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Annual
Report
2007

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金科數碼國際控股有限公司
Vision Tech International Holdings Limited

Stock Code 股份代號：0922

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mrs. Pei Chen Chi Kuen Delia
(Chairman and Managing Director)
Dr. Pei Yaw Liang Gordon
Mr. Yang Chun Thomas

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Hong Cheung
Mr. Lam Kwok Ming
Mr. Leung Wing On Louis

AUDIT COMMITTEE MEMBERS

Mr. Cheng Hong Cheung *(Chairman)*
Mr. Lam Kwok Ming
Mr. Leung Wing On Louis

REMUNERATION COMMITTEE

Mr. Cheng Hong Cheung *(Chairman)*
Mr. Leung Wing On Louis
Mr. Lam Kwok Ming
Mrs. Pei Chen Chi Kuen Delia

AUDITORS

Wong Lam Leung & Kwok C.P.A. Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL BANKERS

Wing Lung Bank Limited
Standard Chartered Bank (Hong Kong) Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor
156-160 Des Voeux Road West
Sheung Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Abacus Share Registrars Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Hong Kong

Dear Shareholders,

I would like to present you the annual report for the year 2007.

Reference is made to the Company's announcements of 28 June 2007 and 1 August 2007 which involve capital reorganization, subscription for new shares of the Company, placing of new shares of the Company and loans settlement arrangement. As can be seen from the above announcements, the Company entered into a conditional agreement with EPI (Holdings) Limited whereby upon completion of the said agreement, EPI (Holdings) Limited will become a controlling shareholder of the Company. At the same time, the Company entered into two conditional placing agreements with President Securities (Hong Kong) Limited for the placing of new shares for cash. Upon completion of the agreements as discussed above, the Company will be in a very healthy financial position and will have much stronger ability to enhance the existing businesses of the Group as well as to develop new business ventures.

Currently, the shares of the Company remain suspended from trading. The Listing (Review) Committee of the Stock Exchange considered an application from the Company for a review of the decision of the Listing Committee that the listing status of the Company should be cancelled by reason of its failure to meet the requirements of Rule 13.24 of the Listing Rules and the Listing (Review) Committee decided that the listing status of the Company should be cancelled. The Company has applied to the Listing Appeals Committee of the Stock Exchange for a review of the Listing (Review) Committee's decision and the hearing before the Listing Appeals Committee is scheduled to be held on 14 August 2007. The board of directors of the Company will take all necessary actions and use its best endeavours to demonstrate that the Company is able to meet the relevant requirements of the Stock Exchange, in particular, Rule 13.24 of the Listing Rules. Further announcement(s) will be made by the Company in respect of the results thereof.

The results for the year ended 31 March 2007 was what not expected, but I believe the Group will have a better tomorrow with everything in pace. As at the date of this statement, I can see the Group have great progress and brighter results.

Finally, I would like to express my sincere thanks to members of our board and staffs for their valuable contributions throughout the year. I also wish to thank our shareholders for their continued support.

Mrs PEI CHEN Chi Kuen Delia
Chairman

July 30, 2007

FINANCIAL REVIEW

For the year ended 31 March 2007, the Group recorded a turnover of approximately HK$15,480,000 and gross profit of approximately HK$1,096,000.

The Group's loss attributable to equity holders of the Company was approximately HK$8,675,000 (2006: HK$837,000).

BUSINESS REVIEW AND PROSPECTS

For the year ended 31 March 2007, the Group was principally engaged in the businesses of trading and distribution of electronic home appliance.

The trading business of dvd/vcd players did not contribute much gross profit to the Group due to increase in supplier's price. The management will focus to improve the profit margin.

In view of the trading volume of our retail shop was low, the management has launched negotiation with the Group's supplier, Haier International Company Limited, for the possibility of developing different business lines for new Haier products. The management is looking for additional funds to develop our existing business like export trading for electronic home appliances etc.

LIQUIDITY

As at 31 March 2007, the Group's bank and cash balances was approximately HK$162,000 (2006: HK$1,214,000).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2007.

DIRECTORS

Executive Directors

Mrs. PEI CHEN Chi Kuen Delia, Badge of Honour, JP, aged 67, was appointed as an executive director in June 2001. She is the Member of The Chinese People's Political Consultative Conference Shanghai Committee. She is a registered nurse of the United Kingdom and has over 30 years' experience in education field. Mrs. Pei is responsible for overall development of the Group since July 2002. She is the wife of Dr. Pei Yaw Liang.

Dr. PEI Yaw Liang Gordon, Badge of Honour, aged 71, was appointed as an executive director in October 2002. He is the Chairman of Wong Tai Sin Health Promotion Association, Director of University of Hong Kong Foundation for Educational Development and Research, and Honour President of Scout Association of Hong Kong (Hung Hom District). He is a medical practitioner practising in Hong Kong for over 31 years. He is the husband of Mrs. Pei Chen Chi Kuen Delia.

Mr. YANG Chun Thomas, aged 43, was appointed as an executive director in October 2002. He has over 19 years experience in financial service field.

Independent Non-executive Directors

Mr. LAM Kwok Ming, aged 63, was appointed as an independent non-executive director in October 2002. He is a member of the Executive Council of Scout Association of Hong Kong (Homantin District). He has over 30 years' experience in education field.

Mr. CHENG Hong Cheung, aged 44, was appointed as an independent non-executive director in October 2002. He is a Certified Public Accountant in Hong Kong, a fellow of the Association of the Chartered Certified Accountants and a fellow of the Taxation Institute of Hong Kong. He has over 17 years' experience in auditing, assurance and business advisory, tax planning, corporate finance, merger and acquisition and consultancy services on China investment and operation.

Mr. LEUNG Wing On Louis, aged 47, was appointed as an independent non-executive director in October 2004. He is a Certified Public Accountant practising in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, a member of the Chinese Accountants & Auditors and a registered financial planner. He has over 26 years' experience in auditing, assurance and business advisory, tax planning, corporate finance, merger and acquisition and consultancy services.

The Directors have pleasure in submitting their annual report together with the audited accounts of the Company and of the Group for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The Group is principally engaged in trading of audio-visual products and home appliance products during the year.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2007 are set out in the consolidated income statement on page 19 of this annual report.

The Directors do not recommend the payment of any dividends in respect of the year ended 31 March 2007.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 20 to the financial statements.

