ANNUAL REPORT 2007

Paper Communication

Info Communication Holdings Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code : 8082)

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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The principal means of information dissemination on GEM is publication on the Internet website operated by the Exchange. Listed companies are not generally required to issue paid announcement in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Info Communication Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Info Communication Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: 1. The information contained in this report is accurate and complete in all material respects and not misleading; 2. There are no other matters the omission of which would make any statement in this report misleading; and 3. All opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Leung Tin Fu *(Chairman)*
Mr. Chan Wing Sum
Mr. Cheng Kwok Lai
Mr. Kwok Kam Tim

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Chi Kong
Ms. Lam Tung Ming, Eileen
Mr. Chan Kam Fuk

COMPANY SECRETARY

Ms. Chan Yuen Bik, Jane FCIS FCS

QUALIFIED ACCOUNTANT

Ms. Ho Yu Ching, Crystal CPA AICPA

COMPLIANCE OFFICER

Mr. Chan Wing Sum

AUDIT COMMITTEE

Mr. Leung Chi Kong *(Chairman)*
Ms. Lam Tung Ming, Eileen
Mr. Chan Kam Fuk

REMUNERATION COMMITTEE

Mr. Chan Kam Fuk *(Chairman)*
Mr. Leung Tin Fu
Mr. Leung Chi Kong
Ms. Lam Tung Ming, Eileen
Mr. Cheng Chun Ho

AUTHORISED REPRESENTATIVES

Mr. Leung Tin Fu
Mr. Chan Wing Sum

INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

REGISTERED OFFICE

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681GT
George Town, Grand Cayman KY1-1111
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 15, 5th Floor
Wah Shing Centre
No. 11 Shing Yip Street
Kwun Tong, Kowloon
Hong Kong

COMPANY HOMEPAGE

www.infocommunication.com.hk
www.paper-com.com.hk

PRINCIPAL SHARE REGISTRAR

Bank of Butterfield International (Cayman) Ltd
Butterfield House, Fort Street
George Town, Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank
Bank of China (Hong Kong) Limited

STOCK CODE

8082

Chairman's Statement

On behalf of the Board of Directors (the "Directors") of Info Communication Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2007.

CORPORATE PROFILE

Being established in 1985, the Group has been focusing its business in organising trade exhibitions, publishing industrial magazines and providing printing and design services. The Company has successfully listed on The Stock Exchange of Hong Kong Limited (the "Exchange") on 2 November 2001 and the Company was the first listed exhibition organiser in Hong Kong.

The Group is a one-stop value-added exhibition organiser which specialises in the industrial sector, including metals, plastics and packaging, textile and clothing machineries, equipment, components and materials. The exhibitions organised by the Group aim at bridging the potential buyers and suppliers on a face-to-face contact basis and allowing physical examination of products, establishment of business relationships and dissemination of the latest market information, technologies and trend. As a one-stop exhibition organiser, the Group also provides value-added promotion and marketing services and publishes various trade magazines that strengthen the effectiveness of promoting the products of the Group's clients.

"Providing One-stop Services, Bridging You to Success" is the vision of the Group. To align with our vision, the corporate mission is to become one of the leading exhibition organisers in Asia that organises trade shows covering diversified sectors with scales that are comparable to the largest exhibition in each respective sector in Asia. At the same time, the Group continues to offer value-added services to the customers.

RESULTS AND DIVIDENDS

For the year ended 31 March 2007, the Group recorded a turnover of approximately HK$79,621,000 (2006: approximately HK$48,618,000) and a net profit attributable to equity holders of the Company of approximately HK$19,787,000 (2006: approximately HK$8,129,000). The basic earnings per share was HK2.34 cents (2006: HK0.96 cents).

On 13 February 2007, an interim dividend of HK$0.012 per ordinary share, totalling HK$10,147,680 was declared and paid during the year ended 31 March 2007.

The Directors also recommend the payment of a final dividend of HK$0.005 per ordinary share, totalling HK$4,228,200, in respect of the year ended 31 March 2007. The proposed final dividend, if approved by the shareholders at the annual general meeting on 25 July 2007, will be paid on 31 July 2007 to shareholders whose names appear on the Register of Members on 25 July 2007. The Register of Members of the Company will be closed between 23 July 2007 and 25

Chairman's Statement

July 2007 during which period no transfer of shares will be effected. To rank for the aforesaid final dividend, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong before 4:00 p.m. on 20 July 2007.

BUSINESS AND FINANCIAL REVIEW

During the year ended 31 March 2007, the Group organised certain exhibitions in Vietnam, Malaysia and in major cities in the People's Republic of China (the "PRC") including Hong Kong, details of some major exhibitions are set out below:

Date	Exhibition
8-11 April 2006 AsiaWorld-Expo, Chep Lap Kok, Hong Kong	Hong Kong International Auto Parts Fair
23-26 May 2006 Guangzhou International Convention & Exhibition Centre, Guangzhou, the PRC	13th South China International Machinery & Mould Exhibition 13th South China International Plastics Exhibition
26-29 May 2006 AsiaWorld-Expo, Chep Lap Kok, Hong Kong	Asia International Arts & Antiques Fair (AIAA 2006)
6-9 July 2006 Putra World Trade Centre, Kuala Lumpur, Malaysia	17th Malaysia International Rubber, Plastics, Mould and Die Industry Technology Exhibition 17th Malaysia International Food Processing & Packaging Exhibition
28-30 July 2006 AsiaWorld-Expo, Chep Lap Kok, Hong Kong	1st Hong Kong International Pet & Aqua Accessory & Service Expo
23-26 August 2006 Suzhou International Expo Centre, Suzhou, the PRC	3rd Suzhou International Linkage Industry Exhibition: East China (Suzhou) International Machine Tool & Mould Technology Exhibition East China (Suzhou) International Plastics, Packaging & Rubber Technology Exhibition

Chairman's Statement

Date	Exhibition
13-15 September 2006 Guangdong Modern International Exhibition Centre, Houjie, Dongguan, Guangzhou, the PRC	5th South China International Electronic Circuit & Assembly Expo South China International Screen Printing Technology Expo
27-30 October 2006 Ho Chi Minh International Exhibition & Convention Centre	6th Vietnam International Machine Tool & Automation Industry Show
8-11 November 2006 15-18 November 2006 GD Modern International Exhibition Center, Houjie, Dongguan, the PRC	8th China Dongguan International Plastics, Packaging & Rubber Exhibition, Die Casting & Foundry Exhibition 8th China Dongguan International Mould & Metalworking Exhibition
16-19 November 2006 24-27 November 2006 Ho Chi Minh International Exhibition & Convention Centre	6th Vietnam International Plastics & Rubber Industry Show 6th Vietnam International Textile & Garment Industry Show
28-31 March 2007 GD Modern International Exhibition Center, Houjie, Dongguan, the PRC	8th China (Dongguan) International Textile & Clothing Industry Fair 8th China (Dongguan) International Footwear Machinery & Material Industry Fair

For the year ended 31 March 2007, the Group recorded a turnover of approximately HK$79.6 million, representing an increase of approximately HK$31.0 million or 64% as compared to the Group's turnover for the previous financial year which amounted to approximately HK$48.6 million. Such increase in the Group's turnover was mainly attributable to the significant increase in exhibition organisation income.

During the year ended 31 March 2007, the Group generated exhibition organisation income of approximately HK$75.9 million, representing an increase of approximately HK$31.0 million or 69% as compared to that of the previous financial year which amounted to approximately HK$44.9 million. The Directors considered that such rapid increase in exhibition organisation income was due to the fact that there are various new and first time exhibitions organised by the Group in Hong Kong in May and June 2006, namely Asia International Arts & Antiques Fair 2006 ("AIAA") and the 1st Hong Kong International Pet & Aqua Accessory & Service Expo. The Group has also co-organised another new exhibition, namely Hong Kong International Auto

Chairman's Statement

Parts Fair, with Hong Kong Trade Development Council and other independent parties. All above exhibitions organised by the Group and co-organisers were held successfully and received excellent response from exhibitors and visitors. Furthermore, the full operation of 廣東訊展會議展覽有限公司 in the PRC, a wholly-owned subsidiary of the Company has also attributed to the significant increase in the Group's exhibition organisation income during the year under review. In addition, the significant growth in the size of the exhibitions held in Dongguan and Vietnam also contributed notable returns to the Group.

