佳訊

ABC Communications (Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)

Annual Report 2007-2008

佳訊

Contents

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

AUTHORISED 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.

AUDITOR

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

Chairman's Statement

RESULTS

Our Group reported a net loss of HK$5.55 million or a loss of HK1.19 cents per share for the fiscal year ended 31 March 2008, as compared to a net profit of HK$7.62 million or HK1.63 cents per share for the previous year.

FINAL DIVIDEND

The Directors do not recommend a final dividend for the fiscal year ended 31 March 2008.

An interim dividend of HK2 cents per ordinary share has been paid during the year. The aggregate dividend pay-out for the whole fiscal year will therefore amount to HK2 cents per ordinary share.

BUSINESS REVIEW AND PROSPECTS

Revenue of the Group amounted to HK$150.25 million for the fiscal year under review, representing an increase of 103.63% as compared to the previous year.

The Group made a profit of HK$11.58 million (before finance costs and tax) from our operating business as well as rental, interest and dividend income. However, largely due to the substantial appreciation of the Japanese Yen towards the close of our fiscal year, foreign exchange losses totaling HK$15.99 million were recorded for the year. These accounting losses were primarily attributable to the Japanese Yen loans we took out a few years ago to fund our investments in Japan and to minimize our currency exposure. The Group as a result showed a net loss of HK$5.55 million for the year under review. The appreciation of the Japanese Yen has meanwhile resulted in an exchange gain of HK$29.13 million over our Japanese investments. This gain is reflected in the investment revaluation reserve of our consolidated balance sheet without any impact on the consolidated income statement.

The financial results of QuotePower, the main revenue producer of the Group, will to a large extent depend on the performance of the stock market. Investor sentiment, however, is most likely to remain weak for quite a while in light of the turmoil of the global financial markets earlier this year. This may affect the short-term outlook of QuotePower and hence our Group. However, with its strong market position and customer base built up over the years, we are reasonably confident that QuotePower will be able to weather any serious threats of a market downturn. Meanwhile, the continued strengthening of Hong Kong as an international financial centre should present us with new growth prospects, which we believe QuotePower is well-placed to capture.

Tse Chi Hung, Michael
Chairman
Hong Kong, 13 June 2008

Management Discussion and Analysis

BUSINESS UNITS

During the fiscal year ended 31 March 2008, QuotePower, which provides stock quotation services, showed a remarkable growth of over 100% as compared to the preceding year and recorded a turnover of HK$149.75 million and a net profit of HK$4.67 million. Despite a slow-down in growth in the last few months of the fiscal year, in the wake of a decline in the daily trading volume of the Hong Kong stock market, we remain reasonably confident that QuotePower should be able to exploit new growth prospects going forward as Hong Kong continues to strengthen its position as an international financial centre.

ABC QuickSilver's sales remained erratic due to the long selling cycle of the wireless solutions it develops for wireless carriers. A moderate operating loss of HK$1 million was recorded over this business unit during the year.

TELECOMMUNICATIONS INVESTMENTS

As at 31 March 2008, the market value of our eAccess holdings stood at approximately HK$89 million, as compared to HK$97 million for the previous year. Subsequent to the year-end, we sold a small holding of 729 shares (about 3.9% of our stake) in eAccess, and recorded a net profit of approximately HK$2.4 million. Our remaining holdings in eAccess have as a result been reduced to 1.23% of the company.

eMobile, a cellular operator in Japan in which eAccess has a controlling stake, started its voice services in March 2008. As the company continued to expand its coverage and had to market aggressively to acquire customers in the fiscal year ended 31 March 2008, its losses have widened considerably as compared to the previous year. Our investment in eMobile has been revalued to HK$65.79 million at our balance sheet date as per the valuation undertaken by an independent valuer. This valuation represents a slight drop of 9% from that at our last balance sheet date, and the fair value change has been reflected in our consolidated balance sheet as at 31 March 2008.

ARGO II, the wireless internet Fund in which we hold 1.897%, is beginning to harvest from its investments. One of the investees, OnMobile, was successfully floated on the Mumbai Stock Exchange in February 2008, and its shares have since continued to perform well. During the year, the Fund also made some disposals, as a result of which a distribution of HK$1.78 million was made to our Group in the period under review. Two distributions of approximately HK$2.4 million and HK$1.47 million were also received in April and May respectively subsequent to the year-end. The book value of our investment in the Fund has been revised to HK$29.75 million as at 31 March 2008, a rise of 5.99% as compared to the preceding year.

LIQUIDITY, CAPITAL STRUCTURE AND TREASURY MANAGEMENT

In the year under review, the Group maintains a conservative approach to cash management and risk controls. To achieve better risk controls and efficient fund management, the Group's treasury activities are centralized. More than 90% of our receipts and payments are in Hong Kong dollars. Cash and bank balances are placed in deposits denominated in either Hong Kong or United States dollars. As at 31 March 2008, the Group had cash and cash equivalents and pledged deposits of approximately HK$59.74 million and HK$120.27 million respectively. The pledged deposits were to secure Japanese Yen loans equivalent to approximately HK$104.41 million (translated at the then prevailing exchange rate) at the end of the fiscal year. All bank loans are denominated in Japanese Yen and bear interest at prevailing market rates. The Japanese Yen loans were taken out to minimize the currency exposure risks of our Japanese investments and to take advantage of the interest rate differential between our US dollar deposits and the Japanese Yen loans.

	31 March 2008		31 March 2007	
	HK$	**%**	HK$	%
Bank loans	**104,410,337**	**26**	89,008,171	22
Total equity	**290,853,810**	**74**	318,153,598	78
Total capital employed	**395,264,147**	**100**	407,161,769	100

PLEDGE OF ASSETS

As at 31 March 2008, time deposits amounting to HK$120.27 million were pledged to secure Japanese Yen loans of HK$104.41 million granted to the Group.

CAPITAL COMMITMENTS

As at 31 March 2008, the Group had an outstanding funding commitment of up to HK$1.77 million to a Wireless Internet Fund.

CONTINGENT LIABILITIES

As at 31 March 2008, the Group had no material contingent liabilities.

EMPLOYEE REMUNERATION POLICY

As at 31 March 2008, the Group had 41 employees. Total salaries, commissions, incentives and all other staff related costs incurred for the year ended 31 March 2008 amounted to approximately HK$13.16 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 included provident funds, life insurance and medical assistances benefits. The company may also grant share options to eligible employees to motivate their performance and contribution to the Group and details are described in the Directors' Report.

Directors' Report

The directors are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are shown in note 9 to the consolidated financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

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

The directors have declared an interim dividend of HK2 cents per ordinary share, totaling HK$9,337,720, which was paid on 15 January 2008.

The directors do not recommend the payment of a final dividend.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 18 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 7 to the consolidated financial statements.

SHARE CAPITAL

Details of share capital of the Company are set out in note 17 to the consolidated financial statements.

RESERVES

Reserves of the Company are set out in note 18 to the consolidated financial statements.

Directors' Report

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 82.

DIRECTORS

The directors during the year were:

Mr. Joey Fan
Mr. Fu Hau Chak, Adrian
Mr. George Ho
Mr. George Joseph Ho
Mr. Kwok Chi Hang, Lester
Mr. Leung Kwok Kit
Mr. Li Kwok Sing, Aubrey
Mr. Tse Chi Hung, Michael
Ms. Yeung Shuk Kwan, Patricia

In accordance with the Company's Bye-laws 103 and 104, Messrs. Joey Fan, Fu Hau Chak, Adrian and Kwok Chi Hang, Lester retire by rotation at the forthcoming Annual General Meeting (Notice of which will be despatched in due course) and, being eligible, offer themselves for re-election (subject to developments as outlined below). None of the directors proposed for re-election has a service contract with the Company or its subsidiaries which is not determinable by the Company or its subsidiaries within a year without payment of compensation other than statutory compensation.

Subsequent to the year-end, the Board received a proposal from an Offeror of a possible change of ownership of the Company and a possible general offer. If this ownership change is completed, all existing Directors will resign from their office with effect from the earliest time permitted under the Takeovers Code. New Directors will be nominated by the Offeror and an announcement in this connection will be made in due course.

BIOGRAPHICAL INFORMATION ON DIRECTORS

(a) Non-executive directors

Mr. Tse Chi Hung, Michael, aged 75, is currently Chairman of the Group. He has been a director of ABC Communications Limited since 1971 and Managing Director of the Group from October 1984 to September 1998. Mr. Tse is a non-executive director of Hong Kong Commercial Broadcasting Company, Limited and H.C.B.C. Enterprises Limited which has discloseable interests under the provisions of Part XV of the Securities and Futures Ordinance in the Company (please refer to the paragraph headed "Substantial shareholders' interests in the Company" below for details).

Mr. George Ho, GBS, OBE, JP, aged 89, is the founder of the Group. Mr. Ho is the Honorary Chairman of Hong Kong Commercial Broadcasting Company, Limited and Chairman of H.C.B.C. Enterprises Limited. He has decades of experience in the broadcasting and telecommunications fields. Mr. Ho is the father of Mr. George Joseph Ho, an executive director of the Company.

Mr. Leung Kwok Kit, aged 62, joined ABC Communications Limited in 1977. He is currently a non-executive director of the Group and a member of the Audit Committee and Remuneration Committee. He is also a non-executive director of Hong Kong Commercial Broadcasting Company, Limited and of H.C.B.C. Enterprises Limited. He is a fellow of the Hong Kong Institute of Certified Public Accountants and an associate of The Australian Society of Certified Practicing Accountants.

(b) Independent non-executive directors

Mr. Fu Hau Chak, Adrian, aged 60, has been an independent non-executive director of the Company since September 1991. Mr. Fu is also Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. He holds several executive positions on the boards of companies in Hong Kong and in South East Asia.

Mr. Kwok Chi Hang, Lester, JP, aged 58, an independent non-executive director of the Company since September 2004, is the Deputy Chairman and Managing Director of Wing On International Holdings Limited, the Deputy Chairman and Chief Executive Officer of Wing On Company International Limited, which is listed on The Stock Exchange of Hong Kong Limited. He is a Steward of the Hong Kong Jockey Club. He has served as a member of the Inland Revenue Board of Review, the Administrative Appeals Board, the Town Planning Appeal Board, the Securities and Futures Appeals Panel of the Securities and Futures Commission and the Consumer Council. He graduated from Stanford University with a Bachelor of Arts degree in economics and was later called to the Bar of England and Wales, and to the Hong Kong Bar. He practiced as a barrister-at-law until 1985 when he retired from the bar and joined the Wing On group of companies as an executive director.

