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本報告(即時科研集團有限公司各董事(「董事」)願共同及個別對此承擔全部責任)乃遵照香港聯合交易所有限公司《創業板證券上市規則》的規定而提供有關即時科研集團有限公司的資料。各董事經作出一切合理查詢後確認，就彼等所知及所信：1. 本報告所載資料在各重大方面均屬準確及完整，且無誤導成分；2. 本報告並無遺漏任何事實致使其中所載任何內容產生誤導；及3. 本報告內表達的一切意見乃經審慎周詳考慮後方作出，並以公平合理的基準和假設為依據。

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Mr. Lin En Fu

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Ms. Hsieh Yi Chen

Ms. Wu Chiao Ru

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Mr. Wong Lam

Authorized Representatives

Mr. Wong Hoi Wong
Mr. Wong Lam

Company Website

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General Information

Listing	: Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
Listing Date	: 27th July 2001
Nominal Value	: HK\$0.1 per share

Stock Code

Hong Kong Stock Exchange	: 8119
Reuters	: 8119.HK
Bloomberg	: 8119 HK

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一般資料

上市地點	: 香港聯合交易所有限公司創業板
上市日期	: 二零零一年七月二十七日
面值	: 每股 0.1 港元

股份代號

香港聯交所	: 8119
路透社	: 8119.HK
彭博通訊社	: 8119 HK

Based in Hong Kong, Thiz Technology Group Limited (“Thiz”, the “Company” or the “Group”) is the first and a leading developer of Linux solutions for PC and provider of internet application technology users. Thiz was also the first Linux software solution provider listed in the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong in July 2001 (Stock Code: 8119). Thiz is a provider of various computing solutions and related services targeting individuals, small to medium size enterprises and educational institutions. The products and services provided by the Group include ThizLinux (desktop operating system and server), applications and other related services, such as software installation, training and education. Thiz launches high quality products that are flexible to customise for SMEs, government and educational institutions.

Thiz is devoted to developing Linux systems, internet application technology and related applications, and promote the Group's brandname to the global market. ThizLinux is the Group's R&D backbone on Linux operating systems and applications. The Group has introduced a wide range of products including ThizLinux desktop systems, office suites, server applications, Internet trading systems, diskless solution, intranet collaborative software, anti-virus software and firewall.

To promote Linux general education, Thiz provides various solutions on Linux education for primary and secondary schools, tertiary institutions and training centres. The solutions include course management, training materials, teaching plans, training certifications, examination system and other related services. Currently, the Group is actively promoting learning and usage of ThizLinux products.

On regional development, the Group has offices in Hong Kong, Taiwan and China. Through software bundling, OEM partnerships, education and ThizLinux enterprise solutions, the Group offers comprehensive support and services to governments, private enterprises, educational institutions as well as individual users in the Greater China region.

即時科研集團有限公司(「即時科研」、「本公司」或「本集團」)以香港為基地，是首家為個人電腦用戶開發 Linux 解決方案及互聯網應用技術的供應商，並穩居業內領導位置。即時科研亦是首間於香港聯合交易所創業板(「創業板」)上市的Linux軟件及解決方案供應商，於二零零一年七月上市(股票編號：8119)。即時科研專門為個人用戶、中小型企業及教育機構供應各種電腦解決方案及相關服務。本集團所提供的產品及服務包括ThizLinux(包括桌面操作系統及伺服器)、應用程式及其他相關服務，例如軟件安裝、培訓及教學。即時科研所提供的優質產品具備靈活彈性，可為各中小企、政府及教育機構所需而度身訂造。

即時科研一直致力開發Linux系統、互聯網應用技術及相關應用軟件，及將集團品牌推廣至國際市場。ThizLinux是集團技術研發隊伍在Linux操作系統及應用軟件研發方面的核心。本集團已先後推出ThizLinux桌面系統、全能辦公室軟件、多功能伺服器、互聯網貿易系統、無盤式工作站、內聯網群組軟件、防毒軟件以及防火牆等產品。

為實現Linux普及教育的理想，即時科研為中小學、大專院校和各類培訓中心提供多元化之Linux教育方案，包括課程管理、教材、教案、培訓認證、考試系統及其他相關服務。目前，本集團正積極推廣學習和使用集團研發之ThizLinux產品。

地區發展方面，本集團於香港、台灣及中國均設有辦事處。本集團透過軟件綑綁、OEM合作夥伴、教育及ThizLinux企業方案，為大中華區內政府、私營企業、教育機構以及個人用戶提供全面支援及服務。

Corporate Milestone

企業里程碑

March 2006

The Xian Subsidiary of Thiz was awarded "2005 Excellent IT Training Institute of Shaanxi" by CPCW (電腦報). The Shenzhen Subsidiary of Thiz was designated by Shenzhen Software Industry Association as "LINUX Software Engineer Training Base".

May 2006

The 28th International Conference on Software Engineering, LinuxWorld Shanghai 2006 was held on 23-24 May in Shanghai successfully. Thiz was the Gold sponsor of the Conference and Mr. Wong Hoi Wong, our Chief Executive Officer, participated in the symposia as an invited guest. The training department of the Group was awarded "2006-2007 Top Ten Training Institute Elected by Students of the Beijing University · Trusted by University Students". The Xian Subsidiary of Thiz signed a college-enterprise cooperation agreement with Xi'an University of Finance and Economics.

June 2006

The Shenzhen Subsidiary of Thiz signed a software bundling agreement with Tsinghua Tongfang Co. Ltd.

July 2006

The Xian Subsidiary of Thiz signed a college-enterprise cooperation agreement with Shaanxi Aerospace Staffs & Vocation University. The Shenzhen Subsidiary of Thiz signed a sale and purchase agreement and a quality agreement with BenQ (Shanghai) Co. Ltd.

Jan 2007

As reported in Jan 2007 by CPCW (電腦報), The Xian Subsidiary of Thiz was accredited as "Top Ten Training School" in the 2006 IT consumer satisfaction research conducted among university students in Shaanxi. The Xian Subsidiary of Thiz were accredited "2006 Top Ten Education Brand" by 培訓互聯.

2006年3月

即時西安子公司獲得電腦報2005年度陝西優秀IT教育培訓機構獎。即時深圳子公司獲得深圳軟件行業協會指定為「LINUX軟件工程師培訓基地」。

2006年5月

5月23-24日，第28屆世界軟件工程大會LinuxWorld Shanghai 2006在上海成功舉辦。即時科研作為大會的黃金贊助商，CEO王凱煌先生獲邀參與專題討論。即時科研集團培訓事業部榮獲由北京高校畢業生指導中心頒發的「2006-2007年度北京大學生票選十佳培訓機構·大學生信賴獎」獎項。即時西安子公司與西安財經學院簽訂校企合作協議。

2006年6月

即時深圳子公司與清華同方股份有限公司簽署軟件捆綁協議書。

2006年7月

即時西安子公司與西安航天職工大學簽訂校企合作協議。即時深圳子公司與明基電通(上海)有限公司簽署購銷協議和品質協議。

2007年1月

2007年1月《電腦報》，在2006年陝西大學生IT消費滿意度調查活動中，即時西安子公司被評為「十強IT培訓學校」。同時，即時西安子公司被培訓互聯頒發「2006年度十佳教育品牌」的稱號。

Product development strategies

The Group will maintain and strengthen its existing market position as the “software factory specialising in Linux”, fully expand the scale of our “factory” and enhance our competitiveness for sustainable development. We shall continue to develop customised products, and emphasize on the research and development of Linux based entertainment and security products to further enhance their market position and make them more user friendly. The Group will also expand its share in the PC bundling market. Through utilising the training resources of our “Huangpu Military Academy of Linux” fully, the Group will increase its software outsourcing capability, and strengthen and enhance the overall market position of “This software factory”.

Training and education strategies:

The Group developed its own embedded starter kit for its training and education activities. We have established management centers in the Northeast, Northern, Northwest and Eastern China and have enabled an overall upgrade of the trainings we provided, and significantly increased the training hours and technology content of our training programmes. The number of licenced centers and licenced schools in the northeast region increased, these centers and schools are distributed across eastern and western Liaoning, Jilin and Heilongjiang. The universities we worked with also increased in Northeast China, which included first class institutions such as Dalian University of Technology, Heilongjiang University and Changchun University.

During the year 2006 to 2007, the Group further strengthened the development of its nationwide training network, and currently we have directly owned schools and licenced schools in all major cities. Meanwhile, in order to cope with changes in the overall training market, the Group's training department proactively considered improvement measures and innovative training methods, which included: the launching of training programmes for embedded software in Dalian in June 2006, which was very successful and the Group has become the only manufacturer providing comprehensive Linux trainings in the PRC; and in the end of 2006, the Group's training department renewed the whole system of its training programmes to bring them in line with market demand, and received overwhelming favourable comments from licenced centers of various regions.

In 2007, our training department has shifted its focus and planned to build a complete training chain in the coming year. Universities and colleges are at the upstream of the entire training chain, and building on the experience already gained, our training department will expand the collaboration with such institutions. It is our aim to become one of the major college and enterprise joint effort solution providers in the PRC by 2008. At the midstream of the training chain are the training schools located in major cities. They will take further responsibilities in establishing our brand name in training, extending the influence of Linux and operating the Group's training sector. In addition, we also plan to focus in developing the downstream portion of training chain. A key part of which is to establish a recruitment service that is appropriate to the development of our training activities. Through our upcoming recruitment website, the Group's training department will develop head hunt services such as talent dispatch and supply of customized corporate talents.

We have grounds to believe that before the end of the next financial year, the Group's training operation will achieve greater successes. By then, the Group will become a leading provider of Linux training, training solution provider for government and enterprises, college and enterprise joint effort solution provider and talent provider in respect of Linux professionals in the PRC.

產品發展策略

集團維持並鞏固現有的「專業的Linux軟件工廠」的行業地位，全面提升「工廠的規模」和持續發展的競爭機制；繼續產品的客制化服務，凸顯Linux桌面操作系統基礎之上的娛樂和安全兩大方面的產品研發投入，使產品更加強勢易用；擴大PC捆綁的市場份額；充分利用即時科研「Linux的黃埔軍校」的培訓資源加強軟件產品的代工能力，鞏固並提高「即時軟件工廠」在行業的綜合實力。

培訓教學策略：

集團自主研發嵌入式開發板產品，並用於培訓教學方面。東北區，華北區，西北區，華東區大區管理中心相繼成立，完成培訓項目全面升級，大幅度的增加了原有的課時和技術含量，增加加盟中心，增加東北區新盟學校，分布遼東，遼西，吉林，黑龍江，東北區新增合作院校，包括大連理工大學，黑龍江大學，長春大學等國家一流院校。

2006年至2007年度，即時科研集團進一步加強了整個全國培訓網絡的建立，全國直營校區及加盟校區已經遍及了各個重要城市。與此同時，為了適應整個培訓市場的變化，集團培訓事業部積極探討改革和創新的方法：2006年6月在大連地區推出嵌入式培訓課程，並迅速取得成功，一舉成為國內唯一提供全方面Linux培訓產品的廠商；2006年底，集團培訓事業部全面更新了自有的培訓課程體系，使得新課程體系更加適應市場需求，並得到了各地加盟中心一致的好評。

進入2007年，集團培訓事業部將工作重心進行了轉移，並計劃在未來的一年內建立完整的培訓產業鏈。高校是整個培訓產業鏈的上游，為此培訓事業部將會在現有經驗的基礎上，加大校企合作力度，計劃到2008年成為國內重要的校企合作方案提供商之一；作為整個培訓產業鏈的中游部分，處於各中心城市的培訓學校將會承擔更多的樹立即時培訓品牌、擴大Linux影響力及經營集團培訓業務的責任；此外，我們還計劃在下一個年度著重開發培訓的下游產業鏈，其中比較重要的部分就是要建立一個適合集團培訓事業發展的人才獵頭服務的經營模式，集團培訓事業部將會利用即將投入使用的人才網，大力發展人才派遣、企業人才定制等獵頭服務。

我們有理由相信，在下一個工作年度結束之前，即時科研集團的培訓事業將會取得更大的成功。屆時集團將會成為國內領先的Linux培訓產品提供商、政府及企業培訓方案提供商、校企合作方案提供商及專業Linux人才服務提供商。

Business development strategies and plans (Continued)

業務發展策略及計劃（續）



Mr. Wong Hoi Wong, our Chairman and Chief Executive Officer, and the dean of Xian University of Finance and Economics at the signing ceremony of a college-enterprise cooperation agreement.

圖片為集團主席兼CEO王凱煌先生與西安財經學院院長簽訂校企合作協議。



Wong Hoi Wong, our Chairman and Chief Executive Officer, and staff of the Group taking a photo with representatives from licensing school regions.

圖為集團主席兼CEO王凱煌先生與集團同事及各加盟校區代表合影。



Wong Hoi Wong, our Chairman and Chief Executive Officer, presents the award "2006 The Best Licenced Center for IT Professional Training of Thiz Technology Group" to Mr. Li Wenxue, Principal of the Changchun school region

圖為集團主席兼CEO王凱煌先生向長春校區李文學校長頒發「即時科技集團IT精英培訓2006年最優秀加盟中心」獎



Wong Hoi Wong, our Chairman and Chief Executive Officer, and Mr. Ni Guangnan, Research Fellow, Chinese Academy of Engineering at the 28th International Conference on Software Engineering, Linux World Shanghai 2006.

圖為集團主席兼CEO王凱煌先生與中國工程院倪光南院士在上海第28屆世界軟件工程大會LinuxWorld Shanghai 2006合影。

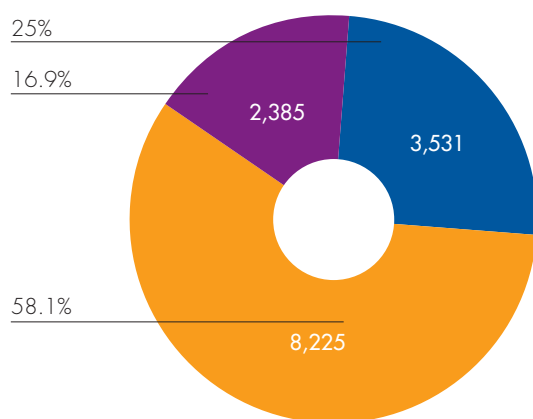


Wong Hoi Wong, our Chairman and Chief Executive Officer, presents the award "2006 The Best Partner for IT Professional Training of Thiz Technology Group" to Mr. Liu, head of the Hangzhou school region

圖為集團主席兼CEO王凱煌先生向杭州校區負責人劉主任頒發「即時科技集團IT精英培訓2006年最佳合作夥伴」獎

Turnover Analysis

2007 (HK\$'000)
二零零七年(千港元)



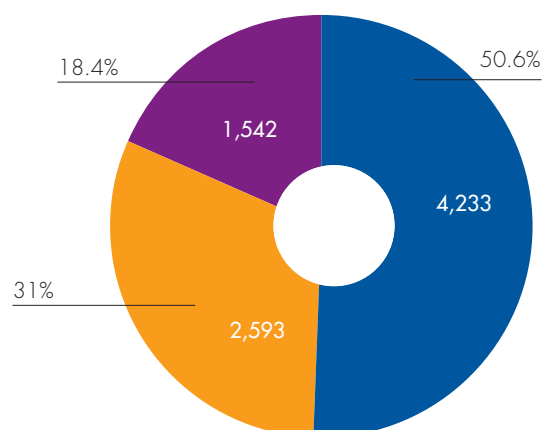
● Sales of computer products
銷售電腦產品

● Distribution of Group's Linux based software and hardware products
分銷本集團Linux軟件和硬件產品

● Training income
培訓收入

營業額分析

2006 (HK\$'000)
二零零六年(千港元)



9

Financial Position

- Total assets
- Net current (liabilities)/assets

Financial Ratios

- Current ratio
- Gross profit margin

財務狀況

- 資產總值
- 流動資產(負債)/淨值

財務比率

- 流動比率
- 毛利率

2007
二零零七年
HK\$'000
千港元

2006
二零零六年
HK\$'000
千港元

45,409
(45,187)

68,685
13,745

0.2
66%

1.5
37%

Review:

In the middle of 2006, four Ministries of the PRC (i.e. Ministry of Information Industry, National Copyright Administration, Ministry of Commerce and Ministry of Finance) jointly announced the "Notice on Issues Regarding Pre-installation of Authorized Operating System Software in Computers (關於計算機預裝正版操作系統軟件有關問題的通知)". The Group actively supported the government directives of State and promptly instructed our product department to set up the Thiz desktop operating system for major computer manufacturers in the PRC. Within a short period of just three months, the Group secured sales contracts for the pre-installation of nearly one million sets of operating system. With excellent compatibility and accompanied by our highly efficient service, our product has gained support and recognition from many manufacturers.

The Group entered into software bundling agreements with major manufacturers, such as Tsinghua Tongfang Co. Ltd., Tsinghua Unisplendour, Hisense and BenQ. Subsequently, we received firm orders for large quantities and achieved the record of mass production for one million sets in the PRC. Our business development has thus leaped forward and preliminary achieved a scale of securing monthly orders for the Linux desktop operating system of exceeding 100,000 sets, making us the pioneer in introducing Linux desktop operating system into the PRC market. Through the performance of such orders, the Group has also developed the complete production procedures and processes specifically adapted to the PRC market for the pre-installation of Linux operating system.

The excellent compatibility and strong scalability of the Group's Linux operating system earned high praise. On such backdrop, laptop and notebook computer manufacturers have raised new and higher demand to the Group. In view of the strong demand from manufacturers, our product department has submitted project demands for the Thiz SOS System, and commenced research and development of Thiz SOS System based on demands of the market and our customers.

Thiz SOS System has passed internal test and assessments. It was then submitted to our customers for external test and assessment by them. The Group signed a contract with Beijing ZTEway Biotech to complete the Fingerprint Security Authentication System for Inspur in Venezuela. The Fingerprint Security Authentication System is solely Linux based and has been well received by our customers. The System passed extensive tests and fully satisfied the need of our customer and was sold to Inspur's customer in the Venezuela market.

The Group has signed a sales cooperation agreement, product quality assurance and service agreement with Haier Information Technology (Shen Zhen) Co., Ltd. Whilst conducting extensive tests for desktop operating system and solving the compatibility and stability issues, we have basically established a joint testing platform with major international motherboard manufacturers such as ECS, Asus and Foxconn and display card manufacturers such as NVIDIA to ensure the stable supply from computer manufacturers. Subsequent to the establishment of the platform, a testing laboratory has been set up preliminarily to conduct Linux compatibility tests. Such laboratory helps solve existing and future compatibility problems and significantly upgraded the compatibility testing for our Linux products.

回顧：

2006年中，中國國家四部委（信息產業部、國家版權局、商務部、財政部等）聯合下了《關於計算機預裝正版操作系統軟件有關問題的通知》，集團積極向應國家的政府指令，要求集團產品事業部立刻為中國各大電腦廠商制定即時桌面操作系統，在短短三個月內達成近100萬套預裝操作的銷售合同；產品優良的兼容性、高效的服務品質得到眾多廠商的支持和認可。

集團與清華同方股份有限公司、清華紫光、海信電腦、明基 BenQ 等各大廠商簽署軟件捆綁協議書，並紛紛下達正式量產訂單，並形成中國第一百萬大單的量產化；在中國市場初步形成了 Linux 桌面操作系統單一產品月訂單超過10萬套的跨越式的發展。開創中國 Linux 桌面操作系統的先河；並初步形成了一整套的具有中國市場特色的 Linux 預裝操作系統的生產工藝和流程。

即時 Linux 桌面操作系統優良的兼容性、強大的擴展性得到一致好評的基礎上，臺式電腦及筆記本電腦廠商向即時科技提出了更高更新的要求；在眾廠商的強烈需求下，產品事業部向研究院提報《即時拯救系統》的項目需求；初步根據市場及客戶的需求集團正式展開《即時拯救系統》的研發工程。

《即時拯救系統》通過內部的測試及評審；並提交客戶進行外部客戶的測試與評審；集團與北京中天一維簽約完成浪潮公司在委內瑞拉的《指紋識別安全認證系統》，完全建立在 Linux 平臺的指紋識別系統得到客戶的一致好評與認可；通過大量測試，完全滿足客戶需求並銷售到委內瑞拉浪潮的客戶市場。

集團與海爾信息科技（深圳）有限公司簽署銷售合作協議產品質量保證及服務協議書；通過大量測作面操作系統，在解決兼容性和穩定性的同時，與國際主流的主板廠商精英、華碩、富士康及顯卡廠商 NVIDIA 等廠商初步形成聯合測試平臺，確保電腦廠商的穩定供貨；由於聯合平臺的建立，初步形成了 Linux 兼容性測試實驗室；共同解決目前存在的和未來存在的兼容性問題；為即時 Linux 的兼容性測試提升了一個臺階。

Catering for the market demand of end-users, the Group has developed the Thiz LiveCD basing on a new Linux kernel. Thiz LiveCD completely solved the troubles encountered by end-users in system installation. The launching of Linux system that can be boot-up and run by a CD-ROM has attracted much attention from computer manufacturers and they have vigorously tested Thiz LiveCD. Thiz LiveCD version has made material achievements in improving stability, compatibility and user-friendliness, and it may be considered the most stable CD-ROM Linux boot-up and running software in the PRC. The Group also custom made a Linux pre-installation version for BenQ notebook computers and the version passed the compatibility and stability tests successfully.

Prospect:

Product development strategy for 2007 and the next three years:

- Product development direction 1 **Family digital entertainment center**
Thiz Easy Theatre;
即時流媒體整體解決方案。
- Product development direction 2 **Network information security applications**
即時易指族指紋識別安全整體解決方案：
Fingerprint U-disk; fingerprint mouse; fingerprint keyboard; Chinabank Payment UKey (網銀UKey); fingerprint hard disk.

We adopt demand oriented strategy to develop products that meet the needs of customers. Leveraging on the strong human resource and market influence derived from our education and training activities, we will work to promote the penetration of our products. Our product business department has earned us the reputation of being "the training manufacturer and the trainer of manufacturers". The training we provide strengthens our leading position in integrating training with products, and demonstrates the value of services on the product level and help built our brand name.

Thiz SOS System and office applications have been formally included in the procurement plans of government in the PRC. Currently, the government project has commenced operation in Yingkou, Liaoning. Our additional software distributors for Thiz SOS System and office applications are located in the Dalian and Yingkou regions.

