零七年三月三十一日止年度，本集團五大客戶之銷售總額少於總營業額的30%。本集團之五大供應商之購貨總額少於本集團之銷售成本的30%。

董事

於年內及截至本報告日期在任之本公司董事如下：

陳平先生 (*主席兼行政總裁*)
馬建英女士 (*副行政總裁*)
Walter Stasyshyn先生
文明先生
董小琪女士
甄達華先生#
朱幼麟先生#
鄧志端先生#

獨立非執行董事

根據本公司之公司細則第110條，馬建英女士及董小琪女士須於二零零七年九月十二日舉行之股東週年大會上輪席告退，惟馬建英女士符合資格並願意膺選連任，而董小琪女士將於二零零七年八月離開本集團，故不會膺選連任。

本公司已獲得各獨立非執行董事就其獨立身份而向本公司發出之年度確認書，認為各獨立非執行董事均獨立於本公司。

Directors' Report

董事會報告書

DIRECTORS' SERVICE CONTRACTS

During the year, none of the Directors being proposed for re-election at the forthcoming annual general meeting of the Company has entered into any service agreements with any members of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

DIRECTORS' INTEREST IN CONTRACTS AND CONNECTED TRANSACTIONS

Saved as disclosed in note 35 to the financial statements, no contract or arrangement entered into by any member of the Company and its subsidiaries (collectively the "Group") subsisting as at 31 March 2007.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2007, the interests of the directors and their respective associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions (the "Model Code") by Directors of the Listed Companies were as follows:

(1) Long Positions in the Shares

Name of Director	Capacity	Number of Shares and underlying securities held as at 31 March 2007 於二零零七年三月三十一日 所持股份及相關證券數目	Approximate % of holding 持股 概約百分比
Mr. Chen Ping	Interest of a controlled corporation	73,340,000 (Note)	13.19%
陳平先生	受控制公司權益	73,340,000 (附註)	13.19%

Note:

Such Shares were owned by Tide Time Holdings Limited ("Tidetime") which was beneficially owned as to 70% by Mr. Chen Ping (the chairman, chief executive officer and executive Director of the Company), 5% by Ms. Ma Jianhua (spouse of Mr. Chen Ping), 10% by Ms. Ma Jian Ying (deputy chief executive officer, executive Director of the Company and sister-in-law of Mr. Chen Ping), 3% by Mr. Walter Stasyshyn (executive Director) and 10% by Mr. Man Ming (executive Director). Mr. Chen Ping and Ms. Ma Jianhua were deemed to be interested in such Shares by virtue of Part XV of the SFO.

董事之服務合約

年內，概無擬於本公司應屆股東週年大會膺選連任之董事與本集團之任何成員公司訂立任何服務合約（於一年內屆滿或僱主可於一年內免付賠償（法定賠償除外）予以終止之服務合約除外）。

董事於重大合約及關連交易之權益

除財務報告附註35所披露者外，概無本公司任何成員及公司或其附屬公司（合稱「本集團」）所訂立之合約或安排於二零零七年三月三十一日仍然存在。

董事之證券權益

於二零零七年三月三十一日，各董事及彼等各自之聯繫人士於本公司及其相聯法團（定義見香港證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中擁有根據證券及期貨條例第352條規定本公司須記入存置之登記冊內或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益如下：

(1) 於股份中之好倉

附註：

該等股份由Tide Time Holdings Limited（「泰德」）持有，本公司主席、行政總裁兼執行董事陳平先生、馬建華女士（陳平先生之配偶）、本公司副行政總裁兼執行董事馬建英女士（陳平先生之小姨）、執行董事Walter Stasyshyn先生及執行董事文明先生分別實益擁有泰德70%、5%、10%、3%及10%之股權。根據證券及期貨條例第XV部，陳平先生及馬建華女士視為擁有該等股份之權益。

Directors' Report

董事會報告書

(2) Rights to acquire Shares

The interests of the Directors in the share options of the Company as at 31 March 2007 were as follows:

Name of Director	Date of grant	Exercisable period	Number of share options outstanding at 1 April 2006 於二零零六年四月一日尚未行使之購股權數目	Cancelled/ forfeited during the year 年內已註銷/失效	Number of share options outstanding at 31 March 2007 於二零零七年三月三十一日尚未行使之購股權數目	Exercise price 行使價 HK\$ 港幣
Ms. Tung Hsiao-Chi 董小琪女士	14.3.2005 二零零五年三月十四日	1.7.2006 – 31.12.2006 二零零六年七月一日至二零零六年十二月三十一日	100,000	100,000	Nil 無	1.075
	14.3.2005 二零零五年三月十四日	1.7.2007 – 31.12.2007 二零零七年七月一日至二零零七年十二月三十一日	100,000	Nil 無	100,000	0.136
	14.3.2005 二零零五年三月十四日	1.7.2008 – 31.12.2008 二零零八年七月一日至二零零八年十二月三十一日	100,000	Nil 無	100,000	0.149
		Total 總計	300,000		200,000	

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or their spouse or children under age of 18 years to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, or had exercised such rights.

(2) 購買股份之權利

董事於二零零七年三月三十一日持有之本公司購股權權益如下：

Name of Director	Date of grant	Exercisable period	Number of share options outstanding at 1 April 2006 於二零零六年四月一日尚未行使之購股權數目	Cancelled/ forfeited during the year 年內已註銷/失效	Number of share options outstanding at 31 March 2007 於二零零七年三月三十一日尚未行使之購股權數目	Exercise price 行使價 HK\$ 港幣
Ms. Tung Hsiao-Chi 董小琪女士	14.3.2005 二零零五年三月十四日	1.7.2006 – 31.12.2006 二零零六年七月一日至二零零六年十二月三十一日	100,000	100,000	Nil 無	1.075
	14.3.2005 二零零五年三月十四日	1.7.2007 – 31.12.2007 二零零七年七月一日至二零零七年十二月三十一日	100,000	Nil 無	100,000	0.136
	14.3.2005 二零零五年三月十四日	1.7.2008 – 31.12.2008 二零零八年七月一日至二零零八年十二月三十一日	100,000	Nil 無	100,000	0.149
		Total 總計	300,000		200,000	

除上文所披露者外，於年內任何時間，本公司或其任何附屬公司並無訂立任何安排，致使本公司之董事或主要行政人員或彼等之配偶或未滿十八歲之子女可藉購入本公司或任何其他法人團體之股份或債權證而獲益或曾行使該等權利。

Directors' Report

董事會報告書

SHARE OPTION SCHEMES

Particulars of the Company's share option scheme and details of movements in the Company's share options during the year to subscribe for shares of HK\$0.01 each in the share capital of the Company granted under the share option schemes are set out in note 28 to the financial statements.

As at 31 March 2007, the number of shares in respect of which options had been granted and remained outstanding under the share option scheme represents approximately 0.036% of the issued share capital of the Company.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of their relevant interests in the shares or underlying shares of the Company.

As at 31 March 2007, so far as are known to the Directors or chief executive of the Company, the shareholders (other than the Directors or the chief executive of the Company whom's interests were disclosed in page 19 to 20 of this annual report) who had interests or short positions in the Shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, which were required to be disclosed to the Company under Part XV of the SFO were as follows:

購股權計劃

本公司之購股權計劃詳細資料及根據本公司之購股權計劃授出可認購本公司股本中每股面值港幣0.01元之股份之本公司購股權於年內之變動詳情載於財務報告附註28。

於二零零七年三月三十一日，根據購股權計劃授出及尚未行使之購股權所涉及之股份數目佔本公司已發行股本約0.036%。

主要股東

於二零零七年三月三十一日，除上文所披露有關若干董事的權益外，根據證券及期貨條例第336條規定存置之本公司主要股東登記冊顯示，下列股東已知會本公司彼等各自於本公司之股份及相關股份中擁有之權益。

於二零零七年三月三十一日，就本公司董事或主要行政人員所知，以下股東（本公司董事或主要行政人員除外，其權益於本年報第19至20頁披露）於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部向本公司披露佔本公司已發行股本5%或以上之權益或淡倉：

No. of Shares and underlying securities held as at 31 March 2007

於二零零七年三月三十一日
持有的股份及相關證券數目

Name of Substantial Shareholder 主要股東名稱	Capacity 身份	No. of Shares and underlying securities held as at 31 March 2007 於二零零七年三月三十一日 持有的股份及相關證券數目	
		Long position 好倉	% of holding 持股百分比
Tidetime (Note 1) 泰德 (附註1)	Corporation 法團	73,340,000	13.19
Ms. Ma Jianhua 馬建華女士	Family 親屬	73,340,000	13.19
Evenstar Master Fund Segregated Portfolio Company	Investment Manager 投資經理人	37,577,420	6.76
Sun Media Investment Holdings Limited ("Sun Media") (Note 2) 陽光媒體投資有限公司 (「陽光媒體」) (附註2)	Corporation 法團	37,000,000	6.65

Directors' Report

董事會報告書

Notes:

- Such Shares were owned by Tide Time Holdings Limited ("Tidetime") which was beneficially owned as to 70% by Mr. Chen Ping (the Chairman, Chief Executive Officer and executive Director of the Company), 5% by Ms. Ma Jianhua (spouse of Mr. Chen Ping), 10% by Ms. Ma Jian Ying (Deputy Chief Executive Officer and executive Director of the Company and sister-in-law of Mr. Chen Ping), 3% by Mr. Walter Stasyshyn (executive Director of the Company) and 10% by Mr. Man Ming (executive Director of the Company). Mr. Chen Ping and Ms. Ma Jian Hua were deemed to be interested in such Shares by virtue of Part XV of the SFO.
- Such Shares were owned by Sun Media which was beneficially owned as to 72% by Ms. Yang Lan. Ms. Yang Lan is deemed to be interested in the same parcel of Shares held by Sun Media by virtue of Part XV of the SFO. Mr. Bruno Wu Zheng is the spouse of Ms. Yang Lan and Mr. Bruno Wu Zheng's interests in these shares are as a result attributed to Ms. Yang Lan for this purpose.

Save as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at 31 March 2007.

PURCHASE, REDEMPTION OR SALE OF SHARES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's Shares during the year.

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events are set out in note 36 to the financial statements.

LITIGATIONS

Details of litigations are set out in note 34 to the financial statements.

AUDIT COMMITTEE

The Audit Committee, which comprises three Independent non-executive Directors of the Company namely Mr. Yan Tat Wah, Joesph, Mr. Chu Yu Tin, David and Mr. Jordan Z. Deng, has reviewed the audited consolidated financial results for the year ended 31 March 2007.

附註:

- 該等股份由Tide Time Holdings Limited (「泰德」) 擁有，而泰德分別由本公司主席、行政總裁兼執行董事陳平先生、馬建華女士(陳平先生之配偶)、本公司副行政總裁兼執行董事馬建英女士(陳平先生之小姨)、執行董事Walter Stasyshyn先生及執行董事文明先生分別實益擁有70%、5%、10%、3%及10%股權。根據證券及期貨條例第XV部規定，陳平先生及馬建華女士視為擁有該等股份權益。
- 該等股份由陽光媒體擁有，陽光媒體由楊瀾女士實益擁有72%。根據證券及期貨條例第XV部，楊瀾女士視為擁有該等由陽光媒體持有之同一批股份權益。吳征先生為楊瀾女士之配偶，故此楊瀾女士亦視為擁有吳征先生所持該等股份之權益。

除上述所披露者外，於二零零七年三月三十一日，本公司並無獲知會於本公司已發行股本中有任何其他相關權益或淡倉。

購買、贖回或出售股份

本公司或其任何附屬公司並無於年內購買、贖回或出售本公司任何證券。

結算日後事項

重大結算日後事項之詳情載於財務報告附註36。

訴訟

訴訟詳情載於財務報告附註34。

審核委員會

審核委員會成員包括本公司三名獨立非執行董事甄達華先生、朱幼麟先生及鄧志端先生已審閱截至二零零七年三月三十一日止年度的經審核綜合財務業績。

Directors' Report

董事會報告書

CORPORATE GOVERNANCE PRACTICES

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 10 to 14 of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms not less exacting than the required standard as stipulated under the Model Codes for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules and, after specific enquiries, confirmed that all directors have complied with the said Model Code throughout the year ended 31 March 2007.

PRE-EMPTIVE RIGHTS

There are no provisions for the pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2007.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint CCIF CPA Limited as auditors of the Company for the year ending 31 March 2008.

By Order of the Board

Chen Ping

Chairman & Chief Executive Officer

Hong Kong, 27 July 2007

企業管治常規

有關本公司企業管治常規詳情載於本年報第10至14頁企業管治報告。

董事進行證券交易之標準守則

本公司已採納條款不遜於上市規則附錄10所載董事進行證券交易的標準守則之董事進行證券交易之行為守則，而經作出具體查詢後確認，本公司全體董事於截至二零零七年三月三十一日止年度一直遵守上述標準守則。

優先購股權

本公司之公司細則或百慕達法例並無優先購股權之條文，規定本公司須向現有股東按比例提呈新股。

足夠之公眾持股量

本公司於截至二零零七年三月三十一日止年度內一直維持足夠公眾持股量。

核數師

將於本公司應屆股東週年大會上提呈決議案，以續聘陳葉馮會計師事務所有限公司為本公司截至二零零八年三月三十一日止年度的核數師。

承董事會命

陳平

主席兼行政總裁

香港，二零零七年七月二十七日

Independent Auditor's Report

獨立核數師報告書



CCIF

CCIF CPA LIMITED

20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong



CCIF

陳葉馮會計師事務所有限公司

香港 銅鑼灣 希慎道10號
新寧大廈20樓

Independent auditor's report to the shareholders of Tidetime Sun (Group) Limited *(Incorporated in Bermuda with limited liability)*

We were engaged to audit the consolidated financial statements of Tidetime Sun (Group) Limited (the "company") set out on pages 25 to 131, which comprise the consolidated and company balance sheets as at 31 March 2007, 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 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

獨立核數師報告 **致泰德陽光(集團)有限公司** *(於百慕達註冊成立之有限公司)* **全體股東**

本核數師行獲委聘審核載於第25至131頁泰德陽光(集團)有限公司(「貴公司」)之綜合財務報告,當中包括於二零零七年三月三十一日之綜合及公司資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他說明附註。

董事編製財務報告之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及按照香港公司條例之披露規定,負責編製真實公平地呈列的財務報告。該責任包括設計、實施及維護與編製及真實公平地呈列財務報告相關之內部監控,以使財務報告不存在由於欺詐或錯誤而導致之重大錯誤陳述;選擇和應用適當之會計政策;及因應情況作出合理之會計估計。

核數師之責任

本行之責任乃根據本行之審核工作對財務報告發表意見,並根據一九八一年百慕達公司法第90節向整體股東報告,除此之外別無其他用途。本行概不就本報告書之內容向任何其他人士負上或承擔責任。

Independent Auditor's Report

獨立核數師報告書

Auditor's responsibility (Continued)

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the 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 financial statements. However, because of the matters described in the basis for disclaimer of opinion paragraphs, we were not able to express an audit opinion.

Basis for disclaimer of opinion

We have considered the adequacy of the disclosures made in note 34(a) to the financial statements concerning the possible outcome of legal proceedings against the company for alleged breach of agreements. The Plaintiffs sought damages of approximately HK\$76,862,000 or such an amount as the court may determine, interest thereon, costs and/or other relief, from the company. The directors of the company are of the opinion that the company will strongly refute and the company intends to vigorously contest the allegations. Based on legal advice, the directors of the company are of the opinion that the company has a very good chance of successfully defending the case and hence the claim would not result in losses to the group and the company. Although the directors of the company consider the allegations to be without merit and too remote to be held against the company, there is a material uncertainty as to whether the above action can be successfully defended and the potential significant impact on the financial performance and position of the group and the company.

In addition, as set out in note 2(a) to the financial statements, the group incurred a loss for the year of approximately HK\$67,017,000 for the year ended 31 March 2007, the Group's consolidated current liabilities exceeded its consolidated current assets by approximately HK\$16,138,000 as at 31 March 2007, and the company's current liabilities exceeded its current assets by approximately HK\$22,431,000 as at 31 March 2007. These conditions indicate the existence of material uncertainties which may cast significant doubt about the group's and the company's ability to continue as a going concern.

In view of the extent and potential impact of the material uncertainties described above, we have disclaimed our opinion in these respects.

核數師之責任 (續)

本行乃按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求本行遵守操守規定，並規劃及執行審核，以合理確定該等財務報告是否不存有任何重大錯誤陳述。

審核涉及進行獲取有關財務報告所載金額及披露資料之審核憑證的程序。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報告存有重大錯誤陳述之風險。在作出該等風險評估時，核數師考慮與公司編製及真實公平地呈列財務報告相關之內部監控，以設計適當之審核程序，但並非旨在就公司之內部監控效能發表意見。審核亦包括評估所採用之會計政策是否合適及董事所作出之會計估計是否合理，以及就財務報告之整體呈列方式作出評估。然而，基於不發表意見聲明之基準各段所述事項，本行無法發表審核意見。

不發表意見聲明之基準

本行已考慮財務報告附註34(a)就有關指控 貴公司違反協議之法律訴訟可能引發之結果披露是否充足。原告就損失約港幣76,862,000元或法院釐定的數額、相關利息、費用及／或其他補償向 貴公司提出申索。 貴公司董事認為， 貴公司將全力推翻指控，並計劃對指控作出強烈抗辯。根據法律意見， 貴公司董事相信 貴公司勝訴機會極高，故該索償將不會使 貴集團及 貴公司產生損失。儘管 貴公司董事認為有關指控欠缺理據及難以成立，但上述訴訟能否勝訴及對 貴集團及 貴公司之財政表現及狀況存有重大不明朗因素。

此外，按財務報告附註2(a)所載，截至二零零七年三月三十一日止年度， 貴集團年內虧損約港幣67,017,000元。於二零零七年三月三十一日， 貴集團之綜合流動負債超出綜合流動資產約港幣16,138,000元，而 貴公司於二零零七年三月三十一日流動負債超出流動資產約港幣22,431,000元，顯示出重大不明朗因素，可能使 貴集團及 貴公司持續營運之能力受到重大質疑。

基於上述重大不明朗因素所涉及的範疇及潛在影響，本行對該等事項不發表意見。

Independent Auditor's Report

獨立核數師報告書

Disclaimer of opinion: disclaimer on view given by the financial statements

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the company and of the group as at 31 March 2007 and of the group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited

Certified Public Accountants
Hong Kong, 27 July 2007

Betty P.C. Tse

Practising Certificate Number P03024

不發表意見聲明：對財務報告所表達不發表意見聲明

鑑於不發表意見聲明之基準一段內所述事宜之重要性，本行不會就綜合財務報告是否根據香港財務報告準則規定就 貴公司及 貴集團於二零零七年三月三十一日的財政狀況及 貴集團截至該日止年度之虧損及現金流量發表真實公平的意見。於其他所有範疇，本行認為綜合財務報告已根據香港公司條例之披露規定而編製。

陳葉馮會計師事務所有限公司

執業會計師
香港，二零零七年七月二十七日

謝寶珠

執業證書編號 P03024

Consolidated Income Statement

綜合收益表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度

(Expressed in Hong Kong dollars) (以港幣列值)

		Note	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
		附註		
Turnover	營業額	4	32,050	51,132
Cost of sales	銷售成本		(28,086)	(43,594)
Gross profit	毛利		3,964	7,538
Other revenue	其他收益	5	1,338	1,951
Other net (loss)/income	其他(虧損)/收入淨額	6	(45,007)	2,743
Distribution costs	分銷成本		(2,660)	(3,870)
Administrative expenses	行政開支		(18,250)	(18,872)
Impairment loss on fixed assets	固定資產之減值虧損		-	(1,136)
Impairment loss on goodwill	商譽之減值虧損		(10,749)	(21,622)
Impairment loss on broadcasting programmes	廣播節目之減值虧損		-	(5,297)
Impairment loss on amounts due from disposed subsidiaries	應收已出售附屬公司 款項之減值虧損	7(d)	(21,943)	-
Impairment loss on trade receivables	貿易應收賬款之減值虧損		(1,549)	(568)
Reversal of impairment loss on other receivables	其他應收賬款之 減值虧損撥回		3,333	2,928
Net gain/(loss) on disposal of subsidiaries	出售附屬公司收益/ (虧損)淨額	31(a)	24,535	(265)
Loss from operations	經營虧損		(66,988)	(36,470)
Finance costs	融資成本	7(a)	(29)	(40)
Loss before taxation	除稅前虧損	7	(67,017)	(36,510)
Income tax	所得稅	8(a)	-	-
Loss for the year	本年度虧損		(67,017)	(36,510)
Attributable to:	應佔:			
Equity holders of the Company	本公司權益持有人	11	(67,017)	(36,510)
Minority interests	少數股東權益		-	-
Loss for the year	本年度虧損		(67,017)	(36,510)
Loss per share	每股虧損	12		
Basic	基本		HK(12.05) cents港仙	HK(7.44) cents港仙
Diluted	攤薄		N/A 不適用	N/A 不適用

The notes on pages 31 to 131 form part of these financial statements.

第31至131頁之附註屬於該等財務報告之一部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 March 2007 於二零零七年三月三十一日

(Expressed in Hong Kong dollars) (以港幣列值)

		2007 二零零七年		2006 二零零六年	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Non-current assets	非流動資產				
Fixed assets	固定資產		12,598		18,359
Intangible assets	無形資產		841		841
Goodwill	商譽		3,184		13,933
Interest in an associate	於聯營公司之權益		-		-
Other financial assets	其他財務資產		3		3
			16,626		33,136
Current assets	流動資產				
Broadcasting programmes	廣播節目	20	20,927		34,569
Trading securities	證券投資	21	6,207		53,415
Trade and other receivables	貿易及其他應收賬款	22	7,388		10,434
Cash and cash equivalents	現金及等同 現金項目	23	2,853		11,525
			37,375		109,943
Current liabilities	流動負債				
Trade and other payables	貿易及其他應付賬款	24	53,279		75,032
Obligations under finance leases	融資租賃承擔	25	234		235
Convertible bonds	可換股債券	26	-		-
			53,513		75,267
Net current (liabilities)/assets	流動(負債)/ 資產淨值		(16,138)		34,676
Total assets less current liabilities	總資產減流動負債		488		67,812
Non-current liabilities	非流動負債				
Obligations under finance leases	融資租賃承擔	25	273		507
NET ASSETS	資產淨值		215		67,305
CAPITAL AND RESERVES	股本及儲備	27(a)			
Share capital	股本		5,560		5,560
Reserves	儲備		(5,345)		61,745
Total equity attributable to equity holders of the Company	本公司權益持有人 應佔股本總額		215		67,305
Minority interests	少數股東權益		-		-
TOTAL EQUITY	股本總額		215		67,305

Approved and authorised for issue by the board of directors on 27 July 2007

於二零零七年七月二十七日經董事會批准並授權刊發

Chen Ping
Director
陳平
董事

Ma Jian Ying
Director
馬建英
董事

The notes on pages 31 to 131 form part of these financial statements.

第31至131頁之附註屬於該等財務報告之一部分。

Balance Sheet

資產負債表

As at 31 March 2007 於二零零七年三月三十一日

(Expressed in Hong Kong dollars) (以港幣列值)

	Note 附註	2007 二零零七年		2006 二零零六年	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Non-current assets					
Investments in subsidiaries	16		6,994		36,287
Other financial assets	19		1		1
			6,995		36,288
Current assets					
Trading securities	21	6,207		53,415	
Trade and other receivables	22	9,487		7,717	
Cash and cash equivalents	23	547		4,816	
		16,241		65,948	
Current liabilities					
Trade and other payables	24	38,672		37,166	
Convertible bonds	26	-		-	
		38,672		37,166	
Net current (liabilities)/assets			(22,431)		28,782
NET (LIABILITIES)/ASSETS			(15,436)		65,070
CAPITAL AND RESERVES					
Share capital			5,560		5,560
Reserves	27(b)		(20,996)		59,510
(CAPITAL DEFICIENCY)/TOTAL EQUITY			(15,436)		65,070

Approved and authorised for issue by the board of directors on 27 July 2007

於二零零七年七月二十七日經董事會批准並授權刊發

Chen Ping

Director

陳平

董事

Ma Jian Ying

Director

馬建英

董事

The notes on pages 31 to 131 form part of these financial statements.

第31至131頁之附註屬於該等財務報告之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列值)

Attributable to equity holders of the Company

本公司權益持有人應佔

		Share capital	Share premium	Contributed surplus	Exchange reserve	Capital reserve	Share option reserve	Convertible bond reserve	Accumulated losses	Sub-Total	Minority interests	Total
		股本	股份溢價	實繳盈餘	匯兌儲備	資本儲備	購股權儲備	債券儲備	累計虧損	小計	少數股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2005	於二零零五年四月一日	232,240	89,738	174,867	76	3,490	2	99	(411,271)	89,241	-	89,241
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報告之匯兌差額	-	-	-	121	-	-	-	-	121	-	121
Shares issued upon conversion of convertible bonds	兌換可換股債券後發行股份	325	158	-	-	-	-	(99)	-	384	-	384
Capital reduction	削減股本	(227,914)	-	227,914	-	-	-	-	-	-	-	-
Share premium reduction	削減股份溢價	-	(89,305)	89,305	-	-	-	-	-	-	-	-
Utilisation of reserve against accumulated losses	動用儲備對銷累計虧損	-	-	(407,288)	-	-	-	-	407,288	-	-	-
Shares issued through placing	透過配售發行股份	672	9,331	-	-	-	-	-	-	10,003	-	10,003
Shares issued for acquisition of a subsidiary	為收購一間附屬公司發行股份	237	3,788	-	-	-	-	-	-	4,025	-	4,025
Equity-settled share-based transactions	股本結算股份交易	-	-	-	-	-	41	-	-	41	-	41
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(36,510)	(36,510)	-	(36,510)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日及二零零六年四月一日	5,560	13,710	84,798	197	3,490	43	-	(40,493)	67,305	-	67,305
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報告之匯兌差額	-	-	-	(114)	-	-	-	-	(114)	-	(114)
Released upon disposal of subsidiaries	出售附屬公司後撥回	-	-	-	27	-	-	-	-	27	-	27
Equity-settled share-based transactions	股本結算股份交易	-	-	-	-	-	14	-	-	14	-	14
Share options lapsed	失效購股權	-	-	-	-	-	(28)	-	28	-	-	-
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(67,017)	(67,017)	-	(67,017)
At 31 March 2007	於二零零七年三月三十一日	5,560	13,710	84,798	110	3,490	29	-	(107,482)	215	-	215

The notes on pages 31 to 131 form part of these financial statements.

第31至131頁之附註屬於該等財務報告之一部分。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列值)

	Note 附註	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(67,017)	(36,510)
Adjustments for:	就以下項目作出調整：		
Depreciation	折舊	5,583	6,779
Impairment loss on fixed assets	固定資產之減值虧損	-	1,136
Amortisation of broadcasting programmes	廣播節目之攤銷	18,907	23,848
Amortisation of land lease premium for property held for own use	持作自用物業土地 租賃溢價攤銷	-	7
Reversal of impairment loss for other receivables	其他應收賬款之 減值虧損撥回	(3,333)	(2,928)
Impairment loss on amounts due from disposed subsidiaries	應收已出售附屬公司 款項之減值虧損	21,943	-
Impairment loss on trade receivables	貿易應收賬款之 減值虧損	1,549	568
Impairment loss on goodwill	商譽之減值虧損	10,749	21,622
Impairment loss on broadcasting programmes	廣播節目之減值虧損	-	5,297
Finance costs	融資成本	29	40
Interest income	利息收入	(75)	(1,104)
Loss on sale of fixed assets	出售固定資產虧損	76	680
Net realised and unrealised loss/(gain) on trading securities	證券投資變現及 未變現虧損／ (收益)淨額	44,931	(6,140)
(Gain)/loss on disposal of subsidiaries	出售附屬公司(收益)／ 虧損	(24,535)	265
Equity-settled share-based payment expenses	股本結算股份交易開支	14	41
Operating profit before changes in working capital	未計營運資金變動前之 經營溢利	8,821	13,601
Decrease in trade and other receivables	貿易及其他應收賬款 減少	6,066	1,762
(Decrease)/increase in trade and other payables	貿易及其他應付賬款 (減少)／增加	(22,864)	11,297
Net cash (used in)/generated from operating activities	經營業務(耗用)／ 產生之現金淨額	(7,977)	26,660
Investing activities	投資活動		
Advance to a related company	向關連公司墊款	(1,014)	-
Expenditure on broadcasting programmes	廣播節目之開支	(3,388)	(37,463)
Payment for the purchase of fixed assets	支付購買固定資產	(88)	(1,320)
Proceeds from sale of fixed assets	出售固定資產之所得款項	297	3,108
Proceeds from sale of trading securities	出售證券投資之所得款項	2,277	41
Disposal of subsidiaries	出售附屬公司	(97)	(11)
Interest received	已收利息	75	104
Net cash used in investing activities	投資活動耗用之現金淨額	(1,938)	(35,541)

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Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列值)

	Note	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
	附註		
Financing activities	融資活動		
Capital element of finance lease rentals paid	已付融資租賃租金之 資本部分	(235)	(235)
Repayment of bank loans	償還銀行貸款	-	(962)
Advances from directors	董事所提供墊款	2,200	-
Repayment to directors	償還董事墊款	(700)	-
Advances from related companies	關連公司所提供墊款	-	11,186
Repayment to related companies	償還關連公司墊款	(296)	(10,730)
Interest element of finance lease rentals paid	已付融資租賃租金之 利息部分	(29)	(29)
Proceeds from issue of shares, net of share issue expenses	發行股份所得款項， 扣除股份發行開支	-	10,003
Other borrowing costs paid	已付其他借貸成本	-	(6)
Net cash generated from financing activities	融資活動產生之 現金淨額	940	9,227
Net (decrease)/increase in cash and cash equivalents	現金及等同現金項目之 (減少)／增加淨額	(8,975)	346
Cash and cash equivalents at 1 April	於四月一日之現金及 等同現金項目	11,525	10,965
Effect of foreign exchange rate changes	匯率變動之影響	303	214
Cash and cash equivalents at 31 March	於三月三十一日之 現金及等同現金項目	2,853	11,525
	23		

The notes on pages 31 to 131 form part of these financial statements.