The Group continued to record a net profit attributable to equity holders of the Company of approximately HK$19.8 million for the year ended 31 March 2007. The net profit ratio increased from 19.0% in the year ended 31 March 2006 to approximately 25.5% in the year ended 31 March 2007. The increase in profitability was attributable to the increase in exhibition organisation income, and a comparatively cost-effective measures in our expenses.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its daily operations from internally generated cash flows. As at 31 March 2007, the Group had total assets of approximately HK$52,908,000 and had net assets of approximately HK$32,863,000. The Group's cash and bank balances as at 31 March 2007 amounted to approximately HK$31,638,000 and had no bank and other borrowings or long-term liabilities. Taking into account the cash on hand and recurring cash flows from its core business, the Group's financial position is healthy, positioning the Group advantageously to expand its core business and to achieve its business objectives.

The gearing ratio, calculated on the basis of total liabilities over total equity holders' funds as at 31 March 2007, is approximately 61.0% (2006: 49.8%).

Since the functional currencies of the Group's operations are mainly Hong Kong dollars, United States dollars and Chinese Yuan Renminbi, the Directors consider that the potential foreign exchange exposure of the Group is limited.

EMPLOYEES AND REMUNERATION POLICIES

The Group recognises the importance of training to its staff. In addition to on-the-job training, the Group regularly provides external training to its staff to enhance technical or product knowledge.

As at 31 March 2007, the Group had 54 (2006: 40) employees, including Directors. Total staff costs for the year under review, including Directors' remuneration, amounted to approximately HK$14,830,000 (2006: HK$11,318,000). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees. The Group also provides provident fund schemes and medical insurance scheme for its employees.

Chairman's Statement

The Group has adopted a share option scheme pursuant to which the Directors may grant options to individuals including directors, employees or consultant of the Group to acquire shares of the Company. The Directors consider that the share option scheme assists in the recruitment and retention of high caliber executives and employees. Details of the share option scheme are set out in the accompanying financial statements.

CHARGES ON GROUP'S ASSETS AND CONTINGENT LIABILITIES

There were no charges on the Group's assets or any significant contingent liabilities as at 31 March 2007.

SIGNIFICANT INVESTMENT HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

During the year, the Group has made capital contribution of US$140,000, equivalent to approximately HK$1,092,000, to the registered capital of its newly subsidiary, 上海訊展會議展覽有限公司, which was established as a wholly foreign-owned enterprise under the laws of the PRC with limited liability on 8 August 2006 by Global Challenge Limited, the Company's wholly owned subsidiary. 上海訊展會議展覽有限公司 is principally engaged in the provision of exhibition organisation services in the PRC.

Furthermore, the Group has acquired business information of HK$1,800,000 from a business partner which included database of customers/vendors, potential exhibitors as well as market information, operations, financial and business plans in respect of the exhibition business. The business information has increased the Group's ability to organise exhibitions in the PRC solely and it also strengthen the Group's core competency as well as competitive strength in exhibition business.

Save as disclosed above, there were no other material acquisition and disposal of subsidiary during the year ended 31 March 2007.

PROSPECTS

The Group has identified the PRC exhibition business as a focus area for further development, as a result, a continued dedication of resources on expansion to other province in the PRC will be the Group's aim. In the forthcoming year, the Group will regularly arrange for various forums and exhibitions with Ministry of Commerce in Beijing and trade associations in the PRC in form of partnerships with different themes in the Mainland. In Hong Kong, the very well received AIAA will be another potential exhibition which have enormous growth in terms of its popularity and profitability to the Group.

Having built up its excellent reputation and established presence in Hong Kong, the PRC, Vietmam and Malaysia, the Directors expects the Group's businesses will continue to make good progress in the coming years.

Chairman's Statement

APPRECIATION

On behalf of the Directors, I would like to express my heartfelt thanks to our shareholders, customers and suppliers for their continued support to the Group. Moreover, I would like to thank all staff of the Group for their tremendous efforts and contributions. With a focused senior management team, I believe the Group will succeed in realising its business goal and create significant value for its shareholders in the forthcoming years.

Leung Tin Fu
Chairman

Hong Kong, 22 June 2007

Directors and Senior Management Profile

EXECUTIVE DIRECTORS

Mr. Leung Tin Fu, aged 49, is the founder and Chairman of the Group and also a member of Remuneration Committee of the Company. Mr. Leung is responsible for overseeing the Group's business and formulating long-term development strategies. He graduated with a Higher Diploma in Production and Industrial Engineering from the Hong Kong Polytechnic University. Mr. Leung has over 20 years of experience in the field of exhibition organising. He is one of the founding members of the Hong Kong Exhibition and Conference Industry Association. He is also a member of the Tianjin Municipal Committee of Chinese People's Political Consultative Conference (CPPCC) and an advisor of the China Council for the Promotion of International Trade (CCPIT) for exhibition affairs. Mr. Leung is also a director of Pok Oi Hospital since 2006.

Mr. Chan Wing Sum, aged 44, is an executive director responsible for initiating the Group's sales and marketing functions. Mr. Chan joined the Group in 1987. He has accumulated over 20 years of experience in the exhibition industry since the Group commenced its exhibition business in March 1989.

Mr. Cheng Kwok Lai, aged 42, is an executive director responsible for overseeing implementation of the Group's marketing campaign and sales strategies. He graduated with a Diploma in Business Administration from Shue Yan College. Mr. Cheng joined the Group in March 1987. He has accumulated over 20 years of experience in the exhibition industry since the Group commenced its exhibition business in March 1989.

Mr. Kwok Kam Tim, aged 41, is an executive director of the Group. Mr. Kwok joined the Group in August 1994 and is responsible for the coordination and planning of publishing and editorial matters relating to the Group's publication business. He graduated from The Chinese University of Hong Kong with a Bachelor's Degree in Social Science and a Master's Degree in Philosophy.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Chi Kong, aged 37, is the Chairman of Audit Committee and a member of Remuneration Committee. Mr. Leung obtained his Bachelor's Degree in Economics and Social Studies from the Victoria University of Manchester in the United Kingdom. Mr. Leung is a qualified Chartered Financial Analyst and he was admitted as a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He is currently an associate director of a securities company in Hong Kong. He joined the Group in August 2001.

Ms. Lam Tung Ming, Eileen, aged 39, is a member of both Audit Committee and Remuneration Committee. She graduated with a Bachelor's Degree in Law from the University of Hong Kong. Ms. Lam is a solicitor qualified in Hong Kong, England and Wales. She has more than 10 years' experience working in the legal and secretarial department for Hong Kong listed companies

Directors and Senior Management Profile

and an investment bank. Ms. Lam is currently the Company Secretary of Asia Financial Holdings Limited, which is listed on the Stock Exchange of Hong Kong Limited. She joined the Group in August 2001.

Mr. Chan Kam Fuk, aged 41, is the Chairman of Remuneration Committee and a member of Audit Committee. He has over 13 years of experience in auditing, finance and accounting. He is presently the sole-proprietor of Dominic K.F. Chan & Co., Certified Public Accountants. During the past three years, Mr. Chan is an independent non-executive director of Superior Fastening Technology Limited, he has also been an executive director and a non-executive director of Swing Media Technology Group Limited, both companies are listed on Singapore Exchange Securities Trading Limited.

SENIOR MANAGEMENT

Mr. Cheng Chun Ho, aged 47, is the chief executive officer of the Group and also a member of Remuneration Committee of the Company. Mr. Cheng is responsible for coordination of the Group's business. Before joining the Group in March 2000, Mr. Cheng had worked for 14 years at Hong Kong Productivity Council's Information Services Division and was involved in developing, promoting and implementing industrial information, trade magazines and industrial exhibition services. Mr. Cheng graduated with a High Diploma in Mechanical Engineering from the Hong Kong Polytechnic University and holds a Master's Degree in Business Administration from the University of West London, the United Kingdom. He is a Chartered Engineer of the Engineering Council of the United Kingdom.