BIOGRAPHICAL INFORMATION ON DIRECTORS (CONTINUED)

(b) *Independent non-executive directors (Continued)*

Mr. Li Kwok Sing, Aubrey, aged 58, an independent non-executive director of the Company since October 2003, is a member of the Audit Committee and Remuneration Committee. He is Chairman of MCL Partners Limited, a Hong Kong-based financial advisory and investment firm, and has over 30 years' experience in merchant banking and commercial banking. He is a non-executive director of The Bank of East Asia, Limited, Café de Coral Holdings Limited, China Everbright International Limited, CNPC (Hong Kong) Limited, Pokfulam Development Company Limited, Kowloon Development Co. Ltd., and previously was an independent non-executive director of Value Partners China Greenchip Fund Limited. He is non-executive Chairman of Atlantis Asian Recovery Fund plc. Mr Li has a Master of Business Administration from Columbia University and a Bachelor of Science in Civil Engineering from Brown University.

(c) *Executive directors*

Ms. Yeung Shuk Kwan, Patricia, aged 58, has been an executive director of the Group since March 1990 following thirteen years' association with ABC Communications Limited as a non-executive director. She is currently Managing Director of the Group and Company Secretary of the Company. She holds a Bachelor of Arts degree from the University of Hong Kong and is also a Chartered Secretary.

Mr. George Joseph Ho, aged 58, has been an executive director of the Group since October 1992. He holds a Bachelor of Arts degree from the University of California, Berkeley, a Master of Laws degree from New York University and a Doctoral degree in Jurisprudence from Harvard University. Mr. Ho is currently Chairman of Hong Kong Commercial Broadcasting Company Limited and Managing Director of H.C.B.C. Enterprises Limited. Mr. Ho is also a non-executive director of Dairy Farm International Holdings Ltd. Mr. Ho is the son of Mr. George Ho, a director of the Company.

Mr. Joey Fan, aged 43, an Executive Director of the Group since 30 September 2004, has been a director of a Group subsidiary since late 1999. He has over 20 years' industry experience in financial information technology, having held key positions at Reuters and Telerate. Mr. Fan holds a Master of Engineering degree from Cornell University.

BIOGRAPHICAL INFORMATION ON MANAGEMENT TEAM

Mr. Tang Siu Ling, aged 46, is the General Manager of QuotePower International Limited ("QuotePower"). Mr. Tang has over 22 years' experience in the financial services industry and joined QuotePower in February 2006. Prior to joining QuotePower, he had taken various sales, marketing and project management roles with major financial information and technology providers including Reuters, CSK Micrognosis, Dow Jones Telerate and IQ Financial Systems. Mr. Tang graduated from the Hong Kong Polytechnic University with a Higher Diploma in Marine Electronics and from the Southeastern University with a Master in Business Administration degree.

Mr. Joey K H Pong, aged 43, is the Chief Technology Officer of ABC QuickSilver Limited. He graduated from the University of Warwick with a Master of Science Degree in Information Technology and from the Chinese University of Hong Kong with a Master of Science Degree in Computer Science. Mr. Pong has over 17 years' experience in the information technology and telecommunications industry. His association with the Group spans over a decade, having held various key positions with other Group subsidiaries and with a business associate of the Group.

Ms. Ho Sze Ngar, aged 34, is the Finance and Administration Manager of the Group. She graduated from Hong Kong University of Science & Technology with a bachelor's degree (Honours) in Business Administration-Accounting. An associate of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants, Ms. Ho has over 12 years' experience in audit and finance. She joined the Group in April 2005 and is responsible for overseeing the accounting, finance and corporate functions of the Group.

SHARE OPTION SCHEMES

(a) Expired Scheme

Under the share option scheme of the Company adopted on 12 September 1991 (the "Expired Scheme"), the Directors may, at their discretion, invite full-time employees of the Group, including executive directors, to take up options to subscribe for shares in the Company at a price equal to the higher of the nominal value of the shares or not less than 80% of the average of the closing prices of the shares of the Company for the five trading days immediately preceding the date of offer of the option. The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company at the time of granting of the options.

The Expired Scheme expired on 11 September 2001 ("Expiration Date") without prejudice to the rights and benefits of and attached to those options granted there under which are outstanding as at that date. No further grants were made after the Expiration Date. Following the expiration, the provisions of the Expired Scheme remain in force and effect to the extent necessary to give effect to the exercise of any option granted prior to the Expiration Date.

As at 31 March 2008, the total number of shares which may be issued pursuant to exercise of options granted under the Expired Scheme was 2,500,000 shares, which represented approximately 0.5% of the total issued share capital of the Company as at 31 March 2008.

SHARE OPTION SCHEMES (CONTINUED)

(a) Expired Scheme (Continued)

Details of the share options outstanding at 31 March 2008 which have been granted to and accepted by the directors under the Expired Scheme are as follows:

Name of director	Date of share options granted	Outstanding options as at 31 March 2008	Exercise price HK$	Exercise period
Ms. Yeung Shuk Kwan, Patricia	23 February 2000	1,000,000	1.41	23 March 2000 to 22 February 2010
	23 February 2000	1,000,000	1.41	23 February 2001 to 22 February 2010
Mr. George Joseph Ho	23 February 2000	250,000	1.41	23 March 2000 to 22 February 2010
	23 February 2000	250,000	1.41	23 February 2001 to 22 February 2010
		2,500,000		

No options were exercised by the directors during the year.

SHARE OPTION SCHEMES (CONTINUED)

(b) *Existing Scheme*

Under the share options scheme (the "Existing Scheme") approved by the shareholders at a Special General Meeting of the Company held on 27 March 2002 ("Adoption Date"), the Directors may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares ("Shares") in the Company subject to the terms and conditions stipulated therein.

Details of the Existing Scheme are as follow:

(i) Purpose

The purpose of the Existing Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

(ii) Participants

The Directors may, at their discretion, invite any Participant including any executive director, non-executive director or employee (whether full time or part time), shareholder, supplier, customers, consultant, adviser, other service provider or any joint venture partner, business or strategic alliance partner, in each case, of the Company, any subsidiary of the Company or any Invested Entity, to take up options to subscribe for Shares in the Company.

(iii) Maximum number of shares

(1) 30% Limit

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Scheme and Expired Scheme of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

SHARE OPTION SCHEMES (CONTINUED)

(b) Existing Scheme (Continued)

(iii) Maximum number of shares (Continued)

(2) 10% Limit

In addition to the Scheme Limit, and subject to the following, the total number of shares which may be issued upon exercise of all options granted under the Existing Scheme and Expired Scheme of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Scheme (excluding any options which have lapsed) (the "Scheme Mandate Limited").

The Company may, from time to time, renew the Scheme Mandate Limit by obtaining the approval of its shareholders in general meeting. The Company may also seek separate approval by its shareholders in general meeting for granting options beyond the renewed Scheme Mandate Limit provided the options in excess of such limit are granted only to Participants specifically identified.

(iv) Maximum Entitlement of Each Participant

Unless approved by shareholders of the Company, the total number of securities issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 month period must not exceed 1% of the Shares in issue. Where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Participant and his associates abstaining from voting.

(v) Price of Shares

The exercise price must be at least the higher of: (a) the nominal value of a Share at the date of grant; (b) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

SHARE OPTION SCHEMES (CONTINUED)

(b) Existing Scheme (Continued)

(vi) Amount payable upon acceptance of the option

Acceptance of an offer of the grant of an option shall be by the delivery to and receipt by the Company at its registered office of the form of acceptance sent to the Participant duly completed and signed by the Participant together with a remittance of HK$10.

(vii) Time of Exercise of Option

An option shall be exercisable at such time(s) or during such period(s) and subject to such terms, as the Directors may, at their discretion specify, provided that no option shall be exercisable no earlier than one month after and no later than ten years after its date of grant. Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

(viii) The remaining life of the Existing Scheme

The life of the Existing Scheme is 10 years commencing on the Adoption Date and will end on 26 March 2012.

(ix) Shares available for issue under the Existing Scheme

As at 31 March 2008, the total number of shares available for issue under the Existing Scheme was 44,188,600 shares which represented approximately 9.5% of the total issued share capital of the Company.

No options were granted or exercised during the year.

DIRECTORS' INTERESTS

At 31 March 2008, 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:

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

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.

Ms. Yeung Shuk Kwan, Patricia and Mr. George Joseph Ho have been granted certain share options, details of which are set out under the paragraph Share Option Schemes.

As at 31 March 2008, 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 946,975 Ordinary Shares in 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.

DIRECTORS' INTERESTS (CONTINUED)

(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
Mr. Tse Chi Hung, Michael	11,642
Ms. Yeung Shuk Kwan, Patricia	4,000
Mr. Leung Kwok Kit	5,900

\# 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 31 March 2008 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 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".

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

At no time during the year was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, with the exception of the Employee Share Option Scheme, details of which are described above.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 31 March 2008, 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% or more of the Company's issued share capital.

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

Note: For the avoidance of doubt and double counting, it should be noted that the above shareholding has already been included in the shareholding stated against Mr George Ho shown above 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 31 March 2008, was directly or indirectly interested in 5% or more of the nominal value of any class of share capital of the Company which are required to be recorded in the register kept pursuant to Section 336 of the "SFO".

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 year and the Company has not redeemed any of its securities during the year.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda in relation to issues of new shares by the Company.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's purchases and sales for the year attributable to major suppliers and customers are as follows:

Purchases	
– the largest supplier	93%
– five largest suppliers combined	98%
Sales	
– the largest customer	68%
– five largest customers combined	82%

No directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

SUFFICIENCY OF PUBLIC FLOAT

The public float of shares in the Company has remained above the minimum percentage required by the Stock Exchange throughout the year.

POST BALANCE SHEET DATE EVENTS

Subsequent to the year-end, the Group sold a small holding of 729 shares (about 3.9% of our stake) in eAccess, and recorded a net profit of approximately HK$2.4 million. The Group's remaining holdings in eAccess have as a result been reduced to 1.23% of the company.

Subsequent to the year-end, the Board received a proposal involving a possible change of ownership of the Company and a possible general offer together with related arrangements that require Special Deal consent by the Securities and Futures Commission and the approval of Independent Shareholders. An announcement setting out the outline of the offer was made on 30 May 2008. A circular letter incorporating the recommendations of the Independent Board Committee and the Independent Financial Advisor is expected to be dispatched as soon as is practicable.

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for reappointment.

On behalf of the Board

Tse Chi Hung, Michael
Chairman

Hong Kong, 13 June 2008

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximising shareholders' interests.

In the opinion of the Directors, the Company has complied with the code provisions save for deviations as set out below.