为了更好的適應市場終端用戶的市場需求，集團研發部基於更新的Linux內核開發出即時LiveCD版本，徹底的擺脫了終端用戶安裝系統的麻煩；用光盤就可以啟動並使用的系統一出臺，就得到了電腦廠商的高度重視和嚴格測試；即時LiveCD在穩定性、兼容性、易用性上有了品質的提高，堪稱目前國內最穩定的Linux光盤啟動運行版本；為明基BenQ筆記本定制Linux預裝版，成功通過了兼容性及穩定性測試。

展望：

2007年度及未來三年的產品發展策略：

- 產品發展方向一 **數字家庭娛樂中心**
即時輕鬆劇院；
即時流媒體整體解決方案。
- 產品發展方向二 **網絡信息安全應用**
即時易指族指紋識別安全整體解決方案；
指紋U盤；指紋鼠標；指紋鍵盤；
網銀UKey；指紋硬盤。

我們以市場需求為導向，開發適應市場的產品，依靠教育培訓產生的強大人力資源和市場影響力，加大產品的滲透能力，我們產品事業部為我們「培訓的廠商 廠商的培訓」市場地位帶來更好的市場口碑；提升國內Linux行業培訓與產品相融合的旗艦地位，產品層面凸顯服務的價值和品牌。

《即時拯救系統》和辦公室應用軟件正式列入政府採購計劃，目前在遼寧營口市已經開始政府項目運作；《即時拯救系統》和辦公室應用軟件新增軟件代理商分布在大連和營口地區。

The 28th International Conference on Software Engineering, LinuxWorld Shanghai 2006 organised by IDG was successfully held in Shanghai in 2006. The theme used by the Conference was "Linux - the Mainstream Application for Enterprise". Honorable guests included leading Linux experts and officials of the PRC such as Mr. Xu Shaomin, Director, Informatization Commission of Shanghai, Municipal People's Government IT Industry Administration Division, Mr. Ni Guangnan, Research Fellow, Chinese Academy of Engineering, and Mr. Wong Hoi Wong, Chief Executive Officer and Chairman, Thiz Technology Group. The guests and speakers have again clarified and pointed out the future development direction for the Linux sector in the PRC, and also made this a paramount event for Linux in 2006. In addition, the Shenzhen Subsidiary of Thiz participated in the 2006 annual meeting of the Shenzhen Software Industry Association, in which more than a thousand persons attended. The Dalian Subsidiary of Thiz also entered into a licence agreement with Heishijiao.

In July 2006, the Group was invited to participate in the "2nd Forum of IT Deans from China Universities and Colleges 2006" organized by the Ministry of Information Industry and China Association for Science and Technology. The theme of the Forum was "making own innovation and cooperation between enterprises and institutions". Officials from relevant state departments, eminent experts and research fellows, renowned domestic and foreign IT manufacturers, representatives from investment institutions together with nearly 400 deans or department heads of IT or similar faculties from more than 300 universities and colleges were invited to the Forum. They held detailed discussion regarding topics such as talent training, innovation of research system, cooperation among production, academic and research. The Forum also acted as a platform for the sharing and display of research achievements transfer, research and development cooperation and specific training of talents between IT institutions and enterprises. During the forum, the chief of our China education department, gave speeches on "正版軟件化進行分析" and "Prospect of Linux".

The Dalian Subsidiary of Thiz started to provide embedded R&D engineer training programmes. the chief of our China education department and our senior technology lecturers, were granted the "Excellent Teacher of Private Education Award" and the "Contribution Award for Teacher of Private Education" respectively in the "1st Honoring Activities for Private Teachers" organized by "thebeijingnews.com". The first network management programme has commenced on 20 November 2006. The Xian Subsidiary of Thiz was awarded the contract of management project for The Construction Engineering Machine Co., Ltd. of China Railway First Group, and reached an agreement with 西安比斯亞特電子有限公司 for cooperation in training driver engineers. Meanwhile, an agreement was reached with College of Software and Microelectronics, Northwestern Polytechnical University, State Training Center of International Software Talents, Xian and 國家Linux人才培訓與技術推廣中心 reach an agreement to establish the Thiz Linux Research Institute jointly. Moreover, the Dalian Subsidiary of Thiz has submitted application to the Dalian Education Committee, Dalian Bureau of Information Industry, and Dalian Labor and Social Security Bureau for the joint certification of 3A Computer Training Institution (the highest rank designated after assessment in various aspects and is now pending for the result).

2006年由IDG(美國國際數據集團)主辦的第28屆世界軟件工程大會LinuxWorld Shanghai在上海成功舉辦。本次大會以「挺進企業應用，邁向發展主流」為主題，邀請到了包括上海信息化委員會信息產業處徐紹敏處長，中國工程院倪光南院士，即時科研集團主席兼CEO王凱煌先生等在內的眾多來自國內Linux行業一線的專家、領導，再次為中國Linux行業的未來發展廓清道路指明方向，從而使本次大會成為2006年倍受矚目的Linux盛會。即時深圳子公司參加深圳軟件行業協會2006年會，參加會議人數達上千人。即時大連子公司與黑石礁學校達成加盟協議。

2006年7月，即時科研集團受邀參加由「信息產業部」「中國科學技術協會」主辦的「2006第二屆中國高校IT院長論壇」。論壇以「自主創新與產學研合作」為主題，盛邀國家相關主管部門領導、著名專家院士、國內外知名IT廠商及投資機構代表以及來自全國300餘所高校的近400位IT類院系的院長、系主任，共同就人才培養、科研體制創新、產學研合作等話題展開深入的研討，並搭建IT院系與企業科研成果轉讓、合作研發、人才定向培養的展示交流平臺。論壇期間，即時科研集團中國區教學管理部主管分別以「正版軟件化進行分析」、「Linux發展前景」兩大主題進行演講。

即時大連子公司啟動Linux嵌入式研發工程師培訓課程。即時科研集團中國區教學管理部主管及高級技術講師分別榮獲由「新京報」主辦的「首屆民辦教育園丁獎表彰活動」—優秀民辦教育教師獎及民辦教育教師奉獻獎。即時西安子公司與陝西省益萬通有限公司就合作培養網吧高級網管達成協議；並於2006年11月20日第一個網管班正式開課。即時西安子公司承接中鐵一局建工有限公司管理系統項目，並與西安比斯亞特電子有限公司就合作培養驅動程序工程師達成協議。同時，與西北工業大學軟件學院、國家軟件人才國際培訓(西安)基地、國家Linux人才培訓與技術推廣中心就合作建立即時Linux研究院達成協議。另外，即時大連子公司正在申請大連市教委、大連市信息產業局、大連市勞動局聯合頒發的3A計算機類培訓機構3A認證(對同類學校多方面考核的最高級認證)。

Our product passed the compatibility and stability tests for Amoi's notebook computer in 2007, and we have commenced bundling sales of desktop system. We also passed product tests for "Thiz SOS system - Nurse of BenQ" in respect of BenQ's desktop PCs and entered the stage of mass sales of bundled products.

As indicated by figures from June 2006 to June 2007, sales recorded by our product department increased significantly. With the success in the cooperation with Tsinghua Tongfang in the bundling sales of desktop operating system, we renewed the contract with them in June 2007, which laid a solid foundation for sales of desktop bundled system in 2008 and paves way for setting a new record of Linux desktop system bundling market in the PRC.

With the 2008 Beijing Olympics drawing near, the Group has achieved great progress and development in respect of its Linux products. Looking back on 2006, with the policy for pre-installation of authorised operating system announced by the four ministries, our hard working and dedicated staff have bring vitality and strength to the Linux bundling market in the PRC. In 2007, on the basis of the well earned accreditation of being the "Linux software factory of China", our team has achieved new heights again, and our innovative products have bring us even more opportunities. In light of this background, our product department has set the following objective for the year 2007: to increase significantly the actual number of bundled pre-installation.

Financial Review

Financial highlights

The Group's consolidated turnover amounted to HK\$14,141,000 (2006: HK\$8,368,000). During the year, loss from operation for the year was HK\$42,309,000, compared to HK\$29,002,000 in the corresponding period of last year. Further, loss attributable to shareholders for the year was HK\$48,468,000 while the corresponding amount of last year was HK\$31,700,000.

In line with the increase in turnover, gross profit for the Group increased from HK\$3,147,000 in 2006 to HK\$9,393,000 in 2007, while the gross profit margin increased from 37% to 66%. The major reason for the increase in gross profitability was due to increase in the distribution of the Group's Linux based software products that had much higher profit margins and the amounts of trading in computer products and training income have increased during the year.

During the year, provision for doubtful debts of HK\$26,350,000 (2006: HK\$7,605,000) had been made for outstanding debtors balance. Details are set out in note 18 to the financial statements.

Total operating costs were approximately HK\$27,807,000 (2006: HK\$24,921,000). Compare to last year, the operating costs have increased by 12%.

2007年通過夏新筆記本的兼容性及穩定性測試，並初步進入桌面系統的捆綁銷售；又成功通過明基BenQ臺式機《即時拯救系統－明基小護士》產品的測試，正式進入全面捆綁的量產銷售階段。

根據數據顯示2006年6月至2007年6月即時產品事業部的銷售有了大幅度的增加；清華同方捆綁銷售即時桌面操作系統合作順利的前提下2007年6月又成功續約，為2008年桌面捆綁系統奠定了良好的基礎，並為中國Linux桌面系統捆綁市場再創新高！

迎著北京2008奧運的春風，即時科研集團Linux產品也有了長足的進步和發展，回顧2006年在國家四部委的預裝正版操作系統的政策前提下，即時人艱苦卓絕的不屈不撓的精神為中國Linux捆綁市場帶來的生機和力量，2007年即時員工，在當之無愧的「中國Linux軟件工廠」的榮譽面前，再接再厲又創新高，產品創新帶來更多的商機，2007年度即時產品事業部的目標：實際預裝捆綁量計劃大幅度的增加。

財務回顧

財務摘要

本集團之綜合營業額14,141,000港元（二零零六年：8,368,000港元）。於年內，經營虧損為42,309,000港元，去年同期則為29,002,000港元。此外，年內之股東應佔虧損為48,468,000港元，去年則為31,700,000港元。

由於營業額上升，本集團之毛利由二零零六年之3,147,000港元上升至二零零七年之9,393,000港元，而毛利率則由37%上升至66%。毛利能力上升主要由於分銷邊際利潤上升較高之本集團Linux軟件產品之數量增加所致，以及電腦產品貿易及培訓收入金額於年內增加。

年內，本集團就未償還應收賬款餘額作出為數26,350,000港元（二零零六年：7,605,000港元）之呆賬撥備，詳情見財務報表附註18。

總經營開支約為\$27,807,000港元（二零零六年：24,921,000港元）。與去年相比，經營成本上升12%。

Management Discussion and Analysis (Continued)

管理層討論與分析（續）

Financial Review (continued)

Financial highlights (continued)

Loss attributable to shareholders and loss per share for the year were HK\$48,468,000 (2006: HK\$31,700,000) and HK15.8 cents (2006: HK10.4 cents) respectively.

Capitalisation

During the year, the Group had capitalised operating costs of approximately HK\$12,922,000 (2006: HK\$11,022,000) in respect of development of the Group's Linux based products, proprietary training materials and e-commerce application systems.

Financial resources and liquidity

As at 31 March 2007, total assets of the Group amounted to HK\$45,409,000 (2006: HK\$68,685,000). Current assets amounted to HK\$8,645,000 (2006: HK\$43,234,000), of which HK\$1,457,000 (2006: HK\$10,338,000) were cash and bank deposits. Current liabilities of HK\$53,832,000 (2006: HK\$29,489,000) mainly comprised of trade payables, other payables and accruals, convertible notes, and amounts due to directors and his spouse. There was no significant provision for tax payable during the year. Current ratio of the Group was 0.2 (2006: 1.5).

As at 31 March 2007, the Group had net current liabilities of approximately HK\$45,187,000 (2006: net current assets of approximately HK\$13,745,000).

Foreign currency exposure

Except for the operations in the Mainland where the transactions are denominated in Renminbi, the sales and purchases of the Group are denominated in Taiwan dollars and Hong Kong dollars. In view of the relative stability of the exchange rates between Hong Kong dollars, Taiwan dollars and Renminbi the Board considers that the Group is not exposed to any significant exchange risk.

財務回顧（續）

財務摘要（續）

年內，股東應佔虧損及每股虧損分別為48,468,000港元（二零零六年：31,700,000港元）及15.8港仙（二零零六年：10.4港仙）。

資本化

年內，本集團把就開發本集團之Linux產品、專有培訓教材及電子商貿應用系統約12,922,000港元（二零零六年：11,022,000港元）之營運成本資本化。

財務資源及流動資金

於二零零七年三月三十一日，本集團之資產總額達45,409,000港元（二零零六年：68,685,000港元）。流動資產合共8,645,000港元（二零零六年：43,234,000港元），當中1,457,000港元（二零零六年：10,338,000港元）為現金及銀行存款。流動負債53,832,000港元（二零零六年：29,489,000港元）主要為應付賬款、其他應付款項及應計費用、可換股票據以及應付董事及其配偶之款項。年內，應付稅項撥備並不重大。本集團流動比率為0.2（二零零六年：1.5）。

於二零零七年三月三十一日，本集團之流動負債淨值約為45,187,000港元（二零零六年：流動資產淨值約13,745,000港元）。

外匯風險

除以人民幣列值之內地業務交易外，本集團之銷售及採購均以新台幣及港元列值。由於港元、新台幣及人民幣間之匯率較為穩定，董事會認為本集團並無面臨任何重大外匯風險。

Financial Review (continued)

Charges on assets and contingent liabilities

As at 31 March 2007, the Group had no charge or pledge of assets and contingent liabilities are set out in note 31 to the financial statements.

Capital commitments

At the balance sheet date, the Group had no material capital commitment.

Management and employees

As at 31 March 2007, the Group had about 280 employees, including the Directors of the Company. Salaries of employees are primarily based on prevailing market salary levels and year end bonuses are granted at the end of each calendar year. Other employees' benefits include provident fund, medical cover and other insurance.

財務回顧（續）

資產抵押及或然負債

本集團於二零零七年三月三十一日並無抵押或質押資產，及或然負債載於財務報表附註31。

資本承擔

於結算日，本集團並無重大資本承擔。

管理層及僱員

於二零零七年三月三十一日，本集團有約280名僱員（包括本公司之董事）。僱員之薪金主要依據現行市場薪金水平而釐定，而年終花紅則於每年末授予。其他僱員福利包括強積金、醫療保險及其他保險。

Executive Directors

Mr. Wong Hoi Wong

Chief Executive Officer and Chairman

Mr. Wong Hoi Wong, aged 52, is an Executive Director and a founder of the Group. Mr. Wong has over 28 years' experience in sales and marketing, in particular in electronics and computer industries. Mr. Wong was the Chairman of Association of Electronic Components Industry of Taipei from 1990 to 1993. He oversees the sales and marketing strategies of the Group. Mr. Wong graduated from the Department of Industrial Management of Tamsui Oxford College in Taiwan with a diploma.

Mr. Yuan Luke Tsu

Mr. Yuan Luke Tsu, aged 33, has been elected as an Executive Director during the year. Mr. Yuan graduated from a Business Administration department of the California State University. He was the President of F.T. Data Management Inc. since 1997 to date. Mr. Yuan has substantial experience in the field of corporate administration and management.

Mr. Lin En Fu

Mr. Lin En Fu, aged 51, is currently the chief operational officer of the Company. He holds a degree of Master of Economics from the University of Kansas and was employed by First Commercial Bank of Taiwan for 21 years.

Non-executive Directors

Mr. Lin Chien Hsin

Mr. Lin Chien Hsin, aged 53, graduated from the Economic Faculty of Taiwan University and had been involved in research studies in Harvard and Stanford Business Schools. He was the Vice President of Holtek Semiconductor Manufacturing Co., Ltd. in 1999. Besides, he was also the Chief Financial Officer of United Microelectronics Corporation from 1983 to 2001, a semi-conductor manufacturer whose shares are listed in the Stock Exchange of Taiwan, and had been working there for about 18 years.

Ms. Hsieh Yi Chen

Ms. Hsieh Yi Chen, aged 42, has been elected as a Non-executive Director during the year. Ms. Hsieh graduated from the department of Broadcasting and TV of Shih Hsin University in Taiwan. She was the executive secretary of Franklin Advisors Inc. and subsequently as the Vice President of Le Kao Co., Ltd. Ms. Hsieh has extensive experience in the field of administration and management.

Ms. Wu Chiao Ru

Ms. Wu Chiao Ru, aged 39, has been elected as a Non-executive Director during the year. Ms. Wu graduated with a Master Degree in Management from Yuan Ze University in Taiwan. She was assistant to president of Lung Hwa Electronics Co., Ltd. from 2002 to 2003, and subsequently the Vice President of Chi Fu Jong Hua Co., Ltd. Ms. Wu has extensive experience in the field of public relations and consultancy.

執行董事

王凱煌先生

行政總裁兼主席

王凱煌先生，52歲，執行董事兼集團創辦人。王先生積逾二十八年營銷經驗，尤其專注電子及電腦業方面。王先生於一九九零年至一九九三年間出任台北市電子零件商業同業公會主席。彼專責監督本集團之營銷策略。王先生持有台灣淡水工商管理專業學校工業管理系頒授之文憑。

袁祖平先生

袁祖平先生，33歲，已於年內獲推選為執行董事，袁先生畢業於美國加州州立大學工商管理系。彼由一九九七年至今為F.T Data Management Inc.之總裁。袁先生對企業行政及管理具有資深經驗。

林穎甫先生

林穎甫先生，51歲，現時為本公司之營運總監。彼持有堪薩斯大學之經濟學碩士學位，並任職台灣第一商業銀行股份有限公司達21年。

非執行董事

林建新先生

林建新先生，53歲，畢業於台灣大學經濟學院，並曾於哈佛及史丹福商學院從事研究。彼於一九九九年曾任合泰半導體股份有限公司副總裁。此外，彼亦曾於一九八三年至二零零一年擔任聯華電子股份有限公司之財務總監，彼在該公司任職約十八年之久。該公司為半導體製造公司，其股份在台灣證券交易所上市。

謝宜堯女士

謝宜堯女士，42歲，於年內被選舉為非執行董事。謝女士畢業於台灣世新大學播音系。彼為Franklin Advisors Inc.之行政秘書及後續為Le Kao Co., Ltd.之副總裁。謝女士擁有行政及管理領域的豐富經驗。

巫巧如女士

巫巧如女士，39歲，於年內被選舉為非執行董事。巫女士畢業於台灣元智大學，獲管理學碩士學位。彼由二零零二年至二零零三年任職Lung Hwa Electronics Co., Ltd.之總裁助理，及後續任Chi Fu Jong Hua Co., Ltd.之副總裁。巫女士在公共關係和諮詢領域擁有豐富經驗。

Independent Non-executive Directors

Ms. Li Zhe

Ms. Li Zhe, aged 37, is a qualified PRC lawyer. Ms. Li graduated with a Bachelor's Degree in Economic Law from Zhongshan University, the PRC, a Master's Degree of Business Administration from Murdoch University, Australia and a Postgraduate Diploma in Law from the Manchester Metropolitan University of the United Kingdom. Ms. Li has served a number of law firms in the PRC and Hong Kong. She was appointed as an independent non-executive Director in July 2001.

Mr. Chu Meng Chi

Mr. Chu Meng Chi, aged 42, has been appointed as independent non-executive director during the year. He obtained a bachelor degree in business administration from the Taiwan National Sun Yat-sen University. Mr. Chu has over 16 years' experience in the field of corporate administration and financial investments.

Ms. Chan Mei Sze

Ms. Chan Mei Sze, aged 42, is an associate member of Hong Kong Institute of Certified Public Accountants and fellow member of Association of Chartered Certified Accountants. She has over 20 years' accounting and finance experience in various industries in Hong Kong.

獨立非執行董事

黎哲女士

黎哲女士，37歲，合資格中國律師。黎女士畢業於中國中山大學，獲頒授經濟法學士學位，並持有澳洲Murdoch University頒授之工商管理碩士學位及英國Manchester Metropolitan University頒授之法律深造文憑。黎女士曾任職於中國及香港多間律師行。彼於二零零一年七月獲委任為獨立非執行董事。

朱孟祺先生

朱孟祺先生，42歲，已於年內獲委任為獨立非執行董事。彼獲得台灣國立中山大學企業管理學士學位。朱先生在公司行政及金融投資方面積累逾十六年經驗。

陳美詩女士

陳美詩女士，42歲，現時為香港會計師公會會員及英國特許會計師公會資深會員。彼於香港不同行業擁有逾20年會計及財務經驗。

INTRODUCTION

The Company endeavours to comply with all the code provisions on Corporate Governance Practices as set out in the GEM Listing Rules by establishing a formal and transparent procedure to protect and maximize the interests of shareholders during the year ended 31 March 2007.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 March 2007.

BOARD OF DIRECTORS

The Board is responsible for managing the Company on behalf of shareholders. The Board is of the view that it is the Directors' responsibility to create value for shareholders as a whole and safeguard the best interests of the Company and the shareholders by discharging its duties in a dedicated, diligent and prudent manner on the principle of good faith.

The Board comprises a total of 9 Directors, with three Executive Directors, namely, Mr. Wong Hoi Wong (CEO and Chairman), Mr. Lin En Fu and Mr. Yuan Luke Tsu; three Non-executive Directors, namely, Mr. Lin Chien Hsin, Ms. Hsieh Yi Chen and Ms. Wu Chiao Ru and three Independent Non-executive Directors, namely, Ms. Li Zhe, Mr. Chu Meng Chi and Ms. Chan Mei Sze.

Mr. Lin En Fu was appointed as the Company's new Executive Director, Mr. Lin Chien Hsin was redesignated as the Company's Non-executive Directors with effect from 14 November 2006.

