



ABC Communications (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)

Interim Report 2007-2008

CORPORATE INFORMATION

Board of Directors:

Non-Executive Chairman:

Mr. Tse Chi Hung, Michael

Executive Directors:

Ms. Yeung Shuk Kwan, Patricia

Mr. George Joseph Ho

Mr. Joey Fan

Non-Executive Directors:

Mr. George Ho, GBS, OBE, JP

Mr. Leung Kwok Kit, FCPA, CPA (Aust)

Independent Non-Executive Directors:

Mr. Fu Hau Chak, Adrian

Mr. Kwok Chi Hang, Lester, JP

Mr. Li Kwok Sing, Aubrey

Committees:

Audit Committee:

Mr. Fu Hau Chak, Adrian

Mr. Leung Kwok Kit, FCPA, CPA (Aust)

Mr. Li Kwok Sing, Aubrey

Remuneration Committee:

Mr. Fu Hau Chak, Adrian

Mr. Leung Kwok Kit, FCPA, CPA (Aust)

Mr. Li Kwok Sing, Aubrey

Company Secretary:

Ms. Yeung Shuk Kwan, Patricia

Authorized Representatives:

Mr. Tse Chi Hung, Michael

Ms. Yeung Shuk Kwan, Patricia

Registered Office:

Clarendon House,

2 Church Street,

Hamilton HM11,

Bermuda.

Principal Place of Business:

2nd Floor,

Jade Mansion,

40 Waterloo Road,

Yaumatei, Kowloon,

Hong Kong.

Auditors:

PricewaterhouseCoopers

Registrars:

Computershare Hong Kong Investor

Services Limited

18th Floor,

Hopewell Centre,

183 Queen's Road East,

Hong Kong.

Solicitors:

Stephenson Harwood and Lo

Homepage:

www.hkabc.com

**HIGHLIGHTS OF UNAUDITED RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007**

	2007	2006	Percentage
	<i>HK\$</i>	(As restated)	change
		<i>HK\$</i>	
Revenue	70,896,073	29,620,120	+139.35%
Operating profit	3,820,371	4,476,926	-14.67%
Profit attributable to equity holders	3,258,050	4,040,425	-19.36%
Profit per share	0.70 cents	0.87 cents	-19.54%

ABC COMMUNICATIONS (HOLDINGS) LIMITED

The Directors are pleased to present the Group's condensed consolidated interim financial information for the six months ended 30 September 2007. The condensed consolidated interim balance sheet, condensed consolidated interim income statement, condensed consolidated interim statement of changes in equity and condensed consolidated interim cash flow statement for the six months ended 30 September 2007, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 3 to 18 of this report.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

		Unaudited	Audited
		30 September 2007	31 March 2007
	<i>Note</i>	HK\$	HK\$
ASSETS			
Non-current assets			
Land use rights		16,477,256	16,766,631
Property, plant and equipment	5	4,235,278	2,552,065
Investment property		19,500,000	19,500,000
Available-for-sale financial assets		180,661,347	197,677,575
Long-term pledged deposits		52,968,960	52,511,340
Long-term deposits		1,844,288	2,634,581
		<hr/>	<hr/>
Total non-current assets		275,687,129	291,642,192
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current assets			
Trade receivables	6	15,532,535	13,831,572
Other receivables, deposits and prepayments		9,459,765	7,596,316
Pledged deposits		51,265,280	50,174,040
Short-term deposits		34,036,156	–
Cash at banks and in hand		27,431,156	57,028,051
		<hr/>	<hr/>
Total current assets		137,724,892	128,629,979
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total assets		413,412,021	420,272,171
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CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (continued)