CODE PROVISION A.4.1

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

The term of office for non-executive Directors is the same as for all Directors (i.e. not appointed for a specific term but only subject to retirement from office by rotation and be eligible for re-election in accordance with the provisions of the Company's Bye-laws). At each annual general meeting, one-third of the Directors shall retire from office by rotation and every Director shall retire from office not later than the third annual general meeting after he was last elected.

BOARD OF DIRECTORS

The Board of the Company comprises three Executive Directors, three Non-Executive Directors and three Independent Non-Executive Directors. The attendance of individual directors at Board meetings during the accounting period is set out below.

Name	Attendance/Number of Meetings
Mr. Joey Fan	5/5
Mr. Fu Hau Chak, Adrian (Independent)	3/5
Mr. George Ho	5/5
Mr. George Joseph Ho	5/5
Mr. Kwok Chi Hang, Lester (Independent)	5/5
Mr. Leung Kwok Kit	5/5
Mr. Li Kwok Sing, Aubrey (Independent)	5/5
Mr. Tse Chi Hung, Michael	5/5
Ms. Yeung Shuk Kwan, Patricia	5/5

Each Independent Non-Executive Director has re-affirmed his independence status pursuant to the Listing Rules and the Company considers that they are independent.

The Board of Directors collectively oversees the management of the Company and Management are responsible for day-to-day operations. A formal schedule has been drawn up by the Board on matters that Management must refer to the Board for approval.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are segregated. Mr. Tse Chi Hung, Michael and Ms. Yeung Shuk Kwan, Patricia were Chairman and Chief Executive Officer respectively in the year under review.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Directors' Securities Transactions as set out in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all Directors have confirmed that they fully complied with the Model Code throughout the fiscal year.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the remuneration and share option benefits of Directors and Senior Management for the fiscal year ended 31 March 2008 are set out in note 30 to the consolidated financial statements.

The Remuneration Committee comprises one Non-Executive Director, namely Mr. Leung Kwok Kit and two Independent Non-Executive Directors, namely Messrs. Fu Hau Chak, Adrian and Li Kwok Sing, Aubrey. During the accounting period, the Remuneration Committee had not met. There was however no change in the remuneration packages of the Directors from the previous year's.

NOMINATION OF DIRECTORS

No Nomination Committee has been set up by the Board. Any Board member is entitled to recommend suitable candidates that meet the requirements of the Listing Rules for consideration by the Board.

AUDIT COMMITTEE

The Audit Committee comprises two Independent Non-Executive Directors, Messrs. Fu Hau Chak, Adrian and Li Kwok Sing, Aubrey, and a non-Executive Director, Mr. Leung Kwok Kit. Mr. Fu Hau Chak, Adrian is Chairman of the Committee. The Committee appoints the external auditor, reviews the financial information of the Company, oversees the Company's financial reporting process and internal control systems. The Audit Committee met twice during the relevant period to review the Group's interim and final results. The attendance record of each member is shown below.

Name	Attendance/Number of Meetings
Mr. Fu Hau Chak, Adrian	2/2
Mr. Li Kwok Sing, Aubrey	2/2
Mr. Leung Kwok Kit	2/2

AUDITORS' REMUNERATION

A summary of fees for audit and non-audit services is as follows:

	2008	2007
	HK$	HK$
Audit services	**567,496**	475,240
Non-audit services	**135,129**	121,200

Non-audit services for the fiscal year ended 31 March 2008 represent the services provided for assurance engagement on the quote metering system of QuotePower International Limited for securities quote services as required by the Hong Kong Stock Exchange under its agreement with QuotePower International Limited; the services relating to the proposed Privatisation offer pursuant to the circular letter dated 18 July 2007, and audit of Statement on Details of Contributions under section 20(7A) of the Hong Kong Occupational Retirement Schemes Ordinance.

INTERNAL CONTROLS

The Board has overall responsibilities for maintaining sound and effective internal control systems of the Group. The Board considers that, in light of the Group's current level of activities, the establishment of an internal audit function is not warranted. The Board however plans to conduct annual reviews of the Group's internal controls. During the year, the Board has engaged an independent professional firm to review the effectiveness of the system of internal controls of the Group including the relevant financial, operational and risk management procedures and has delegated management to implement such systems of control as required. Management continues to monitor internal controls within the Group on an ongoing basis.

ACCOUNTABILITY AND AUDIT

The Directors were responsible for overseeing the preparation of the financial statements for the year ended 31 March 2008.

The Directors' responsibilities in the preparation of the financial statements and the auditors' responsibility are set out in the Auditor's Report.

Under its terms of reference, the Audit Committee reviews with the Auditor the effectiveness of the Company's internal controls over financial reporting during its Audit Committee meetings. No suspected frauds or irregularities or internal control deficiencies had come to the attention of the Audit Committee.

Auditor's Report

AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ABC COMMUNICATIONS (HOLDINGS) LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of ABC Communications (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 28 to 81, which comprise the consolidated and Company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of 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 consolidated 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 purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the losses and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 13 June 2008

Consolidated Balance Sheet

As at 31 March 2008

	Note	2008 HK$	2007 HK$
ASSETS			
Non-current assets			
Land use rights	6	**16,187,881**	16,766,631
Property, plant and equipment	7	**4,090,940**	2,552,065
Investment property	8	**19,650,000**	19,500,000
Available-for-sale financial assets	10	**185,262,286**	197,677,575
Long-term pledged deposits	11	**23,531,087**	56,951,448
Long-term deposits	12	**–**	2,634,581
		248,722,194	296,082,300
Current assets			
Trade receivables	13	**10,965,850**	13,831,572
Other receivables, deposits and prepayments	14	**2,924,930**	7,596,316
Short-term pledged deposits	15	**96,738,179**	45,733,932
Cash and cash equivalents	16	**59,736,751**	57,028,051
		170,365,710	124,189,871
Total assets		**419,087,904**	420,272,171

Consolidated Balance Sheet

As at 31 March 2008

	Note	2008 HK$	2007 HK$
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	17	**46,688,600**	46,688,600
Reserves	18	**244,165,210**	271,464,998
Total equity		**290,853,810**	318,153,598
LIABILITIES			
Non-current liabilities			
Bank borrowings, secured	19	**19,934,777**	50,190,764
Deferred income tax liabilities	21	**1,272,831**	1,030,872
		21,207,608	51,221,636
Current liabilities			
Advance subscriptions and licence fees received		**3,222,910**	2,564,310
Customer deposits		**473,000**	508,500
Bank borrowings, secured	19	**84,475,560**	38,817,407
Trade and other payables	20	**18,855,016**	9,006,720
		107,026,486	50,896,937
Total liabilities		**128,234,094**	102,118,573
Total equity and liabilities		**419,087,904**	420,272,171
Net current assets		**63,339,224**	73,292,934
Total assets less current liabilities		**312,061,418**	369,375,234

Tse Chi Hung, Michael
Director

Yeung Shuk Kwan, Patricia
Director

The notes on pages 34 to 81 are an integral part of these financial statements.

Balance Sheet

As at 31 March 2008

	Note	2008 HK$	2007 HK$
ASSETS			
Non-current assets			
Interests in subsidiaries	9	**178,287,374**	176,575,504
Current assets			
Other receivables, deposits and prepayments	14	**192,957**	318,345
Cash and cash equivalents	16	**33,871,155**	41,734,016
		34,064,112	42,052,361
Total assets		**212,351,486**	218,627,865
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	17	**46,688,600**	46,688,600
Reserves	18	**164,551,335**	171,163,660
Total equity		**211,239,935**	217,852,260
LIABILITIES			
Current liabilities			
Amounts due to subsidiaries	9	**577,355**	292,887
Other payables and accrued expenses		**534,196**	482,718
Total liabilities		**1,111,551**	775,605
Total equity and liabilities		**212,351,486**	218,627,865
Net current assets		**32,952,561**	41,276,756
Total assets less current liabilities		**211,239,935**	217,852,260

Tse Chi Hung, Michael
Director

Yeung Shuk Kwan, Patricia
Director

The notes on pages 34 to 81 are an integral part of these financial statements.

Consolidated Income Statement

For the year ended 31 March 2008

	Note	2008 HK$	2007 HK$
Revenue	5	**150,249,600**	73,784,184
Cost of sales	24	**(133,522,994)**	(60,802,709)
Gross profit		**16,726,606**	12,981,475
Other income	22	**14,631,385**	14,326,998
Other (losses)/gains – net	23	**(15,676,361)**	928,710
Selling and distribution costs	24	**(1,348,795)**	(1,612,791)
General and administrative expenses	24	**(18,427,756)**	(17,020,528)
Operating (loss)/profit		**(4,094,921)**	9,603,864
Finance costs	25	**(1,209,899)**	(953,551)
(Loss)/profit before income tax		**(5,304,820)**	8,650,313
Income tax expense	26	**(241,959)**	(1,030,872)
(Loss)/profit for the year		**(5,546,779)**	7,619,441
Attributable to:			
Equity holders of the Company	27	**(5,546,779)**	7,619,441
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company during the year			
– basic	29	**(1.19) cents**	1.63 cents
– diluted	29	**(1.19) cents**	1.63 cents
Dividends	28	**9,337,720**	4,668,860

The notes on pages 34 to 81 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2008

		Attributable to equity holders of the Company			
		Share capital	**Other reserves**	**Retained earnings**	**Total**
	Note	HK$	HK$	HK$	HK$
Balance at 1 April 2006		46,688,600	188,951,610	82,531,236	318,171,446
Fair value gains on available-for-sale financial assets	10,18	–	15,707,011	–	15,707,011
Net income recognised directly in equity		–	15,707,011	–	15,707,011
Profit for the year		–	–	7,619,441	7,619,441
Total recognised income for 2007		–	15,707,011	7,619,441	23,326,452
Dividends relating to 2005/06		–	–	(18,675,440)	(18,675,440)
Dividends relating to 2006/07	28	–	–	(4,668,860)	(4,668,860)
		–	15,707,011	(15,724,859)	(17,848)
Balance at 31 March 2007		46,688,600	204,658,621	66,806,377	318,153,598
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	10,18	**–**	**(12,415,289)**	**–**	**(12,415,289)**
Net expenses recognised directly in equity		**–**	**(12,415,289)**	**–**	**(12,415,289)**
Loss for the year		**–**	**–**	**(5,546,779)**	**(5,546,779)**
Total recognised expenses for 2008		**–**	**(12,415,289)**	**(5,546,779)**	**(17,962,068)**
Dividends relating to 2007/08	28	**–**	**–**	**(9,337,720)**	**(9,337,720)**
		–	**(12,415,289)**	**(14,884,499)**	**(27,299,788)**
Balance at 31 March 2008		**46,688,600**	**192,243,332**	**51,921,878**	**290,853,810**