Mr. Chu Wei Jen resigned as an Independent Non-executive Director of the Company with effect from 1 March 2007 and Ms. Chan Mei Sze was appointed as the Company's new Independent Non-executive Director with effect from 21 May 2007.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

緒言

於截至二零零七年三月三十一日止年度，本公司透過制定正式及具透明度之程序，致力遵守創業板上市規則所載有關企業管治常規之所有守則條文，以保障及使股東獲取最大利益。

董事之證券交易

本公司已採納一項董事進行證券交易之操守守則，其條款不遜於創業板上市規則第5.48條至第5.67條載之交易標準。經向全體董事作出特定查詢後，各董事於截至二零零七年三月三十一日止年度已一直遵守該等操守守則及所規定之交易標準以及其有關董事進行證券交易之操守守則。

董事會

董事會負責代表股東管理本公司。董事會認為董事之責任是透過以專注、勤勉及謹慎之方式及遵照誠信原則履行其職責，為股東整體創造價值並維護本公司及股東之最佳利益。

董事會共有九名董事，三名為執行董事，王凱煌先生（行政總裁兼主席），林穎甫先生及袁祖平先生；三名為非執行董事，林建新先生，謝宜堯女士及巫巧如女士；以及三名為獨立非執行董事，黎哲女士、朱孟祺先生及陳美詩女士。

林穎甫先生已獲委任為本公司新任執行董事，林建新先生調任為本公司非執行董事，由二零零六年十一月十四日起生效。

朱威任先生由二零零七年三月一日起辭任本公司獨立非執行董事，而陳美詩女士已獲委任為本公司之新獨立非執行董事，由二零零七年五月二十一日起生效。

各獨立非執行董事已根據創業板上市規則第5.09條發出有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均符合創業板上市規則第5.09條所載之獨立性指引，並根據該等指引之條文屬獨立人士。

BOARD OF DIRECTORS (continued)**The primary functions of the Board include:**

- (i) deciding on the overall strategies, overseeing operational and financial performance and formulating appropriate policies to manage risk exposure associated with realizing the strategies and goals of the Group;
- (ii) being held accountable for the internal control system of the Company and responsible for reviewing its effectiveness;
- (iii) being ultimately responsible for preparing financial accounts and discussing the performance, financial conditions and prospects of the Company in a balanced, clear and comprehensible manner. These responsibilities are applicable to quarterly, interim and annual reports of the Company, other price sensitive announcements published according to the GEM Listing Rules and disclosure of other financial information, reports submitted to regulatory bodies and information disclosable under statutory requirements; and regularly reviewing its own functions and the powers conferred upon Executive Directors to ensure appropriate arrangements are in place.
- (iv) Whilst Executive Directors, who oversee the overall business of the Company, are responsible for the daily operations of the Company, the Board is responsible for affairs involving the overall policies, finance and shareholders of the Company, namely financial statements, dividend policy, significant changes to accounting policies, annual operating budgets, material contracts, major financing arrangements, principal investment and risk management strategy.
- (v) The management is well informed of its powers and duties with clear guidelines and instructions, in particular regarding situations under which reporting to the Board is necessary and matters that require the approval of the Board before any decisions or commitments can be made on behalf of the Company.
- (vi) The full Board meets at least four times a year, at approximately quarterly intervals, to review the financial performance, results of each period, material investments and other matters of the Group that require the resolution of the Board. Simultaneous conference call may be used to improve attendance when Individual Director cannot attend the meeting in person. Opinions of the Independent Non-executive Directors are actively sought by the Company if they are unable to attend the meeting in person.

董事會 (續)**董事會之主要職能包括：**

- (i) 決定整體策略、監督經營和財務表現、制定適當政策以管理與實現本集團策略及目標有關之風險；
- (ii) 須對本公司之內部監控制度負責，以及負責檢討其效益；
- (iii) 最終負責編製財務賬目及以平衡、清晰及全面之方式討論本公司表現、財務狀況及前景。該等職責適用於本公司之季度、中期及年度報告、根據創業板上市規則刊發之其他股價敏感公佈及其他財務資料披露、提交予監管機構之報告及法定之須予披露資料；及定期檢討其本身之職能及賦予執行董事之權力，以確保實施適當之安排。
- (iv) 負責監督本公司整體業務之執行董事須對本公司之日常營運負責，而董事會則負責涉及本公司整體政策、財務及股東之事務，即財務報表、股息政策、重大會計政策變更、年度經營預算、重大合約、主要融資安排、資本投資及風險管理策略。
- (v) 管理層獲充分告知其權力及職責並獲提供清晰指引及指示，特別是有關須向董事會報告之情況及於代表本公司作出任何決策或承諾前須獲董事會批准之事項。
- (vi) 董事會每年至少舉行四次(大約每季一次)全體會議，以檢討財務表現、各期間之業績、重大投資及需要董事會決議之本集團其他事項。若個別董事無法親身出席會議，則或會採用即時電話會議以提高出席率。倘獨立非執行董事不能親身出席會議，本公司會積極徵求其意見。

Corporate Governance Report [Continued]

企業管治報告 (續)

BOARD OF DIRECTORS (continued)

The primary functions of the Board include: (continued)

During the year ended 31 March 2007, the Board held four regular board meetings. The attendance record of each member of the Board is set out below:

	Attendance
Executive Directors	
Mr. Wong Hoi Wong (CEO & Chairman)	4/4
Mr. Yuan Luke Tsu	4/4
Mr. Lin En Fu	2/2
Non-executive Directors	
Ms. Hsieh Yi Chen	4/4
Ms. Wu Chiao Ru	4/4
Mr. Lin Chien Hsin	4/4
Independent Non-executive Directors	
Ms. Li Zhe	4/4
Mr. Chu Wei Jen	3/3
Mr. Chu Meng Chi	4/4
Ms. Chan Mei Sze	1/1

All directors attended all regular board meetings during their terms of appointment in the year. The number of total meetings of each director shown above indicates the number of regular meetings held during their terms of appointment and take into account the effect of resignation or appointment during the year.

CORPORATE GOVERNANCE PRACTICES

The Group has adopted a set of Code on Corporate Governance ("Company Code") which sets out the corporate standards and practices used by the Group to direct and manage its business affairs. It is prepared by referencing to the principles, code provisions and recommended best practices set out in the Code on Corporate Governance Practices ("GEM Code") contained in Appendix 15 of the GEM Listing Rules, which came into effect on 1st January 2005. The Board will continue to monitor and revise the Company Code and assess the effectiveness of our corporate governance practices in tandem with changes in the environment and requirements under the GEM Code, to ensure the Company Code is in line with the expectations and interests of shareholders and comply with the GEM Code.

The Company has complied with all the GEM Code during the period under review.

董事會 (續)

董事會之主要職能包括：(續)

於截至二零零七年三月三十一日止年度，董事會曾舉行四次定期董事會會議。董事會各成員之出席記錄載列如下：

	出席率
執行董事	
王凱煌先生 (行政總裁兼主席)	4/4
袁祖平先生	4/4
林穎甫先生	2/2
非執行董事	
謝宜蓁女士	4/4
巫巧如女士	4/4
林建新先生	4/4
獨立非執行董事	
黎哲女士	4/4
朱威任先生	3/3
朱孟祺先生	4/4
陳美詩女士	1/1

全體董事已出席於年度委任期內之所有定期董事會會議。各董事上示之會議總數顯示於彼等之委任期內所舉行之定期會議數目，並已計入於年內辭任或委任之影響。

企業管治常規

本集團已採納一套企業管治守則（「公司守則」），載列本集團在業務方向和管理其業務時所採用之企業守則及常規。公司守則乃參照由二零零五年一月一日起生效之創業板上市規則附錄十五內企業管治常規守則（「創業板守則」）所載之原則、守則條文及建議最佳常規而編製。董事會將繼續監控公司守則，並因應環境及創業板守則規定之變動對公司守則作出修訂和評估其企業管治常規之效益，以確保公司守則符合股東之預期及利益，與及遵守創業板守則。

本公司於回顧期內一直遵守所有創業板守則。

REMUNERATION OF DIRECTORS

The remuneration committee was established in March 2006. The chairman of the committee is Mr. Chu Meng Chi, an Independent Non-executive Director, and other members include Ms. Li Zhe and Ms. Chan Mei Sze being Independent Non-executive Directors.

During the period, the remuneration committee of the Company convened one meeting, in which duties of the remuneration committee were identified, all matters concerning the determination of remuneration of the Directors and senior management were discussed. In addition, the remuneration policies and incentive mechanism applicable to the Directors and senior management and the overall remuneration system of the Group were further refined and reasonable recommendations were made to the Board in the meetings. The remuneration committee of the Company has considered and reviewed the existing terms of employment contracts of the Executive Directors and appointment letters of the Independent Non-executive Directors.

NOMINATION OF DIRECTORS

The Board is responsible for considering the suitability of a candidate to act as a director and approving and terminating the appointment of a director. The Company has not set up any nomination committee in the period.

The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman will propose the appointment of such candidates to each member of the Board for consideration and each member of the Board will review the qualifications of the relevant candidates for determining the suitability to the Group on the basis of his qualifications, experience and background. The decision of appointing a director must be approved unanimously by the members of the Board.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The statements of the external auditor of the Company, Horwath Hong Kong CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 30 to 31 of this annual report.

董事之薪酬

薪酬委員會於二零零六年三月成立。委員會主席為獨立非執行董事朱孟祺先生，而其他成員包括黎哲女士及陳美詩女士為獨立非執行董事。

期內，本公司之薪酬委員會召開一次會議，會上確認薪酬委員會之職責，並討論所有有關釐定董事及高級管理層薪酬之事項。此外，薪酬委員會進一步完善適用於董事及高級管理層之薪酬政策及獎勵機制，以及本集團之整體薪酬制度，並於該等會議上向董事會作出合理建議。本公司之薪酬委員會已考慮及審閱執行董事之現有僱傭合約條款及獨立非執行董事之委任函。

董事之提名

董事會負責審議董事候選人之合適性，以及批准及終止董事之委任。本公司於期內並未成立任何提名委員會。

主席主要負責於有空缺或有必要增加額外董事時物色合適之董事會成員候選人。主席將建議該等候選人之委任，以供董事會每名成員審議，而每名董事會成員將審閱有關候選人之資歷，根據其資歷、經驗及背景決定是否適合本集團。委任董事之決定必須經董事會成員一致批准通過。

董事對財務報表之責任

董事知悉彼等編製本集團財務報表之責任，並確保財務報表乃根據法定規定及適用會計準則編製。董事亦須確保本集團之財務報表能如期刊發。

本公司外聘核數師浩華會計師事務所就其對本集團財務報表申報責任之聲明載於本年報第30至31頁之獨立核數師報告。

Audit Committee

- (a) The Audit Committee of the Company was established in August 2001 and currently comprises three Independent Non-executive Directors, namely Ms. Li Zhe, Mr. Chu Meng Chi and Ms. Chan Mei Sze. The Audit Committee possesses a wealth of experience and expertise including accounting profession, and regulatory experience both in Hong Kong, Taiwan and the Mainland.

Mr. Chu Wei Jen has resigned as a member of the Audit Committee upon his resignation as an Independent Non-executive Director on 1 March 2007 and Ms. Chan Mei Sze was appointed as the Company's new Independent Non-executive Director and member.

- (b) During the year, the Board reviewed the terms of reference of the Audit Committee and has made relevant amendments to accommodate the requirements of the GEM Code, where appropriate.
- (c) The primary function of the Audit Committee is to review and supervise the Group's financial reporting system, internal control procedures and to maintain good and independent communications with the management as well as auditors of the Company.
- (d) In discharging its responsibility, the Audit Committee has performed the following work:
- (i) reviewed the draft annual and quarterly financial statements and draft results announcements during the year;
 - (ii) reviewed, in conjunction with the auditors, the development of accounting standards and assessed their potential impacts on the Group's financial statements;
- (e) The Audit Committee met four times during the year to review the results of the Group.

Auditor

- (a) A resolution to re-appoint the retiring auditor, Messrs. Horwath Hong Kong CPA Limited is to be proposed at the forthcoming annual general meeting.
- (b) During the year ended 31 March 2007, audit fees and non-audit service fees payable to the auditor amounted to HK\$300,000 (2006: HK\$250,000) and HK\$Nil (2006: HK\$35,000) respectively.

INTERNAL CONTROL

The Company has conducted a review of its system of internal control periodically to ensure it is effective and adequate. The Company convened meetings periodically to discuss financial, operational and risk management control.

審核委員會

- (a) 本公司審核委員會於二零零一年八月成立，現時由三名獨立非執行董事組成，即黎哲女士、朱孟祺先生及陳美詩女士。審核委員會擁有會計專業資格、以及香港、台灣及中國內地規管之豐富經驗及專長。

朱威任先生已於二零零七年三月一日辭任獨立非執行董事時亦辭任審核委員會成員。陳美詩女士被委任為本公司之新獨立非執行董事及委員。

- (b) 年內，董事會已審閱審核委員會之職權範圍，並作出適當修訂，以符合創業板守則之規定。
- (c) 審核委員會主要職責為審閱及監督本公司財務報告體系、內部監控程序，並與本公司管理層及核數師保持良好及獨立之溝通。
- (d) 於履行其職責時，審核委員會已進行下列工作：
- (i) 審閱年內之年度及季度財務報表草稿及業績公佈草稿；
 - (ii) 與核數師審閱會計準則之發展並評估準則對本集團財務報表之潛在影響；
- (e) 審核委員會於年內舉行四次會議，審閱本集團業績。

核數師

- (a) 本公司將於應屆股東週年大會上提呈決議案，續聘退任核數師浩華會計師事務所。
- (b) 截至二零零七年三月三十一日止年度，應付核數師之核數費用及非核數服務費用分別為300,000港元（二零零六年：250,000港元），及零港元（二零零六年：35,000港元）。

內部監控

本公司定期檢討其內部監控制度，以確保內部監控制度有效及足夠。本公司定期召開會議以討論財務、經營及風險管理監控。

The directors submit their report together with the audited financial statements for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 14 to the financial statements.

SEGMENT INFORMATION

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

RESULTS

The loss of the Group for the year ended 31 March 2007 and the state of affairs of the Company and of the Group at that date are set out on pages 32 to 87.

The directors do not recommend the payment of a dividend.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 38 and in note 28 to the financial statements, respectively.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of movements in share capital during the year are set out in note 25 to the financial statements.

PRE-EMPTIVE RIGHTS

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

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 88 to page 89.

董事提呈其報告連同截至二零零七年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。附屬公司之業務載於財務報表附註14。

分部資料

本年度本集團按業務及經營地區分部劃分之表現分析載於財務報表附註5。

業績

本集團截至二零零七年三月三十一日止年度之虧損及本公司及本集團於該日之狀況載於第32頁至第87頁。

董事不建議派付股息。

儲備

本集團及本公司於年內之儲備變動分別載於年報第38頁之綜合權益變動表及財務報表附註28。

物業、廠房及設備

年內物業、廠房及設備之變動載於財務報表附註13。

股本

年內股本變動詳情載於財務報表附註25。

優先購股權

本公司之公司組織章程細則或開曼群島法例並無載有有關規定本公司須按比例向現有股東提呈發售新股份之優先購股權條文。

五年財務摘要

本集團過去五個財政年度之業績及資產與負債概要載於第88頁至第89頁。

Directors' Report (Continued)

董事會報告 (續)

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DIRECTORS

The Directors during the year were:-

Executive Directors:

Mr. Wong Hoi Wong
Mr. Yuan Luke Tsu
Mr. Lin En Fu (appointed on 14 November 2006)
Mr. Lin Chien Hsin (resigned on 14 November 2006)

Non-executive Directors:

Ms. Hsieh Yi Chen
Ms. Wu Chiao Ru
Mr. Lin Chien Hsin (appointed on 14 November 2006)

Independent Non-executive Directors:

Ms. Li Zhe
Mr. Chu Wei Jen (resigned on 1 March 2007)
Mr. Chu Meng Chi
Ms. Chan Mei Sze (appointed on 21 May 2007)

In accordance with article 116 of the Company's Articles of Association, Mr. Lin En Fu shall retire from the board by rotation and, being eligible, offer himself for re-election.

Mr. Lin Chien Hsin, Non-executive Director, was appointed for a term expiring on the closing of the forthcoming Annual General Meeting of the Company. Ms. Li Zhe, Mr. Chu Meng Chi and Ms. Chan Mei Sze, Independent Non-executive Directors, were not appointed for a specific term as they are subject to retirement and re-election at the Company's Annual General Meeting in accordance with the Company's Articles of Association.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

No director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Each of the Independent Non-executive Directors has confirmed his/her independence to the Company pursuant to Rule 5.09 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM") (the "GEM Listing Rules") for the year ended 31 March 2007 and the Company considers the independent non-executive directors to be independent.

買賣或贖回上市證券

本公司於年內概無贖回其任何股份。本公司或其任何附屬公司於年內概無買賣本公司任何上市證券。

董事

年內之董事如下：

執行董事：

王凱煌先生
袁祖平先生
林穎甫先生 (於二零零六年十一月十四日獲委任)
林建新先生 (於二零零六年十一月十四日辭任)

非執行董事：

謝宜蓁女士
巫巧如女士
林建新先生 (於二零零六年十一月十四日獲委任)

獨立非執行董事：

黎哲女士
朱威任先生 (於二零零七年三月一日辭任)
朱孟祺先生
陳美詩女士 (於二零零七年五月二十一日獲委任)

根據本公司之公司組織章程細則第116條，林穎甫先生須輪席告退董事，惟合資格並願膺選連任。

非執行董事林建新先生之任期均於本公司下屆股東週年大會結束時屆滿。獨立非執行董事黎哲女士、朱孟祺先生及陳美詩女士並無特定任期，惟須根據本公司之公司組織章程細則於本公司股東週年大會告退，並膺選連任。

董事及董事之服務合約

董事並無與本公司訂有任何本公司不得在未有作出補償(法定補償除外)的情況下於一年內終止之服務合約。

各獨立非執行董事已根據香港聯合交易所有限公司創業板(「創業板」)證券上市規則(「創業板上市規則」)第5.09條向本公司確認彼等於截至二零零七年三月三十一日止年度之獨立性，而本公司認為各獨立非執行董事具備獨立性。

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the transactions as disclosed in note 33 to the financial statements, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest subsisted at the end of the year or at any time during the year.

SHARE OPTION SCHEME

Pursuant to ordinary resolutions passed on 5 August 2004, the share option scheme adopted on 6 July 2001 (the "Old Scheme") was terminated with immediate effect provided that options which have been granted under the Old Scheme and remain outstanding shall continue to be exercisable in accordance with their terms of issue and the provisions of Chapter 23 of GEM Listing Rules. The Company has adopted a new share option scheme (the "New Scheme") pursuant to a resolution passed on the same date.

Details of the New Scheme are set out in note 26 to the financial statements. No share option was granted under the New Scheme.

A summary of the movements of the outstanding share options granted under the Old Scheme during the year, which continue to be exercisable, is as follows:-

Name of director	Number of share options 購股權數目		Date of grant	Exercise price per share	Exercise period
	Outstanding as at 1.4.2006 於二零零六年 四月一日 尚未行使	Outstanding as at 31.3.2007 於二零零七年 三月三十一日 尚未行使			
董事姓名			授出日期	每股 行使價 HK\$ 港元 (Note 2) (附註2)	行使期 (Note 1) (附註1)
Mr. Wong Hoi Wong 王凱煌先生	194,211	194,211	21 November 2001 二零零一年 十一月二十一日	2.66	30 June 2002 to 29 June 2012 二零零二年 六月三十日至 二零一二年 六月二十九日

董事於合約之權益

除財務報表附註33所披露之交易外，於年底或年內任何時間，概無任何由本公司或其任何附屬公司訂立且本公司董事在其中擁有重大權益之其他重大合約。

購股權計劃

根據於二零零四年八月五日通過之普通決議案，於二零零一年七月六日採納之購股權計劃(「舊計劃」)已被即時終止，惟已根據舊計劃授出但尚未行使之購股權將可根據發行條款及創業板上市規則第23章之條文繼續行使。本公司已根據於同日通過之決議案採納新購股權計劃(「新計劃」)。

新計劃之詳情載於財務報表附註26。概無根據新計劃授出任何購股權。

年內根據舊計劃授出之尚未行使購股權(可繼續行使)變動概述如下：

SHARE OPTION SCHEME (continued)

Notes:

1. The share options are fully vested on 30 June 2002.
2. The exercise price and the outstanding number of options have been adjusted for the share consolidation of the Company's shares on 3 October 2005.
3. The consideration of the grant of an option is HK\$1 each payable by the grantee.

At 31 March 2007, the number of shares to be issued under share options granted under the Old Scheme was 194,211, representing 0.05% of the issued share capital of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY

As at 31 March 2007, the interests or short positions of the directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 under the Laws of Hong Kong), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.61 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows: –

(a) Long positions in ordinary shares and underlying shares of the Company

Name of director 董事姓名	Type of interests and number of shares held 權益類別及所持股份數目		Number of share options held 所持 購股權數目	Total	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
	Personal interest 個人權益	Other interest 其他權益 (Note) (附註)			
Mr. Lin Chien Hsin 林建新先生	52,950,000	–	–	52,950,000	17.29%
Mr. Wong Hoi Wong ("Mr. Albert Wong") 王凱煌先生(「王先生」)	–	24,970,000	194,211	25,164,211	8.22%

購股權計劃 (續)

附註：

1. 購股權於二零零二年六月三十日全數授出。
2. 購股權之行使價及未行使購股權之數目已就本公司於二零零五年十月三日進行股份之股份合併而作出調整。
3. 授出購股權之代價每股1港元由獲授人支付。

於二零零七年三月三十一日，根據舊計劃授出之購股權將予發行股份數目為194,211股，佔本公司已發行股本0.05%。

董事及主要行政人員於本公司證券之權益

於二零零七年三月三十一日，各董事及主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券持有任何根據證券及期貨條例第XV部第7及8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或短倉(包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益或短倉)，或根據證券及期貨條例第352條須登記於該條文所述之登記冊之權益或短倉，或根據創業板上市規則第5.61條須知會本公司及聯交所之權益或短倉如下：

(a) 本公司普通股及相關股份之長倉

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY (continued)**(a) Long positions in ordinary shares and underlying shares of the Company** (continued)

Note: These shares are registered in the name of Eaglemax International Investment Limited ("EIL"), a company owned by Intelligent Management Limited ("IML") as the trustee of Intelligent Management Discretionary Trust, a family discretionary trust, the objects of which include Mr. Wong Hoi Wong, his family and any charity in the world. As at 31 March 2007, Mr. Wong Hoi Wong held the entire issued share capital of IML. By virtue of SFO, Mr. Wong Hoi Wong has an interest of such shares.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2007, the following persons (not being the directors and chief executives of the Company) had interests or short positions in the shares, underlying shares or debentures of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO as follows: –

Name of shareholders	Ordinary shares	Preference shares	Percentage of holding of the ordinary shares	Percentage of holding of the preference shares
股東名稱	普通股	優先股	所持普通股百分比	所持優先股百分比
Eaglemax International Investment Limited (Note 1)	24,970,000	–	8.2%	–
Eaglemax International Investment Limited (附註 1)				
United Fu Shen Chen Technology Corporation (Note 2)	52,434,000	–	17.1%	–
聯福生科技有限公司 (附註 2)				
Richagain International Limited	6,658,000	112,307,692	2.2%	33.0%
Maxbase Holdings Limited	–	111,500,000	–	32.8%
Extra Bright Trading Limited	–	95,000,000	–	27.9%

Note 1: These 24,970,000 ordinary shares are registered in the name of Eaglemax International Investment Limited, a company wholly owned by Intelligent Management Limited as the trustee of Intelligent Management Discretionary Trust, a family discretionary trust, the objects of which include Mr. Albert Wong and his family and any charity in the world. As at 31 March 2007, Mr. Albert Wong held the entire issued share capital of Intelligent Management Limited. By virtue of the SFO, Mr. Albert Wong is deemed to have interest in such shares. The shares held in the name of Eaglemax International Investment Limited are duplication of the shares held by the director, Mr. Albert Wong.