		Unaudited 30 September 2007 HK\$	Audited 31 March 2007 HK\$
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	7	46,688,600	46,688,600
Reserves		257,414,321	271,464,998
Total equity		304,102,921	318,153,598
LIABILITIES			
Non-current liability			
Bank borrowings, secured	8	50,746,339	50,190,764
Deferred income tax liabilities		1,039,826	1,030,872
		51,786,165	51,221,636
Current liabilities			
Advance subscriptions and licence fees received		3,173,195	2,564,310
Customer deposits		487,500	508,500
Bank borrowings, secured	8	39,247,087	38,817,407
Trade and other payables	9	14,615,153	9,006,720
Total current liabilities		57,522,935	50,896,937
Total liabilities		109,309,100	102,118,573
Total equity and liabilities		413,412,021	420,272,171
Net current assets		80,201,957	77,733,042
Total assets less current liabilities		355,889,086	369,375,234

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited	
		Six months ended 30 September	
		2007	2006
			(As restated)
			(Note 10)
	<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
Revenue	4	70,896,073	29,620,120
Cost of sales		(63,518,929)	(23,435,863)
Gross profit		7,377,144	6,184,257
Other income		7,756,829	6,464,753
Other (losses)/gains – net	10	(1,146,408)	787,660
Operating expenses		(10,167,194)	(8,959,744)
Operating profit	4, 10	3,820,371	4,476,926
Finance costs		(553,367)	(436,501)
Profit before income tax		3,267,004	4,040,425
Income tax expense	11	(8,954)	–
Profit for the six months		<u>3,258,050</u>	<u>4,040,425</u>
Attributable to:			
– Equity holders of the Company		3,258,050	4,040,425
– Minority interest		–	–
		<u>3,258,050</u>	<u>4,040,425</u>
Earnings per share for profit attributable to the Company's equity holders			
– basic	12	<u>0.70 cents</u>	<u>0.87 cents</u>
– diluted		<u>0.70 cents</u>	<u>0.87 cents</u>
Dividends	13	<u>9,337,720</u>	<u>4,668,860</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited			
	Attributable to the Company's equity holders			
	Share capital	Reserves	Retained Earnings	Total equity
Note	HK\$	HK\$	HK\$	HK\$
Balance at 1 April 2006	46,688,600	201,903,279	69,579,567	318,171,446
Fair value losses on available-for-sale financial assets, as previously reported	–	(14,020,130)	–	(14,020,130)
Adjustment on exchange difference of available-for-sale financial assets charged to reserve	10	1,118,918	–	1,118,918
Net expense recognised directly in equity, as restated	–	(12,901,212)	–	(12,901,212)
Profit for the six months, as previously reported	–	–	5,159,343	5,159,343
Adjustment on exchange difference of available-for-sale financial assets charged to reserve	10	–	(1,118,918)	(1,118,918)
Total recognised (expense)/income for the six months ended 30 September 2006, as restated	–	(12,901,212)	4,040,425	(8,860,787)
Dividends relating to 2005 paid in August 2006	13	–	(18,675,440)	(18,675,440)
Balance at 30 September 2006, as restated	46,688,600	189,002,067	54,944,552	290,635,219
Balance at 1 April 2007	46,688,600	204,658,621	66,806,377	318,153,598
Fair value losses on available-for-sale financial assets	–	(17,016,227)	–	(17,016,227)
Deregistration of a subsidiary	–	–	(292,500)	(292,500)
Net expense recognised directly in equity	–	(17,016,227)	(292,500)	(17,308,727)
Profit for the six months	–	–	3,258,050	3,258,050
Total recognised (expense)/income for the six months ended 30 September 2007	–	(17,016,227)	2,965,550	(14,050,677)
Balance at 30 September 2007	46,688,600	187,642,394	69,771,927	304,102,921