The notes on pages 34 to 81 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	Note	2008 HK$	2007 HK$
Cash flows from operating activities			
Cash generated from/(used in) operating activities	31(a)	**18,960,540**	(6,023,775)
Interest paid		**(1,343,291)**	(712,631)
Net cash generated from/(used in) operating activities		**17,617,249**	(6,736,406)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,688,280)**	(752,320)
Purchase of available-for-sale financial assets		**–**	(19,600,612)
Proceeds from sale of property, plant and equipment	31(c)	**4,500**	–
Net cash used in deregistration of a subsidiary	31(b)	**–**	(3,010)
Proceeds from disposal of a subsidiary		**–**	100
Dividends received from available-for-sale financial assets		**4,492,422**	4,210,535
Interest received		**8,161,729**	7,963,873
Increase in pledged deposits		**(17,583,886)**	(20,750,550)
Decrease/(increase) in long-term deposits		**2,634,581**	(18,260)
Decrease in short-term deposits		**–**	6,400,000
Net cash used in investing activities		**(4,978,934)**	(22,550,244)
Cash flows from financing activities			
New bank borrowings		**–**	17,480,361
Dividends paid	28	**(9,337,720)**	(23,344,300)
Net cash used in financing activities		**(9,337,720)**	(5,863,939)
Net increase/(decrease) in cash and cash equivalents		**3,300,595**	(35,150,589)
Cash and cash equivalents at beginning of the year		**57,028,051**	91,151,138
Exchange (losses)/gains on cash and cash equivalents		**(591,895)**	1,027,502
Cash and cash equivalents at end of the year	16	**59,736,751**	57,028,051

The notes on pages 34 to 81 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in providing financial information services, wireless applications development, securities trading system licensing, property and investment holdings.

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

These consolidated financial statements are presented in Hong Kong Dollars unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 13 June 2008.

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, except certain balances have been reclassified for presentation purpose.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, buildings and available-for-sale financial assets.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) Adoption of new/revised standards and interpretations

The following new/revised standards and interpretations are mandatory for financial year ended 31 March 2008. The Group adopted those which are relevant to its operations.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial Instruments: Disclosures
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

These new/revised standards and interpretations above do not have material financial impact to the Group other than the disclosure impact on the consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) New/revised standards and interpretations that are not yet effective and have not been early adopted by the Group

The following new/revised standards and interpretations have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2008 or later periods, but the Group has not early adopted them:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Amendment)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HKFRS 8	Operating Segments
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS 19 – The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation

HKAS 1 (Revised), "Presentation of Financial Statements" (effective from 1 January 2009). HKAS 1 (Revised) requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs. The Group will apply HKAS 1 (Revised) from 1 January 2009.

HKAS 23 (Amendment), "Borrowing Costs" (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Amendment) from 1 April 2009, but it is not expected to have any material impact on the Group's financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) New/revised standards and interpretation that are not yet effective and have not been early adopted by the Group (Continued)

HKAS 27, (Revised) "Consolidated and Separate Financial Statements" (effective from annual period beginning on or after 1 July 2009). The amendment requires non-controlling interests (i.e. minority interests) to be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When control of a subsidiary is lost, the assets and liabilities and related equity components of the former subsidiary are derecognised. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. The Group will apply HKAS 27 (Revised) from 1 April 2010.

HKFRS 3, (Revised) "Business Combinations" (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). The amendment may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are 'capable of being conducted' rather than 'are conducted and managed'. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other HKFRSs. They are income taxes, employee benefits, share-based payment and non current assets held for sale and discontinuing operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The Group will apply HKFRS 3 (Revised) from 1 April 2010.

HKFRS 8, "Operating Segments" (effective from 1 January 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 April 2009. The expected impact is still being assessed in detail by management.

HK(IFRIC) – Int 12, "Service Concession Arrangements" (effective from 1 January 2008). HK(IFRIC) – Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. HK(IFRIC) – Int 12 is not relevant to the Group's operations because none of the Group's companies provides public sector services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) New/revised standards and interpretation that are not yet effective and have not been early adopted by the Group (Continued)

HK(IFRIC) – Int 13, "Customer Loyalty Programmes" (effective from 1 July 2008). HK(IFRIC) – Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. HK(IFRIC) – Int 13 is not relevant to the Group's operations because none of the Group's companies operates loyalty programmes.

HK(IFRIC) – Int 14, "HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008). HK(IFRIC) – Int 14 provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. HK(IFRIC) - Int 14 is not relevant to the Group because the Group does not have any defined benefit plan.

HKAS 32 and HKAS 1 Amendments "Puttable Financial Instruments and Obligations Arising on Liquidation" (effective from 1 January 2009). The amendment requires some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. The Group will apply HKAS 32 and HKAS 1 Amendments from 1 January 2009, but it is not expected to have any impact on the Group's financial statements.

2.2 Consolidation

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

Subsidiaries are all 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (Continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at 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 recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised 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 in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investment in a subsidiary is stated at cost less provision for impairment losses (Note 2.7). The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. 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.

2.4 Foreign currencies translation

(a) 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 Hong Kong Dollars, which is the Company's functional and presentation currency.

(b) 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 recognised in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

Building comprises mainly office. Building is shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of building is credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are expensed in the income statement.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives as follows:

Building	25-40 years
Leasehold improvements	3-5 years
Computer equipment	3 years
Furniture and fixtures	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimate recoverable amount (Note 2.7).

Gains or losses on disposal are determined by comparing the proceeds with carrying amount and are recognised within other (losses)/gains - net in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease. Investment property is measured initially at its cost, including related transaction costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Investment property (Continued)

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the income statement.

Subsequent expenditure is charged to the asset as carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement as part of "other (losses)/gains - net".

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.7 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets

(a) Classification

The Group classified its financial assets as available-for-sale financial assets and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as long-term pledged deposits, long-term deposits, trade receivables, other receivables, deposits and prepayments, short-term pledged deposits, short-term deposits and cash and cash equivalents (Note 2.9) in the balance sheet.

(b) Recognition and initial measurement

Regular purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets (Continued)

(d) Gains or losses on subsequent measurement and interest income

Available-for-sale financial assets

Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale financial assets are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences in monetary securities are recognised in income statement; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statements as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. The Group's investment in private companies is classified as available-for-sale financial assets. If the investment does not have a quoted market price in an active market and the fair value cannot be reliably measured, the investment is recognised in the balance sheet at cost less impairment losses. If there is objective evidence that the investment has been impaired, such impairment would be recognised in the income statement.

Loans and receivables

Loans and receivables are carried at amortised cost using the effective interest method less provision for impairment.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in Note 2.9.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as an indicator that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within other operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for accounts receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the income statement.

2.10 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.

2.11 Share capital

Ordinary shares are classified as equity.

2.12 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are expensed as incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income taxation is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.15 Employee benefits

(a) Employee entitlements for annual leave are recognised when they accrue to employees.

Employee entitlements for sick leave and maternity leave are not recognised until the time of leave.

(b) The Group operates two defined contribution schemes for all qualified employees as follows:

Occupational Retirement Contributions Scheme
The Group operates an occupational retirement scheme registered under the Hong Kong Occupational Retirement Scheme Ordinance (Cap. 426). This scheme has been granted exemption pursuant to Section 5 of the Hong Kong Mandatory Provident Fund Schemes Ordinance (Cap.485) ("the MPF Ordinance"). The employees are either not required to make contribution or required to contribute an amount equal to 5% of the basic monthly salary and the employer's monthly contribution is at a range of 5% to 10% of employees' basic monthly salary. The Group's contributions to the scheme may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Employee benefits (Continued)

(b) The Group operates two defined contribution schemes for all qualified employees as follows: (Continued)

Mandatory Provident Fund Scheme
The Group also joins a mandatory provident fund scheme ("the MPF Scheme") under the MPF Ordinance. Where staff elects to join the MPF Scheme, both the Group and staff are required to contribute 5% of the employees' relevant income (capped at HK$2,000 per month). Contributions from the employer are 100% vested in the employees as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to certain exceptions. Staff may elect to contribute more than the minimum as a voluntary contribution.

Contributions for the above schemes are charged to the income statement as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Group and managed by independent professional fund manager.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown as follows:

(i) Financial quotation subscription fee income is recognised on a straight-line basis over the subscription period.

(ii) Revenue from securities trading system licensing and wireless applications is recognised when services are rendered.

(iii) Dividend income is recognised when the Company's right to receive payment is established.

(iv) Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(v) Rental income is recognised on a straight-line basis over the lease term.

2.18 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

2.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

The Group's investment policy is to prudently invest all funds of the Group in a manner which will satisfy liquidity requirements, safeguard financial assets, and manage risks while optimising return on investments.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's performance.

Investment is governed by investment policies and risk management guidelines approved by the Board. Investment restrictions and guidelines form an integral part of risk management.

3.1 Market risk

(a) Foreign exchange risk

Foreign exchange risk is the risk of loss due to adverse movements in foreign exchange rates mainly relating to investments and borrowings denominated in Japanese Yen and United States Dollars.

To manage the foreign exchange risk arising from the recognised assets and liabilities, the Group finances its Japanese denominated assets with the borrowings that are denominated in the same currency. For the United States Dollars, as it is linked with Hong Kong Dollars, the foreign exchange risk is minimal.

The following table details the change in the Group's profit for the year in response to reasonably possible changes in foreign exchange rates in relation to the bank borrowings to which the Group has exposure at the balance sheet date and that all the other variables remain constant.

		2008 Increase/ (decrease) in profit for the year HK$	2007 Increase/ (decrease) in profit for the year HK$
Japanese Yen against	+10%	**(10,441,034)**	(8,900,817)
Hong Kong Dollars	–10%	**10,441,034**	8,900,817

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Market risk (Continued)

(b) Interest rate risk

The Group's principal interest bearing assets are bank deposits and bank borrowings. The tenure of the bank deposits is usually less than one year. The Group actively manages cash balances and deposits by comparing quotations from banks, with a view to select for the terms that are most favourable to the Group.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. During the year, the Group's borrowings are at fixed rate and denominated in Japanese Yen.

As at 31 March 2008, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's result for the year by approximately as follows:

	2008 Increase/ (decrease) in profit for the year HK$	2007 Increase/ (decrease) in profit for the year HK$
+10 basis points	**(24,729)**	(94,300)
-10 basis points	**24,773**	94,528

The sensitivity analysis above has been determined assuming that the change in interest rate had occurred at the balance sheet date and had been applied to the interest-bearing financial instruments in existence at that date. The 10 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rate over the period until the next annual balance sheet date.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Market risk (Continued)

(c) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group are classified on the consolidated balance sheet as available-for-sale assets. To manage its price risk, the Group diversifies its portfolio, and any investments made have to be approved by management.