Note 2: Formerly known as Applied Component Technology Corporation.

Save as disclosed above, as at 31 March 2007, there was no person (not being the directors and chief executives of the Company) who had any interests or short positions in the shares, underlying shares and debentures of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO.

董事及主要行政人員於本公司證券之權益 (續)**(a) 本公司普通股及相關股份之長倉 (續)**

附註：該批股份乃以Eaglemax International Investment Limited (「EIL」) 之名義登記持有。該公司由Intelligent Management Limited (「IML」) 以家族全權信託Intelligent Management Discretionary Trust 之受託人身份擁有；該項信託受益人包括王凱煌先生及其家屬以及全球任何慈善團體。於二零零七年三月三十一日，王凱煌先生持有IML全部已發行股本。依據證券及期貨條例，王凱煌先生擁有該等股份之權益。

主要股東之權益

於二零零七年三月三十一日，擁有證券及期貨條例第XV部第2及3分部條文項下或證券及期貨條例第336條規定須存置之登記冊所記錄之本公司股份、相關股份或債券之權益或短倉之人士（非本公司董事及主要行政人員）如下：

附註 1：上述24,970,000股普通股以Eaglemax International Investment Limited 名義註冊持有。Eaglemax International Investment Limited 乃Intelligent Management Limited (為一項家族全權信託Intelligent Management Discretionary Trust 之受託人) 全資擁有之公司，該項信託受益人包括王先生及其家族以及全球任何慈善團體。於二零零七年三月三十一日，王先生持有Intelligent Management Limited 全部已發行股本。根據證券及期貨條例，王先生被視為持有該等股份之權益。以Eaglemax International Investment Limited 名義持有之股份與董事王先生所持有之股份重複。

附註 2：前稱聯瞻科技股份有限公司。

除上文披露者外，於二零零七年三月三十一日，概無任何人士（非本公司董事及主要行政人員）擁有證券及期貨條例第XV部第2及3分部條文項下或證券及期貨條例第336條規定須存置之登記冊所記錄之本公司股份、相關股份或債券之權益或短倉。

MANAGEMENT SHAREHOLDERS' INTERESTS

Save as disclosed under the sections headed "Directors' and Chief Executives' Interests in Securities of the Company" and "Substantial Shareholders' Interests" above, as at 31 March 2007, no other person was individually and/or collectively entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and was able, as a practical matter, to direct or influence the management of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the purchases from the five largest suppliers of the Group accounted for approximately 44% of the total purchases of the Group and the purchases from the largest supplier included therein accounted for approximately 12%.

The sales to the five largest customers of the Group accounted for approximately 22% of the total sales for the year and the sales to the largest customer included therein accounted for approximately 7%.

None of the directors, their respective associates and shareholders of the Company (which to the knowledge of the directors own more than 5% of the issued share capital of the Company) had any interest in any of the five largest customers and suppliers of the Group for the year.

CONNECTED TRANSACTIONS

Details of connected transactions under the GEM Listing Rules during the year are set out in note 33 to the financial statements.

COMPETING INTERESTS

None of the directors, the substantial shareholders or the management shareholders (as defined in the GEM Listing Rules) had any interests in any business which competed with or might compete with the business of the Group.

COMPLIANCE WITH RULES 5.34 TO 5.45 OF THE GEM LISTING RULES

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures during the year ended 31 March 2007.

管理層股東之權益

除上文「董事及主要行政人員於本公司證券之權益」及「主要股東之權益」兩節所披露者外，於二零零七年三月三十一日，概無其他人士有權個別及／或共同於本公司任何股東大會行使5%或以上之投票權及實際上可就本公司管理作出指示或發揮影響力。

主要客戶及供應商

年內，向本集團五大供應商所作採購佔本集團採購總額約44%，而向最大供應商所作採購則佔約12%。

本集團向五大客戶的銷售佔年度銷售總額約22%，而最大客戶的銷售則佔約7%。

據董事所知，擁有本公司已發行股本5%以上之董事、彼等各自之聯繫人士及本公司股東，於年內概無在本集團任何五大客戶及供應商中擁有任何權益。

關連交易

年內進行之創業板上市規則所述關連交易詳情載於財務報表附註33。

競爭權益

概無任何董事、主要股東或管理層股東（定義見創業板上市規則）在任何與本集團有競爭或可能出現競爭之業務中擁有任何權益。

遵守創業板上市規則第5.34至5.45條

本公司於截至二零零七年三月三十一日止年度內一直遵守創業板上市規則第5.34至5.45條有關董事會常規及議事程序之規定。

AUDIT COMMITTEE

The Company established an Audit Committee in August 2001 with written terms of reference in compliance with Rules 5.29 to 5.32 of the GEM Listing Rules. The duties of the Audit Committee are to review and to provide supervision over the financial reporting process and internal control system of the Group. The Audit Committee comprises three Independent Non-executive Directors, namely Ms. Li Zhe, Mr. Chu Meng Chi and Ms. Chan Mei Sze.

During the year, the Audit Committee has met four times to review the results of the Group.

AUDITOR

Messrs. Horwath Hong Kong CPA Limited retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Horwath Hong Kong CPA Limited as auditor of the Company.

By Order of the Board

Wong Hoi Wong
Chairman

Hong Kong, 28 June 2007

審核委員會

本公司於二零零一年八月根據創業板上市規則第5.29至5.32條成立審核委員會，並書面訂明其職權範圍。審核委員會之職責包括審閱及監管本集團之財務申報程序及內部監控制度。審核委員會由三名獨立非執行董事黎哲女士、朱孟祺先生及陳美詩女士組成。

審核委員會於年內召開過四次會議，以審閱本集團之業績。

核數師

浩華會計師事務所任期屆滿，惟符合資格並願意應聘連任。本公司將於股東週年大會上提呈決議案，續聘浩華會計師事務所為本公司核數師。

承董事會命

主席
王凱煌

香港，二零零七年六月二十八日

Independent Auditor's Report

獨立核數師報告



HORWATH HONG KONG CPA LIMITED

Certified Public Accountants

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TO THE SHAREHOLDERS OF THIZ TECHNOLOGY GROUP LIMITED

(即時科研集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Thiz Technology Group Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") set out on pages 32 to 87, which comprise the consolidated and Company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and 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 are responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

致即時科研集團有限公司

(於開曼群島註冊成立之有限公司)

全體股東的獨立核數師報告

本核數師已完成審核載於第32頁至第87頁的即時科研集團有限公司(「貴公司」)及其附屬公司(以下稱為「貴集團」)綜合財務報表，當中載有於二零零七年三月三十一日的綜合資產負債表及貴公司資產負債表、截至該日止年度的綜合收益表、綜合股本權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

董事有責任遵照香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定，編制並真實公平地呈報上述財務報表。這責任包括：設計、實行及管理與編制並真實公平地呈報財務報表相關的內部監控，以確保這些報表沒有重大錯誤陳述(不論是因欺詐或錯誤而起的)；選擇並應用適當的會計政策；以及按情況作出合理的會計估算。

核數師的責任

本核數師的責任是根據審核結果，就上述財務報表表達意見，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士承擔責任或負上任何法律責任。

本核數師乃根據香港會計師公會頒布的香港審核準則進行審核。按該等準則的規定，本核數師須遵守道德操守規定計劃及進行審核，以合理確定上述財務報表是否不存有任何重大錯誤陳述。

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

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

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the Company's plan to raise funds through a rights issue exercise. The financial statements have been prepared on a going concern basis and do not include any adjustments that would result if the proposed rights issue would not proceed. Details of the circumstances relating to this fundamental uncertainty are described in note 3(a) to the financial statements. We consider that the fundamental uncertainty in regard to the going concern of the Group and the Company has been adequately disclosed and our opinion is not qualified in this respect.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2007 and of the loss 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.

HORWATH HONG KONG CPA LIMITED

Certified Public Accountants

28 June 2007

Li Pak Ki

Practising Certificate number P01330

審核包括進行程序以取得與財務報表所載金額及披露事項有關的審核憑證。所選用的程序取決於核數師的判斷，包括評估有關財務報表存在重大錯誤陳述（不論是否因欺詐或錯誤而起）的風險。在作出該等風險評估時，核數師會考慮與公司編制並真實公平地呈報財務報表相關的內部監控，但目的只在於按具體的情況設計適當的審核程序，而並非要對公司的內部監控有效與否表達意見。此外，審核亦包括評核董事所採用的會計政策是否恰當以及其所作的會計估算是否合理，以及評核財務報表的整體呈報方式。

本核數師相信，我們已取得充分而恰當的審核憑證，足以為本核數師的審核意見提供基礎。

基本不明朗因素

於制訂本核數師之意見時，本核數師已考慮財務報表有否就 貴公司透過供股籌集資金之計劃作出充分披露。財務報表已按持續經營基準編製，及不加入倘不進行建議之供股將會導致之任何調整。有關此基本不明朗因素之詳細情況載於財務報表之附註3(a)。本核數師認為，有關 貴集團及 貴公司之持續經營之不明朗因素已予以充分披露，而本核數師之意見就此方面乃無保留。

意見

本核數師認為，有關綜合財務報表已按香港財務報告準則真實公平地反映 貴公司及 貴集團於二零零七年三月三十一日的財政狀況及 貴集團截至該日止年度的虧損和現金流量，並已按照香港公司條例披露規定妥為編制。

浩華會計師事務所

執業會計師

二零零七年六月二十八日

李柏基

執業證書號碼 P01330

Consolidated Income Statement

綜合收益表

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

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover	營業額	4	14,141	8,368
Cost of sales	銷售成本		(4,748)	(5,221)
Gross profit	毛利		9,393	3,147
Other revenue	其他收入	4	2,455	377
Impairment loss for bad and doubtful debts	呆壞賬減值虧損		(26,350)	(7,605)
Selling and distribution expenses	銷售及分銷費用		(4,637)	(4,227)
General and administrative expenses	一般及行政費用		(23,170)	(20,694)
Loss from operations	經營虧損		(42,309)	(29,002)
Finance costs	融資成本		(6,159)	(2,845)
Loss before taxation	除稅前虧損	6	(48,468)	(31,847)
Taxation	稅項	9(a)	—	—
Loss for the year	本年度虧損		(48,468)	(31,847)
Attributable to:	以下應佔：			
Equity holders of the Company	本公司權益持有人		(48,468)	(31,700)
Minority interests	少數股東權益		—	(147)
			(48,468)	(31,847)
Dividend	股息	11	—	—
Loss per share-Basic (in cents)	每股虧損－基本(仙)	12	(15.8)	(10.4)

The accompanying notes form part of these financial statements.

隨附之附註為此等財務報表之組成部分。

Consolidated Balance Sheet

綜合資產負債表

31 March 2007 二零零七年三月三十一日

		Note	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	3,003	2,855
Product development costs	產品開發成本	15	33,761	22,596
			36,764	25,451
Current assets	流動資產			
Inventories	存貨	17	2,025	2,599
Trade receivables	應收賬項	18	2,592	25,556
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		2,571	4,741
Cash and bank balances	現金及銀行結存	19	1,457	10,338
			8,645	43,234
Current liabilities	流動負債			
Trade payables	應付賬項	20	321	920
Other payables, accruals and deposits received	其他應付款項、應計 款項及已收按金	21	42,542	16,762
Amounts due to directors	應付董事款項	22	8,724	4,309
Amount due to a spouse of a director	應付董事配偶款項	23	2,070	1,840
Tax payable	應繳稅項	24	175	5,658
			53,832	29,489
Net current (liabilities)/assets	流動(負債)/資產淨值		(45,187)	13,745
Total assets less current liabilities	總資產減流動負債		(8,423)	39,196

Consolidated Balance Sheet (Continued)

綜合資產負債表（續）

31 March 2007 二零零七年三月三十一日

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
EQUITY	權益			
Share capital	股本	25	30,617	30,617
Reserves	儲備	28	(85,913)	(39,033)
Equity attributable to equity holders of the Company	本公司權益持有人 應佔股權		(55,296)	(8,416)
Minority interest	少數股東權益		113	—
Total equity	權益總額		(55,183)	(8,416)
Non-current liabilities	非流動負債			
Tax payable	應繳稅項	24	5,310	—
Convertible notes	可換股票據	29	8,945	17,957
Convertible preference shares	可換股優先股	25(b)	32,505	29,655
			46,760	47,612
			(8,423)	39,196

These financial statements were approved and authorised for issue by the board of directors on 28 June 2007.

此等財務報表於二零零七年六月二十八日經董事會批准及授權發行。

Wong Hoi Wong
Director

Lin En Fu
Director

王凱煌
董事

林穎甫
董事

The accompanying notes form part of these financial statements.

隨附之附註為此等財務報表之組成部分。

Balance Sheet

資產負債表

31 March 2007 二零零七年三月三十一日

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Interests in subsidiaries	所佔附屬公司之權益	14	44,555	47,863
Current assets	流動資產			
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		148	1,150
Cash and bank balances	現金及銀行結存		4	8,294
			152	9,444
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項		12,063	1,602
Net current (liabilities)/assets	流動(負債)/資產淨值		(11,911)	7,842
Total assets less current liabilities	總資產減流動負債		32,644	55,705
EQUITY	權益			
Share capital	股本	25	30,617	30,617
Reserves	儲備	28	(39,423)	(22,524)
Total equity	權益總額		(8,806)	8,093
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	29	8,945	17,957
Convertible preference shares	可換股優先股	25(b)	32,505	29,655
			41,450	47,612
			32,644	55,705

These financial statements were approved and authorised for issue by the board of directors on 28 June 2007.

此等財務報表於二零零七年六月二十八日經董事會批准及授權發行。

Wong Hoi Wong
Director

Lin En Fu
Director

王凱煌
董事

林穎甫
董事

The accompanying notes form part of these financial statements.

隨附附註為此等財務報表之組成部分。

Consolidated Cash Flow Statement

綜合現金流量表

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

	Note	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash flows from operating activities			
Loss before taxation		(48,468)	(31,847)
Adjustment for:-			
Loss on disposal of property, plant and equipment		154	-
Negative goodwill arising on acquisition of a subsidiary		(815)	-
Interest income		(8)	(7)
Interest expenses		6,159	2,845
Impairment loss for bad and doubtful debts		26,350	7,605
Depreciation		860	571
Amortisation		2,417	2,341
Operating loss before working capital changes		(13,351)	(18,492)
Decrease/(increase) in inventories		574	(70)
(Increase)/decrease in trade receivables		(2,381)	160
Decrease/(increase) in other receivables, deposits and prepayments		2,255	(492)
Decrease in trade payables		(599)	(1,144)
Increase in other payables, accruals and deposits received		2,693	9,804
Effect on foreign exchange rate changes		851	(338)
Cash used in operations		(9,958)	(10,572)
Interest received		8	7
Interest paid		(1,796)	(722)
Tax paid		(173)	(526)
Net cash outflow from operating activities		(11,919)	(11,813)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(1,347)	(1,576)
Product development expenditure incurred		(12,445)	(10,679)
Sales proceeds of property, plant and equipment		170	-
Acquisition of a subsidiary	27	(148)	-
Net cash used in investing activities		(13,770)	(12,255)
Net cash used in investing activities carried forward			

Consolidated Cash Flow Statement [Continued]

綜合現金流量表(續)

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

	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net cash used in investing activities brought forward	承前投資活動所用 現金淨額	(13,770)	(12,255)
Cash flows from financing activities	融資活動之現金流量		
Share issue expenses	股份發行開支	-	(750)
Proceeds from issue of convertible notes	發行可換股票據所得款項	-	10,000
Repayment of advances from directors and a spouse of a director	償還董事及一名董事 之配偶之墊款	-	(5,501)
Proceeds from issue of convertible preference shares	發行可換股優先股 所得款項	-	31,000
Payment for redemption of convertible notes	贖回可換股票據付款	-	(4,000)
Additional loans raised	籌集額外貸款	12,163	-
Advances from directors	董事墊款	4,645	-
Net cash generated from financing activities	融資活動所產生之現金淨額	16,808	30,749
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目 (減少)/增加淨額	(8,881)	6,681
Cash and cash equivalents at beginning of year	於年初現金及現金 等值項目	10,338	3,657
Cash and cash equivalents at end of year	於年底之現金及現金等值項目	1,457	10,338
Cash and bank balances at end of year	於年底之現金及銀行結存	1,457	10,338

The accompanying notes form part of these financial statements.

隨附之附註為此等財務報表之組成部分。

Consolidated Statement of Changes in Equity

綜合股本變動表

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

		Share capital	Share premium	Capital redemption reserve	Capital reserve	Special reserve	Translation reserve	Accumulated losses	Attributable to equity holders of the Company	Minority interest	Total
		股本	股份溢價	贖回儲備	資本儲備	特別儲備	匯兌儲備	累計虧損	本公司權益	股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 April 2005	於二零零五年四月一日										
	之結餘										
- as originally stated	- 原先呈列	30,617	24,271	84	-	360	(213)	(40,042)	15,077	147	15,224
- effects of changes in accounting policies	- 會計政策變動之影響	-	-	-	1,692	-	-	(736)	956	-	956
- as restated	- 重列	30,617	24,271	84	1,692	360	(213)	(40,778)	16,033	147	16,180
Issue of convertible preference shares	發行可換股優先股	-	-	-	6,541	-	-	-	6,541	-	6,541
Issue of convertible notes	發行可換股票據	-	-	-	1,798	-	-	-	1,798	-	1,798
Share issue expenses	股份發行開支	-	(750)	-	-	-	-	-	(750)	-	(750)
Redemption of convertible notes	贖回可換股票據	-	-	-	(484)	-	-	484	-	-	-
Exchange adjustment on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表之匯兌調整	-	-	-	-	-	(338)	-	(338)	-	(338)
Loss for the year	本年度虧損	-	-	-	-	-	-	(31,700)	(31,700)	(147)	(31,847)
Balance at 31 March 2006	於二零零六年三月三十一日	30,617	23,521	84	9,547	360	(551)	(71,994)	(8,416)	-	(8,416)
	之結餘										
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	113	113
Transfer of convertible notes to short term loans	可換股票據撥入短期貸款	-	-	-	(1,208)	-	-	1,208	-	-	-
Exchange adjustment on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表之匯兌調整	-	-	-	-	-	1,588	-	1,588	-	1,588
Loss for the year	本年度虧損	-	-	-	-	-	-	(48,468)	(48,468)	-	(48,468)
Balance at 31 March 2007	於二零零七年三月三十一日之結餘	30,617	23,521	84	8,339	360	1,037	(119,254)	(55,296)	113	(55,183)

The accompanying notes form part of these financial statements.

隨附之附註為此等財務報表之組成部分。

1. ORGANISATION AND OPERATIONS

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (Cap.22 Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 6 December 2000. The address of its registered office and principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 1004, 10/F, Tower B, Hunghom Commercial Centre, 37 Ma Tau Wai Road, To Kwa Wan, Kowloon, Hong Kong, respectively.

The shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM") on 27 July 2001.

On 11 October 2002, the United States Securities and Exchange Commission approved the establishment of Level 1 American Depository Receipt program for the Company's shares in the United States of America.

The Group engages in an information technology industry, in which, it is a developer and provider of a range of Linux solutions including Linux operating systems, application systems run on Linux and related services such as software installation, training and education and operates under the brandname of ThizLinux. The activities of the subsidiaries are set out in note 14 to the financial statements.

These consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the board of directors ("the Board") on 28 June 2007.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2006. The adoption of these new and revised Standards and Interpretations did not result in substantial changes to the Group's accounting policies nor have affected the amounts reported for the current or prior years.

1. 組織及業務

本公司於二零零零年十二月六日根據開曼群島公司法（一九六一年第3號法例第22章，經綜合及修訂）在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處及主要營業地點之地址分別位於Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及香港九龍土瓜灣馬頭圍道37號紅磡商業中心B座10樓1004室。

本公司股份於二零零一年七月二十七日在香港聯合交易所有限公司創業板（「創業板」）上市。

二零零二年十月十一日，美國證券交易委員會批准就本公司股份於美國設立第一級美國證券存托憑證計劃。

本集團於資訊科技業從事開發及提供一系列Linux解決方案，包括Linux作業系統、Linux應用系統及相關服務，例如軟件安裝、培訓及教育，並以ThizLinux品牌經營業務。各附屬公司之業務載於財務報表附註14。

除非另有所指，此等綜合財務報表以港元呈列。此等綜合財務報表已於二零零七年六月二十八日獲董事會（「董事會」）批准及授權刊發。

2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團採納香港會計師公會（「香港會計師公會」）頒布之所有與其業務有關並於二零零六年一月一日開始之年度報告期間生效之新訂及經修訂準則及詮釋。採納該等新訂及經修訂準則及詮釋不會導致本集團之會計政策產生重大變動，或不會影響本年度或過往年度所申報之金額。

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures	1 January 2007
HKFRS 7	Financial Instruments: Disclosures	1 January 2007
HKFRS 8	Operating Segments	1 January 2009
HK(IFRIC) – Int 8	Scope of HKFRS 2	1 May 2006
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives	1 June 2006
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment	1 November 2006
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions	1 March 2007
HK(IFRIC) – Int 12	Service Concession Arrangements	1 January 2008

The Group is in the process of making an assessment of what the impact of these new or revised standards or interpretations is expected to be in the period of initial application.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance and basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention in accordance with HKFRSs, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

At 31 March 2007, the Group and the Company recorded a net liability of HK\$55,183,000 and HK\$8,806,000 respectively. As disclosed in note 34, all convertible notes and 300,000,000 convertible preference shares of the Company as at 31 March 2007 were converted into the Company's ordinary shares subsequent to 31 March 2007. The total amount capitalised upon completion of the conversion will be HK\$39,090,909. The Company is also currently contemplating a fund raising exercise by way of rights issue. In the opinion of the directors, upon completion of the proposed rights issue, the Group would have sufficient capacity to maintain the Group as a going concern. Accordingly, the financial statements of the Group and the Company are prepared on a going concern basis.