RESERVES AVAILABLE FOR DISTRIBUTION

As at 31 March 2007, there is no reserve available for distribution. The breakdown of the reserves of the Group is set out in note 20 to the financial statements.

PARTICULARS OF BANK LOANS AND OTHER BORROWINGS

Details of the Group's bank loan and other borrowings are as follows:

	2007	2006
	HK$'000	*HK$'000*
Unsecured loans	–	1,000
Secured bank loans	–	–

SUBSIDIARIES AND ASSOCIATES

Particulars of the subsidiaries of the Company as at 31 March 2007 are set out in note 11 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the share capital and share options of the Company are set out in note 19 to the financial statements.

No share options has been granted by the Company during the year ended 31 March 2007.

PRE-EMPTIVE RIGHTS

There is no provision of pre-emptive rights under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sale to the Group's five largest customers accounted for 100% of the total sales of the year and sales to the largest customer included therein amounted to 48.2%. Purchases from the Group's five largest suppliers accounted for 100% of the total purchases of the year and purchases from the largest supplier included therein amounted to 50.6%.

At no time during the year were the Directors, their associates, or any shareholder of the Company who to the knowledge of the Directors owned more than 5% of the Company's share capital had any interest in any customers and suppliers of the Group.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors who held office during the year and up to the date of this report are:

Executive Directors

Mrs. Pei Chen Chi Kuen Delia *(Chairman)*
Dr. Pei Yaw Liang Gordon
Mr. Yang Chun Thomas

Independent Non-executive Directors

Mr. Cheng Hong Cheung
Mr. Lam Kwok Ming
Mr. Leung Wing On Louis

In accordance with Bye-law 87(1), Dr. Pei Yaw Liang Gordon and Mr. Leung Wing On Louis shall retire from his office by rotation at the annual general meeting. Being eligible, Dr. Pei Yaw Liang Gordon will offer himself for re-election as an executive director and Mr. Leung Wing On Louis will offer himself for re-election as an independent non-executive director.

The Company has entered into service contracts with Mr. Cheng Hong Cheung and Mr. Leung Wing On Louis respectively. None of the Directors has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

INDEPENDENT NON-EXECUTIVE DIRECTORS

A letter has been received from each of the independent non-executive directors to confirm his independence and that the Company has confirmed that all independent non-executive directors are independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND EQUITY DERIVATIVES

As at 31 March 2007, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and equity derivatives of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be entered in the register referred to therein pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies, were as follows:

Name of director	Nature of interests	Number of ordinary shares held	Approximate percentage of interest in the Company
Mrs. Pei Chen Chi Kuen Delia	Corporate *(Note)*	71,134,000	19.51%
Dr. Pei Yaw Liang Gordon	Family *(Note)*	71,134,000	19.51%
Mr. Yang Chun Thomas	Personal	186,000	0.051%
Mr. Lam Kwok Ming	Personal	190,000	0.052%

Note:

These shares are beneficially owned by Arko Resources Limited and the entire issued share capital of which is wholly owned by Mrs. Pei Chen Chi Kuen Delia. Dr. Pei Yaw Liang Gordon is deemed to be interested in these shares as he is the spouse of Mrs. Pei Chen Chi Kuen Delia.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR EQUITY DERIVATIVES

Save as disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and equity derivatives" above and in the share option scheme disclosures in note 19 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or equity derivatives of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other corporate.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACT

No contracts concerning the management and administration as a whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has interest in a business which competes or may complete with the business of the Group, required to the disclosed pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange.

FIVE YEAR SUMMARY

The result, assets and liabilities of the Group for the last five financial years are summarized as follows:

Year ended 31 March	**2007**	2006	2005	2004	2003
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
PROFITS AND LOSS ACCOUNT					
TURNOVER	**15,481**	36,945	7,802	15,436	37,475
Profit/(loss) before tax	**(8,635)**	(882)	(2,204)	32,956	(191,611)
Income tax expense	**–**	–	–	–	(29)
Minority shareholder's share of loss absorbed by holding company	**(40)**	–	–	–	–
Profit/(loss) for the year	**(8,675)**	(882)	(2,204)	32,956	(191,640)
ATTRIBUTABLE TO:					
Equity holders of the Company	**(8,675)**	(837)	(2,204)	32,956	(155,154)
Minority interest	**–**	(45)	–	–	(36,126)
	(8,675)	(882)	(2,204)	32,956	(191,640)
BALANCE SHEET					
Non-current assets	**1,374**	421	–	–	6,952
Net current (liabilities)/assets	**(17,672)**	(8,084)	(6,786)	(2,159)	(78,368)
	(16,298)	(7,663)	(6,786)	(2,159)	(71,416)
Shareholders' funds	**(16,298)**	(7,623)	(6,786)	(4,582)	(37,616)
Non-current liabilities	**–**	–	–	2,423	–
Minority interests	**–**	(40)	–	–	33,800
	(16,298)	(7,663)	(6,786)	(2,159)	(71,416)

CORPORATE GOVERNANCE REPORT

General

In the opinion of the directors, the Company complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the annual report. Save as disclosed in the Company's latest interim report for the six months ended 30 September 2006. Detailed information on the Company's corporate governance practices is set out in Corporate Governance Report included in this Annual Report.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2007.

AUDIT COMMITTEE

The Company set up an audit committee (the "Committee") on 5 June 2003 which was established in accordance with the requirements of the Code of Best Practice (the "Code"), as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with written terms of reference, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The Committee comprises three independent non-executive directors. The Group's audited financial statements for the year ended 31 March 2006 have been reviewed by the Committee, who are of the opinion that such statements comply with the applicable accounting standards and the Stock Exchange's and legal requirements, and that adequate disclosures have been made.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and reelection at annual general meeting of the Company in accordance with the Company's Bye-laws.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 March 2007 the Group has a total of 17 employees in Hong Kong. The Group regularly reviews remuneration and benefits of employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits such as share option scheme, of which the Directors may, at their discretion, grant options to employees of the Group. The remuneration policies of the Group's employees are subject to review regularly. Total staff costs for the year amounted to HK$1,528,000 (2006: HK$458,000).

The Group did not operate any pension or retirement schemes for its Directors or employees until implementation of MPF in December 2000. The Group has a share option scheme, which was duly approved by the shareholders on 5 September 2001, available for any full-time employees of the Company or any of its subsidiaries, including any executive directors of the Company or any of its subsidiaries. No options have been granted since the approval of the scheme.