第31至131頁之附註屬於該等財務報告之一部分。

Notes to the Financial Statements

財務報告附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列值)

1. GENERAL INFORMATION

Tidetime Sun (Group) Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 30 October 1992 under the Companies Act 1981 of Bermuda and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The consolidated financial statements for the year ended 31 March 2007 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate.

The Company acts as an investment holding. The subsidiaries are principally engaged in the following businesses:

- broadcasting and content production; and
- publishing and multi-media product trading.

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

2. BASIS OF PREPARATION

(a) Material uncertainties relating to the going concern basis

The Group incurred a loss for the year of approximately HK\$67,017,000 for the year ended 31 March 2007. As at 31 March 2007, the Group had consolidated net current liabilities of approximately HK\$16,138,000, and the Company had net current liabilities of approximately HK\$22,431,000.

1. 一般資料

泰德陽光(集團)有限公司(「本公司」)於一九九二年十月三十日在百慕達根據百慕達一九八一年公司法註冊成立為獲豁免有限公司,其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處及主要營業地點地址於年報「公司資料」一節中披露。

截至二零零七年三月三十一日止年度綜合財務報告包括本公司及其附屬公司(統稱「本集團」)的報告以及本集團所持聯營公司權益。

本公司之業務為投資控股,而附屬公司則主要從事以下業務:

- 廣播及節目製作;及
- 出版及多媒體產品買賣。

綜合財務報告乃按港幣(即本公司功能貨幣)約整至最接近的千位數呈列。

2. 編撰基準

(a) 有關持續經營的重大不確定性

截至二零零七年三月三十一日止年度,本集團錄得約港幣67,017,000元之虧損。截至二零零七年三月三十一日,本集團綜合流動負債淨額約為港幣16,138,000元,而本公司的流動負債淨額則約為港幣22,431,000元。

Notes to the Financial Statements

財務報告附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列值)

2. BASIS OF PREPARATION (Continued)

(a) Material uncertainties relating to the going concern basis (Continued)

The directors are of the opinion that the Group and the Company are able to continue as a going concern and to meet in full their financial obligations as and when they fall due. In order to improve the Group's and the Company's working capital position, immediate liquidity and cash flow position of the Group and the Company, the directors have implemented the following measures:

i) Attainment of profitable and positive cash flow operations

The directors continue to implement cost control measures over overheads and various general and administrative expenses, and are actively seeking new investment and business opportunities with an aim to attain profitable and positive cash flow operations.

ii) Availability of additional external funding

The directors are considering various alternatives to strengthen the working capital position of the Group and the Company through various fund raising exercises. Subsequent to the balance sheet date, the Company arranged the issue of convertible notes in an aggregate principal amount of approximately HK\$25,353,000 as referred to in note 36.

In the opinion of the directors, in the light of all the measures and arrangements implemented, the Group and the Company will have sufficient cash resources to satisfy their current working capital and other financial requirements and it is reasonable to expect the Group and the Company to remain a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis, notwithstanding the Group's and the Company's financial position and tight liquidity as at 31 March 2007.

Should the Group and the Company be unable to continue as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in these financial statements.

2. 編撰基準 (續)

(a) 有關持續經營的重大不確定性 (續)

董事認為，本集團及本公司能夠持續經營，並可於財務承擔到期時全數償還。為改善本集團及本公司的營運資金、即時可動用的流動資金及現金流量狀況，董事實施以下措施：

i) 維持以獲利的現金流量經營

董事持續對經營開支及各類一般及行政管理費實施成本控制措施，並積極物色新投資及業務機遇，力圖以獲利的現金流量經營。

ii) 可供動用額外外界資金

董事正考慮透過各類集資活動增強本集團及本公司的營運資金狀況。結算日後，本公司安排發行本金總額約港幣25,353,000元的可換股票據（詳情載於附註36）。

董事認為，實施所有相關措施及安排後，本集團及本公司有足夠現金資源應付現時營運資本及其他財務需要，故本集團及本公司理應仍可繼續以符合商業原則的方式經營。因此，不論本集團及本公司於二零零七年三月三十一日的財務狀況及流動資金緊絀，董事仍然認為按持續經營基準編製財務報告屬恰當。

倘本集團及本公司未能持續經營，則須作出調整，重列資產值至相當於其可回收金額，並就任何可能出現的負債進一步撥備，以及將非流動資產及負債重新歸類為流動資產及負債。上述潛在調整的影響並未在本財務報告反映。

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2. BASIS OF PREPARATION (Continued)

(b) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in significant change to the Group's accounting policies applied on these financial statements for the current and prior year presented. The Group has not applied any new and revised standards or interpretations that are not yet effective for the current accounting year (see note 39).

(c) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments are stated at their fair value explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. 編撰基準 (續)

(b) 遵例聲明

財務報告乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)(此統稱包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之披露規定編製。財務報告亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。本集團所採納之主要會計政策概要載列如下。

香港會計師公會已頒佈多項新訂及經修訂香港財務報告準則，該等準則於本集團及本公司的本會計期間首次生效或可於本會計期間提早採納。應用該等新訂及經修訂香港財務報告準則並無導致本年度及往年呈報之財務報告所採用的會計政策有重大變動。本集團並未採納於本會計年度尚未生效的任何新訂及經修訂準則及詮釋(見附註39)。

(c) 財務報告之編製基準

編製財務報告時，採用歷史成本法作為衡量基準，惟金融工具則按下述會計政策以公平值列賬。

編製符合香港財務報告準則之財務報告需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策的應用及資產、負債、收入與開支所呈報金額。估計及相關假設乃根據過往經驗及管理層相信有關情況下屬合理之多項其他因素作出，所得結果成為對無法自其他資料獲得的資產及負債賬面值作出判斷之基礎。實際結果可能與該等估計有所不同。

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2. BASIS OF PREPARATION (Continued)

(c) Basis of preparation of the financial statements (Continued)

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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 38.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2. 編撰基準 (續)

(c) 財務報告之編製基準 (續)

本集團會持續對估計及相關假設進行檢討。倘會計估計之修訂僅影響修訂估計之期間，則該修訂僅於有關期間內確認，而倘修訂同時影響當時及往後期間，則該項修訂會於當期及往後期間確認。

管理層在應用香港財務報告準則時所作而會嚴重影響財務報告及估計並極可能導致來年須作出大幅調整之判斷，載於附註38。

3. 重要會計政策

(a) 附屬公司及少數股東權益

附屬公司指本集團所控制的公司。倘本集團有權控制該公司的財務及經營政策以致從其業務獲利，則附屬公司視為受控制。釐定是否擁有控制權時，亦會考慮目前可行使的潛在投票權。

於附屬公司之投資由控制權開始當日起至控制權終止當日止綜合計入綜合財務報告。集團內公司間結餘及交易以及任何因集團內公司間交易產生之未變現溢利均已於編製綜合財務報告時全數對銷。在無減值跡象的情況下，集團內公司間交易產生之未變現虧損方會按與未變現收益之同一方式對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Subsidiaries and minority interests (Continued)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity holders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total income statement for the year between minority interests and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet depending on the nature of the liability.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 3(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

3. 重要會計政策 (續)

(a) 附屬公司及少數股東權益 (續)

少數股東權益指並非由本公司直接或透過附屬公司間接擁有之附屬公司資產淨值部分，而本集團並未與有關權益持有人協定新增項目致使本集團整體須承擔屬於財務負債的有關權益訂約責任。少數股東權益於綜合資產負債表的權益列賬，惟須與本公司權益持有人應佔權益分開呈列。本集團業績內之少數股東權益於綜合收益表呈列為本公司之少數股東權益與權益持有人之間的本年度總收入分配。

倘少數股東應佔虧損超出附屬公司股本之少數股東權益，則超出之款額及任何少數股東應佔之額外虧損會自本集團之權益扣除，惟少數股東有具約束力之責任及有能力作出額外投資以彌補有關虧損則除外。倘附屬公司其後錄得溢利，則所有該等溢利將分配至本集團權益，直至完全填補過往本集團所分佔之少數股東應佔虧損為止。

少數股東權益持有人貸款及其他對該等持有人應負的訂約責任根據負債性質於綜合資產負債表呈列為財務負債。

在本公司的資產負債表中，於附屬公司投資按成本扣除減值虧損（見附註3(j)）列賬，惟列為持作銷售投資（或屬於分類為持作銷售的出售類別）除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognised for the year (see note 3(c) and (j)).

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in income statement.

3. 重要會計政策 (續)

(b) 聯營公司

聯營公司指本集團或本公司對其管理可發揮重大影響力(惟並非控制或聯合控制)的公司,包括可參與其財務及經營決策之公司。

於聯營公司之投資按權益法計入綜合財務報告,首先按成本入賬,其後就本集團分佔該聯營公司資產淨值的收購後變動作出調整,惟該投資分類為持作出售(或屬於分類為持作銷售的出售類別)則除外。綜合收益表包括本集團本年度分佔聯營公司於收購後之除稅後業績,當中包括本年度就有關於聯營公司之投資而確認之任何商譽減值虧損(見附註3(c)及(j))。

當本集團分佔聯營公司虧損超出所持聯營公司權益,則本集團的權益會減至零,並不再確認額外虧損,惟倘本集團須承擔法定或推定責任或須代表聯營公司付款則除外。就此而言,本集團所持聯營公司權益為按權益法計算之投資賬面值連同本集團之長期權益,而該權益實質上屬於本集團於聯營公司投資淨額一部分。

本集團內公司間交易所產生之未變現損益均按本集團所持聯營公司權益比例抵銷,惟倘未變現虧損證明所轉讓資產出現減值,則該等未變現虧損會即時於收益表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 3(j)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in income statement.

On disposal of a cash-generating unit or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(d) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in debt and equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

3. 重要會計政策 (續)

(c) 商譽

商譽指業務合併成本或於聯營公司投資超出本集團應佔所收購公司可識別資產、負債及或然負債公平淨值權益之差額。

商譽按成本減累計減值虧損列賬。商譽會分配至現金產生單位，並每年進行減值測試（見附註3(j)）。聯營公司的商譽賬面值已計入聯營公司權益之賬面值。

本集團應佔所收購公司可識別資產、負債及或然負債公平淨值權益超出業務合併成本或於聯營公司投資之任何差額會即時於收益表確認。

倘於年內出售現金產生單位或聯營公司，則計算出售損益時會計及所購入商譽之應佔款項。

(d) 其他債務及股本證券投資

本集團及本公司對債務及股本證券投資（於附屬公司及聯營公司之投資除外）之政策如下：

債務及股本證券投資首先按成本（即交易價格）列賬，惟可按估值方法（變數僅包括公開市場數據）較準確地釐定公平值者則除外。除另有指明外，成本包括應佔交易成本。該等投資其後根據各自分類列賬如下：

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Other investments in debt and equity securities (Continued)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in income statement as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in income statement.

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less impairment losses (see note 3(j)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 3(j)).

Investment in securities which do not fall into any of the above categories are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except foreign exchange gains and losses in respect of monetary items such as debt securities which are recognised directly in income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in income statement. When these investments are derecognised or impaired (see note 3(j)), the cumulative gain or loss previously recognised directly in equity is recognised in income statement.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

3. 重要會計政策 (續)

(d) 其他債務及股本證券投資 (續)

持作買賣的證券投資分類為流動資產，而任何應佔交易成本於產生時在收益表確認。於各結算日，將會重新計量公平值，而所產生盈虧會於收益表內確認。

本集團及／或本公司有能力並計劃持至到期之有期債務證券分類為持至到期證券。持至到期證券按攤銷成本扣除減值虧損（見附註3(j)）於資產負債表列賬。

於活躍市場並無報價及公平值未能可靠計量之股本證券投資按成本扣除減值虧損（見附註3(j)）於資產負債表確認。

不屬於上述任何類別的證券投資分類為可供出售證券。於各結算日，將重新計量公平值，而所產生之盈虧會直接於權益確認，惟貨幣項目（如債務證券）的匯兌盈虧則直接於收益表確認。倘該等投資為計息投資，有關利息則按實際利息法計算並於收益表確認。倘該等投資終止確認或減值（見附註3(j)），則過往直接於權益確認的累計盈虧會於收益表確認。

投資乃於本集團承諾購買／出售該等投資當日或投資到期時確認／終止確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to income statement, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(f) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 3(j)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in income statement on the date of retirement or disposal.

Depreciation, except leasehold improvements, is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the reducing balance method over their estimated useful lives at the rate of 20% per annum. Leasehold improvements is amortised over the shorter of the unexpired term of lease and their estimated useful lives, being no more than five years.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

3. 重要會計政策 (續)

(e) 衍生財務工具

衍生財務工具首先按公平值確認。於各結算日，將重新計量公平值。重新計量公平值時產生之盈虧即時自收益表扣除，惟倘衍生工具合資格使用現金流量對沖會計法或用以對沖海外業務投資淨額，則有關盈虧會按照所對沖項目的性質確認。

(f) 物業、機器及設備

下列物業、機器及設備項目乃按成本減累計折舊及減值虧損（見附註3(j)）於資產負債表列賬。

棄用或出售物業、機器及設備所產生之盈虧以出售所得款項淨額與該項目賬面值之差額釐定，並於棄用或出售當日於收益表確認。

除租賃裝修外，物業、機器及設備的折舊按餘額減值法於估計可用年期內以成本減估計餘值（如有）計算，年率為20%。租賃土地於尚未屆滿的租期或估計可使用年期（不多於五年）之較短者內攤銷。

倘物業、機器及設備項目各部分之可使用年期不同，則該項目成本會合理分配至各部分，並會就各部分獨立計算折舊。資產之可使用年期及餘值（如有）會每年作出檢討。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Copyright

Copyright costs are stated at cost less accumulated amortisation and impairment losses (see note 3(j)). Amortisation of the copyright costs is charged to income statement on a straight-line basis over the shorter of the unexpired copyright period or their estimated useful lives. Copyright is amortised over its useful life from the date it is available for use. Both the period and method of amortisation are reviewed annually.

(h) Broadcasting programmes

Broadcasting programmes are stated at cost less amounts expensed and any impairment losses considered by the management. Cost comprises direct expenditure and an appropriate portion of production overheads. The cost of the broadcasting programmes is expensed by way of amortisation on systematic allocation of the depreciable amount of the broadcasting programmes over their estimated useful lives of not more than twelve months from the date when the broadcasting programmes are available for use. Both the period and method of amortisation are reviewed annually.

(i) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

3. 重要會計政策 (續)

(g) 版權

版權成本按成本減累計攤銷及減值虧損(見附註3(j))列賬。版權成本攤銷乃以直線法於版權有效期或估計可使用年期(以較短者為準)自收益表扣除。版權會自可供使用當日起於使用年期內攤銷。本集團會每年檢討攤銷期與攤銷方法。

(h) 廣播節目

廣播節目按成本減開支及管理層釐定之任何減值虧損列賬。成本包括直接開支及製作費用的適當部分。廣播節目成本自節目全面播放當日起計不超過十二個月之估計使用期內按有系統分配的廣播節目可折舊金額攤銷。本集團會每年檢討攤銷期與攤銷方法。

(i) 租賃資產

倘本集團認為安排涉及於協定期間內轉讓使用一項或多項特定資產的權利，以收取一筆或多筆款項，則該安排(包括一項或多項交易)屬於或包含租約。該決定乃根據評估安排的實質內容作出，而並無考慮有關安排是否法定租約形式。

i) 本集團租用的資產分類

本集團根據租約持有而所有權的絕大部分風險及回報均轉讓予本集團之資產會分類為根據財務租約持有之資產。至於並無將所有權的絕大部分風險及回報轉讓予本集團的租約則分類為經營租約。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Leased assets (Continued)

ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 3(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 3(j). Finance charges implicit in the lease payments are charged to income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to income statement in the accounting period in which they are incurred.

iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to income statement in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

3. 重要會計政策 (續)

(i) 租賃資產 (續)

ii) 根據財務租賃獲得之資產

倘本集團根據財務租賃獲得資產之使用權，則租賃資產之公平值或該資產最低租金現值（如較低）會計入固定資產，而相應的負債（減財務費用）會入賬列為財務租賃責任。折舊按照於有關租期（或倘本集團有可能獲得該資產所有權，則為該資產使用年期（載於附註3(f)）內撇銷資產成本或估值之比率作出撥備。減值虧損按照載於附註3(j)的會計政策列賬。租金所包括的財務費用於租賃期內在收益表扣除，致使於各會計期間按大致穩定的比率扣減責任餘額。或然租金於所涉會計期間的收益表扣除。

iii) 經營租賃費用

倘本集團根據經營租賃使用資產，則根據租賃支付之款項會於租期內的會計期間自收益表分期扣除等額款項，惟倘有其他基準能更清楚反映租賃資產所產生之收益模式則除外。已獲得的租賃優惠於收益表確認為已付總租金淨額一部分。或然租金於所涉會計期間自收益表扣除。

收購根據經營租賃所持土地之收購成本會於租期內以直線法攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment of assets

i) **Impairment of investments in debt and equity securities and other receivables**

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses to equity securities are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

3. 重要會計政策 (續)

(j) 資產減值

i) **債務及股本證券投資及其他應收賬款減值**

按成本或攤銷成本列賬或分類為可供出售之債務及股本證券投資以及其他流動及非流動應收賬款會於每個結算日進行檢討，以釐定是否有任何客觀憑證顯示已出現減值。倘出現該等憑證，則任何減值虧損乃按下列方式釐定及確認：

- 就按成本列賬之非上市股本證券而言，減值虧損會按財務資產賬面值與估計未來現金流量（倘貼現之影響屬重大，則按類似財務資產之現行市場回報率貼現）間之差額衡量。股本證券之減值虧損不予撥回。
- 就按攤銷成本列賬之貿易及其他現時應收賬款及其他財務資產而言，倘貼現之影響重大，則其減值虧損乃按資產賬面值與按財務資產之原實際利率（即於首先確認該等資產時計算之實際利率）貼現之估計未來現金流量現值間之差額衡量。

倘減值虧損之數額於其後期間有所減少，而有關減少可客觀地與確認減值虧損後發生之事件相連，則減值虧損會自收益表撥回。撥回減值虧損不應導致資產賬面值超出假設過往年度並無確認減值虧損而應已釐定之資產賬面值。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment of assets (Continued)

i) **Impairment of investments in debt and equity securities and other receivables** (Continued)

- For available-for-sale securities, when a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in income statement. The amount of the cumulative loss that is recognised in income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on the asset previously recognised in income statement.

Impairment losses recognised in income statement in respect of available-for-sale equity securities are not reversed through income statement. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in income statement.

3. 重要會計政策 (續)

(j) 資產減值 (續)

i) **債務及股本證券投資及其他應收賬款減值 (續)**

- 就可供出售證券而言，倘可供出售財務資產的公平值減值已直接於權益確認，並有客觀證據顯示資產已減值，直接於權益確認的累計虧損會自權益扣除，並於收益表確認。於收益表確認之累計虧損數額，乃收購成本（扣除任何本金還款及攤銷）與現行公平值間之差額減過往於收益表確認之任何資產減值虧損之差額。

就可供出售股本證券於收益表確認之減值虧損不得自收益表撥回。有關資產公平值於其後出現之任何增加，乃直接於權益中確認。

倘公平值於其後之增加可客觀地與確認減值虧損後發生之事件相連，則可供出售債務證券之減值虧損可予撥回。在此情況下撥回之減值虧損乃於收益表內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets;
- investments in subsidiaries and associates (except for those classified as held for sale (or included in a disposal group that is classified as held for sale)); and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

3. 重要會計政策 (續)

(i) 資產減值 (續)

ii) 其他資產減值

本集團於每個結算日審閱內部與外界資料以確定是否有跡象顯示下列資產(商譽除外)可能經已減值。過往確認之減值虧損是否已不復存在或已經減少:

- 物業、機器及設備;
- 無形資產;
- 附屬公司及聯營公司之投資(分類為持作出售或計入分類為持作出售之出售組別者除外);及
- 商譽。

倘出現任何減值跡象,則估計資產之可收回金額。此外,就商譽、尚未可供使用之無形資產及可使用年期無限之無形資產而言,不論是否有任何減值跡象,亦會每年估計其可收回金額。

- 計算可收回金額

資產之可收回金額為公平值減銷售成本與使用價值兩者之較高者。於評估使用價值時,會使用除稅前貼現率將估計未來現金流量貼現至其現值。該貼現率反映市場當時所評估之貨幣時間價值與該資產之獨有風險。倘資產所產生之現金流入基本上不獨立於其他資產所產生者,則以能獨立產生現金流入之最小資產類別(即現金產生單位)來釐定可收回金額。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to income statement in the year in which the reversals are recognised.

3. 重要會計政策 (續)

(i) 資產減值 (續)

ii) 其他資產減值 (續)

– 確認減值虧損

當資產 (或其所屬現金產生單位) 之賬面值超出其可收回金額時, 便會於收益表內確認減值虧損。現金產生單位之已確認減值虧損首先會分配作減少任何分配至現金生產單位 (或單位組別) 之商譽賬面值, 然後按比例減少該單位 (或單位組別) 內其他資產之賬面值, 惟資產賬面值不得減至低於其個別公平值減出售成本或使用價值 (如可釐定)。

– 撥回減值虧損

就商譽以外之資產而言, 倘用以釐定可收回金額之估計出現有利變動, 則撥回減值虧損。有關商譽之減值虧損則不予撥回。

所撥回之減值虧損以假設並無於過往年度確認減值虧損而應已釐定之資產賬面值為限。所撥回之減值虧損於確認撥回之年度計入收益表。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 3(j)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 3(j)).

(l) Convertible notes

i) Convertible notes that contain an equity component

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible notes is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in income statement on the liability component is calculated using the effective interest method. The equity component is recognised in the convertible bond reserve until either the note is converted or redeemed.

3. 重要會計政策 (續)

(k) 貿易及其他應收賬款

貿易及其他應收賬款首先按公平值確認，其後則按攤銷成本減呆壞賬減值虧損(見附註3(j))列賬，惟倘應收賬款為借予關連人士之免息貸款，且並無任何固定還款期或貼現影響並不重大者則除外。於此情況下，該等應收賬款乃按成本減呆壞賬減值虧損(見附註3(j))列賬。

(l) 可換股票據

i) 包含權益部分的可換股票據

倘持有人有權選擇將可換股票據兌換為股本，且兌換時發行之股份數目及當時可收取的代價不變，則該可換股票據會列賬為包含負債部分及權益部分的複合財務工具。

於首次確認時，可換股票據的負債部分按以並無兌換選擇權的同類負債首次確認時之適用市場利率折現的未來利息及本金額現值計量。任何超出首次確認數額之所得款項會確認為權益部分。有關發行複合財務工具的交易成本按所得款項的分配比例分配至負債及權益部分。

負債部分其後按攤銷成本列賬。於收益表確認的負債部分利息開支以實際利息法計算。權益部分會於可換股票據儲備確認，直至票據獲兌換或贖回為止。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Convertible notes (Continued)

i) Convertible notes that contain an equity component (Continued)

If the note is converted, the convertible bond reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the convertible bond reserve is released directly to retained profits.

ii) Other convertible notes

Convertible notes which do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible notes is measured at fair value and presented as part of derivative financial instruments (see note 3(e)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible note are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in income statement.

The derivative component is subsequently measured in accordance with note 3(e). The liability component is subsequently carried at amortised cost. The interest expense recognised in income statement on the liability component is calculated using the effective interest method.

If the note is converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in income statement.