Ms. Lok Suet Lin, aged 44, is the exhibition manager of the Group. She possesses over 15 years of experience in organising exhibitions, media planning and advertising representation in both Hong Kong and the PRC. Ms. Lok graduated from The University of Hong Kong with a Bachelor's Degree in Civil Engineering. She joined the Group in September 1986.

Mr. Chau Yat Fan, Raymond, aged 49, is the project manager of the Group. He is responsible for marketing and coordination of exhibitions. He has over 20 years of experience in the exhibition industry. He holds a Diploma in Management Studies from the Hong Kong Polytechnic University. Mr. Chau joined the Group in April 1997.

Ms. Tam Wai Yin, aged 45, is the administration manager of the Group responsible for human resources and administrative functions of the Group. Ms. Tam joined the Group in May 1986.

Mr. Wong Kam Kwong, aged 41, is the art director of the Group in charge of the design department of the Group. He joined the Group in July 1989.

Directors' Report

The Directors have pleasure in submitting their annual report together with the audited financial statements of Info Communication Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 21 to the consolidated financial statements. There were no significant changes in the nature of the principal activities of the Group during the year.

SEGMENTAL INFORMATION

No business segment information (primary segment information) has been disclosed for the years presented as the Group is operating in a single business segment which is exhibition organisation. Details of the geographical segment information have been disclosed in note 7 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2007 are set out in the consolidated income statement on page 28 of this annual report.

At a meeting held on 13 February 2007 the Directors declared an interim dividend of HK$0.012 per ordinary share, totalling HK$10,147,680 which has been fully paid during the year ended 31 March 2007.

The Directors also recommend the payment of a final dividend of HK$0.005 per ordinary share, totalling HK$4,228,200, in respect of the year ended 31 March 2007. The proposed final dividend, if approved by the shareholders at the annual general meeting on 25 July 2007, will be paid on 31 July 2007 to shareholders whose names appear on the Register of Members on 25 July 2007. The Register of Members of the Company will be closed between 23 July 2007 and 25 July 2007 during which period no transfer of shares will be effected. To rank for the aforesaid final dividend, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong before 4:00 p.m. on 20 July 2007.

SHARE CAPITAL

Details of share capital of the Company are set out in note 25 to the consolidated financial statements.

Directors' Report

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 27 to the consolidated financial statements.

As at 31 March 2007, the Company's reserves of approximately HK$9,346,000 (2006: approximately HK$9,696,000) were available for distribution to its equity holders.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2007.

PRE-EMPTIVE RIGHTS

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

COMMITMENTS

As at 31 March 2007, the Group had future minimum payments under non-cancellable terms of an agreement in respect of advertising display panels amounting to approximately HK$1 million (2006: HK$1 million). As at 31 March 2007, the Group also had operating leases commitments in respect of rented office premises of approximately HK$748,000 (2006: Nil).

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK$382,000 (2006: HK$133,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes are set out in note 15 to the consolidated financial statements.

SHARE OPTION SCHEME

Details of the share option scheme are set out in note 26 to the consolidated financial statements.

Directors' Report

DIRECTORS

The directors of the Company in office during the financial year and up to the date of this annual report were:

Executive Directors

Mr. Leung Tin Fu *(Chairman)*
Mr. Chan Wing Sum
Mr. Cheng Kwok Lai
Mr. Kwok Kam Tim

Independent Non-Executive Directors

Mr. Leung Chi Kong
Ms. Lam Tung Ming, Eileen
Mr. Chan Kam Fuk

The Company has received from each of the independent non-executive directors an annual confirmation regarding their independence, and the Board considered their independence to the Company.

In accordance with the Article of Association of the Company, Mr. Kwok Kam Tim and Mr. Chan Kam Fuk will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

The Directors proposed for re-election at the forthcoming annual general meeting do not have an unexpired service contract with the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the transaction as disclosed in note 30 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2007, the interests or short positions of the directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Exchange of Hong Kong Limited (the "Exchange") pursuant to Divisions 7

Directors' Report

and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors of the Company were as follows:

Long position in shares of the Company

Number of ordinary shares beneficially held

Name of directors	Personal interest	Family interest	Corporate interest	Total interests	Percentage of interests
Mr. Leung Tin Fu *(Note 1)*	–	–	509,840,000	509,840,000	60.29%
Mr. Cheng Kwok Lai *(Note 2)*	–	6,800,000	–	6,800,000	0.80%
Mr. Chan Wing Sum *(Note 3)*	4,800,000	8,000,000	–	12,800,000	1.51%
Mr. Kwok Kam Tim	8,000,000	–	–	8,000,000	0.95%

Notes:

1. These shares are held by Advagate Holdings Limited, a company incorporated in the BVI and wholly and beneficially owned by Mr. Leung Tin Fu.

2. These shares are owned by Ms. Cheng Mei Ching, the wife of Mr. Cheng Kwok Lai. Mr. Cheng Kwok Lai is deemed to be interested in such shares pursuant to the SFO.

3. The 8,000,000 shares of family interest are owned by Ms. Lok Suet Lin, the wife of Mr. Chan Wing Sum. Mr. Chan Wing Sum is deemed to be interested in such shares pursuant to the SFO.

Long position in underlying shares of the Company

Pursuant to the share option scheme adopted by the Company on 22 October 2001 (as more particularly described in Appendix IV to the Company's prospectus), certain directors were granted share options to subscribe for the Company's shares, details of share options outstanding and exercisable as at 31 March 2007 were as follows:

Name of directors	Date of grant	Number of share options outstanding and exercisable as at 31 March 2007	Exercise period	Exercise price per share
Mr. Cheng Kwok Lai	10 July 2002	8,000,000	10 July 2002 – 9 July 2012	HK$0.08
Mr. Chan Wing Sum	10 July 2002	8,000,000	10 July 2002 – 9 July 2012	HK$0.08
Mr. Kwok Kam Tim	10 July 2002	8,000,000	10 July 2002 – 9 July 2012	HK$0.08

Note: The weighted average closing price of the shares immediately before the date on which the options were offered is HK$0.08.

Directors' Report

Save as disclosed above, as at 31 March 2007, none of the directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors of the Company.

OUTSTANDING SHARE OPTIONS

Save as those share options granted to the directors as disclosed above, certain share options were granted by the Company under the share option scheme to four individuals who are employees and consultant of the Company at the date of grant, details of the share options outstanding and exercisable as at 31 March 2007 were as follows:

		Number of share options				
Category	**Date of grant**	**At 1 April 2006**	**Lapsed during the year**	**At 31 March 2007**	**Exercise period**	**Exercise price per share**
Employees	10 July 2002	16,000,000	(4,000,000)	12,000,000	10 July 2002 – 9 July 2012	HK$0.08
Consultant	10 July 2002	4,000,000	–	4,000,000	10 July 2002 – 9 July 2012	HK$0.08
		20,000,000	(4,000,000)	16,000,000		

Note: The weighted average closing price of the shares immediately before the date on which the options were offered is HK$0.08.

None of the Directors, employees and consultant of the Company had exercised their share options during the year ended 31 March 2007.

During the year ended 31 March 2007, 4,000,000 options lapsed due to the resignation of employee from the Group.

No options were granted under the share option scheme during the year ended 31 March 2007.

Directors' Report

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 March 2007, the following shareholders (including directors) had interests or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long position in shares of the Company

Number of ordinary shares beneficially held

Name	Capacity	Nature of interest	Number of shares	Percentage of interest
Advagate Holdings Limited *(Note)*	Beneficial owner	Corporate	509,840,000	60.29%
Mr. Leung Tin Fu *(Note)*	Interest of a controlled corporation	Corporate	509,840,000	60.29%
Mr. Chung Horng-I	Beneficial owner	Personal	55,330,000	6.55%

Note: These shares are held by Advagate Holdings Limited, a company incorporated in the BVI and wholly and beneficially owned by Mr. Leung Tin Fu.