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	<i>Note</i>	Unaudited	
		Six months ended 30 September	
		2007	2006
		HK\$	HK\$
Cash flows from operating activities			
Cash generated from/(used in) operating activities		3,156,426	(480,621)
Interest paid		(636,551)	(274,329)
Net cash generated from/(used in) operating activities		2,519,875	(754,950)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(2,149,181)	(393,534)
Purchase of available-for-sale financial assets		–	(17,480,361)
Proceeds from sale of plant and equipment		4,500	–
Net cash used in deregistration of a subsidiary		–	(1,630)
Dividends received from available-for-sale financial assets		2,941,435	1,507,509
Interest received		2,751,474	3,768,068
Other investing cash flow – net		(34,794,723)	(11,042,689)
Cash flows from investing activities – net		(31,246,495)	(23,642,637)
Cash flows from financing activities			
New bank borrowing	8	–	17,480,361
Dividends paid	13	–	(18,675,440)
Cash flows from financing activities – net		–	(1,195,079)
Net decrease in cash at banks and in hand		(28,726,620)	(25,592,666)
Cash at banks and in hand at start of period		57,028,051	91,151,138
Exchange (losses)/gains		(870,275)	514,516
Cash at banks and in hand		27,431,156	66,072,988

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

ABC Communications (Holdings) Limited (“the Company”) is an investment holding company. Its subsidiaries (together, “the Group”) are principally engaged in providing financial information services, wireless applications development, securities trading system licensing, property and investment holding.

The Company is incorporated in Bermuda with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The immediate holding company and ultimate holding company is H.C.B.C. Enterprises (BVI) Limited, a company incorporated in the British Virgin Islands.

This condensed consolidated interim financial information is presented in Hong Kong Dollars (“HK\$”), unless otherwise stated.

This condensed consolidated interim financial information was approved for issue on 13 December 2007.

2 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2007 has been prepared in accordance with HKAS 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 March 2007.

3 Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2007, as described in the annual financial statements for the year ended 31 March 2007 with the addition of the following new standards, amendments and interpretations to existing standards which are relevant to the Group’s operation and are mandatory for the financial year ended 31 March 2008.

HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 Group and Treasury Share Transactions

The adoption of the above standards, amendments and interpretations to existing standards did not result in substantial change to the Group’s results of operations and financial position.

3 Accounting policies (continued)

The Group has not early adopted the following new standards or interpretations to existing standards that have been issued but are not yet effective for financial year ended 31 March 2008:

HKFRS 8	Operating Segments
HK(IFRIC)-Int 12	Service Concession Arrangement

The Group is in the process of making an assessment of the impacts of these new standards or interpretations to existing standards and it is not yet in a position to state what impact all these new standards or interpretations to existing standards would have on its results and financial position.

4 Segment information

Primary reporting format – business segments

At 30 September 2007, the Group is organised on a worldwide basis into the three main business segments:

- Financial quotation and securities trading system licensing
- Wireless applications
- Corporate activities and investment holdings – holding of corporate assets and liabilities

Turnover consists of financial quotation subscription fee, sale from securities trading system licensing and wireless applications.

The segment results for the six months ended 30 September 2007 are as follows:

Business segments	Financial quotation and securities trading system licensing HK\$ (Unaudited)	Wireless applications HK\$ (Unaudited)	Corporate activities and investment holdings HK\$ (Unaudited)	Total HK\$ (Unaudited)
Turnover	<u>70,706,609</u>	<u>189,464</u>	<u>–</u>	<u>70,896,073</u>
Operating profit/(loss)	<u>2,113,767</u>	<u>(751,800)</u>	<u>2,458,404</u>	<u>3,820,371</u>
Finance costs				<u>(553,367)</u>
Profit before income tax				<u>3,267,004</u>
Income tax expense				<u>(8,954)</u>
Profit for the period				<u><u>3,258,050</u></u>

4 Segment information (continued)

Primary reporting format – business segments (continued)

The segment results for the six months ended 30 September 2006 are as follows:

Business segments	Financial quotation and securities trading system licensing HK\$ (Unaudited)	Wireless applications HK\$ (Unaudited)	Corporate activities and investment holdings HK\$ (Unaudited)	Total HK\$ (Unaudited)
Turnover	29,476,826	143,294	–	29,620,120
Operating profit/(loss), as previously stated	1,066,116	(838,093)	5,367,821	5,595,844
Adjustment on exchange difference on available-for-sale financial assets charged to reserve (Note 10)	–	–	(1,118,918)	(1,118,918)
Operating profit/(loss), as restated	1,066,116	(838,093)	4,248,903	4,476,926
Finance costs				(436,501)
Profit before income tax, as restated				4,040,425
Income tax expense				–
Profit for the period, as restated				<u>4,040,425</u>

Other segment terms included in the consolidated income statement are as follows:

	Six months ended 30 September 2007 (Unaudited)				Six months ended 30 September 2006 (Unaudited)			
	Financial quotation and securities trading system licensing HK\$	Wireless applications HK\$	Corporate activities and investment holdings HK\$	Total HK\$	Financial quotation and securities trading system licensing HK\$	Wireless applications HK\$	Corporate activities and investment holdings HK\$	Total HK\$
Depreciation	428,612	7,848	29,508	465,968	347,957	9,471	32,532	389,960
Amortisation of land use rights	–	–	289,375	289,375	–	–	84,333	84,333

4 Segment information (continued)

Primary reporting format – business segments (continued)

The segment assets and liabilities at 30 September 2007 and capital expenditure for the six months ended 30 September 2007 are as follows:

	Financial quotation and securities trading system licensing HK\$	Wireless applications HK\$	Corporate activities and investment holdings HK\$	Total HK\$
Assets (Unaudited)	<u>21,854,430</u>	<u>295,134</u>	<u>391,262,457</u>	<u>413,412,021</u>
Liabilities (Unaudited)	<u>16,839,046</u>	<u>245,227</u>	<u>92,224,827</u>	<u>109,309,100</u>
Capital expenditure (Unaudited)	<u>2,132,331</u>	<u>–</u>	<u>16,850</u>	<u>2,149,181</u>

The segment assets and liabilities at 31 March 2007 and capital expenditure for the six months ended 30 September 2006 are as follows:

	Financial quotation and securities trading system licensing HK\$	Wireless applications HK\$	Corporate activities and investment holdings HK\$	Total HK\$
Assets	<u>15,196,174</u>	<u>504,113</u>	<u>404,571,884</u>	<u>420,272,171</u>
Liabilities	<u>12,271,633</u>	<u>125,290</u>	<u>89,721,650</u>	<u>102,118,573</u>
Capital expenditure	<u>363,554</u>	<u>23,741</u>	<u>6,239</u>	<u>393,534</u>

Segment assets consist of property, plant and equipment, investment property, land use rights, available-for-sale financial assets, trade receivables and other receivables, other non-financial assets and operating cash.

Segment liabilities comprise operating liabilities (trade payables and other payables and other non-current liabilities).

Capital expenditure comprises additions to equipment.

4 Segment information (continued)

Secondary reporting format – geographical segments

Although the Group's three business segments are managed on a worldwide basis, they operate in the following main geographical areas:

Hong Kong : Financial quotation, securities trading system licensing, wireless applications, and corporate activities and investment holdings

Asia : Investment holdings

Canada and United States : Investment holdings

Turnover

Turnover is allocated based on the places/countries in which customers are located. All turnover of the Group was generated in Hong Kong.

Total assets

	As at	
	30 September 2007 HK\$ (Unaudited)	31 March 2007 HK\$ (Audited)
Hong Kong	233,483,178	223,279,980
Asia		
– Japan	151,855,947	168,919,295
– Others	896	896
Canada and United States	28,072,000	28,072,000
	<u>413,412,021</u>	<u>420,272,171</u>

Total assets are allocated based on where the assets are located.

Capital expenditure

	Six months ended 30 September	
	2007 HK\$ (Unaudited)	2006 HK\$ (Unaudited)
Hong Kong	<u>2,149,181</u>	<u>393,534</u>

Capital expenditure is allocated based on where the assets are located.