3. 重要會計政策 (續)

(I) 可換股票據 (續)

i) 包含權益部分的可換股票據 (續)

倘票據獲兌換，則可換股票據儲備連同兌換時負債部分的賬面值將列為發行股份代價，並轉撥至股本及股份溢價賬。倘票據獲贖回，則可換股票據儲備將直接從保留溢利中撥回。

ii) 其他可換股票據

不包含權益部分的可換股票據按下列方式列賬：

於首次確認時，可換股票據的衍生部分按公平值計量，並呈列為衍生財務工具（見附註3(e)）一部分。任何超出首次確認為衍生部分數額之所得款項會確認為負債部分。有關發行可換股票據的交易成本將按所得款項分配比例分配至負債及衍生部分。有關負債部分之交易成本首先確認為負債的一部分，而有關衍生部分之款項則即時於收益表確認。

衍生部分隨後會根據附註3(e)的方式計量。負債部分隨後按攤銷成本入賬。於收益表確認的負債部分利息支出以實際利息法計算。

倘票據獲兌換，則衍生部分及負債部分的賬面值將列為發行股份代價，並轉撥至股本及股份溢價賬。倘票據獲贖回，則該兩部分之已付數額與賬面值的差額將於收益表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 3(q)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(o) Employee benefits

i) **Short term employee benefits and contributions to defined contribution retirement plans**

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

3. 重要會計政策 (續)

(m) 貿易及其他應付賬款

貿易及其他應付賬款首先按公平值確認。除根據附註3(q)(i)所述計量的財務擔保責任，貿易及其他應付賬款其後則按攤銷成本列賬，惟倘貼現之影響並不重大，貿易及其他應付賬款則按成本列賬。

(n) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金、銀行及其他財務機構之活期存款及短期而高流動性之投資，此等投資可隨時兌換為已知金額之現金，且所須承受之價值變動風險不大，並於購入當日起計三個月內到期。須應要求償還及屬於本集團現金管理組成部分之銀行透支亦列作綜合現金流量表之現金及等同現金項目。

(o) 僱員福利

i) **短期僱員福利及定額退休供款計劃供款**

薪金、年度花紅、有薪年假、定額退休供款計劃之供款及非金錢福利之成本均於僱員提供有關服務之年度累計。倘須延遲付款或結算及將因此而產生重大影響，則有關款項乃按其現值列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee benefits (Continued)

ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

3. 重要會計政策 (續)

(o) 僱員福利 (續)

ii) 以股份形式付款

向僱員所授出購股權之公平值乃確認為僱員成本，並於股本之資本儲備作出相應增加。公平值乃於授出日計量，並計及所授出購股權的條款及條件。倘僱員須在無條件享有購股權前符合歸屬條件，則購股權之估計公平值總額乃經考慮購股權將予歸屬之可能性後於歸屬期內攤分入賬。

於歸屬期內會審閱預期將予歸屬之購股權數目。除非原僱員開支合資格確認為資產，否則對過往年度已確認累計公平值所作出之任何調整，均在回顧年度的收益表扣除／入賬，並對資本儲備作出相應調整。於歸屬日期，本集團會對確認為開支之數額作出調整，以反映所歸屬購股權之實際數目（並對資本儲備作出相應調整），惟倘僅因未能達成與本公司股份市價有關之歸屬條件而遭沒收之購股權者則除外。股本數額乃於資本儲備中確認，直至購股權獲行使（屆時會轉撥至股份溢價賬）或購股權屆滿（屆時會直接撥入保留溢利）為止。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee benefits (Continued)

iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

3. 重要會計政策 (續)

(o) 僱員福利 (續)

iii) 終止僱用福利

終止僱用福利於(並僅於)本集團透過並無可能實際撤銷之正式詳盡計劃明確表示終止僱用或因自願遣散而提供福利時確認。

(p) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產與負債之增減。即期稅項及遞延稅項資產與負債之增減均於收益表確認，惟倘其與直接於股本確認之項目有關，則在該情況下，亦會於股本確認。

即期稅項指按年內應課稅收入以結算日已經或大致上已經實施之稅率計算之預期應繳付稅項，以及過往年度應繳稅項之任何調整。

遞延稅項資產與負債分別由可扣減及應課稅臨時差額產生。臨時差額指就財務申報而言之資產與負債賬面值與其稅務基礎兩者之差額。遞延稅項資產亦可從未動用稅項虧損及未動用稅項抵免而產生。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

3. 重要會計政策 (續)

(p) 所得稅 (續)

除若干有限例外情況外，所有遞延稅項負債與所有遞延稅項資產（以有可能用以抵銷未來應課稅溢利之資產為限）均予確認。或會容許確認由可扣減臨時差額所產生之遞延稅項資產的未來應課稅溢利包括現有應課稅臨時差額撥回而產生的部分，而該等差額須與同一稅務機關及同一應課稅實體有關，並預期在可扣減臨時差額預期撥回之同一期間內撥回，或於由遞延稅項資產產生之稅項虧損能向前或向後結轉之期間內撥回。於釐定現有應課稅臨時差額是否容許確認由未動用稅項虧損及抵免所產生之遞延稅項資產時，採用同一準則（即該等臨時差額與同一稅務機關及同一應課稅實體有關，並預期於可動用稅項虧損或抵免之期間內撥回方會可計算在內）。

不可確認為遞延稅項資產及負債的少數例外情況為來自不可扣稅商譽與不會影響會計及應課稅溢利的資產或負債首先確認（並非為業務合併一部分者）之暫時差額與有關於附屬公司的投資之暫時差額，惟就應課稅差額而言，則以本集團能控制撥回時間且該差額在可見將來或不會撥回（倘為應課稅差額）為限，或就可扣稅差額而言，則不包括該差額在將來或會撥回者。

已確認之遞延稅項數額乃按資產與負債賬面值之預期變現或結算方式，以於結算日已經或大致上已經實施之稅率計算。遞延稅項資產及負債不予貼現。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

3. 重要會計政策 (續)

(p) 所得稅 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並在不再可能取得足夠應課稅溢利以運用有關稅務利益時作出調減。倘將有可能取得足夠應課稅溢利時，則撥回任何已扣減之金額。

因分派股息產生之額外所得稅於確認支付相關股息責任時確認。

即期稅項結餘及遞延稅項結餘及其變動，乃各自分開呈列且不會對銷。倘本公司或本集團擁有法律上可執行權利，可以即期稅項資產抵銷即期稅項負債，且符合下列額外條件，則即期稅項資產可抵銷即期稅項負債，而遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，則本公司或本集團擬按淨額基準清償或擬同時變現資產及清償負債；或
- 倘為遞延稅項資產與負債，如其與同一稅務機關徵收之所得稅有關：
 - 向同一應課稅實體；或
 - 向不同應課稅實體，而預期於每個未來期間將清償或收回大額遞延稅項負債或資產，擬按淨額基準變現即期稅項資產及清償即期稅項負債，或擬同時變現即期稅項資產及清償即期稅項負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial guarantees issued, provisions and contingent liabilities

i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in income statement on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 3(q)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

3. 重要會計政策 (續)

(q) 已發行財務擔保、撥備及或然負債

i) 已發行財務擔保

財物擔保乃發行人(即擔保人)須向擔保的受益人(「持有人」)作出指定付款的合約,以賠償持有人因指定債務人無法於到期時按債務工具條款付款而產生的損失。

本集團發行的財務擔保公平值(即交易價,惟倘公平值能以其他可靠估計方法計算者則除外)首先確認為貿易及其他應付賬款內的遞延收入。倘已收取或應收取有關發行擔保之代價,代價則按照適用於該項資產類別的本集團政策確認。倘並無已收取或應收取的相關代價,則按遞延收入的首先確認為收益表即時確認有關開支。

擔保首先確認為遞延收入,有關數額在擔保期內,以已發行財務擔保收入於收益表內確認入賬。此外,倘(i)擔保持有人很可能就擔保追討本集團的責任,及(ii)預期向本集團申索的金額超過有關該擔保的貿易及其他應付賬款的現時賬面值,即首先確認數額減累計攤銷,則會按照附註3(q)(ii)確認撥備。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial guarantees issued, provisions and contingent liabilities (Continued)

ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in income statement as follows:

i) Revenue from the production of broadcasting programme

Revenue arising from the production of broadcasting programme is recognised when production is completed and the master copy is delivered at the customers' premises which is taken to be the point in time when the customer has accepted the master copy and the related risks and rewards of ownership. Revenue excludes sales taxes and is after deduction of any trade discounts.

3. 重要會計政策 (續)

(q) 已發行財務擔保、撥備及或然負債 (續)

ii) 其他撥備及或然負債

倘本集團或本公司須就過去之事件承擔法律或推定責任，而履行該責任可能須動用能可靠估計的經濟利益，則就該時間或數額不確定之其他負債確認撥備。倘貨幣時間價值重大，則撥備乃按預期履行責任所需開支之現值列賬。

倘動用經濟利益之可能性不大，或無法可靠估計有關數額，則將該責任披露為或然負債，惟倘動用經濟利益之可能性極低者則除外。須視乎一件或多件未來事件是否發生方能確定存在與否之潛在責任，亦會披露為或然負債，惟倘動用經濟利益之可能性極低者則除外。

(r) 收益確認

收益乃於經濟利益將有可能流入本集團，以及能夠可靠地衡量收益及成本（如適用）時，按下列方式於收益表內確認：

i) 製作廣播節目之收益

製作廣播節目之收益乃於製作完成及母帶付運至客戶所在地時（即客戶納收母帶及擁有權之相關風險與回報時）確認。收益須扣除銷售稅及減去貿易折扣。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Revenue recognition (Continued)

ii) Revenue from sales of goods

Revenue from sales of goods is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in income statement in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

v) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

3. 重要會計政策 (續)

(r) 收益確認 (續)

ii) 貨品銷售之收益

貨品銷售之收益乃於貨品付運至客戶所在地時(即客戶接納貨品及擁有權之相關風險與回報時)確認。收益須扣除增值稅或其他銷售稅，並減去貿易折扣。

iii) 經營租賃之租金收入

根據經營租賃應收之租金收入乃按租期所涵蓋期間以等分於收益表確認，惟倘其他基準能更清楚地反映使用租賃資產所產生之收益模式者則除外。已授租賃獎勵在收益表內列作應收租金總額的一部分。或然租金在收取款項的會計期間列作收入。

iv) 利息收入

利息收入乃按實際利息法累算。

v) 股息

非上市投資的股息收入於股東獲派股息的權利確立時確認。

上市投資的股息收入於除息後投資股份價格調整時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximately the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(t) Borrowing costs

Borrowing costs are expensed in income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

3. 重要會計政策 (續)

(s) 外幣換算

年內之外幣交易按交易日之匯率換算。以外幣為單位之貨幣資產與負債則按結算日之匯率換算。匯兌盈虧於收益表確認。

以外幣按歷史成本衡量之非貨幣資產及負債按交易日之匯率換算。以外幣為單位按公平值列賬之非貨幣資產及負債按釐定公平值日期之匯率換算。

海外業務之業績按與交易日匯率相若之匯率換算為港幣。資產負債表項目(包括綜合於二零零五年一月一日或之後所收購海外業務而產生之商譽)則按結算日之匯率換算為港幣。所產生之匯兌差額直接確認為獨立之股本部分。綜合於二零零五年一月一日前所收購海外業務而產生之商譽乃按收購海外業務日期適用之匯率換算。

在出售海外業務計算出售盈虧時，須包括與該海外業務有關並於股本中確認之累計匯兌差額。

(t) 借貸成本

借貸成本自所涉期間的收益表扣除，惟直接由於收購、建設或生產需要長時間方可作擬定用途或出售的資產而撥充資本的借貸成本則除外。

當資產開始產生開支，並涉及借貸成本，且正在籌備資產作擬定用途或出售，則開始撥充借貸成本為合資格資產成本的一部分。當合資格資產作擬定用途或出售所需的絕大部分籌備工作中斷或完成，借貸成本會暫停或不再撥充資本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- ii) the Group and the party are subject to common control;
- iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3. 重要會計政策 (續)

(u) 關連人士

就本財務報告而言，以下人士將被視為本集團之關連人士：

- i) 倘有關人士能夠直接或間接透過一名或多名中介人控制本集團或對本集團之財務及經營決策發揮重大影響力，或與其他人士共同擁有本集團之控制權；
- ii) 本集團與有關人士受共同控制；
- iii) 有關人士為本集團之聯營公司或本集團為合營方之合營企業；
- iv) 有關人士為本集團或其母公司之主要管理人員，或為該人士之直系親屬，或受該人士控制、共同控制或重大影響之公司；
- v) 有關人士為第(i)項所述人士之直系親屬或受該人士控制、共同控制或重大影響之公司；或
- vi) 有關人士為以本集團或為其關連公司的僱員為受益人的離職後福利計劃。

個人之直系親屬包括該等預料在該人士處理該公司事項時會對其有影響或受其影響的親屬。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Segment reporting

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.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

3. 重要會計政策 (續)

(v) 分類報告

分類指本集團內可明顯區分之組成部分，並且負責提供產品或服務（業務分類），或於某個特定之經濟環境中提供產品或服務（地區分類）。每個分類所承擔之風險與所享有之回報均有別於其他分類。

按照本集團之內部財務報告制度，就本財務報告而言，本集團選擇以業務分類資料作為主要報告方式，並以地區分類資料作為次要報告方式。

分類收益、支出、業績、資產與負債包含直接屬某一分類，以及可按合理基準分配至該分類之項目。例如，分類資產可能包括存貨、貿易應收賬款及物業、機器及設備。分類收益、支出、資產與負債乃須於綜合賬目過程中抵銷之集團內結餘與集團內交易前釐定，惟屬同一分類之集團實體之間之集團內結餘與交易則除外。分類間價格乃按向其他外界人士提供之類似條款釐定。

分類資本開支指期內購入預期可於超過一個期間使用之分類資產（包括有形及無形資產）所產生之成本總額。

不分配項目主要包括財務及企業資產、計息貸款、借貸、稅項結餘、企業與融資費用。

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4. TURNOVER

The Group is principally engaged in the media-related business, including broadcasting, publishing and multi-media product trading business.

Turnover represents income from broadcasting business and sales value of multi-media products sold to customers. The amount of revenue recognised in turnover during the year is as follows:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Broadcasting business	廣播業務	22,015	26,223
Publishing and multi-media product trading business	出版及多媒體產品買賣業務	10,035	24,909
		32,050	51,132

5. OTHER REVENUE

Interest income from bank deposits
Interest income on other receivables
(note 35(i))
Rental income from leasing of motor vehicles
Rental income from sub-letting of rented premises
Others

銀行存款之利息收入
其他應收款項之利息收入
(附註35(i))
租用汽車之租金收入
分租租用物業之租金收入
其他

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
		75	104
		-	1,000
		252	182
		233	-
		778	665
		1,338	1,951

4. 營業額

本集團主要經營媒體相關業務，包括廣播、出版及多媒體產品買賣業務。

營業額指廣播業務之收入及向客戶出售多媒體產品之銷售值。年內確認為營業額之收益款項如下：

5. 其他收益

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6. OTHER NET (LOSS)/INCOME

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Loss on sale of fixed assets	出售固定資產之虧損	(76)	(680)
Net realised (loss)/gain on trading securities	買賣證券之已變現(虧損)/收益淨額	(2,476)	3
Net unrealised (loss)/gain on trading securities *	買賣證券之未變現(虧損)/收益淨額*	(42,455)	6,137
Expense arising from guarantee to an ex-associate (note 35(g))	為前聯營公司提供擔保所涉開支(附註35(g))	-	(2,717)
		(45,007)	2,743

* Included in the net unrealised (loss)/gain on trading securities for the year ended 31 March 2007 is an unrealised loss of HK\$42,455,000 (2006: an unrealised gain of HK\$6,166,000) arising from remeasurement of the fair value of the Group's investments in NextMart Inc. at the balance date.

6. 其他(虧損)/收入淨額

* 截至二零零七年三月三十一日止年度·買賣證券之未變現(虧損)/收益淨額包括於結算日重新計算本集團於NextMart Inc.的投資公平值所致的未變現虧損港幣42,455,000元(二零零六年:未變現收益港幣6,166,000元)。

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

7. 除稅前虧損

除稅前虧損已扣除/(計入)下列各項:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
(a) Finance costs	(a) 融資成本		
Interest on bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借貸利息	-	6
Interest on convertible bonds	可換股債券之利息	-	5
Finance charges on obligations under finance leases	融資租賃承擔之融資費用	29	29
		29	40
(b) Staff costs (including directors' remuneration) #	(b) 員工成本(包括董事酬金) #		
Contributions to defined contribution retirement plan	定額供款退休計劃之供款	126	310
Equity-settled share-based payment expenses	以股本結算股份形式付款支出	14	41
Salaries, wages and other benefits	薪金、工資及其他福利	6,522	11,420
		6,662	11,771

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7. LOSS BEFORE TAXATION (Continued)

7. 除稅前虧損 (續)

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
(c) Other items	(c) 其他項目		
Amortisation of land lease premium	租賃土地溢價攤銷	-	7
Depreciation #	折舊#		
- assets held for use under operating leases	- 根據經營租賃持有使用之資產	-	20
- other assets	- 其他資產	5,583	6,759
Net foreign exchange loss	外匯虧損淨額	128	7
Auditors' remuneration	核數師酬金	303	300
Operating lease charges:	經營租賃支出:		
minimum lease payments in respect of property rentals	物業租金的最低租金	3,416	2,624
Cost of inventories	存貨成本	28,086	43,594

For the year ended 31 March 2006, cost of inventories includes HK\$5,481,000 relating to staff costs and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

截至二零零六年三月三十一日止年度，存貨成本包括港幣5,481,000元之相關員工成本及折舊開支。該數額亦分別計入個別於上文或於附註7(b)披露的各類相關開支總額中。

(d) Impairment loss on amounts due from disposed subsidiaries

In view of uncertainty of the recovery of the outstanding balance in that the subsidiaries disposed of during the year were in financial difficulties and sustained losses, the directors concluded that it is appropriate to make a full impairment on the amounts of HK\$21,943,000 due from these debtors and subsequently write off the amounts in full during the year ended 31 March 2007.

(d) 應收已出售附屬公司款項之減值虧損

由於年內已出售之附屬公司有財政困難及持續虧損，故無法確定可收回有關欠款，因此董事認為應將該等應收賬款港幣21,943,000元全數減值，並於截至二零零七年三月三十一日止年度全數撇銷該等款項。

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8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

For the year ended 31 March 2007, no provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong during the year. For the year ended 31 March 2006, no provision for Hong Kong profits tax has been made as the Group has accumulated tax losses brought forward which exceed the estimated assessable profits for that year.

No provision for overseas taxation has been made as the overseas subsidiaries has no estimated assessable profits arising from their jurisdictions during the years ended 31 March 2007 and 2006.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Loss before taxation	除稅前虧損	(67,017)	(36,510)
Notional tax on loss before taxation, calculated at the applicable rate of 33%	除稅前虧損之名義稅項，按適用稅率33%計算	(22,116)	(12,048)
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(8,723)	(4,311)
Tax effect of non-deductible expenses	不可扣稅支出之稅務影響	19,439	8,777
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損之稅務影響	418	2,448
Tax effect of additional tax deduction	額外扣減稅項之稅務影響	371	1,141
Tax effect of utilisation of unused tax losses not previously recognised	動用以往未確認未動用稅項虧損之稅務影響	-	(24)
Effect of different taxation rate used in other tax jurisdictions	其他司法權區不同稅率之影響	10,611	4,518
Others	其他	-	(501)
Actual tax expense	實際稅項支出	-	-

8. 綜合收益表之所得稅

(a) 綜合收益表內之稅項指：

截至二零零七年三月三十一日止年度，由於本集團於年內並無估計香港應課稅溢利，故此並無作出香港利得稅撥備。截至二零零六年三月三十一日止年度，由於本集團結轉的累計稅項虧損高於年內估計應課稅溢利，故並無作出香港利得稅撥備。

由於截至二零零七年及二零零六年三月三十一日止年度海外附屬公司在其所屬司法權區並無估計應課稅溢利，故並無作出海外稅項撥備。

(b) 稅項支出與按適用稅率計算之會計虧損對賬如下：

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9. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

Year ended 31 March 2007

	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (note i)	2007 Total
	董事袍金	薪金、津貼及實物福利	退休計劃供款	小計	股份付款 (附註i)	二零零七年總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors	執行董事					
Chen Ping	陳平	1,080	12	1,092	-	1,092
Ma Jian Ying	馬建英	720	12	732	-	732
Walter Stasyshyn	Walter Stasyshyn	503	-	503	-	503
Man Ming	文明	-	-	-	-	-
Tung Hsiao Chi	董小琪	300	-	300	14	314
Independent non-executive directors	獨立非執行董事					
Chu Yu Lin, David	朱幼麟	-	-	120	-	120
Yan Tat Wah, Joseph	甄達華	-	-	120	-	120
Deng Jordan Z.	鄧志端	-	-	100	-	100
		340	24	2,967	14	2,981

9. 董事酬金

根據香港公司條例第161條披露之董事酬金如下：

截至二零零七年三月三十一日止年度

Year ended 31 March 2006

截至二零零六年三月三十一日止年度

	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (note i)	2006 Total
	董事袍金	薪金、津貼及實物福利	退休計劃供款	小計	股份付款 (附註i)	二零零六年總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors	執行董事					
Chen Ping	陳平	1,170	12	1,182	-	1,182
Ma Jian Ying	馬建英	780	12	792	-	792
Walter Stasyshyn	Walter Stasyshyn	576	-	576	-	576
Man Ming	文明	-	-	-	-	-
Tung Hsiao Chi	董小琪	780	-	780	41	821
Yang Lan (resigned on 6/12/2005)	楊瀾 (於二零零五年十二月六日辭任)	-	-	-	-	-
Ke Lin (resigned on 22/4/2005)	柯霖 (於二零零五年四月二十二日辭任)	-	-	-	-	-
Independent non-executive directors	獨立非執行董事					
Chu Yu Lin, David	朱幼麟	120	-	120	-	120
Yan Tat Wah, Joseph	甄達華	120	-	120	-	120
Deng Jordan Z.	鄧志端	63	-	63	-	63
Woo Chia Wei (resigned on 5/11/2005)	吳家璋 (於二零零五年十一月五日辭任)	71	-	71	-	71
		374	24	3,704	41	3,745

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9. DIRECTORS' REMUNERATION (Continued)

Note:

- i) These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 3(o)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 28.

- ii) For the years ended 31 March 2007 and 2006, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Company or as a compensation for loss of office. None of the directors waived or agreed to waive any remuneration for the years ended 31 March 2007 and 2006.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2006: four) are directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other one (2006: one) individual are as follows:

	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Salaries and other emoluments	360	672
Retirement scheme contributions	12	12
	372	684

9. 董事酬金 (續)

附註:

- i) 有關數額即根據本公司購股權計劃授予董事之購股權估計價值。該等購股權之價值乃根據附註3(o)(ii)所載以股份形式付款交易之本集團會計政策計算，且根據該政策，有關價值亦已計入因所授股本工具在歸屬前已沒收而產生的過往年度累計儲備數額調整。

該等實物利益之詳情(包括主要條款及授出購股權之數目)已披露於董事會報告之「購股權計劃」一段及附註28。

- ii) 截至二零零七年及二零零六年三月三十一日止年度各年，本集團並無支付酬金予任何董事，作為彼等加入或已加入本集團的獎勵或離職補償。截至二零零七年及二零零六年三月三十一日止年度，並無董事豁免或同意豁免其酬金。

10. 最高薪人士

五名最高薪人士中，四名(二零零六年：四名)為董事，其酬金已於附註9披露。另一名(二零零六年：一名)人士之酬金總額如下：

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10. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emoluments of the one (2006: one) individual with the highest emoluments are within the following band:

Nil – HK\$1,000,000	港幣零元至港幣1,000,000元
1	1

For the years ended 31 March 2007 and 2006, no emoluments were paid by the Group to any of the five highest individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

11. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss attributable to equity holders of the Company includes a loss of HK\$80,520,000 (2006: a loss of HK\$38,453,000) which has been dealt with in the financial statements of the Company (note 27(b)).

10. 最高薪人士 (續)

一名(二零零六年:一名)最高薪人士之酬金介乎以下範圍:

2007 二零零七年 Number of individual 人數	2006 二零零六年 Number of individual 人數
1	1

截至二零零七年及二零零六年三月三十一日止年度,本集團並無支付酬金予任何五位最高薪人士,作為彼等加入或已加入本集團的獎勵或離職補償。

11. 本公司權益持有人應佔虧損

本公司權益持有人應佔綜合虧損包括虧損港幣80,520,000元(二零零六年:虧損港幣38,453,000元),該虧損已於本公司之財務報告處理(附註27(b))。

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12. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of HK\$67,017,000 (2006: HK\$36,510,000) and the weighted average of 556,037,000 ordinary shares (2006: 490,533,000 ordinary shares) in issue during the year. Weighted average number of ordinary shares is calculated as follows:

Issued ordinary shares at 1 April	於四月一日已發行普通股	556,037	23,223,960
Effect of shares issued upon conversion of convertible bonds	兌換可換股債券對已發行股份之影響	-	580
Effect of capital reorganisation	資本重組之影響	-	(22,759,619)
Effect of shares issued through placing	因配售發行股份之影響	-	19,709
Effect of shares issued for acquisition of a subsidiary	因收購附屬公司發行股份之影響	-	5,903
Weighted average number of ordinary shares at 31 March	於三月三十一日普通股的加權平均數	556,037	490,533

(b) Diluted loss per share

No disclosure of diluted loss per share for the years ended 31 March 2007 and 2006 is shown as the exercise prices of the outstanding share options of the Company during the years are higher than the average market prices of the ordinary shares of the Company and accordingly there are no dilutive effect on the basic loss per share.

13. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

12. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司權益持有人應佔虧損港幣67,017,000元(二零零六年:港幣36,510,000元)及年內已發行普通股加權平均數556,037,000股普通股(二零零六年:490,533,000股普通股)計算。普通股加權平均數按下列方式計算:

2007 二零零七年 '000 千股	2006 二零零六年 '000 千股
556,037	23,223,960
-	580
-	(22,759,619)
-	19,709
-	5,903
556,037	490,533

(b) 每股攤薄虧損

截至二零零七年及二零零六年三月三十一日止年度,由於年內本公司未行使購股權之行使價高於本公司普通股之平均市價,因而對每股基本虧損並無攤薄影響,故並無披露每股攤薄虧損。

13. 分類報告

分類資料按本集團之業務及地區分類呈列。本集團選擇以業務分類資料作為主要報告形式,乃由於此舉較切合本集團之內部財政報告。

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13. SEGMENT REPORTING (Continued)

Business segments

The Group comprises the following main business segments:

Broadcasting and content production: the production of broadcasting programmes.

Publishing and multi-media product trading: the trade of multi-media products.

13. 分類報告 (續)

業務分類

本集團有以下主要業務分類：

廣播及節目製作：廣播節目製作。

出版及多媒體產品買賣：多媒體產品買賣。

		Broadcasting and content production 廣播及節目製作		Publishing and multi-media product trading 出版及多媒體產品買賣		Consolidated 綜合	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Revenue from external customers	來自外界客戶之收益	22,015	26,223	10,035	24,909	32,050	51,132
Segment result	分類業績	(15,221)	(9,694)	(6,038)	(22,372)	(21,259)	(32,066)
Interest income	利息收入					75	1,104
Unallocated corporate operating income	不分配企業經營收入					1,263	6,987
Unallocated corporate operating expenses	不分配企業經營開支					(47,067)	(12,495)
Loss from operations	經營虧損					(66,988)	(36,470)
Finance costs	融資成本					(29)	(40)
Loss before taxation	除稅前虧損					(67,017)	(36,510)
Income tax	所得稅					-	-
Loss for the year	年度虧損					(67,017)	(36,510)
Depreciation and amortisation for the year	本年度折舊及攤銷	839	1,294	4,744	5,482	5,583	6,776
Unallocated depreciation and amortisation for the year	本年度未分配的折舊及攤銷	-	-	-	-	-	10
Impairment of	下列項目減值：						
- fixed assets	- 固定資產	-	-	-	1,136	-	1,136
- goodwill	- 商譽	-	-	10,749	21,622	10,749	21,622
- broadcasting programmes	- 廣播節目	-	5,297	-	-	-	5,297
- trade receivables	- 應收賬款	1,549	568	-	-	1,549	568
Reversal of impairment loss on other receivables	其他應收款項減值虧損撥回	(3,333)	(2,920)	-	(8)	(3,333)	(2,928)
Loss on sale of fixed assets	出售固定資產虧損	24	600	52	80	76	680
Unallocated net realised and unrealised loss/(gain) on trading securities	買賣證券之未分配已變現及未變現虧損/(收益)淨額	-	-	-	-	44,931	(6,140)
Significant non-cash expenses (other than depreciation and amortisation)	大額非現金開支(折舊及攤銷除外)	1,549	5,865	10,750	22,758	12,299	28,623

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13. SEGMENT REPORTING (Continued)

Business segments (Continued)

		Broadcasting and content production 廣播及節目製作		Publishing and multi-media product trading 出版及多媒體產品買賣		Consolidated 綜合	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Segment assets	分類資產	31,117	49,737	15,403	32,392	46,520	82,129
Unallocated corporate assets	不分配企業資產					7,481	60,950
Total assets	資產總值					54,001	143,079
Segment liabilities	分類負債	39,995	58,579	10,495	8,570	50,490	67,149
Unallocated corporate liabilities	不分配企業負債					3,296	8,625
Total liabilities	負債總額					53,786	75,774
Capital expenditure incurred during the year	年內產生之資本開支	88	1,312	-	849	88	2,161

Geographical segments

The Group's business is managed on a worldwide basis, but participates in three principal economic environments. Mainland China is a major market for all of the Group's business. In Hong Kong and United States, the only business is publishing and multi-media product trading.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

13. 分類報告 (續)

業務分類 (續)

地區分類

本集團之業務遍佈世界各地，但主要於三個經濟環境經營業務。中國內地為本集團所有業務之主要市場，而本集團在香港及美國則只經營出版及多媒體產品買賣業務。

按地區分類呈列資料時，分類收益乃根據客戶的地理位置劃分，而分類資產及資本開支則依據資產之地理位置劃分。

		Mainland China 中國內地		Hong Kong 香港		United States 美國		Consolidated 綜合	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Revenue from external customers	來自外界客戶之收益	32,050	35,099	-	15,197	-	836	32,050	51,132
Carrying amount of segment assets	分類資產賬面值	26,548	52,513	27,453	90,566	-	-	54,001	143,079
Capital expenditure incurred during the year	年內產生之資本開支	70	2,135	18	26	-	-	88	2,161

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14. FIXED ASSETS

The Group

14. 固定資產

本集團

		Buildings held for own use	Leasehold improvements	Plant and machinery	Office furniture and fixtures	Motor vehicles	Sub-total	Interests in leasehold land held for own use under operating leases 根據經營 租賃持有 自用之租賃 土地之利息	Total fixed assets
		持作自用 之樓宇 HK\$'000 港幣千元	租賃 物業裝修 HK\$'000 港幣千元	廠房及機器 HK\$'000 港幣千元	辦公室 傢俱及裝置 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	小計 HK\$'000 港幣千元	自用之租賃 土地之利息 HK\$'000 港幣千元	固定資產 總值 HK\$'000 港幣千元
Cost	成本								
1 April 2005	二零零五年四月一日	1,617	9,950	20,448	4,410	1,715	38,140	4,089	42,229
Exchange adjustments	匯兌調整	-	-	102	6	3	111	-	111
Additions	添置	-	-	1,286	34	-	1,320	-	1,320
Disposals	出售								
- through disposal of subsidiaries	- 透過出售附屬公司	-	(87)	(470)	(34)	-	(591)	-	(591)
- others	- 其他	(1,617)	(4,114)	(534)	(1,424)	(312)	(8,001)	(4,089)	(12,090)
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	-	5,749	20,832	2,992	1,406	30,979	-	30,979
Exchange adjustments	匯兌調整	-	-	246	-	-	246	-	246
Additions	添置	-	-	70	18	-	88	-	88
Disposals	出售								
- through disposal of subsidiaries	- 透過出售附屬公司	-	-	-	(190)	(96)	(286)	-	(286)
- others	- 其他	-	-	(989)	-	(150)	(1,139)	-	(1,139)
At 31 March 2007	於二零零七年三月三十一日	-	5,749	20,159	2,820	1,160	29,888	-	29,888
Aggregate amortisation and depreciation:	總攤銷及折舊:								
At 1 April 2005	於二零零五年四月一日	1,235	3,151	3,468	2,215	483	10,552	2,775	13,327
Exchange adjustments	匯兌調整	-	-	47	3	1	51	-	51
Charge for the year	年度扣除	3	2,452	3,638	443	243	6,779	7	6,786
Written back on disposals	出售撥回								
- through disposal of subsidiaries	- 透過出售附屬公司	-	(82)	(296)	-	-	(378)	-	(378)
- others	- 其他	(1,238)	(2,188)	(377)	(1,405)	(312)	(5,520)	(2,782)	(8,302)
Impairment loss	減值虧損	-	-	50	1,024	62	1,136	-	1,136
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	-	3,333	6,530	2,280	477	12,620	-	12,620
Exchange adjustments	匯兌調整	-	-	113	-	-	113	-	113
Charge for the year	年度扣除	-	2,230	3,020	151	182	5,583	-	5,583
Written back on disposals	出售撥回								
- through disposal of subsidiaries	- 透過出售附屬公司	-	-	-	(164)	(96)	(260)	-	(260)
- others	- 其他	-	-	(683)	-	(83)	(766)	-	(766)
At 31 March 2007	於二零零七年三月三十一日	-	5,563	8,980	2,267	480	17,290	-	17,290
Net book value	賬面淨值								
At 31 March 2007	於二零零七年三月三十一日	-	186	11,179	553	680	12,598	-	12,598
At 31 March 2006	於二零零六年三月三十一日	-	2,416	14,302	712	929	18,359	-	18,359

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14. FIXED ASSETS (Continued)

Notes:

(a) Fixed assets held under finance leases

The Group leases motor vehicles under finance leases expiring in May 2009. At the end of the lease term the Group has the option to purchase the leased motor vehicles at a price deemed to be a bargain purchase option. None of the leases includes contingent rentals.