Save as disclosed above, as at 31 March 2007, the Directors were not aware of any other person who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's total revenue to the five largest customers accounted for less than 30% of the Group's total revenue during the financial year (2006: less than 30%).

The information in respect of the Group's purchases (comprising exhibition costs, printing, postage and paper costs and promotion expenses) attributable to the major suppliers during the financial year is as follow:

	Percentage of the Group's total purchases	
	2007	2006
The largest supplier	**10.1%**	21.8%
Five largest suppliers in aggregate	**40.9%**	49.8%

Directors' Report

At no time during the year have the directors, their respective associates and any shareholder of the Company (who to the knowledge of the directors owns more than five percent of the issued share capital of the Company) had any interest in any of the five largest customers and suppliers of the Group.

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in note 30 to the financial statements.

Announced continuing connected transactions

During the financial year ended 31 March 2005, the Group has entered into the following agency agreement and management service agreement with Chan Chao International Co., Limited ("Chan Chao Taiwan"), a company incorporated in Taiwan, Republic of China, in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests. The transactions under the agency agreement and management service agreement constitute a continuing connected transaction, and is subject to reporting and announcement requirements and exempt from independent shareholders' approval requirements under Rule 20.34 of the GEM Listing Rules. The relevant announcement was published in accordance with GEM Listing Rules on 11 November 2004.

1. *Agency agreement*

   During the year ended 31 March 2005, an indirect wholly-owned subsidiary of the Company, Global Challenge Limited ("GCL") entered into an agreement with Chan Chao Taiwan for a term of three years commenced from 1 April 2004, pursuant to which GCL agreed to appoint Chan Chao Taiwan to (i) act as its agent to grant licences of booth space of the exhibitions designated by GCL for use by exhibitors in Taiwan and South East Asia; (ii) conduct promotion and marketing of the exhibitions in Taiwan and South East Asia; and (iii) conduct market research of holding and/or organising any exhibitions when instructed by GCL under the agency agreement. During the year ended 31 March 2007, the aggregate commission paid by the Group to Chan Chao Taiwan was approximately HK$135,000.

2. *Management service agreement*

   During the year ended 31 March 2005, a non-wholly-owned subsidiary of the Company, Chan Chao International Co., Limited ("Chan Chao BVI"), a company incorporated in the British Virgin Islands, entered into an agreement with Chan Chao Taiwan for a term of three years commenced from 1 April 2004, pursuant to which Chan Chao BVI agreed to engage Chan Chao Taiwan to plan, direct and manage the exhibitions organised by Chan Chao BVI, namely, exhibitions entitled "Linkage Industry Vietnam", "Rubber Plas Malaysia" and "Print-Label Malaysia". During the year ended 31 March 2007, the aggregate management service fee paid by the Group to Chan Chao Taiwan was approximately HK$82,000.

Directors' Report

The above continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors have confirmed that the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Directors, including the independent non-executive directors, of the Company are of the view that all of the above transactions were on normal commercial terms and in the ordinary and usual course of business of the Group and that the terms of the relevant agreements were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company confirms that the continuing connected transactions as disclosed above fall under the definition of continuing connected transactions in Chapter 20 of the GEM Listing Rules and that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

MANAGEMENT CONTRACTS

Save as disclosed in this report, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

COMPETING INTERESTS

The Directors are not aware of, as at 31 March 2007, any business or interest of each of the directors, management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with business of the Group or any other conflicts of interest which any such person has or may have with the Group.

CORPORATE GOVERNANCE PRACTICES

The Company was in compliance with all code provisions as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 15 of the GEM Listing Rules during the year ended 31 March 2007.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has established written guidelines for the required standards of dealings in securities by directors of the Company. Having made specific enquires of directors of the Company, the Directors is pleased to confirm that all directors have fully complied with the required standards with respect to the securities dealings of the Company and there was no event of non-compliance.

Directors' Report

AUDIT COMMITTEE

The Company has established an Audit Committee ("AC") with specific terms of reference explaining its role and authorities delegated by the Board. The AC consists of three independent non-executive directors, Mr. Leung Chi Kong, Ms. Lam Tung Ming, Eileen and Mr. Chan Kam Fuk, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. Mr. Leung Chi Kong is the Chairman of the AC. In accordance with the provisions of the CG Code, the terms of reference of the AC were also revised which are substantially the same as the provisions set out in the CG Code.

AUDITORS

The accompanying financial statements were audited by HLB Hodgson Impey Cheng. A resolution for the re-appointment of HLB Hodgson Impey Cheng as the auditors for the ensuing year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Leung Tin Fu
Chairman

Hong Kong, 22 June 2007

Corporate Governance Report

Info Communication Holdings Limited (the "Company") acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

During the year ended 31 March 2007, the Company was in compliance with the code provisions as set out in Appendix 15 of the GEM Listing Rules. This report includes information relating corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the "Board") assumes overall responsibilities for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its business by directing and supervising the Company's affairs. The Board focuses on overall corporate strategies and policies with attention particularly paid to the financial performance of the Company.

There is a clear division of the responsibilities of the Board and the management. The Board delegated its responsibilities to directors and senior management to deal with day-to-day operations and review those arrangements on a periodic basis. Management has to report back to the Board and obtain prior approval before making decisions for key matters or entering into any commitments on behalf of the Company. The Board has a balance of skill and experience appropriate for the requirements of the business of the Company.

The Board regularly meets in person to discuss and formulate overall strategic direction and objectives and also approve annual, interim and quarterly results as well as other significant matters of the Company. Execution of daily operational matters is delegated to management.

The Company Secretary assists the Chairman in preparing notice and agenda for the meetings, and ensures that the Company complied with the corporate governance practices and other compliance matters. At least 14 days notice of all board meetings were given to all directors, who were all given an opportunity to include matters in the agenda for discussion.

All directors have access to the Company Secretary who is responsible for the Company's compliance with the continuing obligations of the GEM Listing Rules, Code on Takeover and Mergers and Share Repurchases, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations etc.

Minutes of the Board/committee meetings are recorded in significant detail for any decision and recommendation made during the meetings. Draft and final versions of minutes are circulated to directors or committee members within a reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings. All minutes are kept by the

Corporate Governance Report

Company Secretary and are open for inspection at any reasonable time on reasonable notice by any director. All directors are entitled to have access to board papers and related materials unless there are legal or regulatory restrictions on disclosure due to regulatory requirements.

If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by way of a Board/committee meeting and the interested shareholder or director shall not vote nor shall he/she be counted in the quorum present at the relevant meeting. Independent non-executive director who, and whose associates, have no material interest in the transaction, should be present at such a board meeting.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has established written guidelines for the required standard of dealings in securities by directors of the Company. Having made specific enquiries of directors of the Company, the Board is pleased to confirm that they have fully complied with the required standard with respect to the securities dealings of the Company and there was no event of non-compliance.

BOARD OF DIRECTORS

The Board comprises four executive Directors, including the Chairman of the Board, and three independent non-executive Directors. Each of the Directors has the relevant experience, competence and skills appropriate to the requirements of the business of the Company. At least one of independent non-executive Directors has appropriate professional qualification or accounting or related financial management expertise. The name of independent non-executive Directors are expressly identified and disclosed in all corporate communications of the Company.

The Company has received from each independent non-executive Director an annual confirmation regarding his independence, and the Board considered their independence to the Company.

The Board held four meetings for the financial year ended 31 March 2007. Details of attendance of individual Director at Board meetings are presented as below:

	Number of meetings held	**Number of meetings attended**
Executive Directors		
Mr. Leung Tin Fu *(Chairman)*	4	4
Mr. Chan Wing Sum	4	3
Mr. Cheng Kwok Lai	4	4
Mr. Kwok Kam Tim	4	4
Independent Non-Executive Directors		
Mr. Leung Chi Kong	4	4
Ms. Lam Tung Ming, Eileen	4	3
Mr. Chan Kam Fuk	4	4

Corporate Governance Report

CHAIRMAN AND CEO

Mr. Leung Tin Fu is the Chairman of the Company and Mr. Cheng Chun Ho is the Chief Executive Officer ("CEO") of the Company.