2. 採納新訂及經修訂香港財務報告準則（續）

於批准刊發此等財務報表日期，下列準則及詮釋已頒布但並未生效：

		於下列日期之前或 之後的年度期間生效
香港會計準則第1號(經修訂)	呈列財務報表－資本披露	二零零七年一月一日
香港財務報告準則第7號	金融工具：披露	二零零七年一月一日
香港財務報告準則第8號	業務分類	二零零九年一月一日
香港(國際財務報告詮釋委員會)－詮釋第8號	香港財務報告準則第2號之範圍	二零零六年五月一日
香港(國際財務報告詮釋委員會)－詮釋第9號	內含衍生工具之重估	二零零六年六月一日
香港(國際財務報告詮釋委員會)－詮釋第10號	中期財務報告及減值	二零零六年十一月一日
香港(國際財務報告詮釋委員會)－詮釋第11號	香港財務報告準則第2號－集團庫存及股份交易	二零零七年三月一日
香港(國際財務報告詮釋委員會)－詮釋第12號	服務專營權安排	二零零八年一月一日

本集團正就該等新訂或經修訂準則或詮釋預期於初步應用時所造成之影響進行評估。

3. 主要會計政策

(a) 遵例聲明及財務報表之編製基準

此等財務報表乃按歷史成本慣例並根據香港財務報告準則、香港公認會計原則、香港公司條例之披露規定及聯交所創業板證券上市規則(「創業板上市規則」)編製。

於二零零七年三月三十一日，本集團及本公司分別錄得負債淨值55,183,000港元及8,806,000港元。如附註34所披露之結算日後事項以外，於二零零七年三月三十一日之所有可換股票據及300,000,000可換股優先股於二零零七年三月三十一日後轉換為本公司之普通股。於完成轉換時所資本化之總額將為39,090,909港元。本公司亦正考慮以供股方式籌集資金。依董事之意見，於建議供股完成後，本集團將具備充足資金作為持續經營實體維持本集團。故此，本集團及本公司之財務報表乃以持續經營編製。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)**(a) Statement of compliance and basis of preparation of financial statements (continued)**

The applicability of this basis depends on the successful completion of the proposed rights issue. The financial statements do not include any adjustments that would result if the proposed rights issue would not proceed. If the proposed rights issue would not proceed, or if going concern basis were not to be appropriate, adjustments would have to be made to the financial statements to reduce the value of the assets of the Group and the Company to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 37.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

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

Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with those used by the parent company.

All significant intercompany transactions, balances and unrealised gains on transactions between group enterprises are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment on the asset transferred.

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

(c) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 are recognised at their fair values at the acquisition date.

3. 主要會計政策（續）**(a) 遵例聲明及財務報表之編製基準（續）**

此基準是否適用視乎建議之供股是否能成功完成。財務報表並不加入倘不進行建議之供股將會導致之任何調整。倘建議之供股將不進行，或倘持續經營基準並不適合，財務報表將予以調整以減低本集團及本公司之資產值至其可收回金額，以提供可能產生之任何額外負債，並將非流動資產及負債分別重新分類為流動資產及負債。

編製符合香港財務報告準則之財務報表規定運用若干關鍵會計估計，亦規定管理層在運用本集團會計政策之過程中行使其判斷。有關範圍涉及較高程度之判斷或複雜性，或假設及估計對綜合財務報表屬重大之範圍，於附註37內披露。

(b) 綜合基準

綜合財務報表載有本公司及其附屬公司截至每年三月三十一日止之財務報表。

於年內收購或出售之附屬公司業績已由實際收購日期起或截至實際出售日期止（按適用情況而定）計入綜合收益表內。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與母公司所採用者保持一致。

集團內公司間所有重大交易及結餘，以及集團內部交易所產生的未變現盈利，均於綜合賬目時對銷。除非交易有證據顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。

綜合附屬公司淨資產內之少數股東權益與本集團所佔之權益分開列賬。少數股東權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以來之股本變動。適用於少數股東的虧損超出於附屬公司股權的少數股東權益的數額將在本集團的權益中作出分配，惟少數股東具約束性責任及可以其他投資補足虧損者除外。

(c) 業務合併

收購附屬公司使用收購會計法列賬。收購成本乃按為換取獲收購公司控制權而於交換日期所給予資產、所產生或所承擔之負債及本集團發行之股本工具之公平值總額，再加上業務合併任何直接應佔成本計算。獲收購公司之可識別資產、負債及或然負債若符合香港財務報告準則第3號規定之確認條件，則按收購當日之公平值確認。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Business combinations (continued)

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

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

(d) Subsidiary

A subsidiary is an enterprise in which the Company has the power, directly or indirectly to govern the financial and operating policies so as to obtain benefits from its activities.

Investment in the subsidiaries is included in the Company's balance sheet at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(e) Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3. 主要會計政策（續）

(c) 業務合併（續）

因收購產生之商譽乃確認為資產，於首次確認時按成本（即業務合併之成本高於本集團於已確認可識別資產、負債及或然負債之公平淨值所佔權益之部分）列賬。於重新評估後，倘本集團於獲收購公司之可識別資產、負債及或然負債之公平淨值所佔權益高於業務合併之成本，則該高出數額即時於損益賬確認。

獲收購公司之少數股東權益首次確認時按少數股東於已確認之資產、負債及或然負債之公平淨值所佔之比例計算。

(d) 附屬公司

附屬公司指被本公司有權直接或間接監管財政及經營政策，從而於其業務中獲益的企業。

於附屬公司之投資按成本減任何減值虧損計入本公司之資產負債表。附屬公司之業績由本公司按已收及應收股息入賬。

(e) 商譽

收購一間附屬公司或共同控制實體所產生之商譽指收購成本超出本集團所佔該附屬公司或共同控制實體於收購當日已確認之可識別資產、負債及或然負債之公平淨值之權益之差額。商譽初步按成本確認為資產，其後則按成本減去任何累計減值虧損計算。

就減值測試而言，商譽會分配至本集團預期將受惠於合併協同效益之各現金產生單位。本集團每年會對獲分配商譽之現金產生單位進行減值測試，如有跡象顯示該單位可能已經減值，則更頻密進行減值測試。倘現金產生單位之可收回金額少於該單位之賬面值，則本集團會首先分配減值虧損以減少該單位獲分配之任何商譽之賬面值，再根據該單位之各項資產之賬面值按比例分配予該單位之其他資產。已確認商譽減值虧損不得於往後期間撥回。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)**(f) Segment reporting**

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

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

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

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

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul costs, is charged to income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the assets, the expenditure is capitalised as an additional cost of the asset.

Depreciation is charged so as to write off the cost, over their estimated useful lives, using the straight-line method. The useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The principal annual rates are as follows:

Computer equipment	3 years
Office equipment	3 years to 7 years
Furniture and fixtures	5 years to 7 years

3. 主要會計政策（續）**(f) 分類申報**

分類指本集團可區分為從事提供產品或服務（業務分類），或於指定經濟環境提供產品或服務（地區分類）之部分，而該等分類與其他分類之風險及回報各有不同。

分類收入、開支、業績、資產及負債包括分類直接應佔項目，並可按合理基準分配至該分類。分類收入、開支、資產及負債於對銷集團內公司間結餘及集團內公司間交易前釐定，惟屬於單一分類的集團內公司間之結餘及交易則除外。分類之間的定價乃根據給予其他外界人士之類似條款而定。

分類資本開支指年內購買而預期可使用超過一個年度之有形及無形分類資產所產生成本總額。

未分配項目主要包括財務及企業資產、計息貸款、借貸、企業及財務開支以及少數股東權益。

(g) 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及任何減值虧損入賬。資產成本包括購買價及資產達致現行運作狀況及地點作擬定用途之任何直接應佔成本。資產投入運作後產生之支出如維修保養費及日常開支於產生期間自收益扣除。倘有跡象清楚顯示有關支出導致運用該資產預期獲得之經濟效益有所增加，則有關支出將撥充資本，作為該資產之額外成本。

固定資產按其估計可使用年期以直線法撇銷其成本計算折舊。於各結算日會對可使用年期進行檢討，並於適當時作出調整。主要年率如下：

電腦設備	3年
辦公室設備	3年至7年
傢俬及裝置	5年至7年

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and include all costs of purchase and other costs incurred in bringing the inventories to their present location and conditions. Net realisable value is determined by reference to the anticipated sales proceeds of items sold in the ordinary course of business less estimated selling expenses after the balance sheet date or to management estimates based on prevailing market conditions.

(i) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

(i) Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. 主要會計政策（續）

(g) 物業、廠房及設備（續）

出售或報廢一項物業、廠房及設備產生之損益釐定為該資產之銷售所得款項與賬面值之差額，並於損益賬內確認。

(h) 存貨

存貨乃按成本值與可變現淨值兩者中之較低者列值。成本乃按加權平均法釐定，並計入一切購買成本及將存貨運抵現址及達致現況所產生之其他成本。可變現淨值乃參照於結算日後在日常業務過程中出售物品之預計銷售所得款項減估計銷售開支或參照管理層根據現行市場狀況作出之估計釐定。

(i) 金融工具

倘本集團成為一項工具之合約條文之訂約方，則金融資產及金融負債於本集團之資產負債表確認。

(i) 貿易應收款項

貿易應收款項於首次確認時按公平值計算，其後使用實際利率法按攤銷成本計算。倘有客觀憑證證明資產出現減值，則就估計不可收回數額在損益賬內確認適用撥備。已確認撥備乃根據資產賬面值與首次確認時按實際利率折現估計未來現金流量現值之差額計算。

(ii) 現金及現金等值項目

現金及現金等值項目包括手頭現金及活期存款，隨時可兌換為已知現金數額且價值變動風險不大之其他短期高流動性投資。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)**(i) Financial instruments (continued)****(iii) Convertible notes and convertible preference shares**

Convertible notes and convertible preference shares that consist of a liability and an equity components are regarded as compound instruments. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible notes and convertible preference shares and the fair value assigned to the liability component, representing the embedded option for the holder to convert the notes and preference shares into equity of the Group, is included in equity (capital reserves).

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible notes and convertible preference shares.

If the convertible notes and convertible preference shares are converted, the capital reserve, together with the carrying value of the liability component at time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the convertible notes and convertible preference shares are redeemed, the capital reserve is transferred directly to accumulated losses.

(iv) Trade and other payables

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

(v) Equity instruments

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

(j) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

3. 主要會計政策（續）**(i) 金融工具（續）****(iii) 可換股票據及可換股優先股**

由負債成分及權益成分組成之可換股票據及可換股優先股被視為複合工具。於發行日期，負債成分之公平值按相類之非轉換債務當時之市場利率估計。發行可換股票據及可換股優先股所得款項與指定為負債部分之公平值之間之差額（即賦予持有人將票據及優先股轉換為本集團股本之附屬選擇權）計入權益（資本儲備）內。

負債部分之利息開支乃按相類之非可轉換債務之現行市場利率應用於該工具負債部分計算。此金額與已付利息之間之差額計入可換股票據及可換股優先股之賬面值。

倘可換股票據及可換股優先股獲兌換，資本儲備連同於兌換時負債成分之賬面值撥入股本及股份溢價，作為已發行股份之代價。倘可換股票據及可換股優先股獲贖回，資本儲備直接撥入累積虧損。

(iv) 貿易及其他應付賬款

貿易及其他應付賬款按公平值初步計量及其後採用實際利率法按攤銷成本計量。

(v) 股本工具

本公司發行之股本工具按已收所得款項（減直接發行成本）入賬。

(j) 經營租約

凡資產擁有權之絕大部分風險及回報仍由出租人享有及承擔之租約，均列為經營租約。經營租約項下之租金於租期內按直線法於收益表中扣除。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Provisions and contingent liabilities

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

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

(l) Research and development costs

All research costs are charged to the income statement as incurred.

Development expenses are also written off as incurred except for those incurred for specific projects which are deferred where recoverability can be foreseen with reasonable assurance and comply with the following criteria: (i) the product or process is clearly defined and the costs are separately identified and measured reliably; (ii) the technical feasibility of the product or process is demonstrated; (iii) the product or process will be sold or used in-house; (iv) a potential market exists for the product or process or its usefulness in the case of internal use is demonstrated; and (v) adequate technical, financial and other resources required for completion of the product or process are available.

Deferred development costs are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on a straight-line basis over the expected economic useful lives of the products, subject to a maximum period of five years commencing in the year when the products are put into commercial production.

3. 主要會計政策（續）

(k) 撥備及或然負債

如果本集團須就已發生之事件承擔法律或推定義務，因而預期會導致經濟利益流出，在可以做出可靠之估計時，本集團會就該時間或數額不定之負債計提撥備。如果貨幣時間值重大，則按預計所需支出之現值計列撥備。

如果導致經濟利益流出之可能性很低，或是無法對有關數額做出可靠估計，有關之責任將被露為或然負債，但資源外流之可能性極低則除外。如果本集團之責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，但資源外流之可能性極低則除外。

(l) 研究及開發成本

所有研究成本於產生時在收益表內扣除。

開發費用亦於產生時撇銷，除非為特別項目而產生及因能合理確保該等開發費用之預計可收回性而予以遞延，並且該等開發費用符合下列準則除外：(i) 有關之產品及程序有清晰定義，而有關之成本乃分開辨認及可以可靠地計量；(ii) 可展示產品或程序之技術可行性；(iii) 有關之產品或程序將予出售或供內部使用；(iv) 有關之產品或程序存在具潛力之市場，或就內部使用而言能展示出其可使用性；及(v) 有足夠之技術、財務及其他資源供完成有關之產品及程序。

遞延開發成本乃按成本值減去累計攤銷及任何減值虧損列示。攤銷的計算方法是於有關產品開始商業生產之日起按不超過五年之估計可使用年期以直線法計算。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)**(m) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is 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).

(n) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities 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 financial statements and deferred 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. However, such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策（續）**(m) 資產減值**

具有無限使用年期之資產毋須進行攤銷，但須最低限度每年及於事件或情況出現變動顯示可能未能收回賬面值之情況下進行減值測試。須予攤銷之資產於事件或情況出現變動顯示可能未能收回賬面值之情況下檢查是否存在減值。資產之賬面值超出其可收回金額之部分乃確認為減值虧損。可收回金額為一項資產之公平值減出售成本及使用價值兩者中之較高者。就評估減值而言，資產按分開辨認現金流量之最低層面（現金產生單位）分類。

(n) 稅項

所得稅是當期之應付所得稅及遞延稅項之總額。

當期所得稅是根據當年應課稅溢利計算得出。應課稅溢利有別於收益表上呈列之純利，因為應課稅溢利並不包括會計入在其他年度內之應課稅收入或可抵稅支出等項目，並且不包括非應課稅或不可抵稅項目。本集團之當期所得稅負債是以結算日已頒行或實質上已頒行之稅率計算。

遞延稅項負債乃根據資產及負債之稅基與財務報表之賬面值之所有暫時性差異按負債法作全數撥備，而遞延稅項資產則在有未來應課稅溢利可用作抵銷可扣稅暫時性差異之情況下確認。然而，如暫時性差異是由商譽或因某交易初次確認（業務合併除外）其他資產或負債而產生，又不影響應課稅溢利及會計溢利，則不予以確認此等遞延資產及負債。遞延稅項以結算日已頒行或大致上已頒行之稅率釐定。

遞延所得稅資產之賬面值於每一結算日進行審閱，並且在未來不再可能有足夠應課稅溢利以轉回部分或全部遞延所得稅資產時進行撇減。

附屬公司之投資權益產生之應課稅暫時性差異會確認為遞延所得稅負債，惟本集團能夠控制暫時性差異之撥回，而且暫時性差異在可預見之將來很可能不會轉回之情況除外。

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(o) Translation of foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates ("functional currency"). For the purpose of the consolidated financial statements, the assets and financial position of each entity are expressed in Hong Kong dollars which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the dates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. 主要會計政策（續）

(n) 稅項（續）

遞延稅項資產及負債只有在有法律上可強制執行之權利以當期稅項負債抵銷當期稅項資產，以及當與該等資產與負債相關之所得稅是由同一稅務機構徵收，並且本集團擬以淨額基準結算其當期稅項資產及負債時才互相抵銷。

(o) 外幣匯兌

各集團實體之個別財務報表以其主要經營所在之經濟環境之貨幣（功能貨幣）列值。就綜合財務報表而言，各實體之資產及財務狀況均以港元（即本公司之功能貨幣及綜合財務報表之呈列貨幣）列值。

在編製個別實體之財務報表時，以實體功能貨幣以外之貨幣（外幣）進行之交易按交易日通用之匯率入賬。於每一結算日，以外幣列值之貨幣項目以結算日通用之匯率重新換算。以外幣按公平值列值之非貨幣項目按釐定公平值之日通用之匯率重新換算。以外匯按歷史成本計量之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目時產生之匯兌差額計入期內之損益表。重新換算按公平值列賬之非貨幣項目產生之匯兌差額於期內計入損益表，惟重新換算非貨幣項目產生之差額有關之損益直接於權益內確認。至於非貨幣項目，任何損益之匯兌部分亦直接於權益中確認。

就呈報綜合財務報表而言，本集團海外業務之資產及負債（包括比較數字）均使用結算日通用匯率以港元列值。收入及開支項目（包括比較數字）以期內之平均匯率換算，惟倘期內之匯率大幅波動，則按交易日之匯率換算。產生之匯兌差額（如有）分類為權益，並轉撥至本集團之換算儲備。有關換算差額於出售海外業務之期間於損益表確認。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)**(p) Employees' benefits***(i) Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

(ii) Pension obligations

Contributions to the Mandatory Provident Fund scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to income statement when incurred.

(q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the income statement in the year in which they are incurred.

(r) Revenue recognition

Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group, on the following basis:

- (i) Revenue from sale of goods is recognised when the significant risks and rewards of ownership of goods have been transferred to the buyers.
- (ii) Income from training services is recognised on a straight-line basis over the period of training.
- (iii) Income from consultancy services is recognised to the extent of services rendered and according to the terms of the agreement.
- (iv) Interest income is recognised on a time-proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

3. 主要會計政策（續）**(p) 僱員福利***(i) 僱員假期福利*

僱員年假及長期服務假期福利於僱員應享該等福利時確認。賬目內就僱員因提供服務而於截至結算日應享之年假及長期服務假期福利之估計負債作出撥備。

(ii) 退休金責任

根據強制性公積金計劃條例須作出之強制性公積金計劃供款於產生時在收益表內確認。

(q) 借貸成本

直接因收購、建造或生產一項需要經過長時間備妥至擬定用途或可供出售之資產所產生之借貸成本，乃資本化作該項資產部分成本。

所有其他借貸成本於所產生之年度在收益表內確認。

(r) 收入確認

收入於交易之結果可以可靠地計量及當與該項交易有關之經濟利益很可能流入本集團時按下列基準確認：

- (i) 銷售貨品之收入於貨品之所有權之絕大部分風險及回報已轉讓予買方時確認。
- (ii) 培訓服務之收入按直線法於培訓期內確認。
- (iii) 顧問服務之收入以服務範圍及根據協議之條款確認。
- (iv) 利息收入按時間比例基準計及未償還本金及適用利率確認。

Notes to the Financial Statements (Continued)

財務報表附註（續）

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4. TURNOVER

Turnover represents the invoiced value of computer products sold and Group's Linux based software and hardware products distributed and training income, after allowances for returns and discounts and net of value added tax. An analysis of the Group's turnover and other revenue is as follows:

4. 營業額

營業額指所售電腦產品之發票值，以及分銷本集團Linux軟件和硬件產品和培訓收入，並扣除退貨、折扣及減去增值稅後之金額。本集團營業額及其他收入之分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover: –	營業額：		
Distribution of Group's Linux based software	分銷本集團Linux軟件	2,385	1,542
Sales of computer products	銷售電腦產品	3,531	4,233
Training income	培訓收入	8,225	2,593
		14,141	8,368
Other revenue: –	其他收入：		
Interest income	利息收入	8	7
Sundry income	雜項收入	12	370
Negative goodwill arising on acquisition of a subsidiary	收購一間附屬公司 產生之負商譽	815	–
Consultancy fee income	顧問費收入	1,620	–
		2,455	377
		16,596	8,745

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represented a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:-

- (a) the software development segment engages in development and sales of Linux based software and hardware products;
- (b) the computer products segment engages in B2B e-commerce in respect of trading of computer products; and
- (c) the training service segment engages in the provision of training services on Linux based software.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of assets.

5. 分類資料

分類資料以兩種分類基準呈報：(i) 按業務分類之主要分類呈報基準；及(ii) 按地域分類之次要分類呈報基準。

本集團經營之業務根據其業務性質及所提供產品和服務劃分架構，並獨立管理。本集團各業務分類指提供產品及服務之策略業務單位，並與其他業務分類之風險及回報不同。業務分類詳情概述如下：

- (a) 軟件開發分類，從事Linux軟件及硬件產品之開發及銷售；
- (b) 電腦產品分類，以商業對商業之電子商貿方式從事電腦產品買賣；及
- (c) 培訓服務分類，提供Linux軟件之培訓服務。

就釐定本集團之地域分類而言，收入乃按客戶所在地劃分，資產則按資產所在地劃分。

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

5. SEGMENT INFORMATION (Continued)

(a) Business segments

5. 分類資料（續）

(a) 業務分類

		Software development 軟件開發		Computer products 電腦產品		Training services 培訓服務		Consolidated 綜合	
		2007	2006	2007	2006	2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue:-	分類收入：								
Sales to external customers	銷售予外界客戶	2,385	1,542	3,531	4,233	8,225	2,593	14,141	8,368
Segment results	分類業績	(3,692)	(15,678)	(1,429)	(2,730)	(2,755)	(5,759)	(7,876)	(24,167)
Interest income	利息收入							8	7
Unallocated income	未分配收入							827	370
Unallocated expenses	未分配開支							(35,268)	(5,212)
Loss from operations	經營虧損							(42,309)	(29,002)
Finance costs	融資成本							(6,159)	(2,845)
Loss before tax	除稅前虧損							(48,468)	(31,847)
Tax	稅項							-	-
Loss for the year	年內虧損							(48,468)	(31,847)

Notes to the Financial Statements [Continued]

財務報表附註(續)

31 March 2007 二零零七年三月三十一日

5. SEGMENT INFORMATION [Continued]

5. 分類資料(續)

(a) Business segments [Continued]

(a) 業務分類(續)

		Software development 軟件開發		Computer products 電腦產品		Training services 培訓服務		Unallocated 未分配		Consolidated 綜合	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets	分類資產	38,282	41,082	804	3,142	5,250	7,557	-	-	44,336	51,781
Unallocated assets	未分配資產	-	-	-	-	-	-	1,073	16,904	1,073	16,904
Total assets	資產總值	38,282	41,082	804	3,142	5,250	7,557	1,073	16,904	45,409	68,685
Segment liabilities	分類負債	9,886	5,822	1,689	3,402	2,135	3,713	-	-	13,710	12,937
Unallocated assets	未分配負債	-	-	-	-	-	-	86,882	64,164	86,882	64,164
Total liabilities	負債總值	9,886	5,822	1,689	3,402	2,135	3,713	86,882	64,164	100,592	77,101
Other segment information:-	其他分類資料:										
Depreciation	折舊	303	259	161	169	362	136	34	7	860	571
Amortisation	攤銷	2,253	1,732	-	-	164	129	-	480	2,417	2,341
										3,277	2,912
Capital expenditure	資本開支	4,839	7,646	1,552	1,058	5,294	3,551	2,107	-	13,792	12,255

Notes to the Financial Statements (Continued)

財務報表附註 (續)

31 March 2007 二零零七年三月三十一日

5. SEGMENT INFORMATION (Continued)

(b) Geographical segments

The following tables present revenue, assets and capital expenditure information for the Group's geographical segments.