AUDITORS

Messrs. Wong Lam Leung & Kwok C.P.A. Limited, Chartered Accountants, Certified Public Accountants (Practising), retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

MATERIAL RELATED PARTY TRANSACTIONS

Details of material related party transactions have been disclosed in note 24 to financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2007, the following persons had interests or short positions in the shares and underlying shares of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Name	*Note*	Interest in shares	Nature of interest	Percentage of the Company's issued share capital
Arko Resources Limited	*(1)*	71,134,000	Corporate	19.51%
Tanton Holdings Limited		30,100,000	Corporate	8.25%

Note:

(1) These shares are beneficially owned by Arko Resources Limited and the entire issued share capital of which is wholly owned by Mrs. Pei Chen Chi Kuen Delia.

Save as disclosed above, no person had registered an interest in the issued share capital of the Company that was required to be recorded under Section 336 of the SFO.

SUFFICIENT PUBLIC FLOAT

The Company has suspended trading of the shares on the Stock Exchange since 6 February 2003.

On 30 July 2007, the latest practicable date prior to the printing of the annual report, to the knowledge of the Directors, there is a sufficient public float before the suspension of trading.

On behalf of the Board
Mrs. PEI Chen Chi Kuen Delia
Chairman and Managing Director

30 July 2007

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the "Board") of the Company is committed to maintain a high standard of corporate governance with a view to enhance the management of the Company as well as to preserve the interests of the shareholders as a whole. In the opinion of the Board, the Company had complied with all code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the financial year, except for the deviation from Code A.2.1 and Code A.4.1 of CG Code as described below in the sections of "Chairman and Chief Executive Officer" and "Appointments, Re-election and Removal of Directors".

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard under the Model Code. Having made specific enquiry of all directors, the directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2007.

BOARD OF DIRECTORS

The Board comprises of three executive directors, namely Mrs. Pei Chen Chi Kuen Delia, Dr. Pei Yaw Liang Gordon and Mr. Yang Chun Thomas and three independent non-executive directors, namely Mr. Cheng Hong Cheung, Mr. Lam Kwok Ming and Mr. Leung Wing On Louis. Two of the independent non-executive directors possess appropriate professional accounting qualifications and financial management expertise. All of the independent non-executive directors have signed their respective confirmation letters to the Company confirming their independence as set out in rule 3.13. Biographical details of the directors are set out in the section of "Management Profile" on page 5. The Board possesses a balanced mix of skills and expertise which supports the continuing development of the Company.

All Directors have provided graved concern, sufficient time and attention to all the significant issues and affairs of the Company and its subsidiaries (collectively the "Group"). Each Executive Director has accumulated sufficient and valuable experience to hold his position in order to ensure that his fiduciary duties have been carried out in an efficient and effective manner.

The Board is charged with the responsibility of setting corporate policy and overall strategy for the Group and providing effective oversight of the management of the Group's business affairs. The Board also monitors the financial performance and the internal controls of the Group's business operations.

Chairman and Chief Executive Officer

Code A.2.1 of CG Code provides, inter alia, that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company does not officially have a position of Chief Executive Officer. However, Mrs. Pei Chen Chi Kuen Delia has been assuming the roles of both the Chairman and Chief Executive Officer of the Company. In this regard, the Company has deviated from Code A.2.1 of CG Code. The Board intends to maintain this structure in the future as it believes that it would provide the Group with strong and consistent leadership and allow the Group's business operations, planning and decision making as well as execution of long-term business strategies to be carried out more effectively and efficiently. Nonetheless, the Board would review and monitor the situation on a regular basis and would ensure that the present structure would not impair the balance of power in the Company.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Dr. Pei Yaw Liang Gordon and Mr. Leung Wing On Louis will retire at the forthcoming 2007 annual general meeting and will offer themselves for re-election. Their proposed term of office shall not be more than three years and is subject to retirement by rotation in accordance with the Bye-laws.

The independent non-executive Directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

REMUNERATION COMMITTEE

A Remuneration Committee of the Company was established in 9 August 2005 and currently comprises Mr. Cheng Hong Cheung (Chairman), Mr. Lam Kwok Ming and Mr. Leung Wing On Louis, all are independent non-executive directors of the Company.

The Remuneration Committee is accountable to the Board and its primary role is to conduct annual review of the policy and structure for all remuneration of Directors and senior management and to make recommendations to the Board on such policy and structure and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee also has the delegated responsibility to determine the remuneration packages of all executive Directors and senior management proposed by the human resources management and make recommendations to the Board of the remuneration of non-executive Directors. The Remuneration Committee assists the Board to regularly review and formulate fair and competitive remuneration packages which attract, retain and motivate Directors and senior management of the quality required to run the Company successfully.

The Remuneration Committee meets at least once a year, with the attendance of representatives from the human resources department and the Company Secretary. The Remuneration Committee submits its written report to the Board after each Remuneration Committee Meeting, making recommendations of the Director's fee (including Audit Committee and Remuneration Committee members' fees) and other remuneration related matters.

The Directors' remuneration for the year ended 31 March 2007 is set out in note 7 to the financial statements.

AUDIT COMMITTEE

The Audit Committee of the Company has been in place since 5 June 2003. It comprises three independent nonexecutive Directors, Mr. Cheng Hong Cheung as the Chairman and Mr. Lam Kwok Ming and Mr. Leung Wing On Louis. None of the members of the audit committee is a member of the former or existing auditors of the Company. The Audit Committee has adopted the principles set out in the CG Code.

The Audit Committee is accountable to the Board and its primary role is to assist the Board to monitor the Company's financial reporting process, to consider the nature and scope of audit reviews, to ensure the effective international control and risk management systems are in place and to review the Group's interim and annual financial statements. The Audit Committee has access to and maintains an independent communication with the external Auditors and the management to ensure effective information exchange on all relevant financial accounting matters.

During the financial year, the Audit Committee held two meetings, with attendance of the Financial Controller and Qualified Accountant, the Company Secretary and a representative of the external Auditors. The Audit Committee submits its written report to the Board after each Audit Committee Meeting, drawing the Board's attention to important issues that the Board should be award of, identifying any matters in respect of which it considers that action or improvement is needed and making appropriate recommendations.