The role of the Chairman and CEO are segregated and not performed by the same individual to avoid power being concentrated in any one individual. There are clear division of responsibilities between Chairman and CEO to ensure balance of power and authority. As the Chairman, Mr. Leung Tin Fu is responsible for overseeing strategic planning and leadership of the Company and exercising control over the quality, quantity and timeliness of the flow of information between the management of the Company and the Board that would allow them to effectively discharge their responsibilities. As CEO, Mr. Cheng Chun Ho is responsible for coordinating the Company's business and assists the Chairman of the Company to market and locates potential business opportunities and also executes the policy of the Company.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a Remuneration Committee ("RC") with specific terms of reference which deals clearly with its authorities and duties. Mr. Chan Kam Fuk, an independent non-executive Director, is the Chairman of the RC, and other members include Mr. Leung Tin Fu, Mr. Leung Chi Kong, Ms. Lam Tung Ming, Eileen and Mr. Cheng Chun Ho. The majority of RC members are independent non-executive Directors of the Company.

The role and function of RC is to oversee Board remuneration matters, including recommend the Board on the Company's policies and structure for the remuneration of the Directors and senior management, determine the remuneration packages of all executive Directors and senior management, review and approving their performance-based remuneration, review and approving compensation to Directors and senior management in connection with any loss or termination of their office or appointment, and to ensure that no Director or any of his associates is involved in deciding his own remuneration.

The RC is also authorised to investigate any matter within its terms of reference and seek any information it requires from any employee and obtain outside legal or other independent professional advice at the cost of the Company if necessary.

A meeting of the RC was held to review the compensation of Directors and senior management. Details of attendance of individual member at the RC meetings are presented as below:

RC Members	Number of meeting held	Number of meeting attended
Mr. Leung Tin Fu	1	1
Mr. Leung Chi Kong	1	1
Ms. Lam Tung Ming, Eileen	1	1
Mr. Chan Kam Fuk	1	1
Mr. Cheng Chun Ho	1	1

Corporate Governance Report

The RC of the Company considered that the existing terms of employment of all executive Directors and appointment letters of independent non-executive Directors of the Company are fair and reasonable.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Board as a whole is responsible for the appointment of its own members. The Board does not establish a Nomination Committee and is not considering to establish the same in view of the small size of the Board of the Company. The Chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidates recommended by the Chairman and make recommendations on the appointment, re-election and retirement of directors. Candidates are appointed to the Board on the basis of their skill, competence and experience that they can contribute to the Company. The Company believes that members of the Board, individually and collectively, have satisfactorily discharged their duties and will review the need for Nomination Committee at a later time.

Newly appointed director will be briefed and updated to ensure that he has a proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities of the latest changes under the GEM Listing Rules, Companies Ordinance, Securities and Futures Ordinance, and other regulatory requirements.

The independent non-executive Directors are not appointed for specific term and are subject to retirement by rotation and re-election by shareholders at Annual General Meeting ("AGM") after their appointment and thereafter at least once every three years in accordance with the Company's Articles of Association.

In accordance with the Company's Articles of Association, one-third of the Directors who have been longest in office since their last election or re-election are also subject to retirement by rotation at the AGM. All retiring directors are eligible for re-election.

AUDIT COMMITTEE

The Company has established an Audit Committee ("AC") with specific terms of reference explaining its role and authorities delegated by the Board. The AC consists of three independent non-executive Directors, Mr. Leung Chi Kong, Ms. Lam Tung Ming, Eileen and Mr. Chan Kam Fuk, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. Mr. Leung Chi Kong is the Chairman of the AC. In accordance with the provisions of the CG Code, the terms of reference of the AC were also revised which are substantially the same as the provisions set out in the CG Code.

Corporate Governance Report

The AC's principal duties include reviewing the Group's financial controls, internal control and risk management systems, reviewing and monitoring integrity of financial statements and reviewing annual, interim and quarterly financial statements and reports before submission to the Board and considering and recommending the appointment, re-appointment and removal of external auditors of the Company. The AC meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly. The AC is authorised to take independent professional advice at Company's expense, if necessary.

The AC has reviewed the annual, interim and quarterly results of the Company for the year ended 31 March 2007 and was content that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong.

The financial statements of the Company for the year have been audited by HLB Hodgson Impey Cheng ("HLB"). During the year, remuneration of approximately HK$200,000 was charged by HLB for the provision of audit services. In addition, approximately HK$183,000 was charged by HLB for other non-audit services. The non-audit services mainly consisted of consultancy services during the year.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 31 March 2007, the Directors have selected suitable accounting policies and applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, made adjustments and estimates that are prudent and reasonable, and have prepared the financial statements on the going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

INTERNAL CONTROLS

The Board maintains a system of internal controls for all companies within the Group. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguard, operational controls are in place, business risks are suitably protected and proper accounting records are maintained.

During the year, the Company has engaged external consultants to conduct a comprehensive review and supervise/monitor the implementation of the Company's internal controls. The external consultants have reported an overall satisfactory result of their review and supervise/monitor of the internal control practices and procedures of the Group.

Corporate Governance Report

In addition, the Board reviews the internal control system of the Group annually and will take any necessary and appropriate action to maintain adequate internal control system to safeguard Company's equity holders' investments and the Group's assets. The effectiveness of the internal control system was discussed on an annual basis with the AC.

COMMUNICATION WITH SHAREHOLDERS

Communication with shareholders is given high priority. The Company aims to provide its shareholders with high standards of disclosure and financial transparency through the publication of annual, interim and quarterly reports, press announcements and circulars made through Exchange's websites.

The Board also maintains an on-going dialogue with shareholders and use general meeting to communicate with shareholders. The Company encourages all shareholders to attend general meeting which provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Board and members of relevant committees and senior management of the Company are also available to answer the shareholders' questions.

Independent Auditors' Report

HLB 國衛會計師事務所
Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF INFO COMMUNICATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Info Communication Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 69 which comprise the consolidated and company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of 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 the consolidated 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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 consolidated financial statements are free from material misstatement.

Independent Auditors' Report

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 22 June 2007

Consolidated Income Statement

For the year ended 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
Turnover	*6*	**79,621**	48,618
Other revenue	*6*	**1,807**	69
Exhibition costs		**(11,878)**	(10,933)
Printing, postage and paper costs		**(4,537)**	(4,364)
Promotion expenses		**(6,048)**	(4,643)
Staff costs	*9*	**(14,830)**	(11,318)
Other operating expenses		**(14,028)**	(7,550)
Profit before tax		**30,107**	9,879
Income tax expense	*8*	**(9,798)**	(658)
Profit for the year	*9*	**20,309**	9,221
Attributable to:			
Equity holders of the Company		**19,787**	8,129
Minority interests		**522**	1,092
		20,309	9,221
Dividends	*13*	**14,375**	10,147
Earnings per share			
Basic *(HK cents per share)*	*14*	**2.34**	0.96
Diluted *(HK cents per share)*	*14*	**2.33**	0.96

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet

At 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
Non-current assets			
Intangible assets	16	**4,800**	6,258
Goodwill	17	**7,790**	7,790
Property, plant and equipment	19	**667**	553
Available-for-sale investments	20	**–**	–
		13,257	14,601
Current assets			
Trade and other receivables	22	**8,013**	9,386
Bank balances and cash	23	**31,638**	13,328
		39,651	22,714
Total assets		**52,908**	37,315
Current liabilities			
Trade and other payables	24	**4,892**	3,610
Sales deposits receipt in advance		**7,530**	8,565
Tax liabilities	8	**7,623**	226
		20,045	12,401
Net current assets		**19,606**	10,313
Total assets less current liabilities		**32,863**	24,914
Net assets		**32,863**	24,914
Capital and reserves			
Share capital	25	**8,456**	8,456
Reserves			
Proposed final dividend	13	**4,228**	1,691
Others	27	**20,175**	14,763
Equity attributable to equity holders of the Company		**32,859**	24,910
Minority interests		**4**	4
Total equity		**32,863**	24,914

The financial statements on pages 28 to 69 were approved and authorised for issue by the Board of Directors on 22 June 2007 and were signed on its behalf by:

Leung Tin Fu
Director

Kwok Kam Tim
Director

The accompanying notes form an integral part of these financial statements.