The table below summarises the impact of increases/decreases of the Group's listed securities on the Group's equity. The impact of a hypothetical 10% increase/decrease in price of the listed securities, with all other variables held constant, on the Group's total equity is set out below:

		2008 Increase/ (decrease) in equity HK$	2007 Increase/ (decrease) in equity HK$
Listed securities			
– Equity securities in Hong Kong	+10%	**62,320**	68,628
	–10%	**(62,320)**	(68,628)
– Equity securities in Japan	+10%	**8,909,697**	9,685,961
	–10%	**(8,909,697)**	(9,685,961)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Credit risk

The Group is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. The maximum exposures to credit risk at the reporting date are the carrying amounts of these assets. Impairment provisions are made for losses that have been incurred at the balance sheet date. The Group has policies in place to ensure that services are made to customers with appropriate credit history. The credit risk on bank balances is limited as all deposits are placed with banks with ratings at A- or above. Management does not expect any losses from non-performance by these counterparties.

3.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Group			**Company**		
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**
	HK$	HK$	HK$	HK$	HK$	HK$
At 31 March 2008						
Bank borrowings	**85,275,694**	**20,104,090**	**–**	**–**	**–**	**–**
Trade and other payables	**18,504,198**	**–**	**–**	**463,094**	**–**	**–**
Customer deposits	**473,000**	**–**	**–**	**–**	**–**	**–**
Amounts due to subsidiaries	**–**	**–**	**–**	**577,355**	**–**	**–**
At 31 March 2007						
Bank borrowings	39,722,146	33,834,435	17,138,420	–	–	–
Trade and other payables	8,679,002	–	–	415,862	–	–
Customer deposits	508,500	–	–	–	–	–
Amounts due to subsidiaries	–	–	–	292,887	–	–

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Total capital is calculated as 'equity', as shown in the consolidated balance sheet, plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents.

The Group's primary objective when managing capital is to safeguard the Group's ability to continue its businesses as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group structures its capital with due consideration to risk. The Group manages and adjusts its capital structure in the light of the changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, repurchase shares of the Company from shareholders, return capital to shareholders, issue new shares, or increase or reduce borrowings.

As at 31 March 2008, the Group's debt-to-equity ratio is 0.36 (2007: 0.28). For the purpose of calculating the debt-to-equity ratio, the Group defines debt as total debt (which includes bank loans) and equity as all components of equity.

3.5 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques are used to determine fair value for the financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimate of fair value of investment property

The investment property of the Group was stated at fair value in accordance with the accounting policy stated in Note 2.6. The fair value of the investment property is determined by the directors of the Group with reference to the property valuation performed by Vigers Appraisal & Consulting Limited, a firm of independently qualified professional valuers. The fair value of investment property at the balance sheet date is set out in Note 8. Such valuation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgment, consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(b) Estimate of fair value of available-for-sale financial assets

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The Group uses valuation techniques including referencing to the pricing of recent arm's length transactions, option pricing models and dividend yield model for various available-for-sale financial assets that were not traded in active markets.

The unlisted available-for-sale securities mainly consist of the equity securities in Japan (Note 10). As at 31 March 2008, the fair values of these unlisted equity securities were estimated based on the key assumptions used by the Company included:

	2008	2007
Dividend yield	**5%**	5%
Cost of borrowing	**4.4%**	4.2%

The carrying amount of unlisted available-for-sale securities would be an estimated HK$3,558,890 lower or HK$3,991,961 higher, and HK$3,303,781 lower or HK$3,728,185 higher if the cost of borrowing used in the calculation differ by 25 basis point from management's estimates for 31 March 2008 and 2007 respectively.

(c) Impairment of available-for-sale financial assets

The Group follows the guidance of HKAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

5 SEGMENT INFORMATION

Primary reporting format – business segments

At 31 March 2008, the Group is organised on a worldwide basis into two main business segments for financing reporting purpose:

- Financial quotation and securities trading system licensing
- Wireless applications

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

The Group also carries out other business such as holding of corporate assets and liabilities under corporate activities and investment holdings.

The segment results for the year ended 31 March 2008 are as follows:

	Financial quotation and securities trading system licensing HK$	**Wireless applications HK$**	**Corporate activities and investment holdings HK$**	**Total HK$**
Revenue	**149,890,405**	**359,195**	**–**	**150,249,600**
Operating profit/(loss)	**4,755,238**	**(1,001,111)**	**(7,849,048)**	**(4,094,921)**
Finance costs				**(1,209,899)**
Loss before income tax				**(5,304,820)**
Income tax expense				**(241,959)**
Loss for the year				**(5,546,779)**

The segment results for the year ended 31 March 2007 are as follows:

	Financial quotation and securities trading system licensing HK$	Wireless applications HK$	Corporate activities and investment holdings HK$	Total HK$
Revenue	73,003,982	780,202	–	73,784,184
Operating profit/(loss)	2,400,435	(1,074,812)	8,278,241	9,603,864
Finance costs				(953,551)
Profit before income tax				8,650,313
Income tax expense				(1,030,872)
Profit for the year				7,619,441

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION (CONTINUED)

Primary reporting format – business segments (Continued)

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

	Year ended 31 March 2008				Year ended 31 March 2007			
	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	**1,075,162**	**14,157**	**60,086**	**1,149,405**	720,474	19,014	64,238	803,726

Segment assets consist primarily of property, plant and equipment, trade and other receivables and cash and cash equivalents.

Assets included under corporate activities and investment holdings consist primarily of property, plant and equipment, land use rights, investment property, available-for-sale financial assets, pledged deposit, other receivables, deposit, cash and cash equivalents and other unallocated assets.

Segment liabilities comprise operating liabilities.

Liabilities included under corporate activities and investment holdings comprise other payables and other unallocated liabilities.

Capital expenditure comprises additions to property, plant and equipment (Note 7).

The segment assets and liabilities at 31 March 2008 and capital expenditure for the year then ended are as follows:

	Financial quotation and securities trading system licensing HK$	**Wireless applications HK$**	**Corporate activities and investment holdings HK$**	**Total HK$**
Assets	**29,086,622**	**160,626**	**389,840,656**	**419,087,904**
Liabilities	**21,081,417**	**202,980**	**106,949,697**	**128,234,094**
Capital expenditure	**2,667,330**	**–**	**20,950**	**2,688,280**

5 SEGMENT INFORMATION (CONTINUED)

Primary reporting format – business segments (Continued)

The segment assets and liabilities at 31 March 2007 and capital expenditure for the year then ended are as follows:

	Financial quotation and securities trading system licensing HK$	Wireless applications HK$	Corporate activities and investment holdings HK$	Total HK$
Assets	15,196,174	504,113	404,571,884	420,272,171
Liabilities	12,271,633	125,290	89,721,650	102,118,573
Capital expenditure	710,970	23,741	17,609	752,320

Secondary reporting format – geographical segments

The Group's two business segments operated in Hong Kong.

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

Total assets

	2008 HK$	2007 HK$
Hong Kong	**234,447,782**	223,279,980
Asia		
– Japan	**154,886,339**	168,919,295
– Others	**1,036**	896
Canada and United States	**29,752,747**	28,072,000
	419,087,904	420,272,171

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

Capital expenditure

	2008 HK$	2007 HK$
Hong Kong	**2,688,280**	752,320

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

6 LAND USE RIGHTS

The Group's interest in leasehold land represents prepaid operating lease payments and the net book value are analysed as follows:

	2008 HK$	2007 HK$
Lease of between 10 to 50 years and its net book value at 31 March	**16,187,881**	16,766,631

None of the properties has been pledged as at 31 March 2008 and 2007.

The leasehold land is located at 2/F, Jade Mansion, 40 Waterloo Road, Yaumatei, Kowloon, Hong Kong.

7 PROPERTY, PLANT AND EQUIPMENT

Group

	Building HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
Year ended 31 March 2008					
Opening net book amount at 1 April 2007	1,439,027	–	1,079,556	33,482	2,552,065
Additions	–	–	2,668,339	19,941	2,688,280
Depreciation (note i)	(42,324)	–	(1,089,690)	(17,391)	(1,149,405)
Closing net book amount	1,396,703	–	2,658,205	36,032	4,090,940
At 31 March 2008					
Cost or valuation	1,439,027	11,067,548	12,278,689	2,748,594	27,533,858
Accumulated depreciation	(42,324)	(11,067,548)	(9,620,484)	(2,712,562)	(23,442,918)
Net book amount	1,396,703	–	2,658,205	36,032	4,090,940

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Building HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
Year ended 31 March 2007					
Opening net book amount at 1 April 2006	1,481,351	10,759	1,060,304	51,057	2,603,471
Additions	–	–	752,320	–	752,320
Depreciation (note i)	(42,324)	(10,759)	(733,068)	(17,575)	(803,726)
Closing net book amount	1,439,027	–	1,079,556	33,482	2,552,065
At 31 March 2007					
Cost or valuation	1,439,027	11,067,548	10,262,881	2,765,454	25,534,910
Accumulated depreciation	–	(11,067,548)	(9,183,325)	(2,731,972)	(22,982,845)
Net book amount	1,439,027	–	1,079,556	33,482	2,552,065

(i) Depreciation expenses of HK$1,149,405 (2007: HK$803,726) have been expensed in General and Administrative expenses. Building was revalued at 31 March 2007 on the basis of its depreciated replacement cost estimated by Vigers Appraisal & Consulting Limited, an independent professional valuer, employed by the Group.

(ii) If the building was stated on the historical cost basis, the amounts would be as follows:

	2008 HK$	2007 HK$
Cost	**3,698,023**	3,698,023
Accumulated depreciation	**(1,281,980)**	(1,208,020)
Net book amount	**2,416,043**	2,490,003

(iii) None of the properties has been pledged as at year ended 31 March 2008 (2007: Nil).