At the balance sheet date, the net book value of motor vehicles held under finance leases of the Group was HK\$680,000 (2006: HK\$851,000).

(b) Fixed assets leased out under operating leases

In 2006, the Group leased out motor vehicles under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals. The motor vehicles leased out under operating leases were disposed of during the year ended 31 March 2007.

At 31 March 2006, the net carrying amount of motor vehicles leased out under operating leases of the Group was HK\$78,000.

At the balance sheet date, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

Within one year 一年內

14. 固定資產 (續)

附註:

(a) 根據融資租賃持有之固定資產

本集團根據於二零零九年五月屆滿之融資租賃租用汽車。於租賃期屆滿後，本集團有權選擇按優惠價格購買該等汽車。租賃並無包括或然租金。

於結算日，本集團根據融資租賃持有之汽車賬面淨值為港幣680,000元(二零零六年:港幣851,000元)。

(b) 根據經營租賃租出之固定資產

於二零零六年，本集團根據經營租賃租出汽車。該等租賃一般初步為期一年，可於該日期後，選擇重新商討所有條款，更新租約。租賃概無包括或然租金。根據經營租賃租出之汽車已於截至二零零七年三月三十一日止年度內售出。

於二零零六年三月三十一日，根據經營租賃租出之汽車賬面淨值為港幣78,000元。

於結算日，本集團根據不可撤銷之經營租賃收取的未來最低租金總額列為應收賬款如下:

The Group 本集團	
2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
港幣千元	港幣千元

Within one year

一年內

-

130

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14. FIXED ASSETS (Continued)

(c) Impairment loss

In 2006, the directors assessed the recoverable amounts of the property, plant and equipment. Based on this assessment, the directors concluded that the carrying amount of the property, plant and equipment should be written down by HK\$1,136,000. The recoverable amounts have been determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of 10%. Cash flow projections during the budget period for the property, plant and equipment are based on the expected gross margins during the budget period. Budgeted gross margins have been determined based on past performance and management's expectations for the market development.

In 2007, the directors assessed the recoverable amounts of the fixed assets and concluded that it is appropriate not to reverse the impairment loss as there has no favourable change in the estimates used to determine the recoverable amount. The recoverable amounts have been determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of 20%.

15. INTANGIBLE ASSETS

The Group

Cost and carrying amounts:

At 1 April
Additions through acquisition of
a subsidiary (note 31(c))

At 31 March

成本及賬面值：

於四月一日
透過收購一間附屬
公司而添置 (附註31(c))

於三月三十一日

(a) The copyright represents a set of exclusive rights for the Group to reproduce 115 educational book titles. The copyright of book titles is amortised on a straight-line basis over its estimated useful life from the date when it is available for use. At the balance sheet, the copyright is not available for use for the Group is applying to the PRC government for approval in publishing the books in the PRC. The approval is expected to be granted to the Group before March 2008.

14. 固定資產 (續)

(c) 減值虧損

於二零零六年，董事已評估物業、廠房及設備之可收回款項。根據此評估，董事總結物業、廠房及設備之賬面值須撇減港幣1,136,000元。可收回款項已根據使用價值計算方法而釐定。所有使用價值計算方法均根據管理層所批准之五年財政預算而採用現金流量預測以及貼現率10%進行。預算期間的物業、廠房及設備現金流量預測乃根據該期間之預期毛利率計算。預算毛利率已根據過去表現及管理層對市場發展之預期釐定。

於二零零七年，董事評估固定資產之可收回款項，認為因釐定可收回款項之估計並無利好改變，故不撥回減值虧損乃合適之舉。可收回款項乃按使用價值計算。該等計算運用由管理層所批准之五年財務預算及折讓率20%計算之現金流量預測。

15. 無形資產

本集團

Copyright of book titles

書目之版權

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
港幣千元	港幣千元

841	-
-	841
841	841

(a) 版權指本集團翻印115本教育書目之獨家權利。書目版權由可供使用當日起以直線法於估計可使用年期內攤銷。截至結算日，本集團仍在向中國政府申請批准於中國出版該等書籍，故有關版權仍未可供使用。本集團預期將於二零零八年三月前獲得批准。

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15. INTANGIBLE ASSETS (Continued)

- (b) In 2006 and 2007, the directors assessed the recoverable amounts of the copyrights of book titles and concluded it is appropriate not to provide for impairment. As the directors have not determined whether the Group will allocate resources to fund and launch the business development of these copyright of book titles in accordance with the Group's expansion plans, their recoverable amounts in therefore determined with reference to their respective estimated fair value less costs to sale based on valuation assessed by an independent professional valuer, the directors are of the opinion that the recoverable amount of the copyright of book titles as at the balance sheet date was higher than their carrying value and no impairment loss is considered necessary. The valuation of the copyright of book titles is performed by RHL Appraisal Ltd., an independent valuer on an open market basis in both 2006 and 2007.

16. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost 非上市股份·按成本
Less: Impairment loss 減·減值虧損

- (a) In view of the accumulated losses and poor operating performance of a subsidiary, namely Tidetime Future Optical Media Technology Limited ("Tidetime Future Optical"), which is engaged in the business of multi-media products trading in Hong Kong, the directors concluded that it is appropriate to make an impairment of HK\$52,505,000 (2006: HK\$23,212,000) for the investment cost in this subsidiary.

The recoverable amount of the investments in subsidiaries based upon which impairment loss is arrived at its value in use at discounted rate of 20% (2006: 10%).

15. 無形資產 (續)

- (b) 於二零零六年及二零零七年，董事評估書目版權之可收回款項，認為不應將書目版權減值。由於董事尚未決定本集團會否根據本集團之拓展計劃分配資源以資助及開拓書目版權之業務發展，故有關書目版權之可收回款項乃參考相關的估計公平值減銷售成本（根據獨立專業估值師之估值而定），而董事認為由於書目版權在結算日之可收回款項高於其賬面值，故毋須為書目之版權訂出減值虧損。書目版權之估值由獨立估值師永利行評值顧問有限公司按二零零六年及二零零七年的公開市值釐定。

16. 於附屬公司之投資

The Company 本公司	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
59,499	59,499
(52,505)	(23,212)
6,994	36,287

- (a) 由於在香港經營出版及多媒體產品買賣業務的附屬公司泰德富新光媒體有限公司（「泰德富新光」）持續錄得虧損及營業表現欠佳，故董事認為應為於附屬公司之投資成本作出港幣52,505,000元（二零零六年：港幣23,212,000元）之減值。

投資於附屬公司之可收回款項乃根據其使用值按貼現率20%（二零零六年：10%）計算之減值虧損而釐定。

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16. INVESTMENTS IN SUBSIDIARIES (Continued)

(b) The following are details of the company's subsidiaries which principally affected the result, assets or liabilities of the Group. The class of shares held is ordinary shares unless otherwise stated.

16. 於附屬公司之投資 (續)

(b) 下表載有主要影響本集團業績、資產或負債之附屬公司詳情。除另有說明外，所持股份類別均為普通股。

Name of company 公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particular of issued and paid-up capital 已發行及繳足之資本資料	Proportion of ownership interest 擁有權比例			Principal activity 主要業務
			Group's effective interest 由本集團實際持有	Held by the Company 由本公司持有	Held by subsidiary 由附屬公司持有	
Profit Trade Developments Limited	British Virgin Islands ("BVI") 英屬處女群島 (「處女群島」)	1 share of US\$1 each 一股面值 1美元之股份	100%	—	100%	Investment holding 投資控股
Shanghai New Culture TV And Radio Making Co., Ltd. ("Shanghai New Culture") (note) 上海新文化廣播電視製作有限公司(「上海新文化」) (附註)	PRC 中國	Registered capital RMB5,000,000 註冊資本 人民幣5,000,000元	48%	—	48%	Production of television programmes and sales of multi-media products 電視節目製作及銷售多媒體產品
STR Media Limited	BVI 處女群島	1 share of US\$100 each 一股面值 100美元之股份	80%	—	80%	Investment holding 投資控股
Sun Television Cybernetworks Developments Limited	BVI 處女群島	1 share of US\$1 each 一股面值 1美元之股份	100%	—	100%	Inactive 暫無營業

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16. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及經營地點	Particular of issued and paid-up capital 已發行及繳足之資本資料	Proportion of ownership interest 擁有權比例			Principal activity 主要業務
			Group's effective interest 由本集團實際持有	Held by the Company 由本公司持有	Held by subsidiaries 由附屬公司持有	
Sun Television New Media Limited	BVI 處女群島	1 share of US\$1 each 一股面值1美元之股份	100%	–	100%	Investment holding 投資控股
Sun Television Group Limited	BVI 處女群島	1 share of US\$1,000 each 一股面值1,000美元之股份	100%	100%	–	Investment holding 投資控股
Tidetime Future Optical Media Technology Limited 泰德富新光媒體有限公司	Hong Kong 香港	1 share of US\$10,000 each 一股面值10,000美元之股份	100%	–	100%	Inactive 暫無營業
Treasurepoint Limited	BVI 處女群島	1 share of US\$1 each 一股面值1美元之股份	100%	100%	–	Inactive 暫無營業

Note:

Shanghai New Culture is registered under the laws of the PRC as a sino-foreign equity joint venture on 24 November 1998 to be operated for 20 years up to 23 November 2018.

附註：

上海新文化於一九九八年十一月二十四日根據中國法律註冊為中外合資企業，可營業二十年至二零一八年十一月二十三日止。

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17. GOODWILL

17. 商譽

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Cost:	成本：		
At 1 April	於四月一日	57,989	54,805
Additions – publication in Mainland China (note 31(c))	添置 – 中國內地之出版 (附註31(c))	–	3,184
Disposals – trading of cultural related multi-media products in Mainland China	出售 – 中國內地之 文化相關多媒體產品買賣	(8,685)	–
At 31 March	於三月三十一日	49,304	57,989
Accumulated impairment losses:	累計減值虧損：		
At 1 April	於四月一日	44,056	22,434
Impairment loss – trading of multi-media products in Hong Kong	減值虧損 – 香港之 多媒體產品買賣	10,749	21,622
Write back on disposals – trading of cultural related multi-media products in Mainland China	出售時撥回 – 中國內地之 文化相關多媒體產品買賣	(8,685)	–
At 31 March	於三月三十一日	46,120	44,056
Carrying amount:	賬面值：		
At 31 March	於三月三十一日	3,184	13,933

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17. GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units identified according to business segment and country of operation as follows:

		2007 二零零七年				2006 二零零六年				
		Broad-casting and content production in Mainland China (note (a))	Trading of multi-media products in Hong Kong (note (b))	Publication in Mainland China (note (c))	Total	Broad-casting and content production in Mainland China (note (a))	Trading of multi-media products in Hong Kong (note (b))	Publication in Mainland China (note (c))	Trading of cultural related multi-media products in Mainland China (note (d))	Total
		在中國內地的廣播及節目製作 (附註(a))	在香港的多媒體產品買賣 (附註(b))	在中國內地的出版的 (附註(c))	總計	在中國內地的廣播及節目製作 (附註(a))	在香港的多媒體產品買賣 (附註(b))	在中國內地的出版的 (附註(c))	內地的文化相關多媒體產品買賣 (附註(d))	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Cost	成本	13,749	32,371	3,184	49,304	13,749	32,371	3,184	8,685	57,989
Accumulated impairment loss	累計減值成本	(13,749)	(32,371)	-	(46,120)	(13,749)	(21,622)	-	(8,685)	(44,056)
Carrying amount	賬面值	-	-	3,184	3,184	-	10,749	3,184	-	13,933

(a) **Broadcasting and content production in Mainland China (Cost: HK\$13,749,000; Impairment: HK\$13,749,000)**

Due to the poor performance of the cash-generating unit, in 2005 the directors concluded that the cash-generating unit was no longer able to generate sufficient cash flows to the Group and a full impairment of HK\$13,749,000 was therefore recognised in that year. In 2006 and 2007, the directors reassessed the recoverable amount of the cash-generating unit and concluded that it is appropriate not to reverse the impairment loss as there has been no favourable change in the estimates used to determine the recoverable amount.

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates.

17. 商譽 (續)

包含商譽之現金產生單位減值測試

商譽根據業務分類及營運國家分配至本集團之已識別現金產生單位如下：

(a) **廣播及節目製作 (成本：港幣13,749,000元；減值：港幣13,749,000元)**

由於現金產生單位表現疲弱，二零零五年，董事認為該現金產生單位已不能為本集團產生足夠現金流量，因而於年內確認全數減值港幣13,749,000元。二零零六年及二零零七年，董事重新評估該現金產生單位的可收回款項，由於用以釐定可收回款項的估計並無利好轉變，故認為不應撥回減值虧損。

現金產生單位的可收回款項乃根據使用價值計算。該等計算運用根據管理層所批准之五年期財政預算而定的現金流量預測。超越五年期的現金流量按下列估計比率推斷。增長率並無超越現金產生單位所經營業務之長期平均增長率。

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17. GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill (Continued)

(a) **Broadcasting and content production in Mainland China (Cost: HK\$13,749,000; Impairment: HK\$13,749,000) (Continued)**

Key assumptions used for value-in-use calculations:

- Gross margin	- 毛利率
- Growth rate	- 增長率
- Discount rate	- 折現率

Management determined the budgeted gross margin based on past performance and its expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The impairment loss recognised during the year solely relates to the Group's broadcasting and content production activities based in Mainland China. As the cash generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would cause the carrying value to be less than the recoverable amount.

(b) **Trading of multi-media products in Hong Kong (Cost: HK\$32,371,000; Impairment: HK\$32,371,000)**

In 2006, due to the changes in technology and deteriorating market conditions resulting in poor performance in this cash-generating unit, the directors assessed the recoverable amount of the cash-generating unit and concluded it is appropriate to impair the carrying amount of the goodwill by HK\$21,622,000. In 2007, the directors assessed the recoverable amount of the cash-generating unit and concluded that it is appropriate to make a further impairment of HK\$10,749,000 due to adverse changes in the technology and market conditions during the year. The recoverable amount is its fair value less costs to sell which is determined on the basis of past performance and management's expectations for the market development.

17. 商譽 (續)

包含商譽之現金產生單位減值測試 (續)

(a) **廣播及節目製作 (成本: 港幣13,749,000元; 減值: 港幣13,749,000元) (續)**

用於使用價值計算的主要假設:

	2007 二零零七年 %	2006 二零零六年 %
	10	10
	-15	-10
	20	10

管理層根據過往表現及其對市場發展之預期釐定預算毛利率。所用折現率為稅前折現率，可反映相關分類的特定風險。

年內確認的減值虧損僅關於本集團在中國內地的廣播及節目製作活動。由於該現金產生單位已減低至可收回款項，用於計算可收回款項的假設出現任何不利轉變均會導致賬面值低於可收回款項。

(b) **在香港的多媒體產品買賣 (成本: 港幣32,371,000元; 減值: 港幣32,371,000元)**

二零零六年，由於技術轉變及市況轉差，導致此項現金產生單位表現欠佳，董事已評估此項現金產生單位之可收回款項，認為應將商譽之賬面值減值港幣21,622,000元。於二零零七年，董事評估現金產生單位之可收回款項，認為由於年內技術及市場狀況逆轉，應將商譽之賬面值再減值港幣10,749,000元。可收回款項為公平值減銷售成本。銷售成本乃根據過往表現及管理層對市場發展之預期釐定。

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17. GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill (Continued)

(b) **Trading of multi-media products in Hong Kong**
(Cost: HK\$32,371,000; Impairment: HK\$32,371,000)
(Continued)

The impairment loss recognised during the year solely relates to the Group's trading activities based in Hong Kong. As the cash-generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would cause the carrying value to be less than the recoverable amount.

(c) **Publication in Mainland China (Cost: HK\$3,184,000; Impairment: Nil)**

In 2006 and 2007, the directors assessed the recoverable amount of the cash-generating unit and concluded that it is appropriate not to provide for impairment. The directors have not determined whether the Group will allocate resources to fund and launch the business development of the cash-generating unit in accordance with the Group's expansion plans, the recoverable amounts is therefore determined with reference to its fair value less costs to sell based on valuation assessed by an independent professional valuer. The valuation is performed by RHL Appraisal Ltd., an independent valuer, on an open market basis in 2006 and 2007.

(d) **Trading of cultural related multi-media products in Mainland China**

Due to the poor performance of the cash-generating unit, in 2005 the directors concluded that the cash-generating unit was no longer able to generate sufficient cash flows to the Group and a full impairment of HK\$8,685,000 was therefore recognised in that year. In 2006, the directors reassessed the recoverable amount of the cash-generating unit and concluded that it is appropriate not to reverse the impairment loss as there has been no favourable change in the estimates used to determine the recoverable amount. The cash-generating unit was disposed of in 2007.

17. 商譽 (續)

包含商譽之現金產生單位減值測試 (續)

(b) 在香港的多媒體產品買賣 (成本: 港幣32,371,000元; 減值: 港幣32,371,000元) (續)

於年內確認之減值虧損僅與本集團於香港之買賣業務有關。由於現金產生單位已減至相當於其可收回款項，故用於計算可收回款項之假設出現任何不利變動會引致賬面值少於可收回款項。

(c) 在中國內地的出版 (成本: 港幣3,184,000元; 減值: 無)

於二零零六年及二零零七年，董事評估現金產生單位的可收回款項，認為毋須作出減值撥備。董事並未決定本集團會否分配資源以根據本集團之拓展計劃資助及開拓該現金產生單位之業務發展，故可收回款項乃參考公平值減銷售成本根據獨立專業估值師之估值釐定。估值由獨立估值師永利行評值顧問有限公司於二零零六年及二零零七年按公開市值進行。

(d) 在中國內地的文化相關多媒體產品買賣

由於現金產生單位表現欠佳，董事於二零零五年認為該現金產生單位已不能為本集團產生足夠現金流量，故於該年確認港幣8,685,000元之全數減值。於二零零六年，董事重新評估該現金產生單位之可收回款項，認為因釐定可收回款項之估計並無利好轉變，故不應撥回減值虧損。該現金產生單位已於二零零七年出售。

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17. GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill (Continued)

(d) Trading of cultural related multi-media products in Mainland China (Continued)

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates.

Key assumptions used for value-in-use calculations:

		2006 二零零六年 %
- Gross margin	- 毛利率	-
- Growth rate	- 增長率	-
- Discount rate	- 折現率	10

Management determined the budgeted gross margin based on past performance and its expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The impairment loss recognised during the year solely relates to the Group's wholesale and retail activities based in Mainland China. As the cash generating unit has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would cause the carrying value to be less than the recoverable amount.

17. 商譽 (續)

包含商譽之現金產生單位減值測試 (續)

(d) 在中國內地的文化相關多媒體產品買賣 (續)

現金產生單位的可收回款項乃根據使用價值計算。該等計算運用根據管理層所批准的五年期財政預算而定的現金流量預測。超逾五年期的現金流量按下列估計比率推斷。增長率不會超逾現金產生單位所經營業務之長期平均增長率。

用於使用價值計算的主要假設：

管理層根據過往表現及其對市場發展之預期釐定預算毛利率。所用折現率為稅前折現率，反映相關分類的特定風險。

年內確認減值虧損僅與本集團在中國內地的批發及零售業務有關。由於該現金產生單位已減低至相等於其可收回款項，故用於計算可收回款項的假設出現任何不利轉變均會導致賬面值低於可收回款項。

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18. INTEREST IN AN ASSOCIATE

18. 於一家聯營公司之權益

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元

Share of net assets	分佔資產淨值	-	-
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(a) The particulars of the associate which is an unlisted corporate entity are as follows:

(a) 該家為非上市企業實體之聯營公司詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務結構之形式	Place of incorporation and operation 註冊成立／經營地點	Particulars of issued and paid up capital 已發行及繳足資本之資料	Proportion of ownership interest 擁有權比例			Principal activity 主要業務
				Group's effective interest 由本集團實際持有	Held by the Company 由本公司持有	Held by a subsidiary 由附屬公司持有	
Sun Satellite Television Company Limited ("Sun Satellite") 陽光衛星電視有限公司 (「陽光衛星」)	Incorporated 註冊成立	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值 港幣1元之普通股	30%	-	30%	Inactive 暫無營業

(b) Summary of the financial information on Sun Satellite is as follows:

(b) 陽光衛星之財務資料概述如下：

		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Assets	資產	-	10
Liabilities	負債	(3,197)	(2,287)
Equity	權益	(3,197)	(2,277)
Revenues	收益	-	-
Loss for the year	本年度虧損	(921)	(13)

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19. OTHER NON-CURRENT FINANCIAL ASSETS

19. 其他非流動財務資產

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Available-for-sale equity securities	可供出售之股份證券				
- Unlisted (note (a))	- 非上市 (附註(a))	1	1	-	-
- Listed outside Hong Kong (note (b))	- 於香港以外地區上市 (附註(b))	1	1	1	1
Available-for-sale debt securities	可供出售之債務證券				
- Unlisted	- 非上市	1	1	-	-
		3	3	1	1
Market value of listed equity securities (note (c))	上市股份證券之市價 (附註(c))	2,086	75,889	334	12,168

Notes:

- (a) Unlisted investments in securities are classified as available-for-sale securities and carried at cost less impairment, if any, as (i) they do not have a quoted market price in an active market to determine their fair value, or (ii) the range of reasonable fair value estimates of investments is significant and the probabilities of the various estimates cannot be reasonably assessed.

附註:

- (a) 由於非上市證券投資(i)並無活躍市場報價可供計算公平值;或(ii)該等投資的合理公平值估計範圍頗大,且無法合理評估各項估計的可能性,故非上市證券投資分類為可供出售證券,按成本扣除減值(如有)列賬。

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19. OTHER NON-CURRENT FINANCIAL ASSETS (Continued)

- (b) Available-for-sale equity securities listed outside Hong Kong include the Group's 15.1% (2006: 15.1%) and the Company's 2.4% (2006: 2.4%) equity interest in Asia Premium Television Group, Inc. ("ATVG"), a company incorporated in the State of Nevada of the United States of America and its shares registered with Over-The Counter Bulletin Board (the "OTCBB") in the United States of America.

In view of the objective evidence that (i) as at the balance sheet date ATVG was incurred net current liabilities and net liabilities that indicate ATVG was in financial difficulty and ATVG might result in bankruptcy, and (ii) the ATVG's shares were thinly traded and the Group and the Company held a large number of ATVG's shares, the directors considered that the quoted market price of ATVG on the OTCBB is not a reliable indicator of its fair value and conclude that the investments in ATVG would not have real value to the Group and the Company and thus it is appropriate to carry the investments at nominal value of HK\$1,000 after an impairment of approximately HK\$38,563,000 by the Group and approximately HK\$2,185,000 by the Company as the fair value of the investments as at 31 March 2007 and 2006. An impairment of approximately HK\$38,563,000 by the Group and approximately HK\$2,185,000 by the Company on the investments were firstly recognised in 2004 and 2005 respectively.

- (c) No transaction has taken place on 31 March 2007 and 31 March 2006. Market value of listed equity securities as at balance sheet date is calculated with reference to the price of ATVG's shares quoted at the OTCBB in relation to the most recent traded transaction close to the balance sheet date.

19. 其他非流動財務資產 (續)

- (b) 於香港以外地區上市之可供出售股份證券包括本集團持有15.1% (二零零六年: 15.1%) 股權及本公司持有2.4% (二零零六年: 2.4%) 股權之Asia Premium Television Group, Inc. (「ATVG」)。該公司於美利堅合眾國奈華達州註冊成立，而其股份於美利堅合眾國場外櫃檯交易系統 (「OTCBB」) 註冊。

由於(i)ATVG於結算日有流動負債淨值，而負債淨值顯示ATVG出現財政困難，可能破產；及(ii)ATVG股份交投薄弱，而本集團及本公司持有大量ATVG之上市股份，故董事認為ATVG於OTCBB的市場報價並非其公平值之可靠指標，而投資於ATVG對本集團及本公司並無實質價值，故該等投資應按本集團及本公司的投資分別減值約港幣38,563,000元及約港幣2,185,000元後的面值港幣1,000元作為於二零零七年及二零零六年三月三十一日的投資公平值列賬。本集團及本公司的相關投資減值分別約港幣38,563,000元及約港幣2,185,000元分別於二零零四年及二零零五年首次確認。

- (c) 於二零零七年三月三十一日及二零零六年三月三十一日並無進行交易。於結算日的上市股份證券市值乃參考ATVG股份於OTCBB最接近結算日的相關最新報價計算。

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20. BROADCASTING PROGRAMMES

20. 廣播節目

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Carrying amount at 1 April	於四月一日之賬面值	34,569	25,404
Exchange adjustments	匯兌調整	1,877	847
Additions	添置	3,388	37,463
Amortisation	攤銷	(18,907)	(23,848)
Impairment	減值	-	(5,297)
Carrying amount at 31 March	於三月三十一日之賬面值	20,927	34,569

- (a) The broadcasting programmes is expensed to income statement under cost of sales. The broadcasting programmes are derecognised on (i) disposed of, or (ii) when no future economic benefits are expected from their use or disposal.
- (b) As the balance sheet date, the gross carrying amount and accumulated amortisation of the broadcasting programmes were HK\$36,752,000 (2006: HK\$58,150,000) and HK\$15,825,000 (2006: HK\$23,581,000) respectively.
- (c) As at the balance sheet date, the remaining amortisation period of the broadcasting programmes with a carrying amount of HK\$20,927,000 was within twelve months.
- (d) During the year ended 31 March 2006, the directors assessed the recoverable amount of broadcasting programmes and concluded that it is appropriate to make an impairment of HK\$5,297,000 and subsequently make an write-off of the amount in full, in view of the fact that there was deteriorating marketability, and that these broadcasting programmes were not commercially viable to generate sufficient cash flows to the Group. The recoverable amount is determined based on value-in-use calculations. These calculations use cash flow projections at the discount rate of 10%.