In discharging its duties, the principal work performed by the Audit Committee during the year included the following:

(i) Review of interim and annual financial statements of the Group, with a recommendation to the Board for approval, examination of significant matters relating to the external Auditors' interim review and annual audit, and review of the accounting policies and practices adopted by the Group;

(ii) Review of new and/or revised accounting standards and practices applicable to the Group and their impacts to the Group;

(iii) Review of internal control and risk management systems and assessment of their effectiveness to ensure that appropriate measures are in place to safeguard all significant assets and operations of the Group as well as to support continuous growth;

(iv) Review of overall accounts receivables position of the Group and the effectiveness of credit control, and reinforcing education to the management and the operation units the importance of adherence to the established credit control measures;

(v) Review of audit strategy, approach and methodologies and assessment of key audit risks with the external Auditors in the audit planning stage; and

(vi) Report of the findings and making recommendation to the Board for improvement or implementation in respect of the above matters.

Auditors' Remuneration

Fees for auditing services and non-auditing services provided by the external Auditors for the year ended 31 March 2007 are included in note 5 to the financial statements.

NOMINATION COMMITTEE

Nomination committee of the Company is not considered necessary after the assessment of the current situation of the Company. The Board will review the profile of current Directors and nominated directors (if any) on regular basis in order to ensure that the composition of the Board is capable to fulfill its obligation and be responsible for the Company.

BOARD AND BOARD COMMITTEE MEETINGS

The Board schedules regular Board Meetings in advance, at least four times a year approximately quarterly intervals to give Directors the opportunity to participate actively. Directors are consulted for including matters in the agenda for regular Board Meetings. Special Board Meetings are convened as and when needed. Together with the Audit Committee and Remuneration Committee Meetings as aforesaid, it provides an effective framework for the Board and Board Committees to perform their works and discharge their duties. Minutes of Board and Board Committee Meetings are kept by the Company Secretary.

Details of individual Directors' attendance at the Board and Board Committee Meetings held in the year are set out in the following table:

	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
Number of Meetings	**(6)**	**(2)**	**(1)**
Executive Directors:			
Mrs. Pei Chen Chi Kuen Delia *(Chairman)*	6/6		
Dr. Pei Yaw Liang Gordon	2/6		
Mr. Yang Chun Thomas	2/6		
Independent Non-executive Directors:			
Mr. Cheng Hong Cheung	6/6	2/2	1/1
Mr. Lam Kwok Ming	5/6	1/2	1/1
Mr. Leung Wing On Louis	5/6	2/2	1/1

FINANCIAL REPORTING

The Board is accountable to the shareholders and is committed to presenting comprehensive and timely information to the shareholders on assessment of the Company's performance, financial position and prospects.

Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the financial statements of the Company, which give a true and fair view and comply with all applicable regulatory requirements and accounting standards. In preparing the financial statements for the year ended 31 March 2007, the Directors have selected appropriate accounting policies and applied them consistently, and made judgments and estimates that are prudent and reasonable. The Directors are not aware of any material uncertainties relating to events of conditions that may cast significant doubt upon the Company's ability to continue as a going concern as at 31 March 2007. The Board has also conducted a review of the effectiveness of the system of internal control of the Company and its subsidiaries.

Auditors' Responsibility

The external Auditors of the Company are Wong Lam Leung & Kwok C.P.A. Limited, Certified Public Accountants. A statement by the Auditors about their reporting responsibilities is included in the Report of the Auditors on the Company's financial statements on page 17.

COMMUNICATIONS WITH SHAREHOLDERS

The Company recognizes the importance of maintaining an on-going communication with shareholders to enable them to form their own judgment and to provide constructive feed back.

Our Directors are available at the Company's annual general meeting and extraordinary general meetings to answer questions and provide information which shareholders may enquire.

The Company has complied with the requirements of the Listing Rules and the Bye-Laws in respect of voting by poll and related matters.

TO THE SHAREHOLDERS OF
VISION TECH INTERNATIONAL HOLDINGS LIMITED
(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

We have audited the consolidated financial statements of Vision Tech International Holdings Limited (the "Company") set out on pages 19 to 46, which comprise the consolidated and company balance sheet 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 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 and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purposes. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the 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.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the 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 and have been properly prepared in accordance with the disclosure requirements of Hong Kong Companies Ordinance.

EMPHASIS OF MATTER-MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS OF ACCOUNTING

Without qualifying our opinion, we draw attention to Note 2.1 in the consolidated financial statements which indicates that the Group incurred a net loss of approximately $8,675,000 during the year ended 31 March 2007 and, as of that date, the Group's current liabilities exceeded its total assets by approximately $16,298,000. These conditions along with other matters as set forth in Note 2.1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

WONG LAM LEUNG & KWOK C.P.A. LIMITED
Certified Public Accountants (Practising)
Hong Kong, 30 July 2007

Ma Shuk Fong
Practising Certificate Number : P02311

	Notes	2007 HK$'000	2006 HK$'000
TURNOVER	3	**15,481**	36,945
Cost of sales		**(14,385)**	(35,409)
Gross profit		**1,096**	1,536
Other revenue	3	**608**	2
Write-offs of amounts due from subsidiaries		**(3)**	(5)
Impairment loss in value of interest in a subsidiary		**–**	(9)
Administrative expenses		**(9,443)**	(2,336)
OPERATING LOSS		**(7,742)**	(812)
Finance costs	4	**(893)**	(70)
LOSS BEFORE INCOME TAX	5	**(8,635)**	(882)
Income tax expense	6	**–**	–
LOSS AFTER INCOME TAX		**(8,635)**	(882)
Minority shareholder's share of loss absorbed by holding company		**(40)**	–
LOSS FOR THE YEAR		**(8,675)**	(882)
LOSS ATTRIBUTABLE TO:			
Equity holders of the Company	8	**(8,675)**	(837)
Minority interest		**–**	(45)
		(8,675)	(882)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY FOR THE YEAR			
– basic (Cents)	9	**2.38**	0.23

The notes on pages 24 to 46 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

At 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**953**	–
Rental and utilities deposits		**421**	421
		1,374	421
CURRENT ASSETS			
Inventories	12	**301**	23
Trade and other receivables			
Trade receivables	13	**1,107**	5,067
Prepayments, deposits and other receivables		**29**	2,540
Bank balances and cash		**162**	1,214
		1,599	8,844
CURRENT LIABILITIES			
Trade and other payables			
Trade payables	14	**–**	1,950
Other payables and accruals		**3,824**	1,631
Deposits received		**77**	77
Amount due to a director	15	**12,104**	9,429
Amount due to a shareholder	16	**2,568**	2,423
Amounts due to related companies	17	**698**	418
Other loan (unsecured)		**–**	1,000
		19,271	16,928
NET CURRENT LIABILITIES		**(17,672)**	(8,084)
NET LIABILITIES		**(16,298)**	(7,663)
Financed by:			
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	19	**36,460**	36,460
Reserves	20	**(52,758)**	(44,083)
		(16,298)	(7,623)
Minority interest		**–**	(40)
TOTAL EQUITY		**(16,298)**	(7,663)

APPROVED BY:

Mrs. Pei Chen Chi Kuen Delia
Director

Mr. Yang Chun Thomas
Director

The notes on pages 24 to 46 are an integral part of these consolidated financial statements.