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iv) The analysis of the cost or valuation at 31 March 2008 of the above assets is as follows:

	Building HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
At cost	**–**	**11,067,548**	**12,278,689**	**2,748,594**	**26,094,831**
At valuation – 2007	**1,439,027**	**–**	**–**	**–**	**1,439,027**
	1,439,027	**11,067,548**	**12,278,689**	**2,748,594**	**27,533,858**

The analysis of the cost or valuation at 31 March 2007 of the above assets is as follows:

	Building HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
At cost	–	11,067,548	10,262,881	2,765,454	24,095,883
At valuation – 2007	1,439,027	–	–	–	1,439,027
	1,439,027	11,067,548	10,262,881	2,765,454	25,534,910

8 INVESTMENT PROPERTY

	2008 HK$	2007 HK$
Beginning of the year	**19,500,000**	19,500,000
Fair value gain (included in other (losses)/gains – net) (Note 23)	**150,000**	–
End of the year	**19,650,000**	19,500,000

Particulars of investment property held by the Group:

Property	Type	Lease term
1/F, Jade Mansion, 40 Waterloo Road, Yaumatei, Kowloon, Hong Kong	Office space	Lease of 50 years

The cost of investment property was HK$23,980,180 (2007: HK$23,980,180). The investment property was revalued at 31 March 2008 on the basis of open market value by Vigers Appraisal & Consulting Limited, an independent professional valuer, employed by the Group.

In the consolidated income statement, direct operating expenses included HK$18,697 (2007: HK$78,942) relating to an investment property that was let.

9 INTERESTS IN SUBSIDIARIES

	Company 2008 HK$	2007 HK$
Unlisted shares, at cost	**248,961,546**	253,304,014
Less: Provision for impairment losses	**(222,082,671)**	(218,352,675)
	26,878,875	34,951,339
Amounts due from subsidiaries	**264,137,599**	282,446,272
Less: Provision for impairment losses	**(112,729,100)**	(140,822,107)
	151,408,499	141,624,165
	178,287,374	176,575,504
Amounts due to subsidiaries	**(577,355)**	(292,887)
	177,710,019	176,282,617

Movement on the provision for impairment of amounts due from subsidiaries are as follows:

	2008 HK$	2007 HK$
Beginning of the year	**140,822,107**	198,027,232
Written-back for impairment of amounts due from subsidiaries	**(7,087,687)**	(1,169,221)
Written-off of provision related to deregistration of subsidiaries	**(21,005,320)**	(56,035,904)
End of the year	**112,729,100**	140,822,107

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

9 INTERESTS IN SUBSIDIARIES (CONTINUED)

Particulars of the principal subsidiaries as at 31 March 2008 are as follows:

Name	Place of incorporation/ operation	Principal activities	Issued and paid up capital	Class of shares held	Interest held Directly	Interest held Indirectly
ABC Communications Limited	Hong Kong	Investment holding	HK$1,000	Ordinary HK$23,300,000 (non-voting deferred shares)	100%	–
ABC Communications (Cellular) Limited	Hong Kong	Investment holding	HK$2	Ordinary	–	100%
ABC Communications (Investments) Limited	Hong Kong	Investment holding	HK$2	Ordinary	–	100%
ABC Financial Information Services Limited	Hong Kong	Financial information services	HK$30	Ordinary	–	99.95%
ABC Global Limited	British Virgin Islands/Hong Kong	Investment holding	US$1	Ordinary	100%	–
ABC Quick Silver Limited	British Virgin Islands/Hong Kong	Wireless application development	US$25	Ordinary	–	99.95%
Abccom Technology Limited	British Virgin Islands/Hong Kong	Investment holding	US$1	Ordinary	100%	–
Choudary Limited	British Virgin Islands/Hong Kong	Investment holding	US$11,621	Ordinary	100%	–
Gine Well Properties Limited	Hong Kong	Property investment	HK$2	Ordinary	–	100%
On Smart Enterprises Limited	British Virgin Islands/Hong Kong	Investment holding	US$1	Ordinary	100%	–
QuotePower International Limited	Hong Kong	Financial information services and securities trading system licensing	HK$67,264,000	Ordinary	–	99.95%
White Iron Limited	British Virgin Islands/Hong Kong	Investment holding	US$2	Ordinary	100%	–

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2008 **HK$**	2007 HK$
Beginning of the year	**197,677,575**	162,369,952
Additions	**–**	19,600,612
Exchange differences transferred to equity (Note 18)	**29,125,670**	1,746,100
Changes in fair value transferred to equity (Note 18)	**(41,540,959)**	13,960,911
End of the year	**185,262,286**	197,677,575

	2008 **HK$**	2007 HK$
Available-for-sale financial assets include the following:		
Listed securities		
– Equity securities in Hong Kong (Note a)	**623,200**	686,280
– Equity securities in Japan (Note b)	**89,096,969**	96,859,604
Unlisted securities		
– Equity securities in Japan (Note c)	**65,789,370**	72,059,691
– Internet fund in USA and Canada (Note d)	**29,752,747**	28,072,000
Total	**185,262,286**	197,677,575
Market value of listed securities	**89,720,169**	97,545,884

The carrying amounts of the available-for-sale financial assets are denominated in the following currencies:

	2008 **HK$**	2007 HK$
Japanese Yen	**154,886,339**	168,919,295
US Dollar	**29,752,747**	28,072,000
Hong Kong Dollar	**623,200**	686,280
	185,262,286	197,677,575

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Notes:

(a) The investment represents the equity securities invested in Smartone Telecommunications Holdings Limited.

(b) The investment represents the equity securities invested in eAccess Limited ("eAccess").

(c) The investment represents the equity securities invested in eMobile Limited ("eMobile").

(d) The investment represents the equity securities invested in the Wireless Internet Fund. The future cost of investment committed by the Group is shown in Note 32.

11 LONG-TERM PLEDGED DEPOSITS

The effective interest rate of long-term pledged deposits is as follows:

	Group		**Company**	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
Long-term pledged deposits	**3.94%**	4.86%	**–**	–

The deposits have an average maturity of 424 days (2007: 685 days) and bear interests at fixed interest rates or at interest rates which are re-priced every few months at the prevailing market rates.

The carrying amounts of the long-term pledged deposits are denominated in the following currency:

	Group		**Company**	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
HK Dollar	**5,089,028**	–	**–**	–
US Dollar	**18,442,059**	56,951,448	**–**	–
	23,531,087	56,951,448	**–**	–

Fixed deposits have been placed in banks as securities against the Group's bank loans and certain guarantees provided by the bank. The carrying amount of these assets approximates their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of the long-term pledged deposits mentioned above.

12 LONG-TERM DEPOSITS

The effective interest rate of long-term deposits is as follows:

	Group		Company	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
Long-term deposits	**–**	4.79%	**–**	–

The deposits have an average maturity of 632 days as at 31 March 2007 and bear interest at fixed interest rate.

The carrying amounts of the long-term deposits are denominated in the following currency:

	Group		Company	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
US Dollar	**–**	2,634,581	**–**	–

The carrying amounts of these assets approximates their fair values. The maximum exposure to credit risk at the reporting date is the carrying amount of long-term deposits mentioned above.

13 TRADE RECEIVABLES

	2008	2007
	HK$	HK$
Trade receivables	**10,965,850**	13,831,572
Less: provision for impairment of receivables	**–**	–
Trade receivables – net	**10,965,850**	13,831,572

Trade receivables are due upon the date of invoices. As at 31 March 2008, trade receivables of HK$10,965,850 (2007: HK$13,831,572) were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	2008	2007
	HK$	HK$
0 – 3 months	**10,878,250**	13,285,234
4 – 6 months	**28,600**	546,338
Over 6 months	**59,000**	–
	10,965,850	13,831,572

The carrying amounts of trade receivables approximate their fair values and they are denominated in Hong Kong dollars. The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables mentioned above. The Group does not hold any collateral as security.

Notes to the Consolidated Financial Statements

14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The carrying amounts of the other receivables, deposits and prepayments are denominated in the following currencies:

	Group		Company	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
Hong Kong Dollar	**2,924,930**	2,677,039	**192,957**	318,345
New Taiwan Dollar	**–**	4,919,277	**–**	–
	2,924,930	7,596,316	**192,957**	318,345

The carrying amounts of other receivables, deposits and prepayments approximate their fair values. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

15 SHORT-TERM PLEDGED DEPOSITS

Short-term pledged deposits have been placed in banks as securities against the Group's bank loans and certain guarantees provided by the banks. The carrying amounts of the short-term pledged deposit are denominated in the US dollars.

The effective interest rate of short-term pledged deposits is as follows:

	Group		Company	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
Short-term pledged deposits	**3.44%**	5.19%	**–**	–

The short-term pledged deposits have an average maturity of 127 days (2007: 97 days).

The carrying amounts of the short-term pledged deposits are denominated in the following currency:

	Group		Company	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
US Dollar	**96,738,179**	45,733,932	**–**	–

16 CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
Cash at bank and in hand	**37,873,366**	22,135,181	**29,871,155**	21,649,691
Short-term bank deposits	**21,863,385**	34,892,870	**4,000,000**	20,084,325
	59,736,751	57,028,051	**33,871,155**	41,734,016

The effective interest rate on short-term bank deposits was 1.86% (2007: 4.48%). These deposits have an average maturity of 21 days (2007: 43 days).

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2008	2007	**2008**	2007
	HK$	HK$	**HK$**	HK$
Hong Kong Dollar	**19,455,036**	20,225,581	**4,453,861**	19,740,987
US Dollar	**40,278,296**	36,798,831	**29,414,911**	21,990,286
Others	**3,419**	3,639	**2,383**	2,743
	59,736,751	57,028,051	**33,871,155**	41,734,016

17 SHARE CAPITAL

	2008	2007
	HK$	HK$
Authorised:		
600,000,000 ordinary shares of HK$0.1 each	**60,000,000**	60,000,000
Issued and fully paid:		
466,886,000 ordinary shares of HK$0.1 each	**46,688,600**	46,688,600

17 SHARE CAPITAL (CONTINUED)

Share options:

(a) Expired Scheme

Under the share option scheme of the Company adopted on 12 September 1991 (the "Expired Scheme"), the Directors may, at their discretion, invite full-time employees of the Group, including executive directors, to take up options to subscribe for shares in the Company at a price equal to the higher of the nominal value of the shares or not less than 80% of the average of the closing prices of the shares of the Company for the five trading days immediately preceding the date of offer of the option. The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company at the time of granting of the options.

The Expired Scheme expired on 11 September 2001 ("Expiration Date") without prejudice to the rights and benefits of and attached to those options granted there under which are outstanding as at that date. No further grants were made after the Expiration Date. Following the expiration, the provisions of the Expired Scheme remain in force to the extent necessary to give effect to the exercise of any option granted prior to the Expiration Date.

The share options granted are not recognised in the financial statements as they are exempted under HKFRS 2 transitional arrangement. As at 31 March 2008, the total number of shares which may be issued pursuant to exercise of options granted under the Expired Scheme was 2,500,000 shares, which represented approximately 0.5% of the total issued share capital of the Company as at 31 March 2008.