- (a) 廣播節目按銷售成本於收益表支銷。廣播節目於(i)出售時，或(ii)預期使用或出售有關節目不會再獲得經濟利益時，會解除確認。
- (b) 於結算日，廣播節目之賬面總值及累計攤銷分別為港幣36,752,000元（二零零六年：港幣58,150,000元）及港幣15,825,000元（二零零六年：港幣23,581,000元）。
- (c) 於結算日，賬面值港幣20,927,000元之廣播節目之剩餘攤銷期為十二個月內。
- (d) 截至二零零六年三月三十一日止年度，董事評估廣播節目之可收回款項後，認為由於受歡迎程度不斷下降，而且該等廣播節目在商業上未能為本集團產生足夠現金流量，故應減值港幣5,297,000元，並隨即全數撇銷。可收回款項乃根據使用價值按折現率10%之現金流預測計算。

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21. TRADING SECURITIES

Trading securities (at market value)	證券買賣 (按市值)
Listed equity securities	上市股本證券
– in Hong Kong	– 於香港
– outside Hong Kong	– 於香港以外地區

At 31 March 2007, the carrying amount of interest in the following company represents 11.4% (2006: 37.2%) and 26.7% (2006: 52.1%) of the Group's and the Company's total assets respectively:

Name of company	Place of incorporation	Particulars of issued shares held by the Group and the Company 本集團及本公司持有之已發行股份資料	Proportion of ownership interest held by the Group and the Company		Principal activity
			2007 二零零七年	2006 二零零六年	
NextMart Inc. (formerly known as Sun New Media Inc.) NextMart Inc. (前身為Sun New Media Inc.)	State of Minnesota, United States of America 美利堅合眾國明尼蘇達州	1,624,131 (2006: 1,849,131) common shares of US\$0.01 each 每股面值0.01美元 之1,624,131股 (二零零六年: 1,849,131股) 普通股	1.7%	2.2%	Outsourced brand management and production center for apparel brands 外判衣服品牌的品牌管理及生產中心

21. 證券投資

The Group and the Company 本集團及本公司

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
港幣千元	港幣千元

	-	49
	6,207	53,366
	6,207	53,415

於二零零七年三月三十一日，下列公司之權益賬面值分別超過本集團及本公司資產總值之11.4% (二零零六年: 37.2%) 及26.7% (二零零六年: 52.1%)。

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22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收賬款

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Amounts due from subsidiaries (note (a))	應收附屬公司款項 (附註(a))	-	-	7,875	7,311
Amounts due from a related company (note (b))	應收一間關連公司款項 (附註(b))	1,014	-	-	-
Trade receivables (note (c))	貿易應收賬款 (附註(c))	3,861	8,216	-	-
Prepayments and deposits	預付款項及按金	1,013	2,161	112	349
Other receivables (note (d))	其他應收賬款 (附註(d))	1,500	57	1,500	57
		7,388	10,434	9,487	7,717

Notes:

(a) Amounts due from subsidiaries

附註:

(a) 應收附屬公司款項

		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Amounts due from subsidiaries	應收附屬公司款項	241,545	260,652
Less: Impairment loss	減: 減值虧損	(233,670)	(253,341)
		7,875	7,311

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

In view of the subsidiaries, which sustained losses and had poor operating performance, not financially capable of repaying to the Company, the directors concluded that it is appropriate to make an impairment of HK\$233,670,000 (2006: HK\$253,341,000), after considering the profitability, financial positions, cash flows and future prospects of these subsidiaries, and certain key assumptions.

應收附屬公司款項乃無抵押、免息及無固定還款期。

由於該等附屬公司持續錄得虧損及營業表現欠佳，故該等附屬公司在財政上未能還款予本公司，因此，董事經考慮該等附屬公司之盈利能力、財務狀況、現金流量、未來前景、以及若干主要假設後，認為應該為應收附屬公司款項作出港幣233,670,000元（二零零六年：港幣253,341,000元）之減值。

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22. TRADE AND OTHER RECEIVABLES (Continued)

(a) Amounts due from subsidiaries (Continued)

Movements for impairment losses on amounts due from subsidiaries are analysed as follows:

		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
At 1 April	於四月一日	253,341	240,648
Charge for the year	本年度扣除	2,272	16,395
Write-offs	撇銷	(21,943)	(3,702)
At 31 March	於三月三十一日	233,670	253,341

i) At 31 March 2007, impairment losses on amounts due from subsidiaries by business segment are as follows:

		The Company 本公司	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Broadcasting and content production	廣播及節目製作	202,803	201,351
Publishing and multi-media product trading	出版及多媒體產品買賣	30,867	51,990
		233,670	253,341

22. 貿易及其他應收賬款 (續)

(a) 應收附屬公司款項 (續)

應收附屬公司款項之減值虧損變動分析如下:

i) 於二零零七年三月三十一日，按業務分類之應收附屬公司款項減值虧損如下:

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22. TRADE AND OTHER RECEIVABLES (Continued)

(a) Amounts due from subsidiaries (Continued)

- ii) Impairment losses in relation to the subsidiaries engaged in broadcasting and content production business and in publishing and multi-media product trading business:

In 2006, the operating performance of those subsidiaries engaged in the broadcasting and content production and in publishing and multi-media product trading was unsatisfactory due to intense competition. In 2007, in the opinion of the directors, while the businesses continued to operate, it is uncertain that sufficient cash flows would be generated by the subsidiaries in the foreseeable future as the subsidiaries were in financial difficulties and sustained losses. On this basis, the directors concluded that it is appropriate to make an impairment of approximately HK\$202,803,000 (2006: HK\$201,351,000) and HK\$30,867,000 (2006: HK\$51,990,000) for the year ended 31 March 2007 on the amounts due from the subsidiaries operating in the broadcasting and content production business and in the publishing and multi-media product trading business respectively.

- iii) Write-offs:

In 2007, the write-offs refer to a sum of HK\$21,943,000 due from the subsidiaries disposed of during the year as referred to in note 31(a). As these subsidiaries are in financial difficulties and sustained losses, the directors concluded that it is appropriate to write off this amount.

In 2006, the write-offs represents the amount of HK\$3,702,000 due from Evergain Properties Limited. In view of the fact that the subsidiary was in financial difficulties and the Group applied for deregistration of this subsidiary, the directors concluded that it is appropriate to write off the amount.

(b) Amount due from a related company

The amount due from 上海新文化傳媒投資(集團)有限公司(「新文化傳媒」) is unsecured, interest-free and has no fixed terms of repayment. 新文化傳媒 is a subsidiary of a minority shareholder of Shanghai New Culture TV And Radio Making Co., Ltd., a subsidiary of the Company.

The amount was repaid in full to the Company in June 2007.

22. 貿易及其他應收賬款(續)

(a) 應收附屬公司款項(續)

- ii) 從事廣播及節目製作與多媒體產品買賣業務之附屬公司減值虧損:

於二零零六年,由於競爭激烈,從事廣播及節目製作與出版及多媒體產品買賣之附屬公司營運表現未如理想。二零零七年,由於附屬公司出現財政困難及持續虧損,儘管有關業務繼續營運,亦無法肯定於可見將來有關附屬公司能產生足夠之現金流量,因此,董事認為應就截至二零零七年三月三十一日止年度應收從事廣播及節目製作業務與出版及多媒體產品買賣業務之附屬公司應收款項分別作出約港幣202,803,000元(二零零六年:港幣201,351,000元)及港幣30,867,000元(二零零六年:港幣51,990,000元)之減值。

- ii) 撇銷:

於二零零七年,根據附註31(a),撇銷款項指應收年內所出售附屬公司之款項港幣21,943,000元。由於該等附屬公司面對財政困難,故董事認為應撇銷該款項。

於二零零六年,撇銷款項指應收永利物業有限公司港幣3,702,000元之款項。由於該附屬公司面對財政困難,而且本集團已申請撇銷該附屬公司之註冊,因此董事認為應撇銷該款項。

(b) 應收關連公司款項

應收上海新文化傳媒投資(集團)有限公司(「新文化傳媒」)之款項為無抵押、免息及無固定還款期。新文化傳媒為上海新文化廣播電視製作有限公司(本公司附屬公司)之少數股東的附屬公司。

該款項已於二零零七年六月全數償還予本公司。

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22. TRADE AND OTHER RECEIVABLES (Continued)

(c) Trade receivables

An ageing analysis of trade debtors net of impairment losses for bad and doubtful debts of HK\$2,235,000 (2006: HK\$686,000) is as follows:

Within 1 month	一個月內
More than 1 month but within 2 months	多於一個月但兩個月內
More than 2 months but within 3 months	多於兩個月但三個月內
More than 3 months but within 6 months	多於三個月但六個月內
Over 6 months within 12 months	多於六個月但十二個月內

The Group allows a credit period normally ranging from 15 days to 180 days to its trade customers. The Group may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period upon customers' request.

As at 31 March 2007, trade receivables of approximately HK\$2,235,000 (2006: HK\$686,000) were determined to have been impaired and full provision had been made, in light of the fact that these trade receivables were long overdue for over one year as at the balance sheet date without any settlement during that year and remained outstanding, and/or were due from debtors with financial difficulties.

No cash deposits had been placed by the related trade debtors with the Group (2006: Nil).

22. 貿易及其他應收賬款 (續)

(c) 貿易應收賬款

已扣除港幣2,235,000元(二零零六年:港幣686,000元)呆壞賬減值虧損之貿易應收賬款賬齡分析如下:

The Group 本集團	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
-	3,913
-	3,181
1,448	39
1,726	636
687	447
3,861	8,216

本集團一般給予貿易客戶15天至180天之信貸期。本集團可按個別情況，經評核與客戶的業務關係及信貸評級後，因應客戶要求而延長信貸期。

於二零零七年三月三十一日，由於約港幣2,235,000元(二零零六年:港幣686,000元)之本集團貿易應收賬款於結算日已長期拖欠超過一年，在年內亦無任何還款，且仍未清償及/或來自具有財政困難的債務人，故評定為已減值，並已作出全數撥備。

有關貿易債務人並無向本集團繳納現金按金(二零零六年:零)。

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22. TRADE AND OTHER RECEIVABLES (Continued)

(d) Other receivables

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Gross receivables	應收賬款總值	1,500	3,390
Less: Impairment loss	減: 減值虧損	-	(3,333)
		1,500	57

As at 31 March 2007, other receivables of HK\$1,500,000 represented the amount due from Mr. Kenneth Ma Hon Wah. Further details are set out in note 34(b).

Movements of provision for impairment losses are analysed as follows:

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
At 1 April	於四月一日	3,333	6,261
Reversal for the year	本年度撥回	(3,333)	(4,761)
Charge for the year	本年度扣除	-	1,833
		(3,333)	(2,928)
At 31 March	於三月三十一日	-	3,333

In 2007, the directors concluded that it is appropriate to make a reversal of impairment of approximately HK\$3,333,000 (2006: HK\$4,761,000) on other receivables of the Group as the amounts were considered to be fully recovered.

In 2006, the directors concluded it appropriate to make an impairment of approximately HK\$1,833,000, in light of the fact that some of the other receivables were long outstanding for over one year as at 31 March 2006 without any settlement during that year and remained outstanding as at 31 March 2006, and that some other receivables were due from debtors who are having financial difficulties.

(e) All of the trade and other receivables are expected to be recovered within one year.

22. 貿易及其他應收賬款 (續)

(d) 其他應收款項

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Gross receivables	應收賬款總值	1,500	3,390
Less: Impairment loss	減: 減值虧損	-	(3,333)
		1,500	57

於二零零七年三月三十一日，其他應收款項港幣1,500,000元指應收馬漢華先生的款項。詳情載於附註34(b)。

減值虧損撥備之變動分析如下：

		The Group 本集團	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
At 1 April	於四月一日	3,333	6,261
Reversal for the year	本年度撥回	(3,333)	(4,761)
Charge for the year	本年度扣除	-	1,833
		(3,333)	(2,928)
At 31 March	於三月三十一日	-	3,333

於二零零七年，由於本集團其他應收款項視為已全部收回，故董事認為應撥回約港幣3,333,000元（二零零六年：港幣4,761,000元）之減值。

在二零零六年，由於部分其他應收賬款於二零零六年三月三十一日已長期拖欠超過一年，在年內亦無任何還款，且在二零零六年三月三十一日仍未清償，而部分其他應收賬款則來自自有財政困難的債務人，故董事認為應作出減值約港幣1,833,000元。

(e) 所有貿易及其他應收賬款預期可於一年內收回。

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23. CASH AND CASH EQUIVALENTS

23. 現金及等同現金項目

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Cash and deposits with banks, denominated in				
– Hong Kong dollars	704	4,932	547	4,816
– Renminbi	2,142	5,529	–	–
– United States dollars	7	1,064	–	–
Cash and cash equivalents	2,853	11,525	547	4,816

Cash and deposits with banks of HK\$2,142,000 (2006: HK\$5,529,000) are denominated in Renminbi, which is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange control imposed by the PRC government.

現金及銀行存款港幣2,142,000元(二零零六:港幣5,529,000元)乃以人民幣計值,而人民幣不可自由兌換,任何於中國境外的匯款皆受中國政府匯兌管制所限。

Deposits with banks are interest bearing at the prevailing market rates.

銀行存款乃按現行市場利率計息。

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付賬款

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Amounts due to subsidiaries (note (a))	–	–	29,450	29,462
Amount due to a related company (note (b))	–	456	–	–
Amounts due to directors (note (c))	1,500	–	1,500	–
Trade payables (note (d))	2,148	3,202	–	–
Accrued charges	19,620	24,098	7,722	7,704
Other payables	30,011	47,276	–	–
	53,279	75,032	38,672	37,166

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24. TRADE AND OTHER PAYABLES (Continued)

Notes:

(a) Amount due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free and have no fixed terms of repayment. A sum of HK\$12,000 was repaid by the subsidiaries to the Company during the year ended 31 March 2007.

(b) Amount due to a related company

The amount due to 北京泰德英語教育發展有限公司, a company controlled by Mr. Chen Ping ("Mr. Chen") and Ms. Ma Jian Ying ("Ms. Ma"), both of whom are directors of the Company, is unsecured, interest-free and has no fixed terms of repayment. The amount was fully settled in May 2006.

(c) Amounts due to directors

From September 2006 to December 2006, Mr. Chen and Ms. Ma advanced to the Company HK\$1,200,000 and HK\$300,000 respectively of which HK\$560,000 and HK\$140,000 were repaid to Mr. Chen and Ms. Ma respectively in February 2007. The amounts due to directors are unsecured, interest-free and have no fixed terms of repayment. The amounts were repaid in full by the Company in June 2007.

In addition, on 1 January 2007, the Company, Mr. Chen and Ms. Ma entered into an agreement whereby Mr. Chen and Ms. Ma agreed to advance to the Company at an aggregate amount of HK\$700,000 on revolving basis. From January 2007 to March 2007, Mr. Chen and Ms. Ma advanced to the Company HK\$560,000 and HK\$140,000 respectively. The amounts due to directors are unsecured, interest-free and repayable after six months from the date of drawdown. The amounts were repaid in full by the Company in June 2007.

24. 貿易及其他應付賬款 (續)

附註:

(a) 應付附屬公司款項

應付附屬公司款項乃無抵押、免息及無固定還款期。截至二零零七年三月三十一日止年度附屬公司已向本公司償還合共港幣12,000元。

(b) 應付一間關連公司款項

應付北京泰德英語教育發展有限公司(一間由本公司董事陳平先生(「陳先生」)及馬建英女士(「馬女士」)控制之公司)款項乃無抵押、免息及無固定還款期。本公司已於二零零六年五月償清該等款項。

(c) 應付董事款項

自二零零六年九月至二零零六年十二月,陳先生及馬女士分別向本公司墊支港幣1,200,000元及港幣300,000元,而其中港幣560,000元及港幣140,000元已分別於二零零七年二月償還予陳先生及馬女士。應付董事之款項乃無抵押、免息及無固定還款期。本公司已於二零零七年六月償清該等款項。

此外,本公司、陳先生及馬女士於二零零七年一月一日訂立協議,據此,陳先生及馬女士同意向本公司循環墊支合共港幣700,000元。自二零零七年一月至二零零七年三月,陳先生及馬女士各向本公司墊支港幣560,000元及港幣140,000元。應付董事之款項乃無抵押及免息,並須於提款日後六個月償還。該筆款項已於二零零七年六月由本公司全數償還。

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24. TRADE AND OTHER PAYABLES (Continued)

(d) Trade payables

An ageing analysis of trade creditors as of the balance sheet date is as follows:

Within 1 month	一個月內
More than 1 month but within 2 months	多於一個月但兩個月內
More than 2 months but within 3 months	多於兩個月但三個月內
Over 3 months	超過三個月

24. 貿易及其他應付賬款 (續)

(d) 貿易應付賬款

於結算日貿易應付賬款之賬齡分析如下:

The Group 本集團	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
595	813
1	139
-	204
<u>1,552</u>	<u>2,046</u>
<u>2,148</u>	<u>3,202</u>

(e) All of the trade and other payables are expected to be settled within one year.

(e) 所有貿易及其他應付賬款預期可於一年內支付。

25. OBLIGATIONS UNDER FINANCE LEASES

As 31 March 2007, the Group had obligations under finance leases repayable as follows:

25. 融資租賃承擔

於二零零七年三月三十一日，本集團應償還之融資租賃承擔如下:

		The Group 本公司	
		2007 二零零七年	2006 二零零六年
		Present value of the minimum lease payments 最低租金之現值 HK\$'000 港幣千元	Total minimum lease payments 最低租金總額 HK\$'000 港幣千元
Within 1 year	一年內	234	263
After 1 year but within 2 years	一年後但兩年內	234	263
After 2 years but within 5 years	兩年後但五年內	39	44
		<u>273</u>	<u>307</u>
		<u>507</u>	<u>570</u>
Less: total future interest expenses	減: 未來利息開支總額		(63)
Present value of lease obligations	租賃承擔現值		<u>507</u>
			<u>742</u>
			<u>834</u>

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26. CONVERTIBLE BONDS

Pursuant to a subscription agreement dated 6 June 2002 entered into between the Company and Cosmos Media Investments Limited ("Cosmos Media") (the "Subscription Agreement"), the Company granted Cosmos Media rights to subscribe for a series of convertible bonds in an aggregate principal amount of up to US\$26,000,000 (equivalent to approximately HK\$202,800,000) in 3 tranches. On 9 July 2002, the subscription of the tranche 1 bonds (the "Bonds") for the principal amount of US\$6,000,000 (equivalent to approximately HK\$46,800,000) was completed. The Bonds are non-interest bearing and unless previously cancelled, redeemed or converted, the convertible bonds would be redeemed at 100% of the principal amount on 8 July 2005. Interest expense on the Bonds is calculated using the effective interest method by applying the effective interest rate of 10.45% per annum to the liability components.

The holders of the convertible bonds have the right to convert their bonds into the Company's new ordinary shares at any time during the period from 9 July 2002 to 8 July 2005. Up to 31 March 2005, the principal amount of US\$5,800,000 (equivalent to approximately HK\$45,240,000) and US\$150,000 (equivalent to approximately HK\$1,170,000) were converted into 560,630,000 ordinary shares of the Company of HK\$0.01 each and 97,181,250 ordinary shares of the Company of HK\$0.01 each at a price of HK\$0.02 per ordinary share and HK\$0.012 per ordinary share in the capital of the Company respectively. During the year ended 31 March 2006, the Bonds in the carrying amount of HK\$384,000 was converted into 32,473,750 ordinary shares of the Company of HK\$0.01 each at a price of HK\$0.012 per ordinary share in the capital of the Company, after which all of the Bonds were converted into the Company's ordinary shares.

On 27 August 2002, Cosmos Media agreed to forfeit its rights to subscribe for the tranche 2 and tranche 3 bonds under the Subscription Agreement and the Company agreed to grant to Cosmos Media an option (the "Option") to subscribe for additional new ordinary shares of HK\$0.01 each of the Company for a total value of US\$4,000,000 at any time from 27 August 2002 up to and including the maturity date of the Bonds on 8 July 2005 at any of the actual conversion prices of the Bonds which the holders of the Bonds have adopted as the conversion price of the Bonds into the ordinary shares of the Company. Up to the date of maturity of the Bonds on 8 July 2005, Cosmos Media has exercised the Option of US\$1,335,185 (equivalent to approximately HK\$10,413,000) to subscribe for the Company's 867,462,611 ordinary shares of the Company of HK\$0.01 each at a price of HK\$0.012 per ordinary share.

26. 可換股債券

根據本公司與 Cosmos Media Investments Limited (「Cosmos Media」) 於二零零二年六月六日訂立的認購協議 (「認購協議」)，本公司授權 Cosmos Media 分三批認購本金總額不多於 26,000,000 美元 (約等於港幣 202,800,000 元) 的可換股債券。二零零二年七月九日，完成認購第一批本金總額為 6,000,000 美元 (約等於港幣 46,800,000 元) 的債券 (「債券」)。該等債券為不計息，且除事先註銷、贖回或兌換外，該等可換股債券可於二零零五年七月八日按本金額的 100% 贖回。債券的利息開支按實際利息法以負債部分的實際年利率 10.45% 計算。

可換股債券持有人有權於二零零二年七月九日至二零零五年七月八日期間隨時將所持債券兌換為本公司的新普通股。截至二零零五年三月三十一日，本金額 5,800,000 美元 (約等於港幣 45,240,000 元) 及 150,000 美元 (約等於港幣 1,170,000 元) 的債券已分別按每股普通股港幣 0.02 元及每股普通股港幣 0.012 元兌換為 560,630,000 股本公司股本中每股面值港幣 0.01 元及 97,181,250 股每股面值港幣 0.01 元的普通股。截至二零零六年三月三十一日止年度，賬面值為港幣 384,000 元的債券按每股港幣 0.012 元的價格兌換為 32,473,750 股本公司股本中每股面值港幣 0.01 元的普通股，其後所有債券均已兌換成本公司普通股。

二零零二年八月二十七日，Cosmos Media 同意放棄根據認購協議認購第二批及第三批債券的權利，而本公司同意向 Cosmos Media 授出購股權 (「購股權」) 以於二零零二年八月二十七日起直至並包括債券到期日二零零五年七月八日期間隨時增購本公司總值為 4,000,000 美元、每股面值港幣 0.01 元的新普通股，而實際兌換價為債券持有人將債券實際兌換為本公司普通股的任何兌換價。截至債券到期日二零零五年七月八日，Cosmos Media 已行使 1,335,185 美元 (約等於港幣 10,413,000 元) 的購股權，按每股普通股港幣 0.012 元認購 867,462,611 股本公司每股面值港幣 0.01 元的普通股。

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27. CAPITAL AND RESERVES

(a) The Group

Note	Share capital	Share premium	Contributed surplus	Exchange reserve	Capital reserve	Share	Convertible	Accumulated losses	Total	Minority interests	Total equity
						option reserve	bond reserve				
附註	股本	股份溢價	實繳盈餘	匯兌儲備	資本儲備	購股權儲備	可換股債券儲備	累計虧損	總計	股東權益	股本總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2005	232,240	89,738	174,867	76	3,490	2	99	(411,271)	89,241	-	89,241
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	121	-	-	-	-	121	-	121
Shares issued upon conversion of convertible bonds	(c)(i)	325	158	-	-	-	(99)	-	384	-	384
Capital reduction	(c)(ii)(2)	232,565	89,896	174,867	197	3,490	2	(411,271)	89,746	-	89,746
		(227,914)	-	227,914	-	-	-	-	-	-	-
		4,651	89,896	402,781	197	3,490	2	(411,271)	89,746	-	89,746
Share premium reduction	(c)(ii)(3)	-	(89,305)	89,305	-	-	-	-	-	-	-
Utilisation of reserve against accumulated losses	(c)(ii)(4)	-	-	(407,288)	-	-	-	407,288	-	-	-
Shares issued through placing	(c)(iii)	672	9,331	-	-	-	-	-	10,003	-	10,003
Shares issued for acquisition of a subsidiary	(c)(iv)	237	3,788	-	-	-	-	-	4,025	-	4,025
Equity-settled share-based transactions		-	-	-	-	41	-	-	41	-	41
Loss for the year		-	-	-	-	-	-	(36,510)	(36,510)	-	(36,510)
At 31 March 2006 and 1 April 2006	5,560	13,710	84,798	197	3,490	43	-	(40,493)	67,305	-	67,305
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	(114)	-	-	-	-	(114)	-	(114)
Reserve released upon disposal of subsidiaries	-	-	-	27	-	-	-	-	27	-	27
Equity-settled share-based transactions	-	-	-	-	-	14	-	-	14	-	14
Share options lapsed	-	-	-	-	-	(28)	-	28	-	-	-
Loss for the year	-	-	-	-	-	-	-	(67,017)	(67,017)	-	(67,017)
At 31 March 2007	5,560	13,710	84,798	110	3,490	29	-	(107,482)	215	-	215

27. 資本及儲備

(a) 本集團

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27. CAPITAL AND RESERVES (Continued)

(b) The Company

	Note	Share capital	Share premium	Contributed surplus	Share option reserve	Convertible bond reserve	Accumulated losses	Total equity
	附註	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April 2005	於二零零五年 四月一日	232,240	89,738	174,867	2	99	(407,876)	89,070
Shares issued upon conversion of convertible bonds	(c)(i)	325	158	-	-	(99)	-	384
Capital reduction	(c)(ii)(2)	232,565 (227,914)	89,896 -	174,867 227,914	2 -	-	(407,876) -	89,454 -
Share premium reduction	(c)(ii)(3)	4,651	89,896	402,781	2	-	(407,876)	89,454
Utilisation of reserve against accumulated losses	(c)(ii)(4)	-	(89,305)	89,305	-	-	-	-
Share issued through placing	(c)(iii)	-	-	(407,288)	-	-	407,288	-
Share issued for acquisition of a subsidiary	(c)(iv)	672	9,331	-	-	-	-	10,003
Equity-settled share-based transactions		237	3,788	-	-	-	-	4,025
Loss for the year		-	-	-	41	-	-	41
		-	-	-	-	-	(38,453)	(38,453)
At 31 March 2006 and 1 April 2006	於二零零六年 三月三十一日及 二零零六年 四月一日	5,560	13,710	84,798	43	-	(39,041)	65,070
Share options lapsed	失效購股權	-	-	-	(28)	-	28	-
Equity-settled share-based transactions	以股本結算股份 形式交易	-	-	-	14	-	-	14
Loss for the year	本年度虧損	-	-	-	-	-	(80,520)	(80,520)
At 31 March 2007	於二零零七年 三月三十一日	5,560	13,710	84,798	29	-	(119,533)	(15,436)

27. 資本及儲備 (續)

(b) 本公司

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27. CAPITAL AND RESERVES (Continued)

(c) Share capital

Authorised and issued share capital

27. 資本及儲備 (續)

(c) 股本

法定已發行股本

		Note 附註	Ordinary shares of HK\$0.01 each 每股面值港幣0.01元 的普通股		Ordinary shares of HK\$0.50 each 每股面值港幣0.50元 的普通股	
			Number of shares 股份數目 '000 千股	Amount 款項 HK\$'000 港幣千元	Number of shares 股份數目 '000 千股	Amount 款項 HK\$'000 港幣千元
Authorised:	法定股本:					
At 1 April 2005	於二零零五年四月一日		66,000,000	660,000	-	-
Share consolidation	股份合併	(ii)(1)	(66,000,000)	(660,000)	1,320,000	660,000
			-	-	1,320,000	660,000
Share subdivision	股份拆細	(ii)(5)	66,000,000	660,000	(1,320,000)	(660,000)
At 31 March 2006	於二零零六年 三月三十一日		66,000,000	660,000	-	-
At 1 April 2006 and 31 March 2007	二零零六年四月一日及 二零零七年 三月三十一日		66,000,000	660,000	-	-
Issued and fully paid:	已發行及繳足:					
At 1 April 2005	於二零零五年四月一日		23,223,960	232,240	-	-
Shares issued upon conversion of convertible bonds	兌換可換股債券後 發行股份	(i)	32,473	325	-	-
Share consolidation	股份合併	(ii)(1)	(23,256,433)	(232,565)	465,129	232,565
			-	-	465,129	232,565
Capital reduction	削減股本	(ii)(2)	465,129	4,651	(465,129)	(232,565)
			465,129	4,651	-	-
Shares issued through placing	透過配售發行股份	(iii)	67,232	672	-	-
Shares issued upon acquisition of a subsidiary	為收購一間附屬 公司發行股份	(iv)	23,676	237	-	-
At 31 March 2006	於二零零六年 三月三十一日		556,037	5,560	-	-
At 1 April 2006 and 31 March 2007	於二零零六年四月一日及 二零零七年 三月三十一日		556,037	5,560	-	-

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27. CAPITAL AND RESERVES (Continued)

(c) Share capital (Continued)

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

i) Shares issued upon conversion of convertible bonds

On 9 May 2005, convertible bonds in the carrying amount of HK\$384,000 were converted into 32,473,750 ordinary shares of the Company of HK\$0.01 each at a price of HK\$0.012 per ordinary share.

ii) Capital reorganisation

Pursuant to the resolutions passed on an annual general meeting of the Company held on 15 September 2005, the Company implemented a capital reorganisation on 16 September 2005 as follows:

1) Share consolidation

Every fifty then issued and unissued ordinary shares of HK\$0.01 each were consolidated into one new ordinary share of HK\$0.50 each ("Share Consolidation"). On the basis of 66,000,000,000 existing authorised ordinary shares of HK\$0.01 each and 23,256,433,000 existing issued ordinary shares of HK\$0.01 each, the authorised and issued ordinary shares of the Company were consolidated into 1,320,000,000 authorised ordinary shares of HK\$0.50 each and 465,129,000 issued ordinary shares of HK\$0.50 each respectively.