Balance Sheet

At 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
Non-current assets			
Intangible assets	*16*	**3,000**	6,258
Investments in subsidiaries	*21*	**10,776**	10,324
		13,776	16,582
Current assets			
Bank balances and cash	*23*	**4,122**	1,570
Total assets		**17,898**	18,152
Current liability			
Other payable		**96**	–
Net current assets		**4,026**	1,570
Total assets less current liability		**17,802**	18,152
Net assets		**17,802**	18,152
Capital and reserves			
Share capital	*25*	**8,456**	8,456
Reserves			
Proposed final dividend	*13, 27*	**4,228**	1,691
Others	*27*	**5,118**	8,005
Total equity		**17,802**	18,152

Leung Tin Fu
Director

Kwok Kam Tim
Director

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2007

	Attributable to equity holders of the Company							
	Share capital	**Share premium**	**Capital reserve**	**Retained profits**	**Proposed dividend**	**Total**	**Minority interests**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2005, as restated	8,456	4,552	900	11,329	1,691	26,928	4	26,932
Profit for the year	–	–	–	6,438	1,691	8,129	1,092	9,221
Dividends paid	–	–	–	(8,456)	(1,691)	(10,147)	(1,092)	(11,239)
At 31 March 2006	8,456	4,552	900	9,311	1,691	24,910	4	24,914
Profit for the year	–	–	–	15,559	4,228	19,787	522	20,309
Dividends paid	–	–	–	(10,147)	(1,691)	(11,838)	(522)	(12,360)
At 31 March 2007	**8,456**	**4,552**	**900**	**14,723**	**4,228**	**32,859**	**4**	**32,863**

The capital reserve of the Group comprises (i) an amount of HK$600,000 representing the difference between the nominal value of the capital of the subsidiaries/businesses acquired pursuant to the Group reorganisation, and the nominal value of the shares in the Company issued in exchange therefor; and (ii) an amount of HK$300,000 representing the cost of investment in Inforchain Digital Technology Co., Ltd ("Inforchain") acquired by the Group pursuant to the Group reorganisation in October 2001.

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2007

	Note	2007 HK$'000	2006 HK$'000
Operating activities			
Profit before tax		**30,107**	9,879
Adjustments for:			
Depreciation and amortisation		**899**	583
Bank interest income		**(177)**	(69)
Provision for impairment loss in respect of trade and other receivable		**1,423**	659
Provision for impairment loss in respect of intangible assets		**2,594**	–
Operating cash flows before movements in working capital		**34,846**	11,052
Increase in trade and other receivables		**(550)**	(3,225)
Decrease in trade and other payables		**(18)**	(1,476)
(Decrease)/increase in sales deposits receipt in advance		**(1,035)**	6,014
Cash generated from operations		**33,243**	12,365
Bank interest received		**177**	69
Income taxes paid		**(2,401)**	(509)
Net cash generated by operating activities		**31,019**	11,925
Investing activities			
Purchase of intangible assets		**–**	(1,857)
Purchase of property, plant and equipment		**(349)**	(80)
Net cash used in investing activities		**(349)**	(1,937)
Financing activities			
Final dividend in respect of the previous year paid		**(1,691)**	(1,691)
Interim dividend paid		**(10,147)**	(8,456)
Dividend paid to a minority shareholder		**(522)**	(1,092)
Net cash used in financing activities		**(12,360)**	(11,239)
Net increase/(decrease) in cash and cash equivalents		**18,310**	(1,251)
Cash and cash equivalents at the beginning of the financial year		**13,328**	14,579
Cash and cash equivalents at the end of the financial year	*23*	**31,638**	13,328

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

1. GENERAL

Info Communication Holdings Limited (the "Company") was incorporated with limited liability in the Cayman Islands on 12 July 2001 as an exempted company under the Companies Law of the Cayman Islands. The shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 November 2001. The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate information" of the Company's Annual Report.

As at 31 March 2007, the Company's parent and ultimate holding company is Advagate Holdings Limited, a company incorporated in the British Virgin Islands ("BVI") which is wholly owned by Mr. Leung Tin Fu, the chairman and executive director of the Company.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively, the "Group") are principally engaged in exhibition organisation, provision of promotion and marketing services and trade magazines publication. The principal activities and other particulars of the subsidiaries are set out in note 21 to the consolidated financial statement.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of these new HKFRSs has had no material impact on the amounts reported for the current or prior accounting years.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

		Notes
HKAS 1 (Amendment)	Capital Disclosures	*1*
HKFRS 7	Financial Instruments: Disclosures	*1*
HKFRS 8	Operating Segments	*7*
HK(IFRIC)-Int 8	Scope of HKFRS 2	*2*
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives	*3*
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment	*4*
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions	*5*
HK(IFRIC)-Int 12	Service Concession Arrangements	*6*

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Notes:

1. Effective for annual periods beginning on or after 1 January 2007.
2. Effective for annual periods beginning on or after 1 May 2006.
3. Effective for annual periods beginning on or after 1 June 2006.
4. Effective for annual periods beginning on or after 1 November 2006.
5. Effective for annual periods beginning on or after 1 March 2007.
6. Effective for annual periods beginning on or after 1 January 2008.
7. Effective for annual periods beginning on or after 1 January 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or 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 subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets 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.

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 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of subsidiaries, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill (net of cumulative amortisation as at 31 December 2005) is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and related taxes.

Consultancy fee income is recognised when services are rendered.

Exhibition organisation income is recognised when services are rendered.

Promotion and marketing income is recognised when services are rendered.

Publication income is recognised on the date of the relevant publication issue.

Interest income from bank deposits is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the bank deposits' net carrying amount.

Sundry income is recognised when received.

Property, plant and equipment

Property, plant and equipment are stated at cost of items less subsequent depreciation and impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges 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 translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financials statements. 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, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 consolidated income statement because it excludes items of income or expense 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 is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised as income immediately.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses for tangible and intangible assets below).

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other category. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Available-for-sale financial assets (Continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities (including trade and other payables, sales deposits receipt in advance and tax liabilities) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Consideration paid to reacquire the Company's own equity instruments are deducted from equity. No gain or loss is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions

Equity-settled share-based payment transactions

For share options granted to employees, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The effect of the change in estimate, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Impairment losses (other than goodwill, intangible assets with indefinite useful lives and intangible assets that are not yet available for use (see the accounting policies in respect of goodwill and intangible assets above))

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, short-term, highly liquid investments that are readily convertible to cash and with a maturity of three months or less from date of investment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimated impairment of property, plant and equipment and intangible assets

The Group evaluates whether items of property, plant and equipment and intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, in accordance with the stated accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Estimated useful lives of property, plant and equipment and intangible assets

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation and amortisation charges where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Impairment losses on trade and other receivables

The Group's policy for doubtful receivables is based on the on-going evaluation of the collectability and aging analysis of the trade and other receivables and on management's judgments. Considerable judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor, and the present values of the estimated future cash flows discounted at the effective interest rates. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

5. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade and other receivables, bank balances and cash, trade and other payables and sales deposits receipt in advance. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Certain trade and other receivables, bank balances and cash, trade and other payables and sales deposits received of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management considers that the Group's credit risk is significantly reduced.