5 Capital expenditure

During the six-month period, the Group acquired some new computer equipment.

	Property, plant and equipment (Unaudited) <i>HK\$</i>
Six months ended 30 September 2006	
Opening net book amount 1 April 2006	2,603,471
Additions	393,534
Depreciation	(389,960)
	<hr/>
Closing net book amount 30 September 2006	2,607,045
	<hr/> <hr/>
Six months ended 30 September 2007	
Opening net book amount 1 April 2007	2,552,065
Additions	2,149,181
Depreciation	(465,968)
	<hr/>
Closing net book amount 30 September 2007	4,235,278
	<hr/> <hr/>

6 Trade receivables

At 30 September and 31 March 2007, the ageing analysis of the trade receivables were as follows:

	30 September 2007	As at
	<i>HK\$</i>	31 March 2007
	(Unaudited)	<i>HK\$</i>
		(Audited)
0 – 3 months	14,816,819	13,285,234
4 – 6 months	715,716	546,338
	<u>15,532,535</u>	<u>13,831,572</u>

7 Share capital

	30 September 2007	As at
	<i>HK\$</i>	31 March 2007
	(Unaudited)	<i>HK\$</i>
		(Audited)
Authorised:		
600,000,000 ordinary shares of HK\$0.1 each	<u>60,000,000</u>	<u>60,000,000</u>
Issued and fully paid:		
466,886,000 (2007: 466,886,000) ordinary shares of HK\$0.1 each	<u>46,688,600</u>	<u>46,688,600</u>

No share option had been granted, exercised, cancelled or lapsed during the six months ended 30 September 2007. The outstanding number of options as at 30 September 2007 are 2,500,000 (31 March 2007: 2,500,000) with exercise price HK\$1.41 per share (31 March 2007: HK\$1.41 per share). Details have been disclosed at Directors' interest in the interim report.

8 Bank borrowings

	30 September 2007 <i>HK\$</i> (Unaudited)	As at 31 March 2007 <i>HK\$</i> (Audited)
Non-current		
Bank borrowings (<i>Note (a)</i>)	50,746,339	50,190,764
Current		
Bank borrowings	39,247,087	38,817,407
	<u>89,993,426</u>	<u>89,008,171</u>

- (a) The bank borrowings will mature on 22 December 2008 and 29 May 2009.

The bank borrowings are secured by fixed deposits placed with the banks. The carrying amounts of the bank borrowings approximate their fair value. The carrying amounts of the borrowings are denominated in Japanese Yen.

Movements in bank borrowings are analysed as follows:

	<i>HK\$</i> (Unaudited)
Six months ended 30 September 2006	
Opening amount as at 1 April 2006	71,178,983
Additions	17,480,361
Exchange difference	<u>201,374</u>
Closing amount as at 30 September 2006	<u>88,860,718</u>
	<i>HK\$</i> (Unaudited)
Six months ended 30 September 2007	
Opening amount as at 1 April 2007	89,008,171
Exchange difference	<u>985,255</u>
Closing amount as at 30 September 2007	<u>89,993,426</u>

9 Trade and other payables

	30 September 2007	As at 31 March 2007
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Audited)
Trade payables	12,022,005	7,453,100
Other payables	2,593,148	1,553,620
	<u>14,615,153</u>	<u>9,006,720</u>

At 30 September and 31 March 2007, the ageing analysis of the trade payables were as follows:

	30 September 2007	As at 31 March 2007
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Audited)
0 – 3 months	12,022,005	7,438,100
4 – 6 months	<u>–</u>	<u>15,000</u>
	<u>12,022,005</u>	<u>7,453,100</u>

10 Operating profit

The following items have been credited/(charged) to the operating profit during the interim period:

	Six months ended 30 September	
	2007	2006
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	4,500	–
Unrealised exchange gains/(losses) on available-for-sale financial assets (<i>Notes</i>)	–	–
Exchange differences	(1,855,530)	313,144
Gains/(losses) on deregistration of a subsidiary	292,500	(1,630)
Interest income	4,064,811	4,267,244
Rental income from investment property	756,111	690,000
Dividend income from available-for-sale financial assets	<u>2,941,435</u>	<u>1,507,509</u>

10 Operating profit (continued)

Notes:

Certain foreign currency denominated available-for-sale financial assets of the Group were classified as monetary securities in prior years, for which, the translation differences were recognised in the income statement in accordance with the Group's accounting policies.