5. 分類資料 (續)

(b) 地域分類

下表載列本集團按地域劃分之收入、資產及資本開支資料：

		Hong Kong		Taiwan		PRC		USA		Vietnam		Denmark		Japan		Others		Consolidated	
		香港		台灣		中國		美國		越南		丹麥		日本		其他地區		綜合	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	港幣千元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue -	分類收入：																		
Sales to external customers	銷售予外界客戶	-	82	2,021	675	8,830	3,453	677	472	397	2,722	680	-	997	-	539	954	14,141	8,368
Other segment information -	其他分類資料：																		
Segment assets	分類資產	6,801	45,821	5,912	6,841	27,710	15,562	-	-	-	-	-	-	-	-	4,966	461	45,409	68,685
Capital expenditure	資本開支	2,106	2,590	1,552	2,615	10,134	7,050	-	-	-	-	-	-	-	-	-	-	13,792	12,255

Notes to the Financial Statements [Continued]

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

6. LOSS BEFORE TAXATION

6. 除稅前虧損

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss before taxation is arrived at after charging/(crediting): –	除稅前虧損經扣除／ (計入)下列各項：		
Cost of inventories sold	已售存貨成本	4,516	4,970
Cost of services rendered	提供服務成本	232	251
Depreciation	折舊	1,337	914
Less: Amounts capitalised as product development costs	減：按產品開發成本 撥充資本之金額	(477)	(343)
		860	571
Amortisation of product development costs (included in general and administrative expenses)	產品開發成本攤銷 (列入一般及行政開支)	2,417	2,341
Minimum operating lease payments:- Land and buildings	經營租賃之最低租賃款額： 土地及樓宇	2,983	2,686
Less: Amounts capitalised as product development costs	減：按產品開發成本 撥充資本之金額	(1,266)	(1,228)
		1,717	1,458
Auditor's remuneration	核數師酬金	300	250
Staff costs (excluding directors' emoluments): –	員工成本 (不包括董事酬金)：		
Salaries and other benefits	薪金及其他福利	15,499	13,731
Pension contributions	退休金供款	1,407	999
		16,906	14,730
Less: Amounts capitalised as product development costs	減：按產品開發成本 撥充資本之金額	(8,136)	(4,599)
		8,770	10,131
Finance costs: –	融資成本：		
Interest on convertible notes	可換股票據利息	1,513	1,126
Interest on convertible preference shares	可換股優先股利息	2,850	996
Interest paid to a director	董事借貸利息	556	309
Interest paid to a spouse of a director	董事配偶借貸利息	163	148
Other finance costs	其他融資成本	1,077	266
		6,159	2,845
Impairment loss for bad and doubtful debts	呆壞賬減值虧損	26,350	7,605
Net exchange loss	匯兌虧損淨額	470	245

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Directors' remuneration disclosed pursuant to the GEM Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:-

7. 董事及高級行政人員之酬金

(a) 根據創業板上市規則及香港公司條例第161條，董事之酬金披露如下：

		Salaries, allowances and other benefits	Bonus	Pension schemes contributions	2007 Total	
		薪金、補貼及 其他福利	花紅	退休計劃供款	二零零七年 合共	
		Directors' fees				
		董事袍金				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	
Executive directors: –						
Wong Hoi Wong	王凱煌	–	989	–	12	1,001
Yuan Luke Tsu	袁祖平	–	60	–	–	60
Lin En Fu	林穎甫	–	232	–	–	232
Non-executive directors: –						
Hsieh Yi Chen	謝宜蓁	60	–	–	–	60
Wu Chiao Ru	巫巧如	60	–	–	–	60
Lin Chien Hsin	林建新	–	661	–	–	661
Independent non-executive directors: –						
Li Zhe	黎哲	60	–	–	–	60
Ko Ming Tung, Edward	高明東	5	–	–	–	5
Chu Wei Jen	朱威任	55	–	–	–	55
Chu Meng Chi	朱孟祺	55	–	–	–	55
		295	1,942	–	12	2,249

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS
(Continued)

(a) Directors' remuneration disclosed pursuant to the GEM Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:-
(Continued)

7. 董事及高級行政人員之酬金（續）

(a) 根據創業板上市規則及香港公司條例第161條，董事之酬金披露如下：（續）

		Salaries, allowances and other benefits	Bonus	Pension schemes contributions	2006 Total
	Directors' fees	薪金、補貼及 其他福利	花紅	退休計劃供款	二零零六年 合共
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
	千港元	千港元	千港元	千港元	千港元
Executive directors:-	執行董事：				
Lin Chien Hsin	林建新	—	536	—	536
Wong Hoi Wong	王凱煌	—	1,115	12	1,127
Yuan Luke Tsu	袁祖平	—	30	—	30
Huang Wanzi	黃婉瑜	—	234	—	234
Non-executive directors:-	非執行董事：				
Hsieh Yi Chen	謝宜蓁	30	—	—	30
Wu Chiao Ru	巫巧如	30	—	—	30
Independent non-executive directors:-	獨立非執行董事：				
Li Zhe	黎哲	60	—	—	60
Ko Ming Tung, Edward	高明東	60	—	—	60
Chu Wei Jen	朱威任	60	—	—	60
Chu Meng Chi	朱孟祺	—	—	—	—
		240	1,915	12	2,167

There were no arrangements under which a director waived or agreed to waive any emoluments, and no incentive payment nor compensation for loss of office was paid to any director during the current and prior year. No share option was granted to the directors during the current and prior year.

於本年度及過往年度，概無任何董事豁免或同意豁免任何酬金之安排，及概無任何獎勵付款或失去職位之補償支付予任何董事。於本年度及過往年度，概無向董事授予任何購股權。

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

- (b) Details of emoluments paid to the five highest paid individuals during the year included two directors (2006: two directors) whose emoluments are set out above. Details of remuneration of the remaining three (2006: three) highest paid employee of the Group during the year are as follow:

Salaries, allowances and other benefits	薪資、補貼及其他福利
Pension schemes contributions	退休計劃供款

7. 董事及高級行政人員之酬金（續）

- (b) 於年內向五名最高薪人士（包括兩名董事（二零零六年：兩名董事））支付酬金之詳情載列如上。於年內，本集團之餘下三名（二零零六年：三名）最高薪僱員之酬金之詳情載列如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	715	877
	9	85
	724	962

8. PENSION SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of those employees who are eligible to participate in the scheme. The MPF Scheme has operated since 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Company's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The PRC subsidiaries are required to contribute a percentage of its payroll costs to the central pension scheme. The central pension scheme is responsible for the entire pension obligations payable to all retired employees and the Group has no further obligations for the pension payments on post-retirement benefits beyond the annual contributions.

The Group's contributions to pension schemes for the year ended 31 March 2007 amounted to HK\$1,419,000 (2006: HK\$1,011,000).

8. 退休金計劃

本集團根據強制性公積金計劃條例，為其所有合資格參與計劃之僱員提供定額強制性公積金退休福利計劃（「強積金計劃」）。強積金計劃自二零零零年十二月一日起生效。本集團按僱員基本薪金某一百分比作出供款，於須根據強積金計劃規則作出供款時在收益表內扣除。強積金計劃之資產存於獨立管理基金，與本集團之資產分開持有。本集團就強積金計劃作出之僱主供款全數歸僱員所有。

於中國經營之本公司附屬公司之僱員須參與由當地市政府運作之中央退休金計劃。該等中國附屬公司須按薪金某一百分比向中央退休金計劃作出供款。中央退休金計劃須支付全體已退休僱員之所有退休金。本集團毋須就年度供款以外之退休後福利負責。

於截至二零零七年三月三十一日止年度，本集團作出退休金計劃供款1,419,000港元（二零零六年：1,011,000港元）。

Notes to the Financial Statements [Continued]

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

9. TAXATION

- (a) No provision for profits tax has been made as the Group has sustained tax losses for the year.

Taxation in the consolidated income statement represents:-

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Tax expense for the year can be reconciled as follows: -	本年度稅項支出對賬如下：		
Loss before taxation	除稅前虧損	(48,468)	(31,847)
Tax effect at Hong Kong profits tax rate of 17.5%	按 17.5% 之香港利得稅稅率計算之稅務影響	(8,482)	(5,573)
Tax effect of non-deductible expenses/tax exempt revenue	不可扣稅開支／免稅收入之稅務影響	656	846
Tax effect of unrecognised tax losses	未確認稅項虧損之稅務影響	8,279	5,867
Tax effect of different tax rate of subsidiaries operating in other jurisdictions	於其他司法管轄區營運之附屬公司不同稅率之影響	(465)	(1,157)
Tax effect of unrecognised decelerated tax allowances	未確認減速免稅額之稅務影響	12	17
Tax expense	稅項支出	-	-

- (b) The components of deferred tax assets/[liabilities] are as follows:-

- (b) 遞延稅項資產／（負債）之組成部分如下：

		Unutilised tax losses 未動用稅項虧損 HK\$'000 千港元	Product development costs 產品開發成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2005	於二零零五年四月一日	1,458	(1,458)	-
Credit/(charge) for the year	本年度計入／（扣除）	1,981	(1,981)	-
At 31 March 2006	於二零零六年三月三十一日	3,439	(3,439)	-
Credit/(charge) for the year	本年度計入／（扣除）	3,184	(3,184)	-
At 31 March 2007	於二零零七年三月三十一日	6,623	6,623	-

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

9. TAXATION (Continued)

- (b) The components of deferred tax assets/(liabilities) are as follows [continued]: –

The components of unrecognised deductible/(taxable) temporary differences are as follows: –

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Deductible temporary difference (note (i))	可扣稅暫時性（附註(i)）		
Unutilised tax losses	未動用稅項虧損	113,300	68,466
Decelerated tax allowances	減速免稅額	219	154
Provision for doubtful debts	呆賬撥備	6,738	6,738
		120,257	75,358
Taxable temporary difference (note (ii))	應課稅暫時性（附註(ii)）		
Accelerated tax allowances	加速免稅額	(90)	(90)
		120,167	75,268

Notes:

- (i) Deductible temporary differences have not been recognised in these financial statements owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences.

The unutilised tax losses accumulated in the PRC and Taiwan subsidiaries amounted to HK\$42,177,000 (2006: HK\$34,516,000) would expire in five years from the respective year of loss. The unutilised tax losses accumulated in the Hong Kong subsidiaries amounted to HK\$71,123,000 (2006: HK\$33,950,000) can be carried forward indefinitely. As at 31 March 2007, tax losses aggregated to HK\$23,230,000 (2006: HK\$12,690,000) has been recognised as deferred tax assets.

- (ii) Taxable temporary differences have not been recognised in these financial statements owing to immateriality.

9. 稅項（續）

- (b) 遞延稅項資產／（負債）之組成部分如下：（續）

未確認可扣稅／（應課稅）暫時性差異如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
可扣稅暫時性（附註(i)）		
未動用稅項虧損	113,300	68,466
減速免稅額	219	154
呆賬撥備	6,738	6,738
	120,257	75,358
應課稅暫時性（附註(ii)）		
加速免稅額	(90)	(90)
	120,167	75,268

附註：

- (i) 由於缺乏客觀憑證以證實預期產生之應課稅溢利足以抵銷可扣稅之暫時性差異，故此並無於財務報表內確認可扣稅暫時性差異。

中國及台灣附屬公司累積之未動用稅項虧損42,177,000港元（二零零六年：34,516,000港元）將於各自之虧損年度起五年內期滿。香港附屬公司累積之未動用稅項虧損71,123,000港元（二零零六年：33,950,000港元）則可無限期結轉。於二零零七年三月三十一日稅項虧損合共23,230,000港元（二零零六年：12,690,000港元）已確認為遞延稅項資產。

- (ii) 由於應課稅暫時性差異並不重大，故此並無於財務報表內確認此項目。

10. LOSS ATTRIBUTABLE TO SHAREHOLDERS

Of the Group's loss attributable to shareholders, a loss of HK\$16,899,000 (2006: HK\$13,815,000) has been dealt with in the financial statements of the Company.

11. DIVIDEND

No dividend has been paid or declared by the Company during the year (2006: Nil).

12. LOSS PER SHARE

The calculation of basic loss per share for the year ended 31 March 2007 is based on the loss attributable to equity holders of the Company of HK\$48,468,000 (2006: HK\$31,700,000) and 306,167,160 (2006: 306,167,160) ordinary shares in issue during the year.

No diluted loss per share is presented as the outstanding share options, convertible notes and convertible preference shares were anti-dilutive.

10. 股東應佔虧損

在股東應佔本集團虧損中，16,899,000港元（二零零六年：13,815,000港元）虧損於本公司財務報表內處理。

11. 股息

本公司於本年度未曾派發或宣派任何股息（二零零六年：無）。

12. 每股虧損

於截至二零零七年三月三十一日止年度，每股基本虧損乃按本公司股本持有人應佔虧損48,468,000港元（二零零六年：31,700,000港元）及年內已發行普通股306,167,160股（二零零六年：306,167,160股）計算。

由於未行使之購股權、可換股票據及可換股優先股有反攤薄影響，所以並無呈列每股攤薄虧損。

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Computer equipment 電腦設備 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Furniture and fixtures 傢私及裝置 HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
The Group	本集團					
Cost:-	成本：					
At 1 April 2005	於二零零五年四月一日	1,619	1,485	974	185	4,263
Additions	添置	1,039	182	298	57	1,576
Disposals	出售	(57)	(4)	-	-	(61)
At 31 March 2006	於二零零六年三月三十一日	2,601	1,663	1,272	242	5,778
Acquisition of a subsidiary	收購一間附屬公司	478	8	-	-	486
Additions	添置	1,014	106	227	-	1,347
Disposals	出售	-	(528)	(79)	-	(607)
Exchange adjustments	匯兌調整	140	18	39	3	200
At 31 March 2007	於二零零七年三月三十一日	4,233	1,267	1,459	245	7,204
Aggregate depreciation:-	累計折舊：					
At 1 April 2005	於二零零五年四月一日	1,205	553	227	85	2,070
Charge for the year	本年度折舊	414	245	216	39	914
Written back on disposals	出售撥回	(57)	(4)	-	-	(61)
At 31 March 2006	於二零零六年三月三十一日	1,562	794	443	124	2,923
Acquisition of a subsidiary	收購一間附屬公司	100	1	-	-	101
Charge for the year	本年度折舊	777	251	266	43	1,337
Written back on disposals	出售撥回	-	(248)	(35)	-	(283)
Exchange adjustments	匯兌調整	93	12	18	-	123
At 31 March 2007	於二零零七年三月三十一日	2,532	810	692	167	4,201
Net book value:-	賬面淨值：					
At 31 March 2007	於二零零七年三月三十一日	1,701	457	767	78	3,003
At 31 March 2006	於二零零六年三月三十一日	1,039	869	829	118	2,855

13. PROPERTY, PLANT AND EQUIPMENT [Continued]

13. 固定資產（續）

		Computer equipment 電腦設備 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
The Company	本公司			
Cost:-	成本：			
At 1 April 2005	於二零零五年四月一日	135	13	148
Disposals	出售	(8)	-	(8)
At 31 March 2006 and 31 March 2007	於二零零六年三月三十一日 及二零零七年三月三十一日	127	13	140
Aggregate depreciation:-	累計折舊：			
At 1 April 2005	於二零零五年四月一日	132	12	144
Charge for the year	本年度折舊	3	1	4
Written back on disposals	出售撥回	(8)	-	(8)
At 31 March 2006 and 31 March 2007	於二零零六年三月三十一日 及二零零七年三月三十一日	127	13	140
Net book value:-	賬面淨值：			
At 31 March 2007	於二零零七年三月三十一日	-	-	-
At 31 March 2006	於二零零六年三月三十一日	-	-	-

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

14. INTERESTS IN SUBSIDIARIES

14. 所佔附屬公司之權益

		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	21	21
Amounts due from subsidiaries	應收附屬公司款項	92,453	87,762
Amounts due to subsidiaries	應付附屬公司款項	(19)	(20)
		92,455	87,763
Provision for impairment loss	減損虧損撥備	(47,900)	(39,900)
		44,555	47,863

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

應收／（應付）附屬公司款項乃免息、無抵押及並無固定還款期。

14. INTERESTS IN SUBSIDIARIES (Continued)

The details of the subsidiaries are as follows:—

14. 所佔附屬公司之權益（續）

附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股/ 註冊資本面值	Percentage of equity attributable to the Company 本公司 應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Thiz Technology Group Holdings Limited	British Virgin Islands 英屬處女群島	US\$ 100 100 美元	100	—	Investment holding 投資控股
Thizlinux Inc.	British Virgin Islands 英屬處女群島	US\$ 1 1 美元	—	100	Investment holding 投資控股
Thizbiz Inc.	British Virgin Islands 英屬處女群島	US\$ 1 1 美元	—	100	Investment holding 投資控股
Thiz.Com Inc.	British Virgin Islands 英屬處女群島	US\$200,000 200,000 美元	—	100	Investment holding 投資控股
Thiz.Com (Hong Kong) Limited 即時利尼克斯（香港） 有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100	Investment holding and provision of management services 投資控股及提供管理 服務
PC Media, Inc.	United States of America 美國	US\$50,000 Common stock 50,000 美元 普通股	—	100	Dormant 暫無業務
Thiz Design Group Limited	Hong Kong 香港	HK\$10,000 10,000 港元	—	100	Investment holding and provision of management services 投資控股及提供管理 服務

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

14. INTERESTS IN SUBSIDIARIES (Continued)

14. 所佔附屬公司之權益（續）

Name of company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股/ 註冊資本面值	Percentage of equity attributable to the Company 本公司 應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Thizlinux Laboratory Limited 即時系統科研有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100	Development and sales of Linux based software products and provision of related training services 開發及銷售 Linux 軟件產品及提供 有關培訓服務
Thizbiz Global Trade Limited 即時貿易有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100	Development, sales and distribution of Linux based software and hardware products 開發、銷售及分銷 Linux 軟硬件產品
Thiz Electronics Company Limited 即時電子科技有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100	Dormant 暫無業務
The Investment Exchange Limited 投資交易所有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100	Dormant 暫無業務
The Recruitment Database Limited 精英站有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	—	100	Dormant 暫無業務
Thiz.Com (China) Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	—	100	Dormant 暫無業務

14. INTERESTS IN SUBSIDIARIES (Continued)

14. 所佔附屬公司之權益（續）

Name of company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股/ 註冊資本面值	Percentage of equity attributable to the Company 本公司 應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Institute of Thiz Technology Limited 即時科研學院有限公司	Hong Kong 香港	HK\$100,000 100,000 港元	—	100	Provision of training services on Linux based software 提供 Linux 軟件之 培訓服務
英屬維京群島商即時 利尼克斯有限公司 臺灣分公司	Taiwan 台灣	NT\$1,700,000 1,700,000 新台幣	—	100	Development of Linux based software products and sales of computer and Linux based products 開發 Linux 軟件產 品及銷售電腦 及 Linux 產品
Beijing ThizLinux Software Co, Limited 北京即時利尼克斯軟件 有限公司	PRC 中國	US\$250,000 250,000 美元	—	100	Development of Linux based software products 開發 Linux 軟件產品
ThizLinux Software (Shenzhen) Company Limited 即時軟件（深圳）有限公司	PRC 中國	US\$1,250,000 1,250,000 美元	—	100	Sales of Linux based software and hardware products and provision of training services on Linux based software 銷售 Linux 軟硬件 產品及提供 Linux 軟 件之培訓服務

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

14. INTERESTS IN SUBSIDIARIES (Continued)

Name of company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股/ 註冊資本面值	Percentage of equity attributable to the Company 本公司 應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Beijing Thiz Junye Software Co, Ltd 北京即時俊業軟件有限公司	PRC 中國	US\$150,000 150,000 美元	—	100	Development of Linux based software products and provision of training services on Linux based software 開發 Linux 軟件產品 及提供 Linux 軟件 之培訓服務
Dalian Thizlinux Technology Institute Co, Limited 大連即時利尼克斯軟件 研究院有限公司	PRC 中國	RMB1,000,000 人民幣 1,000,000 元	—	90	Development and sales of Linux based software products 開發及銷售 Linux 軟件產品
大連西崗大建即時 信息技術培訓學校	PRC 中國	RMB200,000 人民幣 200,000 元	—	90	Provision of training services on Linux based software 提供 Linux 軟件 之培訓服務
上海即時利尼克斯軟件 有限公司	PRC 中國	US\$150,000 150,000 美元	—	100	Provision of training services on Linux based software 提供 Linux 軟件 之培訓服務
Thizlinux Software (Kunshan) Company Limited 即時利尼克斯軟件 (昆山)有限公司	PRC 中國	US\$150,000 150,000 美元	—	100	Development of Linux based software products 開發 Linux 軟件產品
西安瀚洋 Linux 教育培訓 中心	PRC 中國	RMB400,000 人民幣 400,000 元	—	90	Provision of training services on Linux based software 提供 Linux 軟件 之培訓服務

Notes to the Financial Statements [Continued]

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

15. PRODUCT DEVELOPMENT COSTS

15. 產品開發成本

		HK\$'000 千港元
Cost: –		
At 1 April 2005	於二零零五年四月一日	16,927
Additions	新增	11,022
At 31 March 2006	於二零零六年三月三十一日	27,949
Additions	新增	12,922
Exchange adjustments	匯兌調整	706
At 31 March 2007	於二零零七年三月三十一日	41,577
Aggregate amortisation: –		
At 1 April 2005	於二零零五年四月一日	3,012
Charge for the year	本年度攤銷	2,341
At 31 March 2006	於二零零六年三月三十一日	5,353
Charge for the year	本年度攤銷	2,417
Exchange adjustments	匯兌調整	46
At 31 March 2007	於二零零七年三月三十一日	7,816
Net book value: –	賬面淨值: –	
At 31 March 2007	於二零零七年三月三十一日	33,761
At 31 March 2006	於二零零六年三月三十一日	22,596

16. GOODWILL

16. 商譽

		HK\$'000 千港元
Cost: –		
At 31 March 2006 and 31 March 2007	於二零零六年三月三十一日 及二零零七年三月三十一日	686
Aggregate impairment: –		
At 31 March 2006 and 31 March 2007	於二零零六年三月三十一日 及二零零七年三月三十一日	(686)
Net book value:	賬面淨值:	
At 31 March 2006 and 31 March 2007	於二零零六年三月三十一日 及二零零七年三月三十一日	–

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

17. INVENTORIES

17. 存貨

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Linux based software products package	Linux 軟件產品套裝	1,554	2,200
Phone cards and product package	電話卡及產品套裝	408	209
Software training manuals and materials	軟件培訓說明文件及材料	62	58
Computer hardware and accessories	電腦硬件及配件	1	132
		2,025	2,599

18. TRADE RECEIVABLES

18. 應收賬項

The Group's trading terms with its customers are mainly on a cash-on-delivery basis, except for major customers, where an average credit period of 30 days is normally given.