Interest rate risk

The management considered the risk is insignificant to the Group as the Group had no significant interest-bearing long-term receivables and payables.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

5. FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial risk management objectives and policies *(Continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

(b) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. TURNOVER AND OTHER REVENUE

	2007	2006
	HK$'000	HK$'000
Turnover and other revenue comprised the following:		
Turnover:		
Exhibition organisation income	**75,888**	44,876
Promotion and marketing income	**3,085**	3,519
Publication income	**648**	223
	79,621	48,618
Other revenue:		
Bank interest income	**177**	69
Consultancy fee income	**1,486**	–
Sundry income	**144**	–
	1,807	69
Total revenue	**81,428**	48,687

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographic segments as the secondary reporting format.

No business segment information (primary segment information) has been disclosed for the years presented as the Group is operating in a single business segment which is exhibition organisation. All of the Group's assets are located in the People's Republic of China (the "PRC"), including Hong Kong, and an analysis of the Group's turnover and profit before tax by geographical area of principal customers of the Group is as follow:

	Turnover		**Segment profit**	
	2007	2006	**2007**	2006
	HK$'000	HK$'000	**HK$'000**	HK$'000
The PRC (including Hong Kong)	**71,693**	40,917	**29,061**	7,691
Asia (other than the PRC)	**7,928**	7,701	**1,046**	2,188
	79,621	48,618	**30,107**	9,879

8. INCOME TAX EXPENSE

	2007	2006
	HK$'000	HK$'000
Current tax:		
Hong Kong Profits Tax	**5,199**	399
PRC Enterprise Income Tax	**4,599**	259
	9,798	658

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year. PRC subsidiaries are subject to PRC Enterprise Income Tax at 33% (2006: 33%).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

8. INCOME TAX EXPENSE *(Continued)*

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	2007	2006
	HK$'000	HK$'000
Profit before tax	**30,107**	9,879
Tax at the statutory tax rates	**8,043**	1,834
Tax effect of expenses not deductible for tax purpose	**3,098**	–
Tax effect of income not taxable for tax purpose	**(1,301)**	(1,176)
Utilisation of tax losses previously not recognised	**(42)**	–
Tax charge for the year	**9,798**	658

A wholly-owned subsidiary of the Company, Global Challenge Limited, received from the Inland Revenue Department of Hong Kong (the "IRD") a notice of additional assessment for the year of assessment 2000/01 on 22 June 2006 relating to certain offshore claim on exhibition organisation income arising in prior years in respect of which the IRD has challenged the tax treatment adopted by the subsidiary. On 11 July 2006 after consulting with the Group's tax representatives, the subsidiary lodged an objection against the IRD's assessment on the grounds that the additional profits assessed were considered as offshore sourced and is not subject to the Hong Kong Profits Tax.

On 24 July 2006, the subsidiary received a notice from the IRD confirming that the tax demanded would be held over on condition that the subsidiary purchases HK$549,000 of Tax Reserve Certificate (the "TRC") by 7 August 2006. Should any amount of tax held over on condition of the purchase of TRC become payable upon the final determination of the objection, the same amount of TRC would be used for settlement of tax due. In order to fulfil the condition of hold over of tax payment, the subsidiary purchased TRC of HK$549,000 on 1 August 2006 in which the amount has been included in the trade and other receivables.

On 9 November 2006, the subsidiary further received a letter from the IRD advising their views on the subsidiary's offshore claim for the years of assessment from 2000/01 to 2004/05 and requesting the subsidiary to provide further information in order to support the offshore claim.

As at the date of approval of these financial statements, the subsidiary is in the process of gathering relevant information to support the tax treatment adopted. The directors of the subsidiary believe that the information being gathered will provide sufficient grounds to support the tax treatments adopted, and therefore no additional provision for taxation has been made in the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

8. INCOME TAX EXPENSE *(Continued)*

Deferred tax:

No deferred tax assets and liabilities are recognised in the financial statements as the Group and the Company did not have material temporary difference arising between the tax bases of assets or liabilities and their carrying amounts as at 31 March 2007 and 2006.

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2007 **HK$'000**	2006 HK$'000
Depreciation of owned property, plant, and equipment	**235**	196
Amortisation of intangible assets (included in other operating expenses)	**664**	387
Total depreciation and amortisation	**899**	583
Auditors' remuneration	**200**	180
Net foreign exchange losses	**65**	–
Provision for impairment loss in respect of intangible assets	**2,594**	–
Provision for impairment loss in respect of trade and other receivables	**1,423**	659
Operating lease rentals in respect of land and buildings	**417**	333
Staff costs:		
– Directors' emoluments *(note 11)*	**3,605**	3,107
– Other staff salaries and allowances	**10,904**	7,907
– Other staff retirement benefits schemes contributions	**321**	304
	14,830	11,318

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

10. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$11,488,000 (2006: approximately HK$10,703,000).

11. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2006: 7) directors were as follows:

	Executive directors				Independent non-executive directors			
For the year ended 31 March 2007	Mr. Leung Tin Fu HK$'000	Mr. Chan Wing Sum HK$'000	Mr. Cheng Kwok Lai HK$'000	Mr. Kwok Kam Tim HK$'000	Mr. Leung Chi Kong HK$'000	Ms. Lam Tung Ming, Eileen HK$'000	Mr. Chan Kam Fuk HK$'000	Total HK$'000
Fees	–	–	–	–	80	80	80	240
Other emoluments								
Salaries and other benefits	1,300	794	792	412	–	–	–	3,298
Contributions to retirement benefits schemes	12	12	12	19	4	4	4	67
Share-based payments	–	–	–	–	–	–	–	–
Total emoluments	1,312	806	804	431	84	84	84	3,605

	Executive directors				Independent non-executive directors			
For the year ended 31 March 2006	Mr. Leung Tin Fu HK$'000	Mr. Chan Wing Sum HK$'000	Mr. Cheng Kwok Lai HK$'000	Mr. Kwok Kam Tim HK$'000	Mr. Leung Chi Kong HK$'000	Ms. Lam Tung Ming, Eileen HK$'000	Mr. Chan Kam Fuk HK$'000	Total HK$'000
Fees	–	–	–	–	80	80	80	240
Other emoluments								
Salaries and other benefits	1,300	553	552	397	–	–	–	2,802
Contributions to retirement benefits schemes	12	12	12	17	4	4	4	65
Share-based payments	–	–	–	–	–	–	–	–
Total emoluments	1,312	565	564	414	84	84	84	3,107

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

12. EMPLOYEES' EMOLUMENTS

Of the 5 individuals with the highest emoluments in the Group, 3 (2006: 3) were directors of the Company whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining 2 (2006: 2) individuals were as follows:

	2007	2006
	HK$'000	HK$'000
Salaries and other benefits	**2,150**	1,446
Contributions to retirement benefits schemes	**37**	37
Share based payment expense	**–**	–
	2,187	1,483

The number of the remaining 2 (2006: 2) highest paid, non-director employees whose remuneration fell within the following bands is as follow:

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

There were no arrangements under which the directors of the Company have waived or agreed to waive any remuneration. There were no discretionary bonuses paid to the directors or the highest paid, non-director employees of the Group for the year ended 31 March 2007 (2006: Nil).

During the year, no emoluments were paid by the Group to the directors and the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

13. DIVIDENDS

	2007 HK$'000	2006 HK$'000
Dividends attributable to the year:		
Interim dividend of HK$0.012 (2006: HK$0.01) per ordinary share *(a)*	**10,147**	8,456
Proposed final dividend of HK$0.005 (2006: HK$0.002) per ordinary share *(b)*	**4,228**	1,691
	14,375	10,147
Dividend attributable to the previous financial year, approved and paid during the year:		
Final dividend of HK$0.002 (2006: HK$0.002) per ordinary share, in respect of the previous financial year, approved and paid during the year	**1,691**	1,691

Notes:

(a) At a meeting held on 13 February 2007, the Directors declared an interim dividend of HK$0.012 (2006: HK$0.01) per ordinary share which has been fully paid during the year ended 31 March 2007.

(b) At a meeting held on 22 June 2007, the Directors recommended the payment of a final dividend of HK$0.005 (2006: HK$0.002) per ordinary share for the year ended 31 March 2007. This proposed dividend is not reflected as a dividend payable in the current year's financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 March 2008.