In the year ended 31 March 2007, the Group has reassessed the foreign currency denominated available-for-sale financial assets with reference to HKAS 39 "Financial Instruments: Recognition and Measurement" and considered the available-for-sale financial assets should be accounted for as equity securities (i.e. non-monetary financial assets). Accordingly, the unrealised translation differences should be taken on the investment revaluation reserve in equity.

The financial statements of the six months ended 30 September 2006 have been restated to reflect this reassessment in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The effect of the restatement on those financial statements is summarised below:

	<i>HK\$</i>
Decrease in other gains – net, for the period ended 30 September 2006	1,118,918
Increase in investment revaluation reserve, as at 30 September 2006	1,118,918

11 Income taxes expenses

Hong Kong profits tax has not been provided as the Group has no estimated assessable profit for the period (2006: Nil).

	Six months ended 30 September	
	2007	2006
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)
Current income tax	–	–
Deferred income tax	<u>8,945</u>	–
	<u>8,945</u>	<u>–</u>

12 Earnings per share

Earnings per share attributable to equity holders of the company arises from operations as follows:

	Six months ended 30 September (HK cents per share)	
	2007	2006
	(Unaudited)	(As restated) (Unaudited)
Earnings per share for profit attributable to the equity holders of the company (expressed in HK cents per share)		
– basic	0.70	0.87
– diluted	0.70	0.87

13 Dividends

	Six months ended 30 September	
	2007	2006
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Interim dividend, of HK2 cents (2006: HK1 cent) Per ordinary share	<u>9,337,720</u>	<u>4,668,860</u>

- (a) At a meeting held on 13 December 2007, the directors declared an interim dividend of HK2 cents per ordinary share for the year ending 31 March 2008. This dividend is not reflected as a dividend payable in these condensed interim financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2008.

14 Related-party transactions

Key management compensation amounted to HK\$2,136,420 for the six months ended 30 September 2007 (HK\$2,111,000 for the six months ended 30 September 2006), is set out below.

	Six months ended 30 September	
	2007	2006
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Salaries and other short-term benefits	<u>2,136,420</u>	<u>2,111,000</u>

15 Events occurring after the balance sheet date

A dividend of HK2 cents per share amounting to an aggregate of HK\$9,337,720 was declared on 13 December 2007 by the Board of Directors. This interim financial report does not reflect this dividend payable, which will be recognised in shareholders' equity as an appropriation of retained earnings in the year ended 31 March 2008.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK¢2 per ordinary share (2006: HK¢1) for the fiscal year ending 31 March 2008 payable to shareholders whose names appear in the Register of Members at the close of business on 10 January 2008. Dividend warrants will be posted to shareholders on 15 January 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from **7 January 2008 (Monday) to 10 January 2008 (Thursday)**, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 pm on **4 January 2008 (Friday)**.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Fuelled by the buoyant stock market in the first six months of our fiscal year, QuotePower, our principal operating subsidiary in financial quotation services, reported a significant growth in revenue. Turnover of the Group as a result soared to HK\$70.9 million, an increase of 139.35% over that of the comparable period in the previous year.

Our net income for the six months, however, took a hit from an unrealized exchange loss of HK\$1.86 million and a one-off charge amounting to HK\$1.25 million over the failed privatization exercise of the Group earlier this year. Our net profit of HK\$3.26 million for the first six months of the fiscal year represents a drop of 19.36% as compared to the restated profit of HK\$4.04 million for the previous comparable period.