本集團與客戶之交易條款主要為貨到付款，主要客戶則一般給予平均30日之信貸期。

The following is an aged analysis of trade receivable (net of provision) at the balance sheet date:-

於結算日之應收賬項（已扣除撥備）之賬齡分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0 – 30 days	0至30日	235	–
31 – 60 days	31至60日	21	9
61 – 90 days	61至90日	3	–
91 – 180 days	91至180日	1,754	15
181 – 360 days	181至360日	440	1
Over 360 days	360日以上	52,839	51,881
		55,292	51,906
Less: Provision	減：撥備	(52,700)	(26,350)
		2,592	25,556

18. TRADE RECEIVABLES [Continued]

Included in the above trade receivables is HK\$50,700,000 due from Prewell International Limited ("Prewell") which exceeded 8% of the market capitalisation of the Company as at 31 March 2007.

During the year ended 31 March 2007, a further impairment loss of HK\$25,350,000 had been recognised for the amount of HK\$50.7 million due from Prewell. The amount represents arrears in fee from distribution of the Group's Linux based software products due from Prewell to a subsidiary of the Company, TLL, under a software distribution agreement dated 1 February 2002 entered into between TLL, Prewell and Elitgroup Computer Systems.

The directors confirm that the above transaction was entered in the ordinary course of business and on normal commercial terms. A credit term of 30 days was given and the amount was interest free, unsecured and repayable on demand. Prewell is an independent entity not connected with any directors, chief executives, substantial shareholders or management shareholders of the Company and its subsidiaries and any of their respective associates, as defined under the GEM Listing Rules.

19. CASH AND BANK BALANCES

At 31 March 2007, included in the Group's cash and bank balances were amounts of approximately HK\$763,000 (2006: HK\$948,000) denominated in Renminbi ("RMB") and kept in the PRC. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

20. TRADE PAYABLES

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

0 – 30 days	0至30日
61 – 90 days	61至90日
181 – 360 days	181至360日
Over 360 days	360日以上

18. 應收賬項(續)

包括於上述應收賬項為應收Prewell International Limited (「Prewell」)之50,700,000港元，該款項超過本公司於二零零七年三月三十一日市場總值之8%。

截至二零零七年三月三十一日止年度，應收Prewell之50,700,000港元已進一步確認減值虧損25,350,000港元。指根據即時系統、Prewell及Elitgroup Computer Systems於二零零二年二月一日訂立之軟件分銷協議，Prewell拖欠本公司之附屬公司即時系統源自分銷本集團Linux軟件產品費用之欠款。

董事確認，上述交易為按一般商業條款於日常業務中訂立，並給予30日之信貸期，而有關款項乃免息、無抵押及需按要求償還。Prewell為獨立實體，與本公司及其附屬公司任何董事、主要行政人員、主要股東、管理層股東及彼等各自之任何聯繫人士(定義見創業板上市規則)概無關連。

19. 現金及銀行結存

於二零零七年三月三十一日，本集團之現金及銀行結存中約763,000港元(二零零六年：948,000港元)以人民幣(「人民幣」)結算，並存放於中國。人民幣不可自由兌換其他貨幣，然而，根據中國外匯管理規定及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務之銀行兌換人民幣為其他貨幣。

20. 應付賬項

於結算日之應付賬項之賬齡分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0 – 30 days	0至30日	218	129
61 – 90 days	61至90日	-	9
181 – 360 days	181至360日	-	9
Over 360 days	360日以上	103	773
		321	920

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

21. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

During the year, on the maturity date of the convertible notes with principal amount of HK\$10,000,000, the noteholders agreed with the Company to convert the principal amount of HK\$10,000,000 together with accrued interest thereon of HK\$750,000 as short term loans advanced to the Company. The loans are unsecured, interest bearing at 2.5% per annum and repayable on demand and included in the above balance sheet heading.

22. AMOUNTS DUE TO DIRECTORS

- (a) The amount due to Mr. Lin Chien Hsin of HK\$8,710,000 (2006: HK\$4,307,000) is unsecured, interest bearing at prime rate calculated on a monthly basis and repayable on demand. Interest charged during the year amounted to HK\$556,000 (2006: HK\$309,000).
- (b) The amount due to Mr. Wong Hoi Wong of HK\$14,000 (2006: HK\$2,000) is unsecured, interest free and repayable on demand.

23. AMOUNT DUE TO A SPOUSE OF A DIRECTOR

The amount due is unsecured, interest bearing at prime rate calculated on a monthly basis and repayable on demand. Interest charged during the year amounted to HK\$163,000 (2006: HK\$148,000).

24. TAX PAYABLE

References are made to last year's annual report and the Company's announcement on 29 September 2005 regarding a judgement against TLL, a subsidiary of the Company, in a legal action instituted in the District Court of Hong Kong by the Commissioner of IRD against TLL in relation to the Commissioner's claim for the sum of HK\$6,480,000 being profits tax payable by TLL for the years of assessment 2001/2002 and 2002/03.

The aggregated amount of the tax liabilities due to the IRD together with profits tax surcharges and interest was approximately HK\$7,127,000. Full provision for the profits tax in dispute and related interest and surcharges has been made in the financial statements in the prior years. During the year, TLL had agreed with the IRD to settle the outstanding payment by instalments. As at 31 March 2007, the taxes payable after one year had been classified as non-current liabilities in the financial statements.

21. 其他應付款項、應計款項及已收按金

年內，於本金為10,000,000港元之可換股票據之到期日，票據持有人與本公司協定，將本金10,000,000港元連同應付利息750,000港元轉換為墊付予本公司之短期貸款。該等貸款為無抵押，年息率為2.5厘，並須按要求償還以及計入上述資產負債表標題。

22. 應付董事款項

- (a) 應付林建新先生之款項8,710,000港元（二零零六年：4,307,000港元），乃無抵押、按最優惠利率計息（按月度基準計算）及須按要求償還。本年度已付利息為556,000港元（二零零六年：309,000港元）。
- (b) 應付王凱煌先生之款項14,000港元（二零零六年：2,000港元），乃無抵押、免息及須按要求償還。

23. 應付董事配偶款項

應付之款項乃無抵押、按最優惠利率計息（按月度基準計算）及須按要求償還。本年度已付利息為163,000港元（二零零六年：148,000港元）。

24. 應繳稅項

茲提述去年之年報及本公司於二零零五年九月二十九日刊發之公佈，關於本公司之一間附屬公司即時系統被香港稅務局局長於香港區域法院提出法律行動，對即時系統追討為數6,480,000港元，為即時系統就二零零一年／二零零二年及二零零二年／二零零三年等年度應付之利得稅作出之判決。

應付香港稅務局之稅務負債連同利得稅附加費和利息總額約為7,127,000港元。爭議之利得稅及相關利息和附加費已於以往年度之財務報表內全部作出撥備。年內，即時系統與香港稅務局協定，分期償付未償還款項。於二零零七年三月三十一日，一年後應付之稅項於財務報表內分類為非流動負債。

25. SHARE CAPITAL

25. 股本

		Number of shares 股份數目	HK\$'000 千港元
Authorised:—	法定：		
Ordinary shares of HK\$0.01 each (the "ordinary shares") at 1 April 2005	於二零零五年四月一日每股面值0.01港元 之普通股（「普通股」）	6,000,000,000	60,000
Increase in authorised capital	增加法定股本	2,000,000,000	20,000
Share consolidation	股份合併	(7,200,000,000)	—
Ordinary shares of HK\$0.1 each at 31 March 2006 and 31 March 2007	於二零零六年三月三十一日及二零零七年 三月三十一日每股面值0.1港元之普通股	800,000,000	80,000
Non-voting convertible preference shares of HK\$0.01 each (the "Preference Shares") at 1 April 2005	於二零零五年四月一日每股面值0.01港元 之無投票權可換股優先股 （「優先股」）	2,000,000,000	20,000
Increase in authorised capital	增加法定股本	2,000,000,000	20,000
Share consolidation	股份合併	(3,600,000,000)	—
Non-voting convertible preference shares of HK\$0.1 each at 31 March 2006 and 31 March 2007	於二零零六年三月三十一日及 二零零七年三月三十一日 每股面值0.1港元之無投票權可換股優先股	400,000,000	40,000
Issued and fully paid:—	已發行及繳足：		
Ordinary shares of HK\$0.01 each at 1 April 2005	於二零零五年四月一日每股面值 0.01港元之普通股	3,061,671,600	30,617
Share consolidation	股份合併	(2,755,504,440)	—
Ordinary shares of HK\$0.1 each at 31 March 2006 and 31 March 2007	於二零零六年三月三十一日及二零零七年 三月三十一日每股面值0.1港元之普通股	306,167,160	30,617
Non-voting convertible preference shares of HK\$0.01 each at 1 April 2005	於二零零五年四月一日 每股面值0.01港元之無投票權可換股優先股	—	—
Issued on 26 May 2005	於二零零五年五月二十六日已發行	400,000,000	4,000
Issued on 9 December 2005	於二零零五年十二月九日已發行	3,000,000,000	30,000
Share consolidation	股份合併	(3,060,000,000)	—
Classify as liabilities and equity components under HKAS 32	根據香港會計準則第32號分類為 負債及股權部分	—	(34,000)
Non-voting convertible preference shares of HK\$0.1 each at 31 March 2006 and 31 March 2007	於二零零六年三月三十一日及 二零零七年三月三十一日 每股面值0.1港元之無投票權可換股優先股	340,000,000	—

25. SHARE CAPITAL (Continued)

Note:

- (a) The Preference Shares are unlisted and were issued at a total consideration of HK\$35,200,000 (par value of HK\$34,000,000). Their rights, privileges and restrictions are set out below:

Dividend

The holders of the Preference Shares shall be entitled to receive a fixed cumulative dividend at the rate of 2.0% per annum at its issue price.

Conversion Rights

From the date of the issue of the Preference Shares and up to a period of 3 years thereafter, if at any day the average of the closing prices of the Ordinary Shares quoted on the Stock Exchange over the preceding 30 consecutive dealing days is 200% or above of the issue price of the Preference Shares, either the Company or the holders of the Preference Shares may within 7 days by written notice to the other party request for conversion of the Preference Shares into Ordinary Shares. If the conversion right is not exercised within the 7-day period, such right will automatically lapse after the 7-day period. Save for the aforesaid, the holders of the Preference Shares have no right to request the Company to convert the Preference Shares into Ordinary Shares. After the third anniversary of the issue date of a Preference Share, the Company shall be entitled (but not obliged) to convert the Preference Shares into Ordinary Shares.

Conversion Ratio

Conversion will be at 1 Ordinary Share for each Preference Share in all cases of conversion (subject to adjustments in the event of, inter alia, subdivisions or consolidations of the Ordinary Shares and/or the Preference Shares).

Conversion Restriction

Each holder of Preference Shares may exercise his Conversion Right (when such right arises) in whole but not in part to convert all his Preference Shares into Ordinary Shares. No fractional Ordinary Shares shall be issued upon conversion of the Preference Shares. In the event of any fraction of a whole number of Ordinary Shares in the case of a conversion, such fraction shall be rounded down to the nearest whole number of the Ordinary Shares.

Transferability

The Preference Shares are transferable with the prior consent of the board of Directors and subject to the requirements of the GEM Listing Rules.

Voting rights

Holder(s) of the Preference Shares shall not be entitled to attend or vote at any general meeting of the Company.

25. 股本（續）

附註：

- (a) 優先股並無上市，並按總代價35,200,000港元（面值34,000,000港元）發行。其權利、特權及限制如下：

股息

優先股持有人有權以優先股之發行價按年息率2厘收取固定累積股息。

換股權

自發行優先股之日起3年期間，倘於任何一日聯交所所報之前連續30個交易日普通股收市價之平均值達到或超過優先股發行價之200%，本公司或優先股持有人之任何一方可於7日內書面通知另一方要求將優先股換為普通股。倘換股權未於7日之期限內行使，該權利將於7日之期限之後自動失效。除上文所述外，優先股持有人無權要求本公司將優先股換為普通股。優先股發行日期三週年後，本公司有權（但無義務）將優先股換為普通股。

換股比率

所有兌換將以每股優先股換1股普通股（在普通股及/或優先股分拆或合併之情況（包括其他）下可予調整）。

換股限制

各優先股持有人可全部惟不可部分行使其換股權（當該權利出現時），以將其所有優先股轉換為普通股。不會因轉換優先股發行零碎普通股。倘於轉換時產生任何零碎普通股，該零碎股將四捨五入為最接近之整數普通股。

可轉讓性

優先股於經董事會事先同意及遵守創業板上市規則之規定之情況下可予轉讓。

投票權

優先股持有人不具備出席本公司之任何股東大會或於會上投票之權利。

25. SHARE CAPITAL (Continued)

Note: (continued)

(b) The Preference Shares recognised in the balance sheet is calculated as follows:

		HK\$'000 千港元
Proceeds from issue of the Preference Shares	發行優先股所得款項	35,200
Equity component at dates of issue	於發行日之權益成分	(6,541)
Liability component on initial recognition at dates of issue	於發行日初步確認時之負債成分	28,659
Interest charged for the year ended 31 March 2006	於截至二零零六年三月三十一日止年度支出之利息	996
Liability component at 31 March 2006	於二零零六年三月三十一日之負債成分	29,655
Interest charged for the year ended 31 March 2007	於截至二零零七年三月三十一日止年度支出利息	2,850
Liability component at 31 March 2007	於二零零七年三月三十一日之負債成分	32,505

The interest charged is calculated using the effective interest rate method by applying the effective interest rates of 7.75% and 9.5% to the liability components since the Preference Shares were issued.

The fair value of the liability components of the Preference Shares at 31 March 2007, determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan at the balance sheet date, approximates the carrying value.

附註：（續）

(b) 於資產負債表內確認之優先股乃按以下方式計算：

支出之利息採用自優先股發行以來負債成分7.75%及9.5%之實際利率按實際利率法計算。

優先股之負債成分於二零零七年三月三十一日之公平值乃根據估計未來現金流出按結算日之一項相等不可換股貸款之現行市場利率折現之現值釐定，與其賬面值相若。

26. SHARE OPTION SCHEME

Pursuant to ordinary resolutions passed on 5 August 2004, the share option scheme adopted on 6 July 2001 (the "Old Scheme") was terminated with immediate effect provided that options which have been granted and remain outstanding shall continue to be exercisable in accordance with their terms of issue and the provisions of Chapter 23 of the GEM Listing Rules. The Company has adopted a new share option scheme (the "New Scheme") pursuant to a resolution passed on the same date.

The purpose of this New Scheme is to motivate the eligible participants for their contributions to the Company and help the Company in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company. Eligible participants of the New Scheme include any employee, proposed employee (including any executive and non-executive directors of the Company and its subsidiaries), adviser, consultant, agent, contractor, customer and supplier of any member of the Group.

The New Scheme shall remain in force for ten years from 5 August 2004 during which the directors may make offer to grant share options to eligible participants.

26. 購股權計劃

根據二零零四年八月五日通過之普通決議案，於二零零一年七月六日所採納之購股權計劃（「舊計劃」）已隨即終止，惟已授出及尚未行使之購股權根據其發行條款以及創業板上市規則第23章之規定將繼續可予行使。本公司已根據同日通過之決議案採納新購股權計劃（「新計劃」）。

新計劃旨在鼓勵合資格參與者為本公司作出貢獻，並協助本公司挽留現職僱員及招攬新僱員，以及讓彼等取得直接經濟利益，以達致本公司之長期業務目標。新計劃之合資格參與者包括任何本集團成員公司之僱員、準僱員（包括本公司及其附屬公司之執行及非執行董事）、諮詢人、顧問、代理人、承包商、客戶及供應商。

新計劃由二零零四年八月五日起計有效十年，董事可於該段期間向合資格參與者建議授出購股權。

26. SHARE OPTION SCHEME (Continued)

The maximum number of shares available for issue under options which may be granted under the New Scheme adopted by the Company must not in aggregate exceed 10% of the shares in issue. The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each participant (including both exercised and outstanding options) in any 12-month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant. Any further grant of options in excess of the above limit must be subject to shareholders' approval with such participant and his associates (as defined in the GEM Listing Rules) abstaining from voting.

If options are granted to a connected person (as defined in the GEM Listing Rules) or his associates, the granting of such options will be subject to all independent non-executive directors' (excluding independent non-executive director who is a grantee) approval; where options are proposed to be granted to a connected person who is also a substantial shareholder or independent non-executive director or any of their respective associates which will result in the total number of shares issued and to be issued upon exercise of the options granted or to be granted (including options exercised, cancelled and outstanding) to such person under the New Scheme in the past 12-month period up to and including the date of such grant (1) exceeding 0.1% of the total issued shares for the time being; and (2) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5,000,000, the granting of such options will be subject to approval of the independent shareholders of the Company taken on a poll. All connected persons will abstain from voting (except that any connected person may vote against the resolution).

Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant. The option will be offered for acceptance for a period of 5 days from the date on which the option is granted. The exercise period of the share options granted is determinable by the directors and shall not be more than ten years from the date of grant and the directors may provide restrictions on the exercise of the option during the period an option may be exercised.

The subscription price of a share in respect of any particular option granted under the New Scheme shall be such price as the board of directors at their absolute discretion shall determine, save that such price shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the grant, which must be a trading day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the grant; or (iii) the nominal value of a share.

26. 購股權計劃（續）

根據本公司所採納新計劃授出之購股權而可予發行之股份最高數目，合共不得超過已發行股份之10%。於授出日期前任何12個月期間因行使已授予及將授予每名參與者之購股權（包括已行使及尚未行使之購股權）而已經及將予發行之股份最高數目，不得超過授出日期之已發行股份之1%。進一步授予超出上述限額之任何購股權，必須獲股東批准，而該名參與者及其聯繫人士（定義見創業板上市規則）須就此放棄投票。

倘向關連人士（定義見創業板上市規則）或其聯繫人士授出購股權，該等購股權之授出須待所有獨立非執行董事（不包括身為承授人之獨立非執行董事）批准後方可作實。倘建議向一名兼為主要股東或獨立非執行董事或彼等各自之聯繫人士之關連人士授出購股權，而此舉導致於授出日期（包括當日）為止對上12個月期間因行使新計劃下已授予及將授予該人士之購股權（包括已行使、註銷及尚未行使之購股權）而已經及將予發行之股份總數：(1) 超過當時已發行股份總數0.1%；及(2) 根據每次授出日期股份之收市價計算其總值超過5,000,000港元，則該等購股權之授出須待本公司獨立股東以點票方式批准後方可作實。所有關連人士須放棄投票（惟任何關連人士可投票反對有關決議案）。

接納購股權後，承授人須支付1港元予本公司作為該項授出之代價。購股權可於其授出當日起計五日之內接納。所授出購股權之行使期由董事決定，惟不得超過自授出日期起計十年。董事亦可對購股權於可行使期間之行使作出規限。

有關新計劃下授出之任何特定購股權之每股認購價可由董事會絕對酌情決定，惟該價格不得低於以下三者之最高者：(i) 於授出日期（必須為交易日）股份在聯交所日報表所報收市價；(ii) 緊接授出日期前五個交易日股份在聯交所日報表所報平均收市價；或(iii) 股份面值。

26. SHARE OPTION SCHEME (Continued)

No options was granted under the New Scheme. Details of the outstanding share options granted under the Old Scheme which continue to be exercisable are as below:-

(i) Movements in share options

		Number of options 購股權數目	
		2007 二零零七年	2006 二零零六年
At 1 April	於四月一日	194,211	21,528,948
Adjustment for share consolidation	就股份合併之調整	-	(19,376,053)
Lapsed	已失效	-	(1,958,684)
Options vested as 31 March	於三月三十一日歸屬之購股權	194,211	194,211

(ii) Terms of unexpired and unexercised share options at balance sheet date

		2007 二零零七年		2006 二零零六年	
Date of grant	Exercise period	Exercise price per share	Number of options	Exercise price per share	Number of options
授出日期	行使期間	每股行使價	購股權數目	每股行使價	購股權數目
21 November 2001	30 June 2002 to 29 June 2012	HK\$ 港元		HK\$ 港元	
二零零一年十一月二十一日	二零零二年六月三十日至二零零二年六月二十九日	2.66	194,211	2.66	194,211

(iii) No share option was granted during the year (2006: Nil).

(iii) 年內並無授出購股權(二零零六年:零)。

(iv) No share option was lapsed during the year (2006: 1,958,684).

(iv) 年內概無任何購股權失效(二零零六年:1,958,684)。

26. SHARE OPTION SCHEME (Continued)

- (v) No share option was exercised during the year (2006: Nil).

Each option gives the holder the right to subscribe for one share of the Company. Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

At 31 March 2007, the exercise in full of the outstanding share options granted under the Old Scheme will result in the issue of an additional 194,211 shares of HK\$0.1 each with corresponding proceeds of approximately HK\$517,000.

26. 購股權計劃（續）

- (v) 年內概無任何購股權獲行使（二零零六年：零）

每份購股權賦予持有人權利認購本公司一股股份。購股權並無賦予持有人權利獲取股息或於股東大會投票。

於二零零七年三月三十一日，倘根據舊計劃授出之尚未行使購股權獲悉數行使，將導致額外發行194,211股每股面值0.1港元之股份，相應所得款額約517,000港元。

27. ACQUISITION OF A SUBSIDIARY

In November 2006, the Group acquired the entire issued capital of 西安瀚洋Linux教育培訓中心 at a cash consideration of RMB200,000 (equivalent to approximately HK\$197,000). This transaction has been accounted for by the purchase method of accounting.

The above transaction has been accounted for using acquisition method of accounting.