27. 資本及儲備 (續)

(c) 股本 (續)

普通股持有人有權收取不時派發的收益股息，並有權在本公司股東大會上按每一股股份有一票投票權。有關本公司其餘資產之所有普通股均具相同權利。

i) 兌換可換股債券後發行股份

賬面值港幣384,000元的可換股債券於二零零五年五月九日兌換為32,473,750股每股面值港幣0.01元的本公司普通股，兌換價為每股普通股港幣0.012元。

ii) 股本重組

根據本公司於二零零五年九月十五日舉行之股東週年大會上通過的決議案，本公司於二零零五年九月十六日進行的股本重組如下：

1) 股份合併

每五十股每股面值港幣0.01元之當時已發行及未發行普通股合併為一股每股面值港幣0.50元之新普通股（「股份合併」）。按66,000,000,000股每股面值港幣0.01元之現有法定普通股及23,256,433,000股每股面值港幣0.01元之現有已發行普通股計算，本公司之法定已發行股份已分別合併為1,320,000,000股每股面值港幣0.50元的法定普通股及465,129,000股每股面值港幣0.50元的已發行普通股。

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27. CAPITAL AND RESERVES (Continued)

(c) Share capital (Continued)

ii) Capital reorganisation (Continued)

2) Capital reduction

Upon completion of Share Consolidation, the nominal value of the ordinary shares of the Company was reduced from HK\$0.50 each to HK\$0.01 each ("Capital Reduction"). On the basis of 465,129,000 existing issued ordinary shares of HK\$0.50 each, the nominal value of issued share capital of the Company was reduced from HK\$232,565,000 to HK\$4,651,000. An amount of HK\$227,914,000 standing to the credit of the share capital account of the Company was cancelled and credited to the contributed surplus account of the Company.

3) Share premium reduction

In compliance with the Companies Act 1981 of Bermuda and with effect from 16 September 2005, an amount of HK\$89,305,000 standing to the credit of the share premium account of the Company was cancelled and credited to the contributed surplus account of the Company ("Share Premium Reduction").

4) Application of credit

Upon completion of Capital Reduction, in accordance with the bye-laws of the Company and the Companies Act 1981 of Bermuda, the directors were authorised to apply the credit of the contributed surplus account of the Company in the sum of HK\$407,288,000 to offset an equivalent amount of the accumulated losses.

27. 資本及儲備 (續)

(c) 股本 (續)

ii) 股本重組 (續)

2) 股本削減

完成股份合併後，本公司普通股之面值由每股港幣0.50元減至每股港幣0.01元（「股本削減」）。按465,129,000股每股面值港幣0.50元之現有已發行普通股計算，本公司之已發行股本面值由港幣232,565,000元減至港幣4,651,000元。本公司股本賬的進賬港幣227,914,000元被註銷，並已計入本公司實繳盈餘賬。

3) 削減股份溢價

根據百慕達一九八一年公司法，自二零零五年九月十六日起，本公司股份溢價賬的進賬港幣89,305,000元被註銷，並計入本公司實繳盈餘賬（「削減股份溢價」）。

4) 進賬用途

完成股本削減後，根據本公司之公司細則及百慕達一九八一年公司法，董事獲授權將本公司實繳盈餘賬的進賬額合共港幣407,288,000元用作抵銷等額的累計虧損。

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27. CAPITAL AND RESERVES (Continued)

(c) Share capital (Continued)

ii) Capital reorganisation (Continued)

5) Share subdivision

Upon completion of Capital Reduction, each of the existing authorised ordinary shares of HK\$0.50 each in the share capital of the Company was subdivided into fifty new ordinary shares of HK\$0.01 each. On the basis of 1,320,000,000 existing authorised ordinary shares of HK\$0.50 each, the authorised share capital of HK\$660,000,000 was divided into 66,000,000,000 ordinary shares of HK\$0.01 each.

iii) Issue of new shares

On 1 December 2005, the Company and with South China Securities Limited (the "Placing Agent") entered into a placing agreement whereby the Company placed through the Placing Agent an aggregate of 67,232,000 new ordinary shares of the Company of HK\$0.01 each to not less than six investors who are independent third parties to the Company at a price of HK\$0.15 per ordinary share. The placing was completed on 14 December 2005. The net proceeds from the placing of approximately HK\$10,003,000 was used for general working purpose.

iv) Shares issued for acquisition of a subsidiary

On 1 December 2005, the Company and an independent third party entered into an agreement whereby the Company acquired 100% equity interest in Treasurepoint Limited for a consideration of HK\$4,025,000 payable by the issue and allotment of 23,676,471 new ordinary shares of the Company of HK\$0.01 each at the price of HK\$0.17 per ordinary share.

(d) Nature and purpose of reserves

i) Share premium

The application of the share premium account is governed by section 40 of the Bermuda Companies Act 1981 of Bermuda.

27. 資本及儲備 (續)

(c) 股本 (續)

ii) 股本重組 (續)

5) 股份拆細

完成股本削減後，本公司股本中每股面值港幣0.50元之現有法定普通股已拆細為五十股每股面值港幣0.01元之新普通股。按1,320,000,000股每股面值港幣0.50元的現有法定普通股計算，法定股本港幣660,000,000元已拆細為66,000,000,000股每股面值港幣0.01元之普通股。

iii) 發行新股份

二零零五年十二月一日，本公司與南華證券有限公司（「配售代理」）訂立配售協議，以每股普通股港幣0.15元之價格向不少於六名投資者（獨立於本公司的獨立第三方）透過配售代理配售合共67,232,000股每股面值港幣0.01元之本公司新普通股。配售已於二零零五年十二月十四日完成。配售股份所得款項淨額約港幣10,003,000元已用作一般營運資金。

iv) 因收購一間附屬公司發行股份

本公司於二零零五年十二月一日與獨立第三方訂立協議收購Treasurepoint Limited全部權益，代價為港幣4,025,000元，透過本公司按每股普通股港幣0.17元之價格發行及配發23,676,471股每股面值港幣0.01元之本公司新普通股支付。

(d) 儲備之性質及用途

i) 股份溢價

使用股份溢價賬受百慕達一九八一年公司法第40條規限。

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27. CAPITAL AND RESERVES (Continued)

(d) Nature and purpose of reserves (Continued)

ii) Contributed surplus

Contributed surplus represents the result of capital reorganisation implemented in December 2003 and September 2005. Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make distributions out of contributed surplus if:

- it is, or would after the payment be, unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy 3(s).

iv) Capital reserve

The capital reserve represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to a group reorganisation in November 1992 and the nominal value of the Company's shares issued in exchange thereof.

v) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share based payments in note 3(o)(ii).

(e) Distributability of reserves

As at 31 March 2007, the aggregate amount of reserves available for distribution to equity holders of the Company, including contributed surplus and accumulated losses, was nil (2006: HK\$45,757,000).

27. 資本及儲備 (續)

(d) 儲備之性質及用途 (續)

ii) 實繳盈餘

實繳盈餘來自二零零三年十二月及二零零五年九月的股本重組。根據百慕達一九八一年公司法，本公司的實繳盈餘可供分派。然而，倘發生下列情況，本公司不可宣派或分派股息或自實繳盈餘作出分派：

- 派付導致負債到期時無法或可能無法償還負債；
- 導致資產的可變現價值低於負債、已發行股本及股份溢價賬的總額。

iii) 匯兌儲備

匯兌儲備包括換算海外業務財務報告之所有匯兌差額。匯兌儲備按照會計政策第3(s)條處置。

iv) 股本儲備

股本儲備為一九九二年十一月集團重組所收購附屬公司股份之賬面值與本公司作為代價而發行股份之賬面值的差額。

v) 購股權儲備

購股權儲備為授予本公司僱員未行使購股權實際或估計數目的公平值，有關數額按照附註3(o)(ii)所載有關股份形式付款的會計政策確認入賬。

(e) 分派儲備

於二零零七年三月三十一日，本公司可分派予權益持有人之儲備總額（包括實繳盈餘及累計虧損）為零元（二零零六年：港幣45,757,000元）。

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27. CAPITAL AND RESERVES (Continued)

(f) Accumulated losses retained by an associate of the Group

Included in the accumulated losses as at 31 March 2007 of the Group is nil (2006: Nil) retained by an associate of the Group.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS

Employee share-based compensation benefits represent the fair value of employee services estimated to be received in exchange for the grant of the relevant options over the relevant vesting periods, the total of which is based on the fair value of the options granted. The amount for each period is determined by spreading the fair value of the options over the relevant vesting periods and is recognised as staff costs and related expenses (note 7(b)) with a corresponding increase in the share option reserve.

(a) Share options

i) Old Scheme

Prior to the New Scheme effective on 10 November 2002, the Company has a share option scheme which was adopted on 10 November 1992 whereby the board of directors ("the Board") is authorised, at their discretion, to grant to eligible employees of the Group, including directors of any company in the Group, to take up options and subscribe for the shares of the Company. The terms and conditions of the grant are determined by the Board at the time of grant. In any event, the exercisable period of an option must not exceed a period of ten years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in the Company. Options are forfeited if the employee leaves the Group.

Pursuant to an ordinary resolution passed in special general meeting of the Company held on 29 October 2002, the Company has terminated the operation of the Old Scheme that no further options could thereafter be offered under the Old Scheme but outstanding options granted under the Old Scheme shall remain effective subject to the relevant provisions of the Old Scheme and approved and adopted the New Scheme. There were no share options outstanding under the Old Scheme at 31 March 2007.

27. 資本及儲備 (續)

(f) 本集團聯營公司之累計虧損

於二零零七年三月三十一日，計入累計虧損之本集團聯營公司累計虧損為港幣零元（二零零六年：港幣零元）。

28. 以股本結算股份形式交易

以股份支付之僱員補償福利指估計僱員於有關歸屬期間為換取獲授有關購股權而提供的服務公平值。福利總額乃根據獲授購股權之公平值計算。各期間之金額乃按購股權公平值於有關歸屬期間攤分而計算，並確認為員工成本及相關開支（附註7(b)），而購股權儲備亦相應增加。

(a) 購股權

i) 舊計劃

於二零零二年十一月十日新計劃生效前，本公司於一九九二年十一月十日採納一項購股權計劃，董事會（「董事會」）獲授權酌情向本集團合資格僱員（包括本集團任何成員公司的董事）授出本公司購股權以認購本公司股份。授出購股權的條款及條件由董事會於授出購股權時決定，惟購股權的行使期不可超過授出當日起計十年。每份購股權均賦予持有人認購一股本公司普通股的權利。倘僱員離開本集團，購股權會被沒收。

根據本公司於二零零二年十月二十九日舉行之股東特別大會通過之普通決議案，本公司終止舊計劃，其後不可再根據舊計劃授出購股權，惟已根據舊計劃授出的購股權則仍然有效（須受舊計劃有關條文約束），並批准及採納新計劃。截至二零零七年三月三十一日，並無根據舊計劃授出任何尚未行使的購股權。

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28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) Share options (Continued)

ii) New Scheme

The Company has a share option scheme which was adopted on 10 November 2002 whereby the Board is authorised, at their discretion, to grant to employees of the Group, including directors of any Company in the Group, and eligible grantees to take up options and subscribe for the shares of the Company. The terms and conditions of the grant are determined by the Board at the time of grant. In any event, the exercisable period of an option must not exceed a period of ten years commencing on the date of grant. Each option gives the holder the right to subscribe for one ordinary share in the Company. Options are forfeited if the employee leaves the Group.

(b) The terms and conditions of the grants that existed during the years are as follows and all options are settled by physical delivery of shares:

28. 以股本結算股份形式交易 (續)

(a) 購股權 (續)

ii) 新計劃

本公司於二零零二年十一月十日採納一項購股權計劃，董事會獲授權酌情向本集團僱員（包括本集團任何成員公司的董事）及合資格承授人授出本公司購股權以認購本公司股份。授出購股權的條款及條件由董事會於授出購股權時決定，惟購股權的行使期不可超過授出當日起計十年。每份購股權均賦予持有人認購一股本公司普通股的權利。倘僱員離開本集團，購股權會被沒收。

(b) 年內已授出且均以股份實物交付的購股權條款及條件如下：

Date of grant	Vesting period	Exercise period	Exercise price	Number of options granted
授出日期	歸屬日期	行使期	行使價	授出購股權數目
Old Scheme				
舊計劃				
27 April 2000 二零零零年 四月二十七日	Vested on the date of grant 於授出日期歸屬	27 April 2000 to 26 April 2010 二零零零年四月二十七日至 二零一零年四月二十六日	HK\$8.800 港幣8.800元	78,000
31 January 2001 二零零一年 一月三十一日	Vested on the date of grant 於授出日期歸屬	31 January 2001 to 30 January 2011 二零零一年一月三十一日至 二零一一年一月三十日	HK\$7.600 港幣7.600元	24,000
4 January 2002 二零零二年 一月四日	Vested on the date of grant 於授出日期歸屬	4 January 2002 to 3 January 2012 二零零二年一月四日至 二零一二年一月三日	HK\$5.450 港幣5.450元	58,000
8 August 2002 二零零二年 八月八日	Vested on the date of grant 於授出日期歸屬	8 August 2002 to 7 August 2012 二零零二年八月八日至 二零一二年八月七日	HK\$3.600 港幣3.600元	160,000
				320,000
New Scheme				
新計劃				
14 March 2005 二零零五年 三月十四日	15 March 2005 to 30 June 2006 二零零五年三月十五日至 二零零六年六月三十日	1 July 2006 to 31 December 2006 二零零六年七月一日至 二零零六年十二月三十一日	HK\$1.075 港幣1.075元	100,000
14 March 2005 二零零五年 三月十四日	15 March 2005 to 30 June 2007 二零零五年三月十五日至 二零零七年六月三十日	1 July 2007 to 31 December 2007 二零零七年七月一日至 二零零七年十二月三十一日	HK\$0.136 港幣0.136元	100,000
14 March 2005 二零零五年 三月十四日	15 March 2005 to 30 June 2008 二零零五年三月十五日至 二零零八年六月三十日	1 July 2008 to 31 December 2008 二零零八年七月一日至 二零零八年十二月三十一日	HK\$0.149 港幣0.149元	100,000
				300,000
				620,000

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28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(c) The weighted average exercise prices and number of share options are as follows:

28. 以股本結算股份形式交易 (續)

(c) 購股權加權平均行使價及其數目如下:

		2007 二零零七年		2006 二零零六年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港幣	Number of share options granted 已授出 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 港幣	Number of share options granted 已授出 購股權數目 '000 千份
Old Scheme	舊計劃				
Outstanding at 1 April	於四月一日尚未行使	5.5028	320	0.1488	148,700
Forfeited during the year	年內沒收	N/A不適用	-	0.1090	(800)
Adjustments due to share consolidation and others	因股份合併及其他事項而作出調整	N/A不適用	-	N/A不適用	(144,640)
		5.5028	320	7.2708	3,260
Forfeited during the year	年內沒收	5.5028	(320)	7.4633	(2,940)
Outstanding at 31 March	於三月三十一日尚未行使	N/A不適用	-	5.5028	320
New Scheme	新計劃				
Outstanding at 1 April	於四月一日尚未行使	0.4533	300	0.0091	15,000
Adjustments due to share consolidation and others	因股份合併及其他事項而作出調整	N/A不適用	-	N/A不適用	(14,700)
		0.4533	300	0.4533	300
Lapsed during the year	年內失效	1.0750	(100)	N/A不適用	-
Outstanding at 31 March	於三月三十一日尚未行使	0.1425	200	0.4533	300
Total outstanding at 31 March	於三月三十一日尚未行使總計	0.1425	200	3.0595	620
Exercisable at 31 March	可於三月三十一日行使	0.1425	-	5.5028	320

The options outstanding at 31 March 2007 had exercise price of HK\$0.136 to HK\$0.149 (2006: HK\$0.136 to HK\$8.8) and a weighted average remaining contractual life of 1.25 years (2006: 3.72 years).

於二零零七年三月三十一日尚未行使的購股權行使價介乎港幣0.136元至港幣0.149元(二零零六年:介乎港幣0.136元至港幣8.8元),而加權平均剩餘合約期則為1.25年(二零零六年:3.72年)。

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28. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(d) Fair value of share options and assumptions

For the options granted under the New Scheme on 14 March 2006, the fair value of services received in return for share options granted is measured with reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes Option Pricing Model. Contractual life of the option and expectations of early exercise are incorporated into the model. The expected volatility is based on the historical volatility. Expected dividends are based on historical dividends as well as expectation on future period performance. Changes in subjective input assumptions could materially affect the fair value estimate.

Fair value of share options and assumptions

Weighted average:

Fair value at measurement date	HK\$0.26
Share price	HK\$0.02
Exercise price	HK\$0.136 to HK\$1.075
Expected volatility	82.87%
Expected option life	2.3 years
Expected dividends	- %
Risk-free interest rate	3.34%

For the options granted under the Old Scheme, no amounts were recognised when employees (which term includes the directors of the Company) were granted share options over shares in the Company in accordance with the accounting policy set out in note 3(o)(ii) for the Group has taken advantage of the transitional provisions set out in HKFRS 2 under which the recognition and measurement policies have not been applied to (i) all options granted to employees on or before 7 November 2002, and (ii) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services rendered. There were no market conditions associated with share option grants.

28. 以股本結算股份形式交易 (續)

(d) 購股權之公平值及假設

為換取根據新計劃於二零零六年三月十四日授出的購股權而獲提供之服務公平值乃參考已授出購股權之公平值計算。所獲提供之服務公平值估計乃根據Black-Scholes期權定價模式計算，且購股權合約期及預期提早行使份額均已計算在內。預期波幅乃基於歷史波幅釐定。預期股息乃基於過往股息及預期未來業績釐定。主觀假設的變更或會對估計公平值產生重大影響。

購股權公平值及假設

加權平均值：

於計量日期 的公平值	港幣0.26元
股價	港幣0.02元
行使價	港幣0.136元至 港幣1.075元
預期波幅	82.87%
預期購股權年期	2.3年
預期股息	- %
無風險利率	3.34%

由於本集團已採用香港財務報告準則第2號所載之過渡條文，據此確認及衡量政策並不適用於(i)所有於二零零二年十一月七日或之前授予僱員的購股權，及(ii)所有於二零零二年十一月七日後授予僱員並於二零零五年一月一日前歸屬的購股權，故本公司並無就根據附註3(o)(ii)所述的會計政策授予僱員(包括本公司董事)有關股份的購股權而確認任何根據舊計劃授出的購股權款項。倘僱員選擇行使購股權，則股本面值及股份溢價將僅按購股權的應收行使價進賬。

購股權乃按服務條件授出。計算所提供服務於授出日期的公平值時，並無考慮該條件。授出購股權與市況並無關係。

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29. DEFERRED TAXATION

Deferred tax liabilities/(assets) not recognised

As at the balance sheet date, the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$169,232,000 (2006: HK\$177,229,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses of approximately HK\$169,232,000 (2006: HK\$172,557,000) do not expire under the relevant current tax legislation and nil (2006: HK\$4,672,000) will expire in five years from the year in which they were incurred.

The Group and the Company had no other significant potential deferred taxation not recognised for the year and at the balance sheet date.

30. EMPLOYEE RETIREMENT BENEFITS

Hong Kong

The Group operate Mandatory Provident Fund Schemes (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the plan vest immediately.

Other than Hong Kong

The subsidiaries of the Group in the PRC other than Hong Kong participate in defined contribution schemes organised by the respective municipal or provincial governments in the PRC whereby they are required to make contributions at the rates ranging from 20% to 22% of the standard wages determined by the relevant authorities in the PRC.

Under the above schemes, retirement benefits of existing and retired employees are payable by the relevant PRC scheme administrators and the Group has no further obligations beyond the contributions.

29. 遞延稅項

並無確認的遞延稅項負債／(資產)

於結算日，由於日後在相關稅務司法權區及公司未必有應課稅溢利可供對銷累計稅務虧損約港幣169,232,000元（二零零六年：港幣177,229,000元），故本集團並無就相關稅務虧損確認遞延稅項資產。根據有關現行稅法，稅務虧損約港幣169,232,000元（二零零六年：港幣172,557,000元）並未到期，亦無稅務虧損（二零零六年：港幣4,672,000元）會於所涉年度起計的五年內到期。

本集團及本公司於年內及於結算日並無其他尚未確認的大額潛在遞延稅項。

30. 僱員退休福利

香港

本集團根據香港強制性公積金計劃條例，為受僱於香港僱傭條例下之僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立受託人管理之定額供款退休計劃。根據強積金計劃，僱主及僱員各自須按照僱員相關收入之5%向強積金計劃作出供款，惟每月有關收入上限為港幣20,000元。此計劃之供款即時歸屬。

香港以外地區

本集團於中國（香港除外）之附屬公司參與由相關中國省市政府舉辦之定額供款計劃，並須按標準工資之20%至22%作出供款，有關比率由中國有關部門釐定。

根據上述計劃，現有及已退休僱員之退休福利由中國有關計劃管理人支付，而除作出供款外，本集團並無其他義務。

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31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Disposal of subsidiaries during the year ended 31 March 2007

On 31 December 2006, the Group disposed of certain subsidiaries, namely 北京泰德陽光圖書有限公司, Tianjin City Hai Jin Audio-Video Distribution Co., Ltd. and Mega Bonus Investments Limited, which were engaged in the business of publishing and multi-media product trading in Mainland China, to an independent third party for a cash consideration of HK\$1.

The cash flow and the net liabilities of subsidiaries disposed of are provided below:

Fixed assets
Inventories
Trade and other receivables
Cash at bank and on hand
Trade and other payables
Due to a related company
Net amount due to the Group

Net liabilities disposed
Exchange reserve released
Gain on disposal

Cash consideration received, satisfied in cash
Less: Cash of subsidiaries disposed of

Net cash outflow in respect of
the disposal of subsidiaries

The subsidiaries disposed of during the year contributed HK\$899,000 (2006: HK\$1,820,000) to the Group's turnover and a loss of HK\$9,000 (2006: HK\$2,271,000) to the loss attributable to equity holders of the Company.

31. 綜合現金流量表附註

(a) 截至二零零七年三月三十一日止年度出售附屬公司

於二零零六年十二月三十一日，本集團以現金代價港幣1元向獨立第三方出售若干附屬公司，分別為在中國內地從事出版及多媒體產品買賣業務的北京泰德陽光圖書有限公司、天津市海津音像發行有限公司及Mega Bonus Investments Limited。

所出售的附屬公司的現金流量及負債淨值如下：

2007
二零零七年
HK\$'000
港幣千元

固定資產	26
存貨	254
貿易及其他應收賬款	39
銀行及手頭現金	97
貿易及其他應付賬款	(2,875)
應付關連公司款項	(160)
應付本集團款項淨額	(21,943)
所出售的負債淨值	(24,562)
解除匯兌儲備	27
出售收益	24,535
已收現金代價，以現金支付	-
扣除：所出售附屬公司的現金	(97)
出售附屬公司的現金流出淨額	(97)

年內所出售附屬公司分別為本集團營業額及本公司權益持有人應佔虧損帶來港幣899,000元（二零零六年：港幣1,820,000元）及虧損港幣9,000元（二零零六年：港幣2,271,000元）。

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31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Disposal of subsidiaries during the year ended 31 March 2006

During the year ended 31 March 2006, the Group deregistered certain subsidiaries which were engaged in the business of broadcasting and content production for nil consideration.

The cash flow and the net assets of subsidiaries disposed of are provided below:

Fixed assets	固定資產	213
Trade and other receivables	貿易及其他應收賬款	75
Cash at bank and on hand	銀行及手頭現金	11
Trade and other payables	貿易及其他應付賬款	(34)
Net assets disposed	所出售資產淨值	265
Loss on disposal	出售虧損	(265)
Cash consideration received, satisfied in cash	已收現金代價，以現金支付	-
Less: Cash of subsidiaries disposed of	減：所出售附屬公司的現金	(11)
Net cash outflow in respect of the disposal of subsidiaries	出售附屬公司的現金流出淨額	(11)

The subsidiaries disposed of during that year had no significant impact on the Group's turnover and contributed HK\$3,000 to the loss attributable to equity holders of the Company for that year.

(c) Acquisition of a subsidiary during the year ended 31 March 2006

On 30 December 2005, the Company acquired 100% interest in Treasurepoint Limited ("Treasurepoint"), for a consideration of HK\$4,025,000 satisfied by the issue and allotment 23,676,471 new ordinary shares of the Company of HK\$0.01 each at the price of HK\$0.17 per ordinary share. The acquisition has been accounted for using the purchase method. The subsidiary acquired during that year had no contribution to the Group's turnover or revenue and contributed a loss of HK\$5,000 to the loss attributable to equity holders of the Company for that year.

31. 綜合現金流量表附註 (續)

(b) 截至二零零六年三月三十一日止年度出售附屬公司

截至二零零六年三月三十一日止年度，本集團以零代價撤銷若干從事廣播及節目製作業務的附屬公司註冊。

所出售附屬公司的現金流量及資產淨值如下：

		2006 二零零六年 HK\$'000 港幣千元
Fixed assets	固定資產	213
Trade and other receivables	貿易及其他應收賬款	75
Cash at bank and on hand	銀行及手頭現金	11
Trade and other payables	貿易及其他應付賬款	(34)
Net assets disposed	所出售資產淨值	265
Loss on disposal	出售虧損	(265)
Cash consideration received, satisfied in cash	已收現金代價，以現金支付	-
Less: Cash of subsidiaries disposed of	減：所出售附屬公司的現金	(11)
Net cash outflow in respect of the disposal of subsidiaries	出售附屬公司的現金流出淨額	(11)

該年內所出售附屬公司對本集團營業額並無重大影響，但在該年度帶來港幣3,000元的本公司權益持有人應佔虧損。

(c) 截至二零零六年三月三十一日止年度收購一間附屬公司

於二零零五年十二月三十日，本公司以代價港幣4,025,000元收購 Treasurepoint Limited (「Treasurepoint」) 全部權益，並透過按每股普通股港幣0.17元之價格發行及配發23,676,471股每股面值港幣0.01元之本公司新普通股支付代價。收購以採購法入賬。該年內所收購之附屬公司對本集團營業額或收益並無貢獻，但在該年度為本公司權益持有人應佔虧損帶來虧損港幣5,000元。

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31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(c) Acquisition of a subsidiary during the year ended 31 March 2006 (Continued)

The cash flow and the net assets of the subsidiary acquired are provided below:

Intangible assets (note 15)	無形資產 (附註15)	841	841
Trade and other receivables	貿易及其他應收賬款	-	-
Net assets acquired	所收購資產淨值	841	841
Goodwill arising on acquisition (note 17)	收購時產生的商譽 (附註17)	3,184	
Total consideration	總代價	4,025	
Less: Purchase price of HK\$4,025,000 satisfied by issue of 23,676,471 new ordinary shares of the Company of HK\$0.01 each at a price of HK\$0.17 per ordinary share	扣除：透過按每股普通股港幣0.17元發行23,676,471股每股面值港幣0.01元的本公司新普通股支付的購買價港幣4,025,000元	(4,025)	
Cash consideration paid	已付現金代價	-	
Cash of the subsidiary acquired	所收購附屬公司的現金	-	
Net cash flow in respect of acquisition of the subsidiary	收購附屬公司的現金流量淨額	-	

The goodwill is attributable to the profitability of the acquired business and the synergies expected to arise after the Group's acquisition of Treasurepoint.

31. 綜合現金流量表附註 (續)

(c) 截至二零零六年三月三十一日止年度收購附屬公司 (續)

所收購附屬公司的現金流量及資產淨值如下：

	The Group 本集團	Acquiree's carrying amount 所收購公司之 賬面值 HK\$'000 港幣千元
	Fair value 公平值	

Intangible assets (note 15)	841	841
Trade and other receivables	-	-
Net assets acquired	841	841
Goodwill arising on acquisition (note 17)	3,184	
Total consideration	4,025	
Less: Purchase price of HK\$4,025,000 satisfied by issue of 23,676,471 new ordinary shares of the Company of HK\$0.01 each at a price of HK\$0.17 per ordinary share	(4,025)	
Cash consideration paid	-	
Cash of the subsidiary acquired	-	
Net cash flow in respect of acquisition of the subsidiary	-	

商譽來自所收購業務的盈利能力及預期本集團收購Treasurepoint後產生的協同效應。

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31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(d) Disposal of deconsolidated subsidiaries

On 1 April 2005, the Group disposed of certain subsidiaries, which were engaged in the business of broadcasting and content production and the business of publishing and multi-media product trading to an independent third party for a nil consideration. The directors considered that for accounting purpose the subsidiaries should be deconsolidated from the consolidated financial statements with effect from 1 April 2004. The disposals of these subsidiaries resulted in a nil gain/loss in the financial statements for the year ended 31 March 2006. Details of deconsolidated subsidiaries disposed of are disclosed in note 40.