Outlook

The Wireless Internet Fund in which we hold 1.897% made a small cash distribution of HK\$1.78 million to our Group during the period under review, following an investment disposal gain being realised by the Fund. Recent developments of the Fund's investee companies would suggest a modest return for us over this investment in the next few years.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Outlook (continued)

eAccess, a Japanese broadband operator in which we have a 1.28% stake, continues to make steady progress in customer acquisitions and its financial results continue to outperform budgetary projections. However, due to the lackluster Japanese stock markets, the market value of our eAccess holdings has declined by approximately HK\$17 million as at 30 September 2007 as compared to our last fiscal year-end. This effect has been reflected in our balance sheet which as a result shows our net asset value per share has dropped slightly from HK\$0.68 as at 31 March 2007 to HK\$0.65 as at 30 September 2007. Notwithstanding its current depressed share price, we believe eAccess' business plan remains sound and we maintain our cautiously optimistic outlook on this investment.

eMobile, a Japanese mobile company in which we hold 0.47%, launched its mobile data service in late March this year. By August, the company has acquired 100,000 subscribers, a milestone achieved one month ahead of schedule. While this company may remain loss-making for some time yet, eMobile has managed to be on track in its business development, and we are very positive as to its future prospects.

LIQUIDITY, CAPITAL STRUCTURE AND TREASURY MANAGEMENT

As at 30 September 2007, our Group had cash and bank balances of HK\$167.55 million of which HK\$104.23 million had been pledged to secure Japanese Yen borrowings equivalent to approximately HK\$89.99 million (translated at the then prevailing exchange rate) at the end of the period under review. All bank borrowings are denominated in Japanese Yen, with defined repayable terms and bear interests at prevailing market rates.

	30 September 2007 (Unaudited)		31 March 2007 (Audited)	
	HK\$	%	HK\$	%
Bank borrowings	89,993,426	23	89,008,171	22
Total equity	304,102,921	77	318,153,598	78
Total capital employed	394,096,347	100	407,161,769	100

PLEDGE OF ASSETS

As at 30 September 2007, time deposits of HK\$104.23 million were pledged to secure general banking facilities granted to the Group.

CAPITAL COMMITMENTS

As at 30 September 2007, the Group had an outstanding funding commitment of up to HK\$1.76 million to a Wireless Internet Fund.

CONTINGENT LIABILITIES

As at 30 September 2007, the Group had no material contingent liabilities.

EMPLOYEE REMUNERATION POLICY

As at 30 September 2007, the Group had 40 employees. Total salaries and related costs incurred for the period under review amounted to HK\$6.37 million. Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits include provident funds and medical schemes. The Company may also grant share options to eligible employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the period and the Company has not redeemed any of its securities during the period.

DIRECTORS' INTERESTS

At 30 September 2007, the interests of the directors in the shares and options of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (SFO)), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company were as follows:

Name	Number of Ordinary Shares				Percentage
	Personal interests	Corporate interests	Family interests	Total interests	
		<i>(Note (i))</i>			
Mr. George Ho	7,530,000	265,331,600	–	272,861,600	58.44%
Mr. Michael Tse Chi Hung	8,868,006	–	–	8,868,006	1.90%
Ms. Patricia Yeung Shuk Kwan	6,450,400	–	–	6,450,400	1.38%
Mr. George Joseph Ho	3,500,000	–	–	3,500,000	0.75%
Mr. Leung Kwok Kit	906,600	–	–	906,600	0.19%
Mr. Li Kwok Sing Aubrey	186,000	–	–	186,000	0.04%

Rights in respect of which options are held/exercisable under the Company's Employee Share Option Scheme:

Name of Director	Outstanding Options	Exercise Price	Exercise Period
Ms. Patricia Yeung Shuk Kwan	1,000,000	\$1.41	23 March 2000 to 22 February 2010
	1,000,000	\$1.41	23 February 2001 to 22 February 2010
Mr. George Joseph Ho	250,000	\$1.41	23 March 2000 to 22 February 2010
	250,000	\$1.41	23 February 2001 to 22 February 2010