	Notes	2007 HK$'000	2006 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	11	–	–
CURRENT ASSETS			
Trade and other receivables			
Deposit, prepayment and other receivable		–	506
Amounts due from subsidiaries	11	405	15
Bank balances and cash		1	1
		406	522
CURRENT LIABILITIES			
Trade and other payables			
Other payables and accruals		3,562	1,415
Amounts due to subsidiaries	11	–	1,833
Amount due to a director	15	12,104	1,333
Amount due to a shareholder	16	2,553	2,409
Amount due to a related company	17	641	360
		18,860	7,350
NET CURRENT LIABILITIES		(18,454)	(6,828)
NET LIABILITIES		(18,454)	(6,828)
Financed by:			
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	19	36,460	36,460
Reserves	20	(54,914)	(43,288)
TOTAL EQUITY		(18,454)	(6,828)

APPROVED BY:

Mrs. Pei Chen Chi Kuen Delia
Director

Mr. Yang Chun Thomas
Director

The notes on pages 24 to 46 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2007

	Attributable to equity holders of the Company				
	Share capital	**Other reserves**	**Accumulated losses**	**Minority interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 01/04/2005	36,460	124,692	(167,938)	–	(6,786)
Investment in a subsidiary from a minority shareholder	–	–	–	5	5
Loss for the year	–	–	(837)	(45)	(882)
Balance at 31/03/2006	36,460	124,692	(168,775)	(40)	(7,663)
Loss for the year	–	–	(8,675)	40	(8,635)
Balance at 31/03/2007	36,460	124,692	(177,450)	–	(16,298)

The notes on pages 24 to 46 are an integral part of these consolidated financial statements.

	Notes	2007 HK$'000	2006 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operations	22	**1,132**	1,424
Interest paid		**–**	(70)
Net cash from operating activities		**1,132**	1,354
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,191)**	–
Interest received		**7**	2
Net cash (used in)/from investing activities		**(1,184)**	2
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		**–**	5
Net cash from financing activities		**–**	5
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(52)**	1,361
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	23	**214**	(1,147)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	23	**162**	214

The notes on pages 24 to 46 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Vision Tech International Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda. The address of its principal place of business is 11/F, 156-160 Des Voeux Road, Sheung Wan, Hong Kong. The Company is listed on The Stock Exchange of the Hong Kong Limited (the "Stock Exchange"). The trading of the Company's shares on the Stock Exchange has been suspended since 6 February 2003.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 11 to the consolidated financial statements.

These consolidated financial statements are presented in thousands of units of HK dollars (HK$'000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 30 July 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which 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. The measurement basis used in preparing the consolidated financial statements is historical cost.

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

During the year ended 31 March 2007, the Company and its subsidiaries (collectively referred to the "Group") had accumulated losses of approximately $177,450,000 and net current liabilities of approximately $17,672,000.

The financial statements of the Group and Company have been prepared on a going concern basis, the validity of which is dependent upon the Group maintaining future profitable operations, the undertakings of a director and a shareholder not to demand repayment of debts from the Group until such time when repayment will not affect the Group's ability to repay other creditors in the normal course of business, the successful proposed capital reorganisation, proposed subscription for new shares, and placing of new shares after the year end date as described in Note 27.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

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

2.2 The adoption of new/revised HKFRS

In the year ended 31 March 2007, the Group and the Company have initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or after 1 January 2006, including:

– Amendments to HKAS 39 Financial instruments: recognition and measurement

– HKFRS 4 Insurance Contracts – Financial guarantee contracts

The application of the new and revised HKFRSs has no material effects on the financial performance and position of the Group and the Company.

2.3 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 March.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Consolidation *(Continued)*

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Foreign currency translation *(Continued)*

(iii) Group companies (Continued)

(iii) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment represent property, plant and equipment and are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:

Office furniture	– 5 years
Office equipment	– 5 years
Office decoration	– 5 years

The residual value and the useful life of an asset are reviewed at least at each financial year-end.

Gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.6 Segment Reporting

The Group has determined that geographical segment is the primary reporting format. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, but are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition and is assigned by using the first in, first out (FIFO) cost formula. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.9 Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

– Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and

– Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each balance sheet date, the company assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on trade and other receivables are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition.

2.10 Trade and other payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and other unsecured loan. Other unsecured loan is shown within current liabilities on the balance sheet.

2.12 Income tax

Income tax for the year includes current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised directly in equity. In the case if the tax relates to items that are recognised directly to equity, current tax and deferred tax are also recognised directly to equity.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for a period.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively. Temporary differences are 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.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

At each balance sheet date, the company reviews and assesses the recognised and unrecognised deferred tax assets and the future taxable profit to determine whether any recognised deferred tax assets should be derecognised and any unrecognised deferred tax assets should be recognised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date by reference to the possibility that employees may leave before they use accumulated non-vesting entitlements.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(b) Retirement benefit costs

The company has joined the Mandatory Provident Fund Scheme (the MPF Scheme) established under the Mandatory Provident Fund Ordinance. The company contributes 5% of the relevant income of staff members under the MPF Scheme. Contributions made for the Scheme by the company are capped at $1,000 for employees earning more than $20,000 a month. The assets of the Scheme are held separately from those of the company, in funds under the control of trustee.

Payments to the MPF Scheme are charged as an expense as they fall due.

2.14 Operating leases

Leases where substantially all the rewards and risks of ownership of assets, including legal title, remain with the leasing party are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement on a straight line basis over the lease term. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made.