The subsidiaries disposed of during that year had no significant impact on the Group's turnover or loss attributable to equity holders of the Company for that year.

(e) Major non-cash transactions

- i) During the year ended 31 March 2006, the Group acquired 100% interest in Treasurepoint Limited for a consideration of HK\$4,025,000. The consideration was satisfied by the issue and allotment 23,676,471 new ordinary shares of the Company of HK\$0.01 each at a price of HK\$0.17 per ordinary share.
- ii) During the year ended 31 March 2006, the Group's other receivables of HK\$47,200,000, before impairment, were settled by way of 1,849,131 common shares in NextMart Inc. ("NXMR") (formerly known as Sun New Media Inc.), a company incorporated in the State of Minnesota in the United States of America with its shares trading on a stock exchange system in the United States of America. The pricing of the 1,849,131 common shares in NXMR was calculated at 85% of the average closing price per common share of NXMR during the last ten trading days of NXMR up to and including the day of settlement of the other receivables.
- iii) During the year ended 31 March 2006, convertible bonds in the principle amount of HK\$384,000 were converted into 32,473,750 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.012 per ordinary share.

31. 綜合現金流量表附註 (續)

(d) 出售不再綜合入賬的附屬公司

於二零零五年四月一日，本集團以零代價向獨立第三方出售若干從事廣播與節目製作業務及出版與多媒體產品買賣業務的附屬公司。董事認為，就會計入賬而言，附屬公司須自二零零四年四月一日起不再綜合計入綜合財務報告內。出售該等附屬公司於截至二零零六年三月三十一日止年度之財務報告產生零收益／虧損。已出售的不再綜合入賬的附屬公司詳情載列於附註40。

所出售附屬公司對該年度本集團營業額或本公司權益持有人應佔虧損並無重大影響。

(e) 主要非現金交易

- i) 於截至二零零六年三月三十一日止年度，本集團按代價港幣4,025,000元收購Treasurepoint Limited之全部權益。代價透過按每股普通股港幣0.17元之價格發行及配發23,676,471股每股面值港幣0.01元之本公司新普通股支付。
- ii) 於截至二零零六年三月三十一日止年度，本集團之其他應收賬款港幣47,200,000元（減值前）以1,849,131股NextMart Inc.（「NXMR」）（前稱Sun New Media Inc.，於美利堅合眾國明尼蘇達州註冊成立之公司，其股份於美利堅合眾國之證券交易所系統買賣）普通股之方式支付。1,849,131股NXMR普通股之價格按NXMR普通股截至及包括支付其他應付賬款當日最後十個交易日之每股平均收市價之85%計算。
- iii) 於截至二零零六年三月三十一日止年度，本金額港幣384,000元之可換股債券已按每股普通股港幣0.012元之兌換價兌換為32,473,750股每股面值港幣0.01元之普通股。

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32. FINANCIAL INSTRUMENTS

Risk management is of fundamental importance to the business operation of the Group. The major types of risk inherent in the Group's business are credit risk, market risk, liquidity risk, interest rate risk, foreign currency risk and operation risk. The Group's risk management objective is to maximise shareholder value and to reduce volatility in earnings while maintaining risk exposures within acceptable limits.

(a) Credit risk

The Group's credit risk is primarily attributable to other financial assets, trading securities, and trade and other receivables.

Investments in other financial assets and trading securities are governed by whether the issuer and the counter party respectively have sound and/or reputation.

Trade and other receivables mainly arise from the Group's business activities. Management monitors the credit policy on an ongoing basis. The Group has established procedures in the selection of customers with sound credit rating and/or reputation.

The Group has well defined policies in place on the setting and approval of trading, credit and investment position limits in order to limit its credit risk exposure and concentration. As at the balance sheet date, the Group does not have significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Market risk

The Group's market risk exposure mainly comes from the impact of market price movements that may result in losses to the Group. Market risk in trading investment portfolios is managed by using a combination of risk measurement techniques including, but not limited to, position limits and cut-loss limits.

32. 財務工具

風險管理對本集團業務營運相當重要。本集團業務所涉主要風險分別為信貸風險、市場風險、流動資金風險、利率風險、外匯風險及營運風險。本集團的風險管理旨在為股東帶來最大回報，減少盈利波動，將所涉風險維持在合理水平。

(a) 信貸風險

本集團的信貸風險主要來自其他財務資產、買賣證券與貿易及其他應收賬款。

投資其他財務資產及買賣證券須視乎發行人及交易對手是否擁有穩健基礎及／或良好聲譽。

貿易及其他應收賬款主要來自本集團業務。管理層一直監察信貸政策，而本集團設有既定程序挑選具可靠信貸評級及／或聲譽的客戶。

本集團已就訂立及審批貿易、信貸及投資狀況上限制定清晰政策，限制所涉信貸風險及集中度。截至結算日，本集團並無高度集中的信貸風險。本集團面對的最大信貸風險為於資產負債表的各項財務資產賬面值。

(b) 市場風險

本集團所涉市場風險主要來自市價升跌的影響，有關升跌或會為本集團帶來虧損。本集團同時運用多項風險管理技巧（包括但不限於持倉限額及止蝕限額）管理買賣投資組合所涉市場風險。

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32. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities.

The Group's policy is to regularly assess current and expected liquidity requirements and to ensure that it maintains reserves of cash and readily realisable marketable securities to meet its operating needs and possible liquidity requirements in the short and long term.

(d) Interest rate risk

There are two types of interest rate risk:

- Fair value interest rate risk – the risk that the value of a financial instrument will fluctuate because of changes in market interest rates; and
- Cash flow interest rate risk – the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to both fair value and cash flow interest rate risks. The Group monitors its interest rate exposure regularly to ensure that the underlying risk is monitored within an acceptable range. The Group's interest rate positions arise from treasury and operating activities. Interest rate risk arises in treasury management. Management considers the Group's exposure to interest rate risk is normal.

(e) Foreign currency risk

The Group's exposure to foreign exchange risk primarily stems from holdings of monetary assets and liabilities denominated in foreign currencies and net investment in foreign subsidiaries. As most of the Group's monetary assets and liabilities and net investment in foreign subsidiaries are denominated in Hong Kong dollars or Renminbi, management does not consider there is any significant currency risk.

32. 財務工具 (續)

(c) 流動資金風險

流動資金風險指負債到期時無足夠資金償還負債的風險，乃由於資產與負債的金額及到期日不符所致。

本集團的政策是定期對即期及預期之流動資金需求作出估計，確保維持足夠之現金儲備與可供即時出售變現的上市證券，藉以應付短期與長期的營運需要及流動資金需求。

(d) 利率風險

本集團面對兩類利率風險：

- 公平值利率風險 – 由於市場利率改變導致財務工具價值波動之風險；及
- 現金流量利率風險 – 市場利率改變導致財務工具日後現金流量波動之風險。

本集團正面臨公平值及現金流量利率風險。本集團定期監察所涉利率風險，確保有關風險控制在可接受水平。本集團的利率影響來自庫存及營運業務。利率風險來自庫存管理。管理層認為本集團所涉利率風險屬正常水平。

(e) 外匯風險

本集團之外匯風險主要來自持有以外幣計值之貨幣資產與負債及於海外附屬公司的投資淨額。由於本集團大部分持有貨幣資產與負債及於海外附屬公司的投資淨額均以港幣或人民幣計值，故管理層認為並無重大外匯風險。

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32. FINANCIAL INSTRUMENTS (Continued)

(f) Operation risk

The Group's operations may be adversely affected by significant political, economic and social uncertainties in the PRC. Although the PRC government has been pursuing economic reform policies for the past years, no assurance can be given that the PRC government will continue to pursue such policies or that such policies may not be significantly altered.

(g) Sensitivity analysis

In managing interest rate and foreign currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's profit or loss. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated profit or loss.

(h) Fair value

All financial assets and liabilities are stated at fair value or carried at amounts not materially different from their fair values as at 31 March 2007 and 2006.

(i) Estimation of fair values

Fair value of listed investments is usually based on quoted market prices at the balance sheet date without any deduction for transaction costs. Fair values of listed investments are determined using valuation techniques when quoted prices are not considered to be a reliable indicator of fair value. Unlisted investments for which fair values cannot be reliably measured are stated at cost.

The fair values of debtors, bank balances and other liquid funds, creditors and accruals, and provisions are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair value of finance lease liabilities is estimated as the present value of future cash flows, discounted at current market rates for similar financial instruments.

32. 財務工具 (續)

(f) 營運風險

本集團的營運或會受中國的政治、經濟及社會的重大不肯定因素不利影響。儘管中國政府在過去多年一直推行經濟改革政策，然而無法保證中國政府會繼續推行有關政策或不會大幅修改有關政策。

(g) 敏感度分析

在管理利率及外幣風險方面，本集團旨在減低短期波動對本集團溢利或虧損的影響。然而，外匯及利率的永久改變會對綜合損益表有長遠影響。

(h) 公平值

截至二零零七年及二零零六年三月三十一日，所有財務資產及負債均以公平值或與其公平值並無重大差異的數額入賬。

(i) 公平值估計

上市投資之公平值乃按結算日未扣除交易費用的市場報價計算。當市場報價視為不可靠的公平值指標，則上市投資公平值會按估值技術計算。無法準確計算公平值之非上市投資按成本列賬。

應收賬款、銀行結餘及其他流動資金、應付賬款及應計費用以及撥備的限期較短，故賬該等資產及負債公平值假設與賬面值相若。

融資租賃負債的公平值按根據同類財務工具的現行市場利率折現之未來現金流量現值估計。

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33. OPERATING LEASE COMMITMENTS

At 31 March 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

(a) As lessor

At 31 March 2007, the total future minimum lease payments under non-cancellable operating leases are receivable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

The Group sub-let its rented premises under operating leases. The leases typically run for an initial period of two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

33. 經營租賃承擔

於二零零七年三月三十一日，本集團根據不可撤銷之經營租賃應付的未來最低租金總額如下：

(a) 作為出租人

於二零零七年三月三十一日，本集團根據不可撤銷之經營租賃應收取未來最低租金總額如下：

The Group	
本集團	
2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
港幣千元	港幣千元
698	-
466	-
1,164	-

本集團根據經營租賃分租若干租賃物業。租約一般初步為期兩年，重新商討所有條款後可選擇續租。概無租約涉及或然租金。

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33. OPERATING LEASE COMMITMENTS (Continued)

(b) As lessee

At 31 March 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

The leases typically run for an initial period of two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

34. LITIGATION

(a) Pending litigation

On 10 July 2006, a legal action for damages of approximately HK\$76,862,000 for breach of agreements was brought up by four independent third parties (the "Plaintiffs"), who were the previous minority interests holders of a former subsidiary of the Company. The Company is the 1st defendant and Investsource Limited (formerly known as Sun Television Cybernetworks Company Limited) ("Investsource"), a former wholly-owned subsidiary of the Company that was disposed of by the Company in June 2004, is the 2nd defendant. It is alleged that the Plaintiffs, the Company and Investsource entered into a provisional agreement dated 11 July 2000 (the "First Agreement") whereby:

- Investsource agreed to acquire from the Plaintiffs the 60% equity interest in TV Viagens (Macau), S.A.R.L. ("TV Viagens");
- Upon signing the formal sale and purchase agreement and completion of the acquisition transaction, the Company and Investsource agreed to provide finance to TV Viagens for any shortfall of operational costs incurred by TV Viagens and for the services fees payable by TV Viagens; and

33. 經營租賃承擔 (續)

(b) 作出承租人

於二零零七年三月三十一日，本集團根據不可撤銷之經營租賃應付的未來最低租金總額如下：

The Group 本集團	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
1,327	3,061
-	1,228
1,327	4,289

租約一般初步為期兩年，重新商討所有條款後可選擇續租。概無租約涉及或然租金。

34. 訴訟

(a) 待判決的訴訟

於二零零六年七月十日，四名獨立第三方（「原告」，亦為本公司前附屬公司的前少數權益持有人）就違反協議事宜損失約為港幣76,862,000元提出訴訟。本公司為第一被告，而Investsource Limited（「Investsource」，前稱Sun Television Cybernetworks Company Limited，本公司於二零零四年六月出售的前全資附屬公司）為第二被告。原告、本公司及Investsource於二零零零年七月十一日訂立臨時協議（「第一協議」），據此：

- Investsource同意向原告收購TV Viagens (Macau), S.A.R.L.（「TV Viagens」）60%股權；
- 簽訂正式買賣協議及完成收購交易後，本公司及Investsource同意就TV Viagens任何經營成本短缺及應付服務費向TV Viagens提供資金；及

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34. LITIGATION (Continued)

(a) Pending litigation (Continued)

- Upon signing the formal sale and purchase agreement and completion of the acquisition transaction, Investsource should obtain consent from the Plaintiffs and the Company before any transfer of its interest in TV Viagens.

It is also alleged that after the revision of some terms and conditions under the First Agreement, the Plaintiffs and Investsource entered into the formal sale and purchase agreement dated 8 August 2000 (the "Second Agreement") whereby:

- Investsource agreed to acquire from the Plaintiffs the 51% equity interest in TV Viagens, which was subsequently acquired by Investsource during the year ended 31 March 2001 and disposed of during the year ended 31 March 2003; and
- Investsource agreed to provide finance to TV Viagens from the date of completion of the acquisition transaction for any shortfall of operational costs incurred by TV Viagens and for the services fees payable by TV Viagens.

It is also alleged that in view of the failure by the Company and Investsource to finance TV Viagens, TV Viagens is not financially able to continue its business due to short of working capital and therefore the shareholding of the Plaintiffs in TV Viagens becomes valueless.

The Plaintiffs claims against the Company for damages of approximately HK\$76,862,000 or such an amount as the court may determine, interest thereon, costs and/or other relief due to the Company's alleged breach of agreements to provide finance to TV Viagens for its operational costs and for the services fees payable by TV Viagens.

Up to the date of approval of the financial statements, this action is still in progress and no hearing date has been fixed.

34. 訴訟 (續)

(a) 待判決的訴訟 (續)

- 簽訂正式買賣協議及完成收購交易後，Investsource 須於轉讓其所持 TV Viagens 權益前取得原告及本公司同意。

修訂第一協議部分條款及條件後，原告及 Investsource 於二零零零年八月八日訂立正式買賣協議（「第二協議」），據此：

- Investsource 同意向原告收購 TV Viagens 51% 股權，Investsource 其後分別於截至二零零一年三月三十一日止年度及截至二零零三年三月三十一日止年度收購及出售有關權益；及
- Investsource 同意自收購交易完成起就 TV Viagens 任何經營成本短缺及應付服務費向 TV Viagens 提供資金。

倘本公司及 Investsource 並無為 TV Viagens 提供資金，TV Viagens 營運資金將會短缺，且基於財政原因無法繼續營運，屆時原告所持 TV Viagens 股權亦會失去價值。

原告就本公司違反協議，並無為 TV Viagens 的營運成本與應付服務費提供資金帶來的損失約港幣 76,862,000 元或由法院釐定的數額、相關利息、費用及／或其他補償提出申索。

截至批准財務報告當日，有關訴訟仍在進行，亦未定出聆訊日期。

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34. LITIGATION (Continued)

(a) Pending litigation (Continued)

With the advice of the Company's external legal adviser, the directors are of the opinion that the Company has no legal or financial obligations to the Plaintiffs in that the First Agreement was superseded by the Second Agreement and that the Company was not bound by the Second Agreement. The directors are of the opinion that the Company will strongly refute and the Company intends to vigorously contest the allegations and that the allegations are to be without merit and too remote to be held against the Company. Based on legal advice, the directors are of the opinion that the Company has a very good chance of successfully defending the case. The directors believe that the dispute can be settled without losses to be incurred by the Group and the Company, and therefore no provision for losses in this aspect has been made in these financial statements.

(b) Claim of HK\$1,500,000 and counterclaim of HK\$4,808,000

On 2 June 2004, Top Olympics Enterprises Limited ("Top Olympics"), a wholly-owned subsidiary of the Company, and two independent third parties (the "FRD Vendors") entered into an agreement (the "FRD Agreement") whereby Top Olympics agreed to acquire from the FRD Vendors the 60% interest in FRD Holdings Inc. ("FRD Holdings"), a company incorporated in the British Virgin Islands and collectively owned by the FRD Vendors, and pay a refundable deposit of HK\$1,500,000 (the "Deposit") to Mr. Kenneth Ma Hon Wah ("Mr. Ma"), one of the FRD Vendors, within one month from the date of the FRD Agreement. In the event that the FRD Agreement is terminated or the completion of the aforesaid acquisition of the 60% interest in FRD Holdings does not occur for whatever reason, Mr. Ma would return the Deposit to Top Olympics. In June 2004, the Company paid Mr. Ma the Deposit. However, the FRD Agreement subsequently ceased as the FRD Agreement was not completed before the long-stop date of 31 August 2004 of the FRD Agreement.

34. 訴訟 (續)

(a) 待判決的訴訟 (續)

根據本公司外聘法律的意見，董事認為，基於第一協議由第二協議取代，且本公司並不受第二協議所約束，故本公司毋須對原告承擔任何法律或財務責任。董事認為，本公司將全力推翻指控並計劃對指控作出強烈抗辯，亦認為有關指控欠缺理據及難以成立。根據法律意見，董事相信本公司勝訴機會極高，且本集團及本公司毋須承受任何損失便可解決有關爭議，故並無就此事宜在財務報告中作出任何虧損撥備。

(b) 申索港幣1,500,000元及反申索港幣4,808,000元

於二零零四年六月二日，本公司全資附屬公司Top Olympics Enterprises Limited (「Top Olympics」)與兩名獨立第三方(「FRD賣方」)訂立協議(「FRD協議」)，Top Olympics同意向FRD賣方收購FRD Holdings Inc. (「FRD Holdings」) 60%權益，並須於簽訂FRD協議日期起計一個月內向其中一名FRD賣方馬漢華先生(「馬先生」)支付可退回按金港幣1,500,000元(「按金」)。FRD Holdings在英屬處女群島註冊成立，由各FRD賣方共同擁有。倘基於任何原因終止FRD協議或並無完成上述收購FRD Holdings 60%權益，馬先生會向Top Olympics退回按金。於二零零四年六月，本公司向馬先生支付按金。然而，由於FRD協議並無在其所規定之最後期限(即二零零四年八月三十一日)完成，故此FRD協議其後已失效。

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34. LITIGATION (Continued)

(b) Claim of HK\$1,500,000 and counterclaim of HK\$4,808,000 (Continued)

In November 2004, the Company and Top Olympics demanded Mr. Ma for the full repayment of the Deposit and Formula Racing Development Limited ("FRD Limited"), a wholly-owned subsidiary of FRD Holdings, issued a cheque with an amount of HK\$1,500,000 to the Company. However, the cheque was dishonoured upon presentation for payment by the Company. On 15 June 2005, the Company and Top Olympics commenced an action against Mr. Ma and FRD Limited for the immediate full repayment of the Deposit, interest thereon, costs and/or other relief.

However, FRD Limited counterclaimed against the Company and alleged that before the Company entered into the FRD Agreement, the Company agreed to finance promotional activities and events (the "Promotional Activities") to be carried out by FRD Holdings and FRD Limited in order to promote the image of the Company and FRD Holdings in the motorsports media and organiser discipline. It was also alleged that FRD Limited spent a sum of approximately HK\$4,808,000 on the Promotional Activities and prepared to set-off the Deposit against the expenses of HK\$1,500,000. Accordingly, FRD Limited counterclaimed against the Company an amount of approximately HK\$4,808,000 in relation to the Promotional Activities, interest thereon, costs and/or other relief.

On 22 March 2007, the case was heard by The High Court of The Hong Kong Special Administrative Region and judgement was held in favour of the Company and Top Olympics. Mr. Ma and FRD Limited were required to repay the Company the Deposit together with the interest thereon until payment and litigation costs. Up to 31 March 2007, the accrued interest on the Deposit was approximately HK\$282,000. In May 2007, the Deposit was repaid to the Company.

34. 訴訟 (續)

(b) 申索港幣1,500,000元及反申索港幣4,808,000元 (續)

二零零四年十一月，本公司及Top Olympics要求馬先生全數退還按金，而FRD Holdings的全資附屬公司方程式賽車發展有限公司（「FRD Limited」）亦向本公司發出港幣1,500,000元的支票。然而，本公司在兌現有關支票時不獲兌現。於二零零五年六月十五日，本公司及Top Olympics向馬先生及FRD Limited提出訴訟，要求即時全數退還按金、有關利息、費用及／或其他補償。

然而，FRD Limited向本公司提出反申索，指稱本公司訂立FRD協議前，同意為FRD Holdings及FRD Limited的宣傳活動及事項（「宣傳活動」）提供資金，向賽車界及主辦機構宣傳本公司及FRD Holdings。FRD Limited亦聲稱其在宣傳活動花費合共約港幣4,808,000元，並準備以按金抵銷港幣1,500,000元的開支。故此，FRD Limited向本公司就宣傳活動款項約港幣4,808,000元、所涉利息、費用及／或其他補償提出反申索。

於二零零七年三月二十二日，有關案件在香港特別行政區高等法院審訊，本公司及Top Olympics勝訴。馬先生及FRD Limited須向本公司支付按金、付款前所涉相關利息及訴訟費用。截至二零零七年三月三十一日，按金的累計利息約為港幣282,000元。於二零零七年五月，本公司已收回按金。

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35. MATERIAL RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following related party transactions.

(a) Profit guarantee for Tidetime Future Optical Media Technology Limited

Pursuant to an agreement dated 24 August 2004 entered into between Tide Time Holdings Limited ("Tide Time Holdings"), a substantial shareholder of the Company, and the Company, Tide Time Holdings issued to the Company a guarantee whereby the total profit after tax of Tidetime Future Optical Media Technology Limited ("Tidetime Future Optical"), a wholly-owned subsidiary of the Company which was acquired from Tide Time Holdings by the Company during the year ended 31 March 2005, will not be less than HK\$22 million for two years commencing on 1 January 2005 to 31 December 2006 (the "Guaranteed Profit"). If Tidetime Future Optical is not able to meet the Guaranteed Profit, Tide Time Holdings will pay the Company a sum equivalent to the shortfall of the aggregate of the actual profit after tax of Tidetime Future Optical and the Guaranteed Profit as compensation. Based on audited financial statements, the aggregate actual result after tax of Tidetime Future Optical for two years commencing on 1 January 2005 to 31 December 2006 was a loss of approximately HK\$14 million. The Company does not recognise the compensation receivable, in view of uncertainty of collectibility, cash flow and fair value of the compensation. Up to the date of approval of these financial statements, the Company had not called upon Tide Time Holdings under the guarantee to pay the shortfall to the Company.

Tide Time Holdings is beneficially owned as to 70% by Mr. Chen Ping ("Mr. Chen"), 5% by Ms. Ma Jianhua, spouse of Mr. Chen, 10% by Ms. Ma Jian Ying ("Ms. Ma"), sister-in-law of Mr. Chen, 3% by Mr. Walter Stasyshyn ("Mr. Stasyshyn") and 10% by Mr. Man Ming ("Mr. Man"). Mr. Chen, Ms. Ma, Mr. Stasyshyn and Mr. Man are directors of the Company.

35. 重大關連人士交易

除財務報告其他部分所披露之交易及結餘外，本集團進行以下關連人士交易。

(a) 泰德富新光媒體有限公司溢利保證

根據本公司主要股東Tide Time Holdings Limited (「Tide Time Holdings」) 與本公司於二零零四年八月二十四日簽訂的協議，Tide Time Holdings向本公司發出擔保，保證本公司於截至二零零五年三月三十一日止年度收購的本公司全資附屬公司泰德富新光媒體有限公司 (「泰德富新光」) 在二零零五年一月一日至二零零六年十二月三十一日兩年內的除稅後溢利總額不會低於港幣22,000,000元 (「保證溢利」)。倘泰德富新光未能達致保證溢利，Tide Time Holdings會向本公司支付相等於泰德富新光實際除稅後溢利與保證溢利二者差額的款項，作為彌償。根據經審核財務報表，二零零五年一月一日至二零零六年十二月三十一日兩年泰德富新光的實際除稅後業績為虧損約港幣14,000,000元。基於彌償的可收回程度、現金流量及公平值不可確定，本公司並無確認應收彌償。截至該等財務報告批准當日，本公司並無向Tide Time Holdings追討根據擔保其應付本公司的差額。

Tide Time Holdings分別由陳平先生 (「陳先生」) 實益擁有70%、陳先生的配偶馬建華女士擁有5%、陳先生的小姨馬建英女士 (「馬女士」) 擁有10%、Walter Stasyshyn先生 (「Stasyshyn先生」) 擁有3%以及文明先生 (「文先生」) 擁有10%。陳先生、馬女士、Stasyshyn先生及文先生均為本公司董事。

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35. MATERIAL RELATED PARTIES TRANSACTIONS

(Continued)

(b) Sales of inventories to a related company

During the year ended 31 March 2006, Tidetime Future Optical Media Technology Limited ("Tidetime Future Optical"), a wholly-owned subsidiary of the Company, supplied multi-media products to Tide Time USA Corporation, ("Tide Time USA"), a company controlled by Mr. Chen Ping ("Mr. Chen"), a director of the Company, amounting to HK\$743,000, which was settled in full during that year, under similar terms as it traded with other customers. In the opinion of the directors, the transaction was carried out in the ordinary course of business and on normal commercial terms. As at 31 March 2006, there was no outstanding balance due from Tide Time USA to the Group.

(c) Purchases of inventories from a related company

During the year ended 31 March 2006, 北京泰德時代投資管理有限公司 ("時代投資"), a company controlled by the spouse and daughter of Mr. Chen, supplies 北京泰德陽光圖書有限公司 ("陽光圖書"), the then wholly-owned subsidiary of the Company, with the publishing products amounting to HK\$56,000, which was settled in full during that year, under similar terms as it traded with other suppliers. In the opinion of the directors, the transaction was carried out in the ordinary course of business and on normal commercial terms. As at 31 March 2006, there was no outstanding balance due to 時代投資 from the Group.

35. 重大關連人士交易 (續)

(b) 向一間關連公司出售存貨

於截至二零零六年三月三十一日止年度，本公司全資附屬公司泰德富新光媒體有限公司（「泰德富新光」）根據其與其他客戶進行貿易之類似條款向Tide Time USA Corporation（「Tide Time USA」）（本公司董事陳平先生（「陳先生」）控制之公司）供應港幣743,000元之多媒體產品，該款項已於年內全數清還。董事認為，交易乃於日常業務過程中按一般商業條款進行。截至二零零六年三月三十一日，Tide Time USA並無欠付本集團的款項。

(c) 向一間關連公司購買存貨

於截至二零零六年三月三十一日止年度，北京泰德時代投資管理有限公司（「時代投資」）（陳先生之配偶及女兒控制之公司）根據其與其他客戶進行貿易之類似條款向本公司全資附屬公司北京泰德陽光圖書有限公司（「陽光圖書」）供應港幣56,000元之出版產品，該款項已於年內全數清還。董事認為，交易乃於日常業務過程中按一般商業條款進行。於二零零六年三月三十一日，本集團並無欠付時代投資款項。

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35. MATERIAL RELATED PARTIES TRANSACTIONS

(Continued)

(d) Advances from related companies

During the year ended 31 March 2006, the following parties advanced to the Group and the Company in aggregate a sum of HK\$11,186,000 and HK\$2,730,000 respectively. The amounts were unsecured, interest-free and had no fixed terms of repayment. An aggregate amount of HK\$10,730,000 and HK\$2,730,000 had been repaid by the Group and the Company respectively during that year. Accordingly, as at 31 March 2006, there was an outstanding amount of HK\$456,000 due to 北京泰德英語教育發展有限公司 from the Group.