Note:

- (i) H.C.B.C. Communications (International) Limited and its parent, H.C.B.C. Enterprises Limited, together held 265,331,600 shares of the Company, Mr. George Ho is deemed to have interests in the voting shares of H.C.B.C. Communications (International) Limited and H.C.B.C. Enterprises Limited as a result of his holdings in H.C.B.C. Enterprises (BVI) Limited, the ultimate holding company of H.C.B.C. Enterprises Limited.

DIRECTORS' INTERESTS (continued)

As at 30 September 2007, the directors' interests in associated corporations of the Company (within the meaning of the SFO) were as follows:

- (a) Mr. George Ho held 18,112 non-voting "B" shares in H.C.B.C. Communications (International) Limited. H.C.B.C. Enterprises Limited held all the issued 312,000 "A" voting shares and 12,488 non-voting "B" shares in H.C.B.C. Communications (International) Limited.
- (b) Mr. George Ho was beneficially interested in 115,000 Management Shares and 790,600 Ordinary Shares, in H.C.B.C. Enterprises (BVI) Limited. Mr. George Ho was beneficially interested in 16.67% in the issued share capital of Goddard & Company Limited. Goddard & Company Limited held 938,250 Ordinary Shares of H.C.B.C. Enterprises (BVI) Limited. H.C.B.C. Enterprises (BVI) Limited held all the issued share capital of H.C.B.C. Enterprises Limited.
- (c) Those directors set out below were personally interested in the following numbers of non-voting Deferred Shares in the capital of ABC Communications Limited, a subsidiary of the Company:

Name	Number of Deferred Shares
Mr. George Ho	10,605(i)
Mr. Michael Tse Chi Hung	11,642
Ms. Patricia Yeung Shuk Kwan	4,000
Mr. Leung Kwok Kit	5,900

Note:

- (i) Mr. George Ho also held corporate interests through H.C.B.C. Enterprises Limited in 190,690 non-voting Deferred Shares in the capital of ABC Communications Limited.

All the interests stated above represent long positions. Save as disclosed in the above paragraphs, as at 30 September 2007 none of the directors or any chief executive of the Company or any of their spouse or children under the age of 18 years had any (nor was deemed under the SFO to have any) interests or short positions in the securities of the Company or any associated corporation (within the meaning of the SFO) which were required to be entered in the register kept by the Company pursuant to the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 30 September 2007, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests, being 5 per cent or more of the Company's issued share capital.

Name	Number of Ordinary Shares held	Percentage
H.C.B.C. Enterprises (BVI) Limited	265,331,600	56.83%

Note: For the avoidance of doubt and double counting, it should be noted that the above shareholding has been included in the shareholding stated against Mr. George Ho shown under Directors' interests.

All the interests stated above represent long positions. Save as disclosed herein, there is no person known to the directors who, as at 30 September 2007, was directly or indirectly interested in 5% or more of the nominal value of any class of share capital of the Company required to be recorded in the register kept pursuant to Section 336 of the SFO.

COMPLIANCE WITH CODE PROVISIONS OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

Non-executive directors of the Company are not appointed for a specific term as per Code A.4.1 of the Code on Corporate Governance set out in appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong Limited, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. Apart from the above, the Company has complied with the Code Provisions of the Code on Corporate Governance Practices during the period.

The Company has adopted the Model Code for Directors' Securities Transactions set out in Appendix 10 of the Listing Rules. All Directors have confirmed that they fully complied with the Model Code during the period under review.

AUDIT COMMITTEE

The Group's unaudited accounts for the period under review have been reviewed by the Audit Committee of the Company.

By Order of the Board
Patricia Yeung Shuk Kwan
Managing Director

Hong Kong, 13 December 2007