2.15 Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Company and Group 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 expenditures 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 the one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the company. Provided that it is probable that the economic benefits associated with the revenue transaction will flow to the company and the revenue and the costs, if any, in respect of the transaction can be measured reliably, revenue is recognized as follows:

(i) *Sales of goods*

Revenue from the sales of goods is recognised when the company has delivered the goods to the customers and the customer has accepted the goods together with the risks and rewards of ownership of the goods.

(ii) *Interest income*

Interest income is recognized using the effective interest method.

2.17 Related parties

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

(i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the Group, has an interest in the Group that gives it significant influence over the Group, or has joint control over the Group;

(ii) the party is an associate of the Group;

(iii) the party is a joint venture in which the Group is a venturer;

(iv) the party is a member of the key management personnel of the Group;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3. TURNOVER, REVENUE AND SEGMENTAL INFORMATION

The Group is principally engaged in trading and distribution of electronic home appliance. Turnover represents total invoiced value of goods supplied to customers after deduction of any goods returns and trade discounts. Revenue recognised during the year are as follows:

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Sales of goods	**15,481**	36,945
Other revenue		
Interest income	**7**	2
Share of office expense	**87**	–
Sales commission	**14**	–
Other income	**500**	–
Total revenues	**16,089**	36,947

The Group's turnover was solely contributed by the business of trading and distribution of electronic home appliance. The customers are located in Hong Kong.

3. TURNOVER, REVENUE AND SEGMENTAL INFORMATION *(Continued)*

An analysis of Group's turnover and contribution to operating loss for the year by geographical segments as follows:

Primary reporting format – geographical segments by location of customers

	Hong Kong		PRC		South East Asia		Group	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER	**15,481**	9,523	**–**	86	**–**	27,336	**15,481**	36,945
Segment results	**1,096**	234	**–**	4	**–**	1,298	**1,096**	1,536
Unallocated other revenue							**608**	2
Unallocated administrative expenses							**(9,446)**	(2,350)
Operating loss							**(7,742)**	(812)
Finance costs							**(893)**	(70)
Loss before income tax							**(8,635)**	(882)
Income tax expense							**–**	–
Loss after income tax							**(8,635)**	(882)
Minority shareholder's share of loss absorbed by holding company							**(40)**	–
Loss for the year							**(8,675)**	(882)
Segment assets	**2,973**	9,265					**2,973**	9,265
Unallocated assets							**–**	–
							2,973	9,265
Segment liabilities	**19,271**	16,928					**19,271**	16,928
Unallocated liabilities							**–**	–
							19,271	16,928
Other information								
Capital expenditure							**1,191**	–
Depreciation							**238**	–
Write-offs of amounts due from subsidiaries							**3**	5
Impairment losses in value of interests in subsidiaries							**–**	9
Impairment losses for bad and doubtful debts on trade receivables							**1,802**	–

Unallocated administrative expenses represent corporate expenses.

4. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest charges on:		
Other loan interest	**–**	70
Amounts due to a director and a shareholder	**893**	–
	893	70

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging the following:

	2007	2006
	HK$'000	*HK$'000*
Other staff costs		
– Contributions to defined contribution plan	**79**	10
– Salaries and other benefits	**1,229**	228
	1,308	238
Auditors' remuneration	**317**	270
Operating charges	**1,102**	180
Write-offs of amounts due from fellow subsidiaries	**3**	5
Impairment losses for bad and doubtful debts on trade receivables	**1,802**	–

6. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided in the financial statements as the Group did not derive any assessable profits for the year.

Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2007	2006
	HK$'000	*HK$'000*
Loss before tax	**(8,635)**	(882)
Tax calculated at a taxation rate of 17.5%	**(1,511)**	(154)
Tax effect of non-taxable revenue	**(28)**	(1)
Tax effect of non-deductible expense	**195**	119
Tax effect of unrecognised deferred tax liabilities	**24**	–
Tax effect of unused tax loss not recognised	**1,320**	36
Income tax expense	**–**	–

7. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) The remuneration of each of the directors for the year ended 31 March 2007 and 2006 are as follows:

GROUP

	Director fees	
	2007	2006
Non-executive director	***HK$'000***	*HK$'000*
Cheng Hong Cheung	**100**	100
Leung Wing On, Louis	**120**	120
	220	220

(b) Of the five individuals with the highest emoluments, two (2006: two) are directors. The aggregate of the emoluments in respect of the five (2006: five) individuals are as follows:

GROUP

	2007	2006
	HK$'000	*HK$'000*
Salaries and other emoluments	**220**	220
Bonuses	**–**	–
Retirement scheme contributions	**–**	–
	220	220

The emoluments of the five (2006: five) individuals with the highest emoluments are with the following bands:

GROUP

	2007	2006
	Number of Individuals	Number of Individuals
HK$Nil – HK$1,000,000	**5**	5
HK$1,000,001 – HK$2,500,000	**–**	–
	5	5

8. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$11,627,000 (2006: HK$562,000).

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to the equity holders of approximately HK$8,675,000 (2006: HK$837,000) and the weighted average of 364,600,000 (2006: 364,600,000) ordinary shares during the year.

10. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Office furniture *HK$'000*	Office equipment *HK$'000*	Office decoration *HK$'000*	Total *HK$'000*
Cost:				
At 1 April 2006	–	–	–	–
Additions	1	66	1,124	1,191
At 31 March 2007	1	66	1,124	1,191
Accumulated depreciation:				
At 1 April 2006	–	–	–	–
Charge for the year	–	13	225	238
At 31 March 2007	–	13	225	238
Net book value:				
At 31 March 2007	1	53	899	953

11. INVESTMENTS IN AND AMOUNTS DUE FROM/(TO) SUBSIDIARIES

COMPANY

	2007 **HK$'000**	2006 HK$'000
Unlisted shares, at cost	**–**	–
Amounts due from subsidiaries	**405**	15
Amounts due to subsidiaries	**–**	(1,833)

The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed repayment terms.