35. 重大關連人士交易 (續)

(d) 關連公司墊款

於截至二零零六年三月三十一日止年度，下列人士分別向本集團及本公司墊支為數合共港幣11,186,000元及港幣2,730,000元。款項為無抵押、免息及無固定還款期。於該年度，本集團及本公司已分別償還為數港幣10,730,000元及港幣2,730,000元之墊款。因此，截至二零零六年三月三十一日，本集團應付北京泰德英語教育發展有限公司的餘額為港幣456,000元。

		The Group 本集團		The Company 本公司	
		Advance 墊款	Repayment 還款	Advance 墊款	Repayment 還款
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
G Yean Electronics Technology Company Limited	G Yean Electronics Technology Company Limited	1,137	(1,137)	-	-
Shenzhen Tidetime Technology Company Limited	Shenzhen Tidetime Technology Company Limited	2,627	(2,627)	-	-
Tide Fuhua Technology Limited	泰德富華科技有限公司	3,553	(3,553)	2,730	(2,730)
深圳天地商業有限公司	深圳天地商業有限公司	3,413	(3,413)	-	-
北京泰德英語教育發展有限公司	北京泰德英語教育發展有限公司	456	-	-	-
		<u>11,186</u>	<u>(10,730)</u>	<u>2,730</u>	<u>(2,730)</u>

Shenzhen Tidetime Technology Company Limited and 深圳天地商業有限公司 are companies controlled by Mr. Chen. G Yean Electronics Technology Company Limited, Tide Fuhua Technology Limited and 北京泰德英語教育發展有限公司 are companies controlled by Mr. Chen and Ms. Ma Jian Ying ("Ms. Ma") who are directors of the Company.

Shenzhen Tidetime Technology Company Limited 及深圳天地商業有限公司為由陳先生控制之公司。G Yean Electronics Technology Company Limited、泰德富華科技有限公司及北京泰德英語教育發展有限公司為由本公司董事陳先生及馬建英女士（「馬女士」）控制之公司。

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35. MATERIAL RELATED PARTIES TRANSACTIONS

(Continued)

(e) Guarantees given by a director of the Company and a related company

During the year ended 31 March 2006, Mr. Chen and Tide Fuhua Technology Limited, a company controlled by Mr. Chen and Ms. Ma, had given personal guarantee and corporate guarantee respectively to the extent of HK\$4,000,000 in favour of a bank for banking facilities granted to Tidetime Future Optical Media Technology Limited, a wholly-owned subsidiary of the Company. At 31 March 2006, the guarantees had been cancelled.

(f) Reclassification of investment in an associate

Sun Television Cybernetworks Enterprise Limited ("Sun Enterprise") was an associate of the Group at 31 March 2005. During the year ended 31 March 2005, Sun Enterprise arranged a right issue (the "Rights Issue") to its then shareholders and the Group did not exercise its right to subscribe new shares. As a result, on 2 March 2006, Sun Enterprise issued and allotted 42,000,000 new ordinary shares of HK\$1 each in Sun Enterprise to one of the then shareholders. Upon completion of the Right Issue, the Group's effective interest of 30% in Sun Enterprise was diluted to 0.01% and the Group's investment in Sun Enterprise was accounted for as available-for-sale securities with an initiation measurement at nil. This reclassification resulted in a nil gain/loss in the financial statements for the year ended 31 March 2006.

(g) Guarantee issued to a service provider of an associate

During the year ended 31 March 2006, the Company issued a guarantee to a service provider (the "Service Provider") of Sun Television Cybernetworks Enterprise Limited ("Sun Enterprise"), an associate of the Group until 2 March 2006, in respect of a service agreement entered into between Sun Enterprise and the Service Provider. Sun Enterprise defaulted the repayment to the Service Provider and the Service Provider called upon the Company under the guarantee to pay a sum of HK\$2,717,000. As a result, the Company paid a sum of HK\$2,717,000 to the Service Provider during the year ended 31 March 2006.

35. 重大關連人士交易 (續)

(e) 一名本公司董事及一間關連公司提供擔保

於截至二零零六年三月三十一日止年度，陳先生及泰德富華科技有限公司（由陳先生及馬女士控制之公司）已分別就本公司全資附屬公司泰德富新光媒體有限公司獲授之銀行信貸向一間銀行提供個人擔保及公司擔保港幣4,000,000元。於二零零六年三月三十一日，該等擔保已被註銷。

(f) 重新分類於一間聯營公司的投資

於二零零五年三月三十一日，陽光文化網絡電視企業有限公司（「陽光企業」）為本集團聯營公司。截至二零零五年三月三十一日止年度，陽光企業向其當時的股東供股（「供股」），而本集團並無行使權利認購新股。故此，於二零零六年三月二日，陽光企業向其當時的一名股東配發及發行42,000,000股陽光企業每股面值港幣1元的新普通股。完成供股後，本集團所持陽光企業實際股權由原來的30%攤薄至0.01%，而本集團在陽光企業的投資入賬列為可供出售證券，而初步計量時價值為零。有關重新分類為截至二零零六年三月三十一日止年度財務報告帶來零收益／虧損。

(g) 向一間聯營公司的服務商提供擔保

截至二零零六年三月三十一日止年度，本公司向本集團於二零零六年三月二日前的聯營公司陽光文化網絡電視企業有限公司（「陽光企業」）之服務供應商（「服務供應商」）就陽光企業及服務供應商簽訂之服務協議提供擔保。陽光企業未能向服務供應商還款，故此服務供應商根據擔保向本公司追討港幣2,717,000元。因此，截至二零零六年三月三十一日止年度本公司已向服務供應商支付港幣2,717,000元。

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35. MATERIAL RELATED PARTIES TRANSACTIONS

(Continued)

(h) Amount due from an associate

During the year ended 31 March 2006, the amount due from Sun Television Cybernetworks Enterprise Limited ("Sun Enterprise"), the associate of the Group, until 2 March 2006, to the Company was HK\$377,000, on which the Company has already made a full impairment on the amount in 2005. In light of the fact that Sun Enterprise was in financial difficulties, the directors concluded that it is appropriate to write off the amount in 2006.

(i) Disposal of a subsidiary to a related company

On 22 December 2004, the Company entered into a conditional agreement with Sun Media Investment Limited ("SMI"), a company controlled by Ms. Yang Lan, a director of the Company until 6 December 2005, and Dr. Wu Zheng, Bruno, a director of the Company until 8 December 2004 and spouse of Ms. Yang Lan, whereby the Company agreed to sell and SMI agreed to purchase the entire 100% interest in the share capital of China Sports Media Limited ("China Sports") for a consideration of HK\$46,200,000, which was determined with reference to the Company's investment cost of HK\$42,000,000 in China Sports. The consideration is satisfied (i) in cash and/or (ii) by way of transfer of the investments, which are traded on the Stock Exchange, the stock exchange of the United States and/or other stock markets and satisfy certain criteria. The settlement must be made within 180 days after the completion of this transaction. In the opinion of the directors, the transaction was carried out on normal commercial terms and in the ordinary course of business.

35. 重大關連人士交易 (續)

(h) 應收聯營公司款項

於截至二零零六年三月三十一日止年度，本公司應收本集團於二零零六年三月二日前的聯營公司陽光文化網絡電視企業有限公司（「陽光企業」）之款項為港幣377,000元，而本公司已於二零零五年就該款項全數作出減值。有鑑於陽光企業有財政困難，董事認為在二零零六年將有關款項撇銷乃屬恰當做法。

(i) 向一間關連公司出售一間附屬公司

於二零零四年十二月二十二日，本公司與陽光媒體投資有限公司（「陽光媒體投資」，在二零零五年十二月六日前由本公司董事楊瀾女士控制之公司）及吳征博士（在二零零四年十二月八日為本公司董事及楊瀾女士之配偶）訂立有條件協議，據此，本公司同意出售而陽光媒體投資同意購買China Sports Media Limited（「China Sports」）全部股本權益，代價為港幣46,200,000元，乃參考本公司於China Sports的投資成本港幣42,000,000元而定。代價以(i)現金及／或(ii)透過轉讓投資（於聯交所、美國證券交易所及／或其他證券市場買賣，並符合若干準則）之方式支付。代價須於完成該交易後180天內支付。本公司董事認為交易乃按一般商業條款於日常業務過程中進行。

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35. MATERIAL RELATED PARTIES TRANSACTIONS

(Continued)

(i) Disposal of a subsidiary to a related company

(Continued)

On 24 August 2005, the Company and SMI entered into a supplemental agreement whereby the settlement date was extended and an interest was imposed on the consideration of HK\$46,200,000 at 6.75% per annum for such extension, which was resulted in HK\$1,000,000 interest payable by SMI to the Company.

In December 2005, SMI settled the consideration of HK\$46,200,000 and the interest of HK\$1,000,000, by way of transfer of 1,849,131 common shares in NextMart Inc. ("NXMR") (formerly known as Sun New Media Inc.), a company incorporated in the State of Minnesota in the United States of America with its shares trading on a stock exchange system in the United States of America. The pricing of the 1,849,131 shares in NXMR was calculated at 85% of the average closing price per common share of NXMR during the last ten trading days of NXMR up to and including the date of settlement.

(j) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity compensation benefits	股份償金福利

Total remuneration is included in "staff costs" (see note 7(b)).

35. 重大關連人士交易 (續)

(i) 向一間關連公司出售一間附屬公司 (續)

於二零零五年八月二十四日，本公司與陽光媒體投資訂立補充協議，據此，交收日期獲延長，並就該項延長而對代價港幣46,200,000元按年利率6.75%計入利息，導致本公司自陽光媒體投資取得利息港幣1,000,000元。

於二零零五年十二月，陽光媒體投資以1,849,131股NextMart Inc. (「NXMR」) (前稱Sun New Media Inc.)，於美利堅合眾國明尼蘇達州註冊成立之公司，其股份於美利堅合眾國之證券交易所系統買賣) 普通股之方式支付代價港幣46,200,000元及代價之利息港幣1,000,000元。1,849,131股NXMR股份之價格乃按NXMR股份截至交收之日止最後十個交易日(包括該日)之每股普通股平均收市價之85%計算。

(j) 主要管理人員薪酬

本集團主要管理人員薪酬(包括附註9及附註10分別所披露已付本公司董事及最高薪僱員款項)如下：

The Group 本集團	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
2,890	3,731
29	36
14	41
2,933	3,808

酬金總額計入「員工成本」(見附註7(b))。

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36. NON-ADJUSTING POST BALANCE SHEET EVENTS

Issue of convertible notes

On 11 June 2007 and 20 June 2007, the Company and two independent third parties (the "Subscribers") entered into a subscription agreement and a supplemental agreement whereby the Company agreed to issue convertible notes in an aggregate principal amount of approximately HK\$25,353,000 the Subscribers at par. The convertible notes will be unsecured, interest bearing at 2% per annum and matured after five years from the date of issue of the convertible notes. The convertible notes can be redeemable at par in whole or in part by either:

- the Company on the date of maturity of the convertible notes; and
- the holders of the convertible notes if the trading of the shares of the Company has been suspended for consecutively more than twenty trading days.

The holders of the convertible notes will have the conversion right as attached to the convertible notes to convert any of the outstanding principle amount of the convertible notes into the shares of the Company at an initial conversion price of HK\$0.228 per share, subject to adjustments, during the conversion period commencing from the date of issue of convertible notes to the seven business days immediately prior to the date of maturity of the convertible notes.

On 18 July 2007, the transaction was completed and the Company received an aggregate amount of approximately HK\$25,353,000 in cash.

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

36. 非調整結算日後事項

發行可換股票據

於二零零七年六月十一日及二零零七年六月二十日，本公司及兩名獨立第三方（「認購人」）訂立認購協議及補充協議，本公司同意向認購人按面值發行本金總額約港幣25,353,000元之可換股票據。可換股票據為無抵押、按年利率2厘計息，並自可換股票據發行日期起計五年後到期。可換股票據可由以下人士按面值全部或部分贖回：

- 於可換股票據到期日由本公司贖回；及
- 本公司股份暫停買賣超過連續二十個營業日時由可換股票據持有人贖回。

可換股票據持有人持有可換股票據所附兌換權，可於兌換期（即可換股票據發行日期至緊接可換股票據到期日前七個營業日）按初步兌換價每股港幣0.228元（或會調整）將可換股票據未贖回本金額兌換為本公司股份。

於二零零七年七月十八日，交易已完成，本公司已收取現金總額約港幣25,353,000元。

37. 比較數字

若干比較數字已重新分類，以與本年度之呈列方式一致。

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38. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Note 32 contains information about the assumptions and their risk relating to financial instruments. Other key resources of estimation uncertainty are as follows:

(a) Assessment of impairment for non-current assets

The Group has non-current assets, including goodwill and other intangible assets. Assets that have an indefinite useful life are tested for impairment annually. Assets that are subject to depreciation and amortisation are assessed on an annual basis as to whether there is any indication of impairment loss which suggests that the carrying value of these assets may not be recoverable. Management assesses the recoverable amount of each non-current asset based on its value in use (using relevant rates) or on its fair value less costs to sell (with reference to market prices), depending upon the anticipated future plans for the assets. Estimating the value in use of an asset involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and applying the appropriate discount rate to these future cash flows. Cash flow projections for the remaining useful life of the asset and the most recent financial budgets/forecasts are approved by management.

(b) Impairment for bad and doubtful debts

The Group provides impairment loss for bad and doubtful debts based upon evaluation of the recoverability of the trade receivables and other receivables at each balance sheet date. The impairment are based on the ageing of the trade receivables and other receivables balances, the credit-worthiness of debtors and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment may be required.

38. 關鍵會計估計及判斷

不肯定因素估計的主要來源

附註32載有有關財務工具的假設及其風險資料。其他不肯定因素估計的主要來源如下：

(a) 評估非流動資產減值

本集團擁有非流動資產，包括商譽及其他無形資產。並無特定使用年期的資產每年測試減值情況。每年評估須折舊及減值的資產有否出現減值虧損跡象，顯示資產的賬面值可能無法收回。管理層會因應非流動資產預期未來計劃，根據各非流動資產的使用價值（使用相關利率）或其公平淨值減銷售成本（根據市價）評估其可收回數額。估計資產的使用價值涉及估計持續使用該資產及最終出售所帶來的現金流入及流出，並使用相關貼現率貼現有關未來現金流量。管理層負責審批資產在餘下使用年期的現金流量預測及最近期財政預算／預測。

(b) 呆壞賬減值

於各結算日，本集團評估貿易應收賬款及其他應收賬款的可收回程度，為呆壞賬提供減值虧損。有關減值乃根據扣除可收回數額的貿易應收賬款及其他應收賬款結餘之賬齡、債務人的信譽及過往的撇銷歷史作出估計。倘債務人的財務狀況惡化，則或須額外減值。

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38. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of broadcasting programmes

Management regularly reviews the recoverability of the Group's broadcasting programmes with reference to all readily available information and current market environment. Impairment for estimated irrecoverable amounts are recognised in income statement when there is objective evidence that the asset is impaired.

In determining whether impairment on broadcasting programmes is required, the Group takes into consideration the current market environment, the estimated market value of the assets and/or the present value of future cash flow expected to be received. Impairment is recognised based on the higher of its fair value less costs to sell and its value in use.

(d) Valuation of investment in securities

All financial securities are recognised initially at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. Fair values of investments in securities that are quoted in active markets are based on bid prices for assets held and offer prices for liabilities. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist and appropriate valuation techniques commonly used by market participants.

38. 關鍵會計估計及判斷 (續)

不肯定因素估計的主要來源 (續)

(c) 廣播節目減值

管理層根據一切可取得的資料及現金市場狀況，定期檢討本集團廣播節目的可收回程度，並在有客觀證據顯示資產減值時，在收益表確認估計無法收回數額的減值。

在釐定廣播節目是否減值時，本集團會考慮現行市況、資產估計市值及／或預期可取得的未來現金流量現值。減值乃根據其公平值減銷售成本或使用價值之較高者而確認。

(d) 證券投資估值

所有財務證券均按公平值作初步確認。財務工具作初步確認之公平值一般為買賣價，即所作出或收取代價之公平值。於活躍市場報價之證券投資公平值，乃根據所持資產之買入價及負債之賣出價計算。倘並無獨立價格，公平值乃採用參考可觀察市場數據之估值法而釐定，包括與存在可觀察價格之市場之類似工具進行比較，以及市場參與者慣常使用之適當估值方法。

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38. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

(d) Valuation of investment in securities (Continued)

The main factors which management considers included (i) the likelihood and expected timing of future cash flows on the securities. These cash flows are usually governed by the terms of the securities, although management judgement may be required in situations where the ability of the counterparty to service the securities in accordance with the contractual terms is in doubt; and (ii) an appropriate discount rate for the securities. Management determines this rate, based on its assessment of the appropriate spread of the rate for the securities over the risk-free rate. When valuing securities by reference to comparable instruments, management takes into account the maturity, structure and rating of the instrument with which the position held is being compared.

Changes in their fair value of trading securities directly impact the Group's income statement in the period in which they occur. Change in their fair value of available-for-sale securities is recorded directly in equity until the securities are sold, at which point the cumulative change in fair value is charged or credited to the income statement. For those securities classified as available-for-sale, consideration as to whether any such assets should be written down to reflect an impairment is taken into account in the fair value of the relevant security. Any impairment in the value of available-for-sale securities held as available-for-sale is reported in the income statement and hence reduces the Group's profit for the period.

38. 關鍵會計估計及判斷 (續)

不肯定因素估計的主要來源 (續)

(d) 證券投資估值 (續)

管理層所考慮之主要因素包括(i)證券出現未來現金流量之可能性及預期時間。該等現金流量受一般證券之條款限制，惟在交易對手根據合約條款履行證券之能力存疑時，則可能須作出管理層判斷；及(ii)證券之適當折讓率。管理層將根據證券高出無風險利率之適當差額評估而釐定。倘證券估值需參考可比工具，管理層將計及進行持倉比較之工具之到期日、架構及評級。

買賣證券之公平值變動於其產生期間直接影響本集團之收益表。可供出售證券之公平值變動乃直接於股本確認，直至證券獲售出為止，屆時公平值之累計變動將扣自或計入收益表。就分類為可供出售之證券而言，計算有關證券之公平值時，須考慮該等資產應否予以撇減以反映減值。以可供出售形式持有之可供出售證券價值減值於收益表中呈報，因而會削減本集團之期內溢利。

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38. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

(e) Measurement of fair value of equity-settled transactions

The Company operates share option schemes under which employees, including directors, of the Group receive remuneration in the form of share-based payment transactions. The cost of these equity-settled transactions with employees is measured with reference to the fair value at the date at which they are granted, using assumptions including expected volatility and risk-free interest rate. Such cost is recognised, together with a corresponding increase in equity, over the vesting period. In determining the cost of these equity-settled transactions considerable judgement is an essential ingredient in the valuation process and the Group refers to all readily available information.

(f) Recognition of deferred tax assets

Deferred tax assets are recognised for unused tax losses carried forward to the extent it is probable that future taxable profits will be available against which the unused tax losses can be utilised, based on all available evidence. In assessing the probability, both positive and negative evidence is considered, including whether it is more likely than not that the operations will have future taxable profits over the period in which the deferred tax assets are deductible or utilised. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred taxation and related financial models and budgets are reviewed at each balance sheet date. The Group uses all readily information including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs in assessing the probability. In addition, actual outcomes in terms of future taxable profits may be higher or lower than estimated at the balance sheet date, which would affect the profit or loss in the future years.

38. 關鍵會計估計及判斷 (續)

不肯定因素估計的主要來源 (續)

(e) 以股本結算交易公平值計量

本公司設有購股權計劃，本集團僱員（包括董事）可以股本結算付款交易形式收取酬金。與僱員進行該等以股本結算交易的成本乃使用對預期波幅及無風險利率等的假設，按授出日期當日的相關公平值計算。有關成本與相關股權的增加部分在歸屬期間確認入賬。計算股本結算交易成本時，須於估值過程中作出相當判斷，而本集團已參考全部現有資料。

(f) 確認遞延稅項資產

遞延稅項資產就結轉之未動用稅項虧損而予以確認，惟以根據所有可獲取之憑證顯示可能有未來應課稅溢利可以未動用稅項虧損予以抵銷為限。在評估有關可能性時，會同時考慮正反兩面的證據，包括在可扣除或動用遞延稅項資產的期間在營運中獲取未來應課稅溢利的可能性是否較高。確認主要涉及判斷有關確認遞延稅項資產之特定法律實體或稅務團體的未來財務表現。於考慮是否有可信服之憑證顯示可能有部分或全部遞延稅項資產最終變現時，將會評估多項其他因素，包括是否存在應課稅臨時差額、稅務豁免、稅務規劃策略及可動用估計稅項虧損之期間。本集團會於各結算日檢討遞延稅項資產之賬面值及有關財務模型與預算。本集團評估盈利能力時，已運用現有的全部資料，包括基於合理及有憑證的假設作出的估計以及收益與營運成本預測。此外，未來應課稅溢利的實際結果或會高或低於結算日之估計，因而影響來年的溢利或虧損。

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39. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2007

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2007 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements:

Amendment to HKAS 1	Capital Disclosures ¹
HKAS 23 (Revised)	Borrowing Costs ²
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC)-Int 8	Scope of HKFRS2 ⁴
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ⁵
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁶
HK(IFRIC)-Int 11	HKFRS2-Group and Treasury Share Transactions ⁷

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 March 2006

⁴ Effective for annual periods beginning on or after 1 May 2006

⁵ Effective for annual periods beginning on or after 1 June 2006

⁶ Effective for annual periods beginning on or after 1 November 2006

⁷ Effective for annual periods beginning on or after 1 May 2009

39. 於截至二零零七年三月三十一日止年度採用已頒佈但未生效之修訂、新增準則及詮釋可能產生之影響

截至該等財務報告刊發日期，會計師公會已頒佈新增及修訂準則及詮釋，而截至二零零七年三月三十一日止年度尚未生效，亦未於該等財務報表中採用之修訂、全新準則及詮釋如下：

本集團正評估有關修訂、新增準則及新訂詮釋預期對首度應用期間將產生之影響。迄今得出之結論為採納該等修訂、全新準則及詮釋對本集團之經營業績及財務狀況產生重大影響之可能性不大。

其中，以下為可能導致財務報表須作出新增或經修訂披露的發展：

香港會計準則 第1號修訂	資本披露 ¹
香港會計準則 第23號(修訂本)	借貸成本 ²
香港財務報告 準則第7號	財務工具：披露 ¹
HK(IFRIC) – 詮釋第7號	根據香港會計準則第29號在通貨膨脹經濟中的財務報告應用重列方法 ³
HK(IFRIC) – 詮釋第8號	香港財務報告準則第2號範圍 ⁴
HK(IFRIC) – 詮釋第9號	重估嵌入式衍生工具 ⁵
HK(IFRIC) – 詮釋第10號	中期財務報告及減值 ⁶
HK(IFRIC) – 詮釋第11號	香港財務報告準則第2號—集團及庫存股份交易 ⁷

¹ 於二零零七年一月一日或之後開始年度期間生效

² 於二零零九年一月一日或之後開始年度期間生效

³ 於二零零六年三月一日或之後開始年度期間生效

⁴ 於二零零六年五月一日或之後開始年度期間生效

⁵ 於二零零六年六月一日或之後開始年度期間生效

⁶ 於二零零六年十一月一日或之後開始年度期間生效

⁷ 於二零零九年五月一日或之後開始年度期間生效

Notes to the Financial Statements

財務報告附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列值)

40. DETAILS OF DECONSOLIDATED SUBSIDIARIES DISPOSED OF DURING YEAR ENDED 31 MARCH 2006

On 1 April 2005, the Group disposed of the following subsidiaries, which were deconsolidated from the consolidated financial statements on 1 April 2004.

40. 於截至二零零六年三月三十一日 止年度所出售附屬公司終止綜合 入賬詳情

二零零五年四月一日，本集團出售下列自二零零四年四月一日起不再於綜合財務報表綜合入賬的附屬公司。

Name of company 公司名稱	Place of incorporation and operation 註冊成立及經營地點	Proportion of ownership interest 所有權比例		
		Group's effective holding 集團實際控股	Held by the Company 本公司持有	Held by the subsidiary 附屬公司持有
太陽島廣告有限公司 太陽島廣告有限公司	PRC 中國	100%	–	100%
北京陽光世紀廣告有限公司 北京陽光世紀廣告有限公司	PRC 中國	100%	–	100%
蘇州陽光新媒體有限公司 蘇州陽光新媒體有限公司	PRC 中國	90%	–	90%
Beijing Jingwen Multi-media Education Company Limited Beijing Jingwen Multi-media Education Company Limited	PRC 中國	100%	–	70%
Billion Idea Advertising Limited 億思廣告有限公司	Hong Kong 香港	100%	–	100%
SilkOnNet.com Company Limited 華網媒體科技有限公司	Hong Kong 香港	60%	–	60%
Sun Century Programs Production & Distribution Group Limited 陽光盛世影視制作發行集團有限公司	Hong Kong 香港	100%	–	100%
Sun Enterprise Marketing Limited 陽光文化推廣有限公司	Hong Kong 香港	100%	–	100%

Notes to the Financial Statements

財務報告附註

For the year ended 31 March 2007 截至二零零七年三月三十一日止年度
(Expressed in Hong Kong dollars) (以港幣列值)

40. DETAILS OF DECONSOLIDATED SUBSIDIARIES DISPOSED OF DURING YEAR ENDED 31 MARCH 2006 (Continued)

40. 於截至二零零六年三月三十一日
止年度所出售附屬公司終止綜合
入賬詳情 (續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及 經營地點	Proportion of ownership interest 所有權比例		
		Group's effective holding 集團 實際控股	Held by the Company 本公司持有	Held by the subsidiary 附屬公司持有
Sun Entertainment Television Limited Sun Entertainment Television Limited	BVI 處女群島	100%	–	100%
Sun Entertainment Television (Hong Kong) Limited 陽光娛樂電視(香港)有限公司	Hong Kong 香港	100%	–	100%
Sun International Marketing & Distribution Limited Sun International Marketing & Distribution Limited	BVI 處女群島	100%	–	100%
Sun Nominees Limited Sun Nominees Limited	Hong Kong 香港	100%	–	100%
Sun Publishing Holdings Limited Sun Publishing Holdings Limited	BVI 處女群島	100%	100%	–
Sun Television Marketing & Sales Limited 陽光文化市場業務有限公司	Hong Kong 香港	100%	–	100%

Five-Year Financial Summary

五年財務摘要

RESULTS

業績

		For the year ended 31 March 截至三月三十一日止年度 (restated) (重列)				
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
TURNOVER	營業額					
Continuing operations	持續經營業務	184,489	184,077	30,170	51,132	32,050
Discontinued operations	已終止業務	-	-	-	-	-
		<u>184,489</u>	<u>184,077</u>	<u>30,170</u>	<u>51,132</u>	<u>32,060</u>
OPERATING LOSS	經營虧損					
Continuing operations	持續經營業務	(370,381)	(247,861)	(178,579)	(36,510)	(67,017)
Discontinued operations	已終止業務	-	-	-	-	-
		<u>(370,381)</u>	<u>(247,861)</u>	<u>(178,579)</u>	<u>(36,510)</u>	<u>(67,017)</u>
LOSS BEFORE TAXATION	除稅前虧損	(370,381)	(247,861)	(178,579)	(36,510)	(67,017)
TAXATION	稅項	(3,222)	(353)	-	-	-
		<u>(373,603)</u>	<u>(248,214)</u>	<u>(178,579)</u>	<u>(36,510)</u>	<u>(67,017)</u>
LOSS FOR THE YEAR	本年度虧損	<u>(373,603)</u>	<u>(248,214)</u>	<u>(178,579)</u>	<u>(36,510)</u>	<u>(67,017)</u>
ATTRIBUTABLE TO:	應佔:					
EQUITY HOLDERS	本公司權益持有人	(364,864)	(231,046)	(177,040)	(36,510)	(67,017)
OF THE COMPANY		(8,739)	(17,168)	(1,539)	-	-
MINORITY INTERESTS	少數股東權益	<u>(373,603)</u>	<u>(248,214)</u>	<u>(178,579)</u>	<u>(36,510)</u>	<u>(67,017)</u>

ASSETS AND LIABILITIES

資產及負債

		At 31 March 於三月三十一日				
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
TOTAL ASSETS	總資產	609,416	220,760	153,588	143,079	54,001
TOTAL LIABILITIES	總負債	(193,843)	(86,302)	(64,358)	(75,774)	(53,786)
		<u>415,573</u>	<u>134,458</u>	<u>89,230</u>	<u>67,305</u>	<u>215</u>
TOTAL EQUITY	本公司權益					
ATTRIBUTABLE TO	持有人應佔					
EQUITY HOLDERS	股本總額	385,622	124,862	89,230	67,305	215
OF THE COMPANY		29,951	9,596	-	-	-
MINORITY INTERESTS	少數股東權益	<u>415,573</u>	<u>134,458</u>	<u>89,230</u>	<u>67,305</u>	<u>215</u>