Details of the share options outstanding at 31 March 2008 which have been granted to and accepted by the directors under the Expired Scheme are as follows:

Name of director	Date of share options granted	Outstanding options as at 31 March 2008	Exercise price HK$	Exercise period
Ms. Yeung Shuk Kwan, Patricia	23 February 2000	1,000,000	1.41	23 March 2000 to 22 February 2010
	23 February 2000	1,000,000	1.41	23 February 2001 to 22 February 2010
Mr. George Joseph Ho	23 February 2000	250,000	1.41	23 March 2000 to 22 February 2010
	23 February 2000	250,000	1.41	23 February 2001 to 22 February 2010
		2,500,000		

No options were exercised by the directors during the year.

17 SHARE CAPITAL (CONTINUED)

Share options: (Continued)

(a) Expired Scheme (Continued)

The outstanding share options granted and being accepted by the directors under the Company's share option scheme were as follows:

Date of share options granted	Outstanding number of options as at 31 March 2008	Exercise price HK$	Exercise period
23 February 2000	1,250,000	1.41	23 March 2000 to 22 February 2010
23 February 2000	1,250,000	1.41	23 February 2001 to 22 February 2010
	2,500,000		

No share options were granted or exercised during the year.

(b) Existing Scheme

Under the share options scheme (the "Existing Scheme") approved by the shareholders at a Special General Meeting of the Company held on 27 March 2002 ("Adoption Date"), the Directors may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares ("Shares") in the Company subject to the terms and conditions stipulated therein.

Details of the Existing Scheme are as follows:

(i) Purpose

The purpose of the Existing Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

(ii) Participants

The Directors may, at their discretion, invite any Participant including any executive director, non-executive director or employee (whether full time or part time), shareholder, supplier, customers, consultant, adviser, other service provider or any joint venture partner, business or strategic alliance partner, in each case, of the Company, any subsidiary of the Company or any Invested Entity, to take up options to subscribe for Shares in the Company.

17 SHARE CAPITAL (CONTINUED)

(b) Existing Scheme (Continued)

(iii) Maximum number of shares

(1) 30% Limit

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Scheme and Expired Scheme of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

(2) 10% Limit

In addition to the Scheme Limit, and subject to the following, the total number of shares which may be issued upon exercise of all options granted under the Existing Scheme and Expired Scheme of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Scheme (excluding any options which have lapsed) (the "Scheme Mandate Limited").

The Company may, from time to time, renew the Scheme Mandate Limit by obtaining the approval of its shareholders in general meeting. The Company may also seek separate approval by its shareholders in general meeting for granting options beyond the renewed Scheme Mandate Limit provided the options in excess of such limit are granted only to Participants specifically identified.

(iv) Maximum Entitlement of Each Participant

Unless approved by shareholders of the Company, the total number of securities issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 month period must not exceed 1% of the Shares in issue. Where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Participant and his associates abstaining from voting.

(v) Price of Shares

The exercise price must be at least the higher of: (a) the nominal value of a Share at the date of grant; (b) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

17 SHARE CAPITAL (CONTINUED)

(b) Existing Scheme (Continued)

(vi) Amount payable upon acceptance of the option

Acceptance of an offer of the grant of an option shall be by the delivery to and receipt by the Company at its registered office of the form of acceptance sent to the Participant duly completed and signed by the Participant together with a remittance of HK$10.

(vii) Time of Exercise of Option

An option shall be exercisable at such time(s) or during such period(s) and subject to such terms, as the Directors may, at their discretion specify, provided that no option shall be exercisable no earlier than one month after and no later than ten years after its date of grant. Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

(viii) The remaining life of the Existing Scheme

The life of the Existing Scheme is 10 years commencing on the Adoption Date and will end on 26 March 2012.

(ix) Shares available for issue under the Existing Scheme

As at 31 March 2008, the total number of shares available for issue under the Existing Scheme was 44,188,600 shares which represented approximately 9.5% of the total issued share capital of the Company.

The share options granted are not recognised in the financial statements as they are exempted under HKFRS 2 transitional arrangement.

18 RESERVES

(a) Group

	General reserve HK$	Asset replacement reserve HK$	Investment revaluation reserve HK$	Contributed surplus HK$	Share premium HK$	Capital redemption reserve HK$	Capital reserve HK$	Exchange reserve HK$	Retained profits HK$	Total HK$
At 31 March 2006	2,000,000	5,150,000	74,958,540	29,986,398	76,470,297	176,000	278,385	(68,010)	82,531,236	271,482,846
Profit for the year	–	–	–	–	–	–	–	–	7,619,441	7,619,441
2005/06 final dividends paid	–	–	–	–	–	–	–	–	(18,675,440)	(18,675,440)
2006/07 interim dividends paid	–	–	–	–	–	–	–	–	(4,668,860)	(4,668,860)
Fair value gains on available -for-sale financial assets	–	–	15,707,011	–	–	–	–	–	–	15,707,011
At 31 March 2007	2,000,000	5,150,000	90,665,551	29,986,398	76,470,297	176,000	278,385	(68,010)	66,806,377	271,464,998
Loss for the year	–	–	–	–	–	–	–	–	(5,546,779)	(5,546,779)
2007/08 interim dividends paid	–	–	–	–	–	–	–	–	(9,337,720)	(9,337,720)
Fair value losses on available -for-sale financial assets	–	–	(12,415,289)	–	–	–	–	–	–	(12,415,289)
At 31 March 2008	2,000,000	5,150,000	78,250,262	29,986,398	76,470,297	176,000	278,385	(68,010)	51,921,878	244,165,210

(b) Company

	Contributed surplus HK$	Share premium HK$	Capital redemption reserve HK$	Retained profits HK$	Total HK$
At 31 March 2006	80,042,233	76,470,297	176,000	22,739,150	179,427,680
Profit for the year	–	–	–	15,080,280	15,080,280
2005/06 final dividends paid	–	–	–	(18,675,440)	(18,675,440)
2006/07 interim dividends paid	–	–	–	(4,668,860)	(4,668,860)
At 31 March 2007	80,042,233	76,470,297	176,000	14,475,130	171,163,660
Profit for the year	–	–	–	2,725,395	2,725,395
2007/08 interim dividends paid	–	–	–	(9,337,720)	(9,337,720)
At 31 March 2008	80,042,233	76,470,297	176,000	7,862,805	164,551,335

19 BANK BORROWINGS, SECURED

	Group	
	2008	2007
	HK$	HK$
Non-current		
Bank borrowings (Note (a))	**19,934,777**	50,190,764
Current		
Bank borrowings	**84,475,560**	38,817,407
	104,410,337	89,008,171

(a) The bank borrowings as at 31 March 2008 will mature on 29 May 2009 and bear interest 1.68% per annum.

At 31 March 2008, the Group's borrowings were repayable as follows:

	Group	
	2008	2007
	HK$	HK$
Within 1 year	**84,475,560**	38,817,407
Between 1 and 2 years	**19,934,777**	33,196,680
Between 2 and 5 years	**–**	16,994,084
Wholly repayable within 5 years	**104,410,337**	89,008,171

The bank borrowings are secured by fixed deposits placed in the banks. The carrying amounts of the bank borrowings approximate their fair value. The fair value of current borrowings approximates to their carrying amount, as the impact of discounting is not significant.

The effective interest rates at the balance sheet date were as follows:

	2008	2007
Non-current		
Bank borrowings	**1.71%**	1.38%
Current		
Bank borrowings	**1.23%**	1.08%

Bank borrowings are secured by long-term and short term pledged deposits (Notes 11 and 15).

20 TRADE AND OTHER PAYABLES

	Group	
	2008	2007
	HK$	HK$
Trade payables (Note (a))	**16,804,719**	7,453,100
Other payables	**2,050,297**	1,553,620
	18,855,016	9,006,720

(a) The aging of trade payables is within 3 months.

(b) The carrying amounts of trade and other payables approximate their fair values and all the payables are denominated in Hong Kong dollars.

21 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	Group	
	2008	2007
	HK$	HK$
Deferred tax assets:		
– Deferred tax asset to be recovered after more than 12 months	**(2,230,279)**	(2,432,126)
Deferred tax liabilities:		
– Deferred tax liabilities to be settled after more than 12 months	**3,503,110**	3,462,998
	1,272,831	1,030,872

The gross movement on the deferred income tax account is as follows:

	Group	
	2008	2007
	HK$	HK$
Beginning of the year	**1,030,872**	–
Charged to income statement (Note 26)	**241,959**	1,030,872
End of the year	**1,272,831**	1,030,872

21 DEFERRED INCOME TAX (CONTINUED)

The movement in deferred tax assets and liabilities during the year, without taking consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities:

	Group		
	Accelerated tax depreciation HK$	**Other** HK$	**Total** HK$
At 1 April 2007	161,394	3,301,604	3,462,998
Charged to the income statement	6,932	33,180	40,112
At 31 March 2008	**168,326**	**3,334,784**	**3,503,110**

Deferred tax assets:

	Group		
	Accelerated tax depreciation HK$	**Tax losses** HK$	**Total** HK$
At 1 April 2007	(135,751)	(2,296,375)	(2,432,126)
Charged to the income statement	19,370	182,477	201,847
At 31 March 2008	**(116,381)**	**(2,113,898)**	**(2,230,279)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$29,026,520 (2007: HK$32,281,516) in respect of losses amounting to HK$165,865,826 (2007: HK$184,465,804) that can be carried forward against future taxable income. The tax losses do not have an expiry date.

22 OTHER INCOME

	2008 **HK$**	2007 HK$
Interest income	**7,984,223**	8,274,161
Rental income from investment property	**2,104,744**	1,804,200
Dividend income from available-for-sale financial assets	**4,492,422**	4,210,535
Others	**49,996**	38,102
	14,631,385	14,326,998

Notes to the Consolidated Financial Statements

23 OTHER (LOSSES)/GAINS – NET

	2008 HK$	2007 HK$
Exchange (losses)/gains, net	**(15,994,061)**	678,675
Gain on disposal of a subsidiary	**–**	100
Loss on deregistration of a subsidiary	**–**	(3,010)
Gain on disposal of property, plant and equipment	**4,500**	–
Fair value gain on revaluation of an investment property	**150,000**	–
Others	**163,200**	252,945
	(15,676,361)	928,710

24 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution costs and general and administrative expenses are analysed as follows:

	2008 HK$	2007 HK$
Information and facility service charges	**133,522,994**	60,802,709
Auditors' remuneration	**567,496**	453,721
Amortisation of land use rights	**578,750**	929,304
Depreciation of property, plant and equipment	**1,149,405**	803,726
Employee benefit expenses (Note 30)	**13,158,552**	12,848,727
Other expenses	**4,322,348**	3,597,841
Total cost of sales, selling and distribution costs and general and administrative expenses	**153,299,545**	79,436,028

25 FINANCE COSTS

	2008 HK$	2007 HK$
Interest on bank borrowings	**1,209,899**	953,551

26 INCOME TAX EXPENSE

Hong Kong profits tax has not been provided as the Group has no estimated assessable profit for the year (2007: Nil).