Particulars of the subsidiaries at 31 March 2007 are as follows:

Name	**Place of incorporation**	**Nominal value of issued capital**	**Percentage of issued capital held by the Company** Direct	Indirect	**Principal activities**
Chong Sun Securities Limited	The British Virgin Islands	US$1	100%	–	Investment holding
Asset Direct Trading Limited	The British Virgin Islands	US$1	100%	–	Investment holding
Capital Spirit Limited	The British Virgin Islands	US$1	100%	–	Investment holding
Moral Access Limited	Hong Kong	HK$10,000	–	100%	Trading
Gold Joy Industrial Limited	Hong Kong	HK$1	–	100%	*Inactive
Gold Max Industrial Limited	Hong Kong	HK$1	–	100%	*Inactive
Kingston Trading Limited	Hong Kong	HK$1	–	100%	Trading
Hong Kong New Concept Company Limited (formerly known as Haier Business (HK) Company Limited)	Hong Kong	HK$10,000	–	51%	Trading

* On 4 April 2007, Gold Joy Industrial Limited and Gold Max Industrial Limited were deregistered.

12. INVENTORIES

GROUP

	2007	2006
	HK$'000	*HK$'000*
Trading goods	**196**	23
Goods in transit	**105**	–
	301	23

The amount of inventories recognised as an expense during the year:

Carrying amount of inventories sold	**14,380**	35,324
Write-down of inventories	**–**	54
	14,380	35,378

13. TRADE RECEIVABLES

GROUP

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**2,909**	5,067
Less: Impairment losses for bad and doubtful debts	**1,802**	–
	1,107	5,067

At March 2007 and 2006, the ageing analysis of the trade receivables were as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 60 days	**16**	4,950
61-90 days	**–**	–
Over 90 days	**2,893**	117
	2,909	5,067
Less: Impairment losses for bad and doubtful debts	**1,802**	–
	1,107	5,067

14. TRADE PAYABLES

GROUP

At March 2007 and 2006, the ageing analysis of the trade payables were as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 60 days	**–**	1,873
61-90 days	**–**	–
Over 90 days	**–**	77
	–	1,950

15. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest bearing at commercial rate and has no fixed repayment terms.

16. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, interest bearing at commercial rate and has no fixed repayment terms.

17. AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies are unsecured, interest free and have no fixed repayment terms.

18. DEFERRED INCOME TAX

No deferred taxation has been provided in the financial statements as there are deferred income tax assets arising from tax losses.

Deferred income tax assets are recognized for tax loss carry forwards to the extent that realization of the related tax benefit through the future taxable profits is probable. The Group and the Company have unrecognized tax losses of HK$8,680,405 (2006: HK$1,140,236) and of HK$3,384,688 (2006: HK$561,350) respectively to carry forward against future taxable income. These tax losses have no expiry date.

19. SHARE CAPITAL

GROUP AND COMPANY

	2007	2006
	HK$'000	*HK$'000*
Authorized:		
600,000,000 ordinary shares of $0.1 each	**60,000**	60,000
Issued and fully paid:		
364,600,000 ordinary shares of $0.1 each	**36,460**	36,460

Under a share option scheme approved by the shareholders, the directors of the Company may, at their discretion, invite full-time employees including executive directors to take up options to subscribe for shares in the Company representing up to a maximum of 10% of the shares in issue from time to time (excluding shares issued on exercise of option under the share option scheme). No share option was granted by the Company during the year.

20. RESERVES

GROUP

	Other reserves			
	Share premium	Capital reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 01/04/2005	42,823	81,869	(167,938)	(43,246)
Loss for the year	–	–	(837)	(837)
Balance at 31/03/2006	42,823	81,869	(168,775)	(44,083)
Loss for the year	–	–	(8,675)	(8,675)
Balance at 31/03/2007	42,823	81,869	(177,450)	(52,758)

COMPANY

	Other reserves			
	Share premium	Capital reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 01/04/2005	42,823	81,869	(167,418)	(42,726)
Loss for the year	–	–	(562)	(562)
Balance at 31/03/2006	42,823	81,869	(167,980)	(43,288)
Loss for the year	–	–	(11,626)	(11,626)
Balance at 31/03/2007	42,823	81,869	(179,606)	(54,914)

21. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2007, the total future minimum lease payments under non-cancellable operating leases for each of the following periods were:

	2007	2006
	HK$'000	*HK$'000*
Not later than one year	**620**	620
Later than one year and not later than five years	**744**	1,364
	1,364	1,984

22. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of loss for the year to cash flow from operating activities:

	2007 HK$'000	2006 HK$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before income tax	**(8,635)**	(882)
Adjustments		
– Interest paid	**893**	70
– Interest received	**(7)**	(2)
– Impairment losses for bad and doubtful debts	**1,802**	–
– Write-offs of amounts due from fellow subsidiaries	**3**	5
– Depreciation	**238**	–
Operating loss before working capital changes	**(5,706)**	(809)
Increase in inventories	**(278)**	(23)
Decrease/(increase) in trade receivables	**1,739**	(2,826)
Decrease/(increase) in prepayments, deposits and other receivables	**2,930**	(4,626)
Increase in amounts due from fellow subsidiaries	**(3)**	(5)
(Decrease)/increase in trade payables	**(1,950)**	1,950
Increase/(decrease) in other payable and accruals	**2,193**	(387)
Increase in deposit received	**–**	77
Increase in amount due to a director	**1,927**	7,835
Increase in amounts due to related companies	**280**	238
CASH FLOWS FROM OPERATING ACTIVITIES	**1,132**	1,424

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2007 HK$'000	2006 HK$'000
Bank balances and cash	**162**	1,214
Other loan (unsecured)	**–**	(1,000)
Cash and cash equivalents	**162**	214

24. MATERIAL RELATED PARTY TRANSACTIONS

Significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

(a) Transactions with related parties

	2007	2006
	HK$'000	*HK$'000*
Rental expense paid to a related company	**281**	180
Loan interest paid to a director	**749**	–
Loan interest paid to a corporate shareholder	**144**	–
Sales to a minority shareholder	**750**	–
Purchases from a minority shareholder	**5,095**	–
Settlement of liabilities by a director on behalf behalf of the Group	**100**	1,449
Settlement of liabilities by the Group on behalf of a director	**323**	93

All the transactions with related parties were negotiated at arm-length basis and in accordance with common commercial terms in the same manner as other external customers and suppliers, except to an amount of approximately HK$2,046,000 in respect of purchases from a minority shareholder where there were no mark-up when those goods were then sold to one of customers, namely 3C Digital Limited.