27. 收購一間附屬公司

於二零零六年十一月，本集團收購西安瀚洋Linux教育培訓中心之全部已發行股本，現金代價為人民幣200,000元（約等於197,000港元）。此項交易以購買會計法入賬。

上述交易已利用會計收購法計算：

		2007 二零零七年 HK\$'000 千港元
Net assets acquired:	已收購淨資產：	
Property, plant and equipment	物業、廠房及設備	385
Trade receivables	貿易應收款項	1,005
Other receivables and prepayments	其他應收款項及預付款項	85
Bank balances and cash	銀行結存及現金	49
Other payables and accruals	其他應付款項及應計款項	(399)
		1,125
Minority interest	少數股東權益	(113)
Negative goodwill recognised in the income statement	於收益表確認之負商譽	(815)
		197
Total consideration	總代價	197
Satisfied by:	以下列方式支付：	
Cash	現金	197
Net cash outflow arising on acquisition:	收購所產生之現金流出淨額：	
Cash paid	已付現金	(197)
Bank balances and cash acquired	銀行結存及收購現金	49
		(148)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購一間附屬公司之現金及現金等值項目流出淨額	(148)

The fair value of the net assets acquired approximated the carrying amount at the acquisition date.

已收購淨資產公平值與收購日期之賬面值相若。

During the year ended 31 March 2007, 西安瀚洋Linux教育培訓中心 contributed approximately HK\$419,000 to the Group's revenue and HK\$836,000 to the Group's loss before tax for the period between the date of acquisition and the balance sheet date.

於截至二零零七年三月三十一日止年度內，西安瀚洋Linux教育培訓中心為本集團之收入帶來約419,000港元，及為本集團由收購日期至結算日期間帶來836,000港元之除稅前虧損。

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

27. ACQUISITION OF A SUBSIDIARY (Continued)

If the acquisition had been completed on 1 April 2006, total Group revenue for the year would have been HK\$18,546,000, and loss for the year would have been HK\$47,769,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2006, nor is intended to be a projection of future results.

28. RESERVES

(i) The Group

The special reserve of the Group represents the difference between the nominal value of the shares of the Company and the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on GEM.

(ii) The Company

27. 收購一間附屬公司（續）

倘收購於二零零六年四月一日完成，本集團於年間之總收入將為18,546,000港元，而年度虧損則為47,769,000港元。備考資料僅用作說明，並非必要顯示倘收購已於二零零六年四月一日完成，本集團之收入及經營業績實際上已實現，亦不擬作為未來業績之預測。

28. 儲備

(i) 本集團

本集團之特別儲備指本公司股份面值與就籌備本公司股份於創業板上市根據重組整頓本集團架構所收購附屬公司股份面值之差額。

(ii) 本公司

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回儲備 HK\$'000 港幣千元	Capital reserve 資本儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2005	於二零零五年四月一日					
– as originally stated	– 原先呈列	24,271	84	–	(41,609)	(17,254)
– effects of changes in accounting policies	– 會計政策變動 之影響	–	–	1,692	(736)	956
– as restated	– 重列	24,271	84	1,692	(42,345)	(16,298)
Issue of convertible preference shares	發行可換股優先股	–	–	6,541	–	6,541
Issue of convertible notes	發行可換股票據	–	–	1,798	–	1,798
Share issue expenses	股份發行開支	(750)	–	–	–	(750)
Redemption of convertible notes	贖回可換股票據	–	–	(484)	484	–
Loss for the year	本年度虧損	–	–	–	(13,815)	(13,815)
At 31 March 2006	於二零零六年三月三十一日	23,521	84	9,547	(55,676)	(22,524)
Transfer of convertible notes to short term loans	可換股票據撥入短期貸款	–	–	(1,208)	1,208	–
Loss for the year	本年度虧損	–	–	–	(16,899)	(16,899)
At 31 March 2007	於二零零七年三月三十一日	23,521	84	8,339	(71,367)	(39,423)

28. RESERVES (Continued)**(ii) The Company (Continued)**

The Company had no distributable reserves at 31 March 2007. Under the Companies Law (Cap. 22 Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium is distributable to the shareholders of the Company, provided that immediately following the date on which the dividends is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

29. CONVERTIBLE NOTES

The convertible notes are unlisted and analysed as below:

Principal value 本金	Interest 息率 (Note 1) (附註1)	Conversion price 換股價 (Note 2) (附註2)	Conversion period 兌換期
HK\$10,000,000	2.5% per annum	HK\$0.11 per share	9 December 2005 to 8 December 2008
10,000,000 港元	每年 2.5 厘	每股 0.11 港元	二零零五年十二月九日至 二零零八年十二月八日

Notes:

- The interests are payable on maturity date or within 14 business days after conversion of the notes.
- They have been adjusted for the rights issue of the Company's shares on 21 December 2004 and the consolidation of the Company's shares on 3 October 2005. The notes are convertible into new ordinary shares of the Company at the said price in the amounts of not less than HK\$500,000 on each conversion.
- No early redemption by the Company or the noteholders is allowed prior to the maturity date.

28. 儲備(續)**(ii) 本公司(續)**

於二零零七年三月三十一日，本公司並無可供分派儲備。根據開曼群島公司法（一九六一年第3號法例第22章，經綜合及修訂），除非緊隨建議分派股息日期後，本公司能夠償還日常業務中到期之債務，否則股份溢價不得分派予本公司股東。

29. 可換股票據

可換股票據為非上市，分析如下：

附註：

- 利息須於到期日或兌換票據後 14 個營業日內支付。
- 可換股票據已就二零零四年十二月二十一日本公司股份之供股事項及於二零零五年十月三日本公司之股份合併作出調整。票據現可按上述價格兌換為本公司新普通股，每次兌換之金額不低於 500,000 港元。
- 於到期日前，本公司或票據持有人不得提早贖回。

Notes to the Financial Statements (Continued)

財務報表附註（續）

31 March 2007 二零零七年三月三十一日

29. CONVERTIBLE NOTES (Continued)

The net proceeds received from the issue of the convertible notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group, as follows:-:

29. 可換股票據（續）

來自發行可換股票據之所得款項淨額已分為負債部分和權益部分，即將負債轉換為本集團股本之附屬選擇權之公平值，如下：

		HK\$'000 千港元
Liability component at 1 April 2005	於二零零五年四月一日之負債部分	13,490
Issued during the year ended 31 March 2006:	於截至二零零六年三月三十一日止年度已發行：	
– Nominal value of convertible notes issued	– 已發行可換股票據之票面值	10,000
– Equity component at date of issue	– 於發行日之權益部分	(1,798)
– Liability component on initial recognition at date of issue	– 於發行日初步確認時之負債部分	8,202
Interest charged for the year ended 31 March 2006	於截至二零零六年三月三十一日止年度已付利息	1,126
Repayment of principals	償還本金	(4,000)
Repayment of accrued interest	償還應計利息	(308)
Liability component at 31 March 2006 and 1 April 2006	於二零零六年三月三十一日及 二零零六年四月一日之負債部分	18,510
Interest charged for the year ended 31 March 2007	於截至二零零七年三月三十一日止年度已付利息	1,513
Transfer to other payables (Note 21)	撥入其他應付款項（附註21）	(10,750)
Liability component at 31 March 2007	於二零零七年三月三十一日之負債部分	9,273

Represented by:

指：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Convertible notes	可換股票據	8,945	17,957
Accrued interests included in other payables, accruals and deposits received	列於其他應付賬項，應計項目及已收按金之應付利息	328	553
		9,273	18,510

The interest charged for the year is calculated by applying effective interest rates of 7 per cent and 9 per cent to the liability component for the period since the notes were issued.

本年度之利息支出自發行票據日起對負債部分採用7%及9%之實際利率計算。

29. CONVERTIBLE NOTES (Continued)

The directors estimate that the fair value of the liability component of the convertible notes at 31 March 2007 approximates the carrying value. The fair value has been calculated by discounting the future cash flows at the market rate.

The Group's and the Company's convertible notes were repayable as follows:-

29. 可換股票據（續）

董事估計於二零零七年三月三十一日可換股票據之負債部分之公平與其賬面值相若。該公平值乃按市場利率折現未來現金流量計算。

本集團及本公司之可換股票據須於以下期間償還：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Between 1 and 2 years	在一至兩年之間	8,945	9,594
Between 2 and 3 years	在兩至三年之間	-	8,363
		8,945	17,957

30. OPERATING LEASES ARRANGEMENT

As at 31 March 2007, the Group and the Company had outstanding commitments under non-cancellable operating leases in respect of land and buildings, which fall due as follows:-

30. 經營租賃安排

於二零零七年三月三十一日，本集團及本公司就土地及樓宇之不可撤銷經營租賃有尚未履行承擔，到期日如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	2,254	2,152	-	-
In the second to fifth years inclusive	第二至第五年（包括首尾兩年）	1,410	2,739	-	-
		3,664	4,891	-	-

Operating lease payments represent rentals payable by the Group for their office premises and staff quarters. Leases are negotiated for an average term of one to five years with fixed monthly rentals.

經營租賃款項指本集團及本公司就其辦公室物業及員工宿舍應付之租金。租約平均為期一至五年，每月支付固定租金。

Notes to the Financial Statements (Continued)

財務報表附註(續)

31 March 2007 二零零七年三月三十一日

31. CONTINGENT LIABILITIES

References are made to the latest announcement on 13 March 2006, in relation to a claim of service commission of RMB3,000,000, together with the interest of RMB227,000 by an ex-employee of Beijing Thiz Linux Software Co. Limited ("BTS"), a subsidiary of the Company in the PRC, against the Company. The ex-employee has obtained a judgement in his favour in the court of the PRC (the "Ruling").

The Company's legal advisers confirmed that, under the laws of Hong Kong and the Cayman Islands, there is no statutory mechanism for judgement made by the Courts in Mainland China to be enforceable either in Hong Kong or Cayman Islands. The directors of the Company believe that the enforceability of the judgements against the Company is doubtful and the Group is not liable to the claim. No provision has been made in these financial statements in respect of any contingent liabilities arising from this claim.

32. CAPITAL COMMITMENTS

At 31 March 2007, the Group had no material capital commitments (2006: Nil).

33. CONNECTED AND RELATED PARTY TRANSACTIONS

The details of the material related party transactions and balances are as follows:-

(a) Balances with related parties

They are disclosed in notes 22 and 23 to the financial statements.

(b) Interest charged by related parties

They are disclosed in notes 22 and 23 to the financial statements.

(c) Compensation of key management personnel

The remuneration of directors and other key management during the year was as follows:-

Short term benefits	短期福利
Post-employment benefits	退休福利

31. 或然負債

茲提述最近期於二零零六年三月十三日刊發之公佈，關於本公司中國一間附屬公司北京即時利尼克斯軟件有限公司(「北京即時」)一名前僱員申索服務佣金人民幣3,000,000元連同利息人民幣227,000元。中國法院判該名前僱員勝訴(「裁定」)。

本公司法律顧問確認，根據香港及開曼群島法律，概無任何法定機制使中國內地法院所作出的判決可於香港或開曼群島執行。本公司董事相信，裁定是否可執行仍存疑，而本集團毋須就申索負債。故此並無就該申索產生之任何或然負債於財務報表內作出撥備。

32. 資本承擔

於二零零七年三月三十一日，本集團並無重大資本承擔(二零零六年：無)。

33. 關連及有關連人士交易

重大有關連人士交易之詳情及結餘如下：

(a) 有關連人士之結餘

有關連人士之結餘於財務報表附註22及23中披露。

(b) 有關連人士收取之利息

有關連人士收取之利息於財務報表附註22及23內披露。

(c) 主要管理人員之酬勞

於相關年度，董事及其他主要管理層之酬金如下：

		Year ended 31 March	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Short term benefits	短期福利	2,657	2,792
Post-employment benefits	退休福利	21	97
		2,678	2,889

**33. CONNECTED AND RELATED PARTY TRANSACTIONS
(Continued)****(c) Compensation of key management personnel (Continued)**

The directors are of the opinion that balances with related parties and related interest charged by related parties which also constitute connected transactions under the GEM Listing Rules were carried out in the normal course of business of the Group and conducted on terms better than normal commercial terms.

34. SIGNIFICANT POST BALANCE SHEET EVENTS

- (a) On 1 June 2007, the convertible noteholders converted convertible note with principal amount of HK\$10,000,000 into 90,909,090 new ordinary shares of the Company. The enlarged issued share capital of the Company immediately after the above conversion was HK\$39,707,625.
- (b) In June 2007, written notices had been received by the Company from the holders of the Company's convertible preference shares to exercise the conversion rights to convert the convertible preference shares into ordinary shares of the Company. Upon completion, 300,000,000 ordinary shares of the Company will be issued and the enlarged issued share capital of the Company immediately after the conversion of the convertible notes and convertible preference shares will be HK\$69,707,625.

35. MAJOR NON-CASH TRANSACTION EVENT

As detailed in note 21, during the year, an amount of HK\$10,750,000 being the principal amount and accrued aggregate interest of the convertible notes were converted into short terms loans advanced to the Company.

36. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risks and currency risk. These risks are limited by the Group's financial management policies and practices described below. Generally, the Group introduces conservative strategies on its risk management. The Group has not used any derivatives and other instruments for hedging purposes nor does it hold or issue derivative financial instruments for trading purposes.

(a) Credit risk

The Group's principal financial assets are bank balances and cash and trade and other receivables.

33. 關連及有關連人士交易（續）**(c) 主要管理人員之酬勞（續）**

董事認為，與有關連人士之結餘及有關連人士收取之有關利息亦構成創業板上規則下之關連交易，乃於本集團一般業務過程中進行及按優於一般商業條款之條款訂立。

34. 重要結算日後事項

- (a) 於二零零七年六月一日，可換股票據持有人將本金金額10,000,000港元之可換股票據轉換為90,909,090股本公司新普通股。本公司緊隨上述轉換後之經擴大已發行股本為39,707,625港元。
- (b) 於二零零七年六月，本公司接獲本公司可換股優先股持有人發出之書面通知，行使兌換權，兌換優先股為本公司之普通股。於完成後，本公司將發行300,000,000股普通股，而緊隨可換股票據及可換股優先股轉換後之本公司經擴大已發行股本為69,707,625港元。

35. 主要非現金交易事項

於附註21內詳載，年內，為數10,750,000港元之可換股票據之本金及累積應付利息被轉換為向本公司墊付之短期貸款。

36. 財務風險管理

在本集團正常業務過程中，因本集團金融工具而衍生之主要風險為信貸風險、流動資金風險、利率風險及貨幣風險。本集團透過其財務管理政策及下述實務為該等風險設限。一般而言，本集團在其風險管理上採取審慎策略。本集團並無使用任何衍生工具及其他工具於對沖目的，亦無就交易目的持有或發行衍生金融工具。

(a) 信貸風險

本集團之主要金融資產是銀行結餘及現金以及貿易及其他應收款項。

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The Group's credit risk is primarily attributable to its trade receivables. The Group and the Company allow an average credit period of 30 to 60 days to their trade customers. The amounts presented in the balance sheet are net of provisions for doubtful receivables. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Other than the balances due from Prewell as set out in note 18 to the financial statements, the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

(b) Liquidity risk

The Group will consistently maintain a prudent financial policy and ensure that it maintains sufficient cash to meet its liquidity requirements.

(c) Fair value and cash flow interest rate risk

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

The Group's convertible preference shares and convertible notes are subject to fair value interest rate risk as the dividend rates and interest rates are fixed respectively.

(d) Foreign exchange risk

The Group's main operations are in the PRC and Taiwan and its income and expenses are transacted in RMB and NT\$ respectively. Accordingly, it has no significant exposure to foreign exchange risk.

(e) Fair values estimation

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

36. 財務風險管理（續）

(a) 信貸風險（續）

本集團之信貸風險主要來自其應收貿易賬款。本集團及本公司向其交易客戶授出平均30天至60天之信貸周轉期。於資產負債表中呈列之金額乃扣除應收呆賬之撥備。倘發生根據過往經驗足以證明會導致現金流量之可回收性下降之可確定虧損事件時，則作出減值撥備。

除財務報表附註18載列的應收Prewell之結餘外，本集團並無重大集中信貸風險，風險乃分散至眾多交易對手及客戶。

(b) 流動資金風險

本集團將持續維持審慎之財務政策及確保維持足夠現金以滿足其流動資金需求。

(c) 公平值及現金流量利率風險

公平值利率風險指由於市場利率變動而導致金融工具之價值變動之風險。現金流量利率風險指因市場利率變動而導致金融工具之未來現金流量波動之風險。

由於股息率及利率均為固定，本集團可換股優先股及可換股票據乃受限於公平值利率風險。

(d) 外匯風險

本集團之主要經營業務在中國及台灣進行，本集團之收益及開支分別以人民幣及新台幣交易。因此，本集團概無面臨任何重大外匯風險。

(e) 公平值估計

董事認為，所有金融工具乃按與截至二零零七年三月三十一日及二零零六年三月三十一日有關金融工具之公平值相若之金額列賬。

37. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's financial position and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the consolidated financial statements. The Group bases the assumptions and estimates on historical experience and on various other assumptions that the Group believes to be reasonable and which form the basis for making judgements about matters that are not readily apparent from other sources. On an on-going basis, management evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of significant accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the consolidated financial statements. The significant accounting policies are set forth in Note 3. The Group believes the following significant accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. 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.

Impairment losses for bad and doubtful debts

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the customers to make the required payments. The Group bases the estimates on the aging of the accounts receivable balance, customer credit-worthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs might be higher than expected and could significantly affect the results of future periods.

Capitalisation of development costs

Note 3(l) describes the criteria for capitalisation of development costs. Considerable degree of judgement is required to determine whether the capitalized development costs meet the criteria and, in particular, the technical feasibility of the projects and the economic benefits to be derived upon completion of the development.

Estimate of the fair value of convertible notes/convertible preference shares

In accordance with HKAS 32, the Group accounted for conversion feature of the convertible notes/convertible preference shares as a liability based on the expected discounted cash outflows according to the terms of the subscription agreement. Should the directors' estimation of inputs such as effective interest rate be revised, the fair value of the liability component at date of issue will be adjusted accordingly.

37. 會計估計及判斷

本集團之財務狀況及經營業績受編製綜合財務報表所用之會計方法、假設及估計重大影響。本集團根據過往經驗，以及本集團認為合理及構成未能以其他資料來源判斷之事項之判斷基礎之多項其他假設，作出該等假設及估計。管理層持續評估其估計。實際結果可能隨事實、環境及條件變化而有所不同。

當審閱綜合財務報表時，主要會計政策的選擇、影響應用該等政策之判斷及不確定因素，以及呈報業績對狀況及假設之變動之敏感度均成為考慮因素。主要會計政策載於附註3。本集團相信下列重大會計政策包括在編製綜合財務報表中所使用之最重要判斷及估計。

本集團作出有關未來之估計及假設。所得之會計估計一如其性質甚少與有關實際業績相符。具有重大風險引致於下一個財政年度對資產及負債之賬面值造成重大調整之估計及假設於下文有所討論。

呆壞賬之減值虧損

本集團就因客戶無力作出規定付款產生之呆壞賬估計減值虧損。本集團根據應收賬款餘額的賬齡、客戶信譽及過往撇銷經驗作出估計。倘客戶的財務狀況減值，實際撇銷可能比預期的要高及可能重大影響未來期間之業績。

開發成本資本化

附註3(l)說明開發成本資本化之準則。需要作出頗大程度之判斷，釐定是否符合開發成本資本化之準則，特別是項目之技術可行性，及開發完成時將可獲得之經濟利益。

可換股債券／可換股優先股公平值估計

根據香港會計準則第32號，本集團根據認購協議之條款以預計貼現現金流出為基礎，將可換股債券／可換股優先股之兌換性質作為負債入賬。倘董事估計所用假設，例如實際利率有所修改，於發行日期負債部分之公平值將予以調整。

Financial Summary

財務概要

Result

業績

		Year ended 31 March 截至三月三十一日止年度				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (經重列)	2004 二零零四年 HK\$'000 千港元 (Restated) (經重列)	2003 二零零三年 HK\$'000 千港元 (Restated) (經重列)
Turnover	營業額	14,141	8,368	18,333	37,415	64,152
(Loss)/profit from operations	經營(虧損)/溢利	(42,309)	(29,002)	(16,327)	(13,253)	7,056
Finance costs	融資成本	(6,159)	(2,845)	(883)	(250)	(49)
Share of profit of a jointly controlled entity	應佔一間共同控制 企業溢利	–	–	–	–	99
(Loss)/profit before tax	除稅前(虧損)/溢利	(48,468)	(31,847)	(17,210)	(13,503)	7,106
Tax	稅項	–	–	(6,172)	–	–
(Loss)/profit for the year	本年度(虧損)/溢利	(48,468)	(31,847)	(23,382)	(13,503)	7,106
Attributable to:-	以下人士應佔：					
Equity holders of the Company	本公司股權持有人	(48,468)	(31,700)	(23,152)	(13,503)	7,106
Minority interests	少數股東權益	–	(147)	(230)	–	–
		(48,468)	(31,847)	(23,382)	(13,503)	7,106

Assets and liabilities

資產及負債

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)	2003 二零零三年 HK\$'000 千港元 (Restated) (重列)
Non-current assets	非流動資產	36,764	25,451	16,108	7,475	4,236
Current assets	流動資產	8,645	43,234	43,756	40,997	36,145
Deduct:	減：					
Current liabilities	流動負債	53,832	29,489	30,302	9,043	5,906
Net current (liabilities)/assets	流動(負債)/資產淨值	(45,187)	13,745	13,454	31,954	30,239
Total assets less current liabilities	總資產減流動負債	(8,423)	39,196	29,562	39,429	34,475
Non-current liabilities	非流動負債	(46,760)	(47,612)	(13,382)	(12,487)	(3,545)
Minority interests	少數股東權益	(113)	—	(147)	—	—
Net (liabilities)/assets	(負債)/資產淨值	(55,296)	(8,416)	16,033	26,942	30,930

Note:

The comparative income statement and balance sheet for 2005 have been restated following the adoption of HKAS 1 which affects the presentation of minority interests in the Group's consolidated income statement and balance sheet. With effect from 1 January 2005, in accordance with HKAS 1, minority interests at the balance sheet date are presented in the Group's consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company, and minority interests in the results of the Group for the period are presented on the face of the Group's consolidated income statement as an allocation of the total profit and loss for the period between minority interests and the equity holders of the Company. The comparative income statement and balance sheet for 2003 to 2005 have also been restated following the adoption of HKAS 32 in relation to the accounting treatment of convertible notes and convertible preference shares set out in note 3(i)(iii).

附註：

二零零五年度之比較收益表及資產負債表已於採納可影響少數股東權益在本集團之綜合收益表及資產負債表之呈列之香港會計準則第1號後重列。根據香港會計準則第1號，由二零零五年一月一日起，於結算日之少數股東權益在本集團綜合資產負債表中在權益項下呈列，與本公司股權持有人應佔股權分開，於期內少數股東應佔業績之部分則在本集團之綜合收益表列作少數股東權益與本公司股權持有人之間期內損益總額之分配。隨著附註3(i)(iii)所載香港會計準則第32號有關可換股債券及可換股優先股之會計處理，二零零三年至二零零五年之比較收益表及資產負債表亦已重列。