	2008 HK$	2007 HK$
Current income tax	–	–
Deferred income tax (Note 21)	241,959	1,030,872
	241,959	1,030,872

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2008 HK$	2007 HK$
(Loss)/profit before income tax	(5,304,820)	8,650,313
Calculated at a tax rate of 17.5% (2007: 17.5%)	(928,343)	1,513,805
Income not subject to tax	(2,148,031)	(2,358,239)
Expenses not deductible for tax purposes	3,109,800	356,783
Tax loss not recognised	910,131	1,109,201
Utilization of previously unrecognised tax losses	(403,519)	(441,158)
Recognition of previously unrecognised temporary differences	–	876,367
Others	(298,079)	(25,887)
	241,959	1,030,872

27 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK$2,725,395 (2007: HK$15,080,280).

28 DIVIDENDS

	2008 HK$	2007 HK$
Interim, paid of HK¢2 (2007: HK¢1) per ordinary share	9,337,720	4,668,860
	9,337,720	4,668,860

At a meeting held on 13 June 2008, the directors did not propose any final dividend for the year.

29 EARNINGS PER SHARE

Basic and diluted

Basic earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options, for which, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's share) based on the monetary value of the subscription rights attached to outstanding share options. The share options have an anti-dilutive effect on the earnings per share. No option has been exercised during the year.

	2008	2007
(Loss)/profit attributable to equity holders of the Company	**HK$(5,546,779)**	HK$7,619,441
Weighted average number of ordinary shares in issue	**466,886,000**	466,886,000
Basic and diluted (losses)/earnings per share (HK¢ per share)	**(1.19)**	1.63

30 EMPLOYEE BENEFIT EXPENSES

	2008 **HK$**	2007 HK$
Wages, salaries and other benefits	**12,664,542**	12,461,231
Retirement benefit costs		
– defined contribution schemes (Note a)	**539,286**	546,098
– refund of forfeited contributions	**(45,276)**	(158,602)
	13,158,552	12,848,727

(a) Retirement benefit costs – defined contribution plan

Forfeited contributions totaling HK$27,544 (2007: HK$26,124) were available at the year-end to reduce future contributions.

Contributions totaling HK$61,567 (2007: HK$67,391) were payable to the funds at the balance sheet date.

30 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) *Directors' and senior executives' emoluments*

The remuneration of every Director for the year ended 31 March 2008 is set out below:

Name of Director	Fees HK$	Salary HK$	Employer's contribution to provident fund HK$	Other benefits HK$	Total HK$
Chairman and non-executive directors					
Mr. Tse Chi Hung, Michael	30,000	384,000	–	–	414,000
Mr. George Ho	30,000	–	–	–	30,000
Mr. Leung Kwok Kit	30,000	–	–	–	30,000
Mr. Fu Hau Chak, Adrian#	30,000	–	–	–	30,000
Mr. Li Kwok Sing, Aubrey#	30,000	–	–	–	30,000
Mr. Kwok Chi Hang, Lester, JP#	30,000	–	–	–	30,000
	180,000	384,000	–	–	564,000
Executive directors					
Ms. Yeung Shuk Kwan, Patricia	10,000	1,200,000	120,000	–	1,330,000
Mr. George Joseph Ho	10,000	360,000	36,000	–	406,000
Mr. Joey Fan	10,000	400,800	20,040	–	430,840
	30,000	1,960,800	176,040	–	2,166,840

30 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors' and senior executives' emoluments (Continued)

The remuneration of every Director for the year ended 31 March 2007 is set out below:

Name of Director	Fees HK$	Salary HK$	Employer's contribution to provident fund HK$	Other benefits HK$	Total HK$
Chairman and non-executive directors					
Mr. Tse Chi Hung, Michael	30,000	384,000	–	–	414,000
Mr. George Ho	30,000	–	–	–	30,000
Mr. Leung Kwok Kit	30,000	–	–	–	30,000
Mr. Fu Hau Chak, Adrian#	30,000	–	–	–	30,000
Mr. Li Kwok Sing, Aubrey#	30,000	–	–	–	30,000
Mr. Kwok Chi Hang, Lester, JP#	30,000	–	–	–	30,000
	180,000	384,000	–	–	564,000
Executive directors					
Ms. Yeung Shuk Kwan, Patricia	10,000	1,200,000	120,000	–	1,330,000
Mr. George Joseph Ho	10,000	360,000	36,000	–	406,000
Mr. Joey Fan	10,000	325,200	16,260	75,000	426,460
	30,000	1,885,200	172,260	75,000	2,162,460

Note:

\# Independent non-executive director

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2007: one) director whose emoluments are reflected in the analysis in Note (b) above. The emoluments payable to the remaining four (2007: four) individuals during the year are as follows:

30 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) *Five highest paid individuals (Continued)*

	2008 **HK$**	2007 HK$
Basic salaries, housing allowances, other allowances and benefits in kind	**2,640,325**	2,712,915
Contributions to retirement schemes	**48,000**	71,126
	2,688,325	2,784,041

The emoluments fell within the following band:

	Number of individuals	
Emolument band	**2008**	2007
HK$0 – HK$1,000,000	**4**	4

31 CASH GENERATED FROM/(USED IN) OPERATIONS

(a) Reconciliation of (loss)/profit for the year before taxation to cash generated from/(used in) operations:

	2008 **HK$**	2007 HK$
(Loss)/profit for the year before taxation	**(5,304,820)**	8,650,313
Adjustments for:		
Depreciation	**1,149,405**	803,726
Amortisation of land use rights	**578,750**	929,304
Dividend income from available-for-sale financial assets	**(4,492,422)**	(4,210,535)
Interest expenses	**1,209,899**	953,552
Interest income	**(7,984,223)**	(8,274,161)
Gain on disposal of property, plant and equipment	**(4,500)**	–
Gain on disposal of a subsidiary	**–**	(100)
Loss on deregistration of subsidiaries	**–**	3,010
Fair value gain on revaluation of an investment property	**(150,000)**	–
Exchange losses/(gains), net	**15,994,061**	(678,675)
	996,150	(1,823,566)
Changes in working capital		
Amount due to ultimate holding company	**–**	(253,045)
Trade receivables	**2,865,722**	(8,819,587)
Other receivables, deposits and prepayments	**4,493,880**	577,522
Advance subscriptions and licence fees received	**658,600**	505,793
Customer deposits	**(35,500)**	(33,854)
Trade and other payables	**9,981,688**	3,822,962
Cash generated from/(used in) operations	**18,960,540**	(6,023,775)

31 CASH GENERATED FROM/(USED IN) OPERATIONS (CONTINUED)

(b) Deregistration of subsidiaries

	2008 HK$	2007 HK$
Net assets disposed of:		
Other receivables, deposits and prepayments	–	100
Cash and bank balances	–	135
	–	235
Reserve realised	–	(3,245)
Loss on deregistration	–	3,010
	–	–

Analysis of net cash used in respect of deregistration of subsidiaries:

	2008 HK$	2007 HK$
Net cash used in respect of deregistration of subsidiaries	–	(3,010)

(c) In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2008 HK$	2007 HK$
Net book amount	–	–
Gain on sale of property, plant and equipment	4,500	–
Proceeds from sale of property, plant and equipment	4,500	–

(d) Non-cash items

Exchange translation difference for bank loans amounted HK$15,402,166 (2007: HK$348,827).

32 OTHER COMMITMENTS

	Group	
	2008 HK$	2007 HK$
Contracted but not provided for in respect of investment in available-for-sale financial assets	1,765,948	1,772,546

The Group did not have any other commitment as at 31 March 2008 and 2007.

33 OPERATING LEASES

The Group had future aggregate minimum lease receivables under the non-cancellable operating leases in respect of the investment property as follows:

	Group	
	2008	2007
	HK$	HK$
Not later than one year	**2,004,000**	580,000
Later than one year and not later than five years	**4,744,000**	–
	6,748,000	580,000

The Group did not have any operating lease receivable as at 31 March 2008 and 2007.

34 RELATED-PARTY TRANSACTIONS

	2008	2007
	HK$	HK$
Key Management compensation – salaries and other short-term benefits	**4,677,540**	4,416,760

35 EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the year-end, the Group sold a small holding of 729 shares (about 3.9% of our stake) in eAccess, and recorded a net profit of approximately HK$2.4 million. The Group's remaining holdings in eAccess have, as a result, been reduced to 1.23%.

Subsequent to the year-end, the Board received a proposal involving a possible change of ownership of the Company and a possible general offer together with related arrangements that require Special Deal consents by the Securities and Futures Commission and the approval of Independent Shareholders. An announcement setting out the outline of the offer was made on 30 May 2008. A circular letter incorporating the recommendations of the Independent Board Committee and the Independent Financial Advisor is expected to be dispatched as soon as is practicable.

Five-Year Financial Summary

	2004 (Restated) HK$'000	2005 (Restated) HK$'000	2006 (Restated) HK$'000	2007 HK$'000	**2008 HK$'000**
Turnover	21,911	25,042	41,029	73,784	**150,250**
Profit/(loss) before income tax	48,918	86,531	24,982	8,650	**(5,305)**
Taxation credit/(charge)	234	–	–	(1,031)	**(242)**
Profit/(loss) after taxation	49,152	86,531	24,982	7,619	**(5,547)**
Profit/(loss) attributable to shareholders	49,152	86,531	24,982	7,619	**(5,547)**
Profit/(loss) attributable to shareholders per share	10.5 cents	18.5 cents	5.4 cents	1.6 cents	**(1.2) cents**
ASSETS AND LIABILITIES					
Total assets	293,520	443,541	397,147	420,272	**419,088**
Current liabilities	(48,818)	(48,365)	(46,164)	(50,897)	**(107,026)**
Funds employed	244,702	395,176	350,983	369,375	**312,062**
Shareholders' fund	244,449	395,176	318,171	318,153	**290,854**
Long term bank loans and deferred taxation	–	–	32,812	51,222	**21,208**
Amount due to a holding company	253	–	–	–	**–**
Funds employed	244,702	395,176	350,983	369,375	**312,062**
Return on average shareholders' fund (%)	21.7	27.0	7.0	2.4	**(1.8)**
Dividends per share	11 cents	13 cents	6 cents	1 cent	**2 cents**