(b) Balances with related parties

	2007	2006
	HK$'000	*HK$'000*
Amount due to Arko Resources Limited	**2,568**	2,423
Amount due to Mrs Pei Chen Chi Kuen, Delia	**12,104**	9,429
Others	**698**	418
	15,370	12,270

25. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's management makes assumptions, estimates and judgements in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the consolidated financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

(a) Key assumption and other key sources of estimation uncertainty

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 26. Other key sources of estimation uncertainty have no significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgements in applying the company's accounting policies

Certain critical judgement in applying the company's accounting policy is set out as follows:

Useful lives of property, plant and equipment

The Company management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

26. FINANCIAL RISK MANAGEMENT

The Group is exposed to various kinds of risks in its operation and financial instruments. The Group's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the company by closely monitoring the individual exposure as follows:

(a) Currency risk

The Group is exposed to foreign exchange risk arising mainly from United States dollars. For the year ended 31 March 2007, the Group did not subject to any significant exposure to foreign exchange risk. Hence, no financial instrument for hedging was employed.

(b) Liquidity risk

The Group manages its fund conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

(c) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales to customers with an appropriate credit history. The carrying amount of the trade receivables included in the consolidated balance sheet represented the Group's maximum exposure to credit risk.

26. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Cash flow interest rate risks

The company's exposure to cash flow interest rate risk is minimal.

(e) Fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2007 and 2006.

27. EVENTS AFTER BALANCE SHEET DATE

(a) On 28 June 2007, the Company made an announcement for proposed (i) capital reorganisation, (ii) proposed subscription for new shares, (iii) whitewash wavier application, (iv) placing of new shares and (v) connected transaction – loans settlement. The Company intends to put forward to shareholders for their approval a proposal involving the following changes to the capital of the Company:

(i) Capital reorganisation

(i) Capital Reduction: that the issued share capital of the Company be reduced by cancelling from the paid-up capital thereof to the extent of HK$0.09 of each issued Share and reducing the nominal value of all the Shares comprising the authorised share capital of the Company from HK$0.10 to HK$0.01 per share and in consequence thereof the authorised share capital of the Company will be reduced from HK$60,000,000 to HK$6,000,000;

(ii) Share Consolidation: that every 10 (ten) shares of HK$0.01 each in the issued and unissued share capital of the Company after the Capital Reduction be consolidated into 1 (one) New Share of HK$0.10 each; and

(iii) Increase of Share Capital: that forthwith upon completion of the Capital Reduction and Share Consolidation becoming effective, the authorised share capital of the Company be increased from the aforesaid reduced amount of HK$6,000,000 to HK$200,000,000 and the same will be divided into 2,000,000,000 New Shares of HK$0.10 each.

(ii) Issue of subscription shares

On 18 May 2007, the Company entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue and allot 750,000,000 New Shares at a price of HK$0.10 per New Share.

Completion of the Subscription Agreement is conditional upon, among other terms and conditions as set forth therein, a proposal for the resumption in trading of the Shares on the Stock Exchange having been approved/accepted by the Stock Exchange to be viable and which shall in all respects be satisfactory and acceptable to the Subscriber and all other relevant parties to the resumption proposal.

27. EVENTS AFTER BALANCE SHEET DATE *(Continued)*

(a) *(Continued)*

(iii) *Whitewash waiver*

Immediately following Completion (which shall take place after completion of the Capital Reorganisation), the Subscriber will be interested in 750,000,000 New Shares, which represent:

(i) approximately 95.36% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares;

(ii) approximately 72.36% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares; and

(iii) approximately 65.51% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares, the Placing Shares and the Loans Settlement Shares.

The Subscriber will make an application to the Executive for the granting of the Whitewash Waiver and if so granted, it will be subject to, among other things, approval by the Independent Shareholders of the Whitewash Waiver at the SGM where voting on each of the relevant resolutions in respect thereof shall be decided by way of a poll.

(iv) *Placing*

On 18 May 2007, the Company and the Placing Agent entered into a conditional Placing Agreement pursuant to which the Placing Agent has agreed to place, on a fully underwritten basis, (a) 250,000,000 Placing Shares to Independent Third Parties at HK$0.10 per Placing Share; and (b) an additional 108,502,600 Placing Shares (i.e. 308,502,600 Placing Shares in aggregate) at HK$0.10 per Placing Share if the Loans Settlement Agreement is not approved by the Independent Shareholders and the option under the Placing Agreement is duly exercised in accordance with the terms thereof and with the prior written consent of the Subscriber.

The Placing Shares represent:

(i) approximately 24.12% of the issued share capital of the Company (upon completion of the Capital Reorganisation) as enlarged by the issue of the Subscription Shares and the Placing Shares; and

(ii) approximately 21.83% of the issued share capital of the Company (upon completion of the Capital Reorganisation) as enlarged by the issue of the Subscription Shares , the Placing Shares and the Loans Settlement Shares.

The Placing Shares and the Option Shares (assuming the exercise of the Option in full) represent approximately 31.31% of the issued share capital of the Company (upon completion of the Capital Reorganisation) as enlarged by the issue of the Subscription Shares, the Placing Shares and the Option Shares.

27. EVENTS AFTER BALANCE SHEET DATE *(Continued)*

(a) *(Continued)*

(v) Loans settlement

On 18 May 2007, the Company and Mrs. Pei entered into the Loans Settlement Agreement whereby the Company and Mrs. Pei have agreed that all amounts due by the Group to Mrs. Pei and her associates shall be settled by way of:

(i) the issue of 108,502,600 New Shares to Mrs. Pei; and

(ii) payment of a sum of HK$5 million by the Company to Mrs. Pei.

The 108,502,600 New Shares represent approximately 9.48% of the issued share capital of the Company as enlarged by the Subscription Shares, the Placing Shares and the Loans Settlement Shares.

(b) On 20 July 2007, the Company and the Placing Agent entered into the Second Placing Agreement pursuant to which the Placing Agent has agreed to place, on a fully underwritten basis, 150,000,000 new shares at HK$0.10 per Second Placing Share.

28. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR

HKFRSs that have been issued but are not yet effective for the year include the following HKFRSs which may be relevant to the company's operations and financial statements:

	Effective for annual periods beginning on or after
HKFRS 7 Financial instruments: disclosures	1 January 2007
Amendments to HKAS 1 Presentation of financial statements: capital disclosures	1 January 2007

Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the company's financial statements in the year of initial application. The company will be continuing with the assessment of the impact of these HKFRSs and other significant changes may be identified as a result.