14. EARNINGS PER SHARE

(a) The calculation of basic earnings per share for the year ended 31 March 2007 is based on the Group's profit attributable to equity holders of the Company of approximately HK$19,787,000 (2006: approximately HK$8,129,000) and on the weighted average number of 845,640,000 (2006: 845,640,000) ordinary shares in issue during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

14. EARNINGS PER SHARE *(Continued)*

(b) The calculation of diluted earnings per share for year ended 31 March 2007 is based on the Group's profit attributable to equity holders of the Company of approximately HK$19,787,000 (2006: approximately HK$8,129,000) and on 849,957,573 (2006: 846,183,210) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of the vested share options outstanding during the year.

Reconciliation	**Number of shares**	
	31 March 2007	31 March 2006
Weighted average number of ordinary shares used in calculating basic earnings per share	**845,640,000**	845,640,000
Deemed issue of ordinary shares for no consideration	**4,317,573**	543,210
Weighted average number of ordinary shares used in calculating diluted earnings per share	**849,957,573**	846,183,210

15. RETIREMENT BENEFITS SCHEMES

The Group has arranged for its employees (including certain executive Directors) provident funds under a defined contribution scheme (the "Scheme") managed by independent trustee. The employees make monthly contributions to the Scheme with an amount of 3% of their basic salaries, while the Group makes monthly contributions to the Scheme with an amount of 5% of the employees' basic salaries. The employees are entitled to receive their entire contribution and the accrued interest thereon, and 100% of the employer's contribution and the accrued interest thereon upon retirement or leaving the Group after completing 10 years of service, or at a reduced scale of between 30% and 100% after completing 3 to 10 years of service. During the year, no benefits were forfeited in accordance with the Scheme's rules to reduce the employer's contribution (2006: Nil).

Effective from 1 December 2000, the Group has simultaneously implemented a mandatory provident fund scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Schemes Ordinance in Hong Kong. Both the Group (the employer) and its employees make monthly contributions to the MPF Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions of employer and employees are subject to a cap of monthly earnings of HK$20,000 and thereafter contributions are voluntary. The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

16. INTANGIBLE ASSETS

The Group

	Advertising display panels under construction HK$'000	Advertising rights HK$'000	Business information HK$'000	Total HK$'000
COST				
At 1 April 2005	–	4,788	–	4,788
Additions	1,857	–	–	1,857
Transfer	(1,857)	1,857	–	–
At 31 March 2006	–	6,645	–	6,645
Additions	–	–	1,800	1,800
At 31 March 2007	**–**	**6,645**	**1,800**	**8,445**
AMORTISATION AND IMPAIRMENT				
At 1 April 2005	–	–	–	–
Provided for the year	–	387	–	387
At 31 March 2006	–	387	–	387
Provided for the year	–	664	–	664
Provision for impairment loss	–	2,594	–	2,594
At 31 March 2007	**–**	**3,645**	**–**	**3,645**
CARRYING AMOUNTS				
At 31 March 2007	**–**	**3,000**	**1,800**	**4,800**
At 31 March 2006	–	6,258	–	6,258

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

16. INTANGIBLE ASSETS *(Continued)*

The Company

	Advertising display panels under construction HK$'000	Advertising rights HK$'000	Total HK$'000
COST			
At 1 April 2005	–	4,788	4,788
Additions	1,857	–	1,857
Transfer	(1,857)	1,857	–
At 31 March 2006 and 31 March 2007	**–**	**6,645**	**6,645**
AMORTISATION AND IMPAIRMENT			
At 1 April 2005	–	–	–
Provided for the year	–	387	387
At 31 March 2006	–	387	387
Provided for the year	–	664	664
Provision for impairment loss	–	2,594	2,594
At 31 March 2007	**–**	**3,645**	**3,645**
CARRYING AMOUNTS			
At 31 March 2007	**–**	**3,000**	**3,000**
At 31 March 2006	–	6,258	6,258

Intangible assets comprise advertising rights, advertising display panels under construction and business information.

Advertising rights represent the costs of acquiring operating rights for the placement of advertisements in advertising display panels in the PRC and include any directly attributable costs of bringing advertising display panels to their present condition and location for their intended use. Advertising rights are stated at cost less accumulated amortisation and any impairment losses.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

16. INTANGIBLE ASSETS *(Continued)*

Advertising display panels under construction includes the cost of construction and other direct costs attributable to the construction of advertising display panels. They are transferred to advertising rights when the construction is completed and the assets are exchanged for the exclusive rights to the advertising space on the advertising display panels. The Group does not own the advertising display panels, but instead has the exclusive rights to the advertising space on the advertising display panels for a specified period of 10 years.

Business information includes database of customers/ vendors, potential exhibitors as well as market information, operations, financial and business plans in respect of the exhibition business acquired from a business partner.

No amortisation is provided in respect of construction of advertising display panels in progress. No amortisation is provided for the business information as the directors of the Company are of the opinion that various studies including product life cycle studies, market, competitive trends and brand extension opportunities have been performed by the management of the Group, which supports that the business information has no foreseeable limit, therefore, the useful life of the business information is estimated to be indefinite. Advertising rights is amortised on a straight-line basis over the agreed period of use of ten years. As the agreed period of use of the advertising rights has not commenced as at 31 March 2005, no amortisation is provided in respect of advertising rights for that year.

For the purposes of impairment testing on advertising rights, the Directors of the Group conducted an impairment review as at 31 March 2007. The recoverable amount of the advertising rights has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering 12-month period, and discounted at approximately 18%. Due to the uncertainty of the cash inflows generated from the advertising rights, impairment loss of approximately HK$2,594,000 has been recognised in respect of intangible assets.

The amortisation expense has been included in the line item other operating expenses in the consolidated income statement.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

17. GOODWILL

	HK$'000
COST	
At 1 April 2005	9,496
Effect of adoption of HKFRS 3	(1,706)
At 31 March 2006 and 31 March 2007	**7,790**
AMORTISATION	
At 1 April 2005	1,706
Effect of adoption of HKFRS 3	(1,706)
At 31 March 2006 and 31 March 2007	**–**
CARRYING AMOUNTS	
At 31 March 2007	**7,790**
At 31 March 2006	7,790

Particulars regarding impairment testing on goodwill are disclosed in note 18.

18. IMPAIRMENT TESTING ON GOODWILL

As explained in note 7, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill set out in note 17 has been allocated to the following cash generating unit (CGU). The carrying amount of goodwill as at 31 March 2007 is allocated as follow:

	2007 **HK$'000**	2006 HK$'000
Exhibition organisation – Asia (other than The PRC)	**7,790**	7,790

During the year ended 31 March 2007, the directors of the Group determine that there is no impairment of the CGU containing goodwill with definite useful life.

As at 31 March 2007, the recoverable amount of the above CGU has been determined based on value-in-use calculation. That calculation was determined by cash flow projections based on the information provided by the senior management of the Company covering 12-month period and discounted at approximately 17%.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

19. PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST			
At 1 April 2005	3,932	849	4,781
Additions	80	–	80
At 31 March 2006	4,012	849	4,861
Additions	310	39	349
At 31 March 2007	**4,322**	**888**	**5,210**
DEPRECIATION			
At 1 April 2005	3,416	696	4,112
Provided for the year	154	42	196
At 31 March 2006	3,570	738	4,308
Provided for the year	187	48	235
At 31 March 2007	**3,757**	**786**	**4,543**
CARRYING AMOUNTS			
At 31 March 2007	**565**	**102**	**667**
At 31 March 2006	442	111	553

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture and equipment	20%
Motor vehicles	20%

20. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2007 HK$'000	2006 HK$'000
Unlisted securities:		
– Equity securities	**300**	300
– Less: provision for impairment loss	**(300)**	(300)
Total	**–**	–

The available-for-sale investments represent 19.5% equity interests in Inforchain, a company incorporated in the BVI and the branch of which operates a portal that provides online exhibition services complementary to the Group's offline exhibition business.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

21. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of subsidiary	Place/country of incorporation or registration/ operation	Legal form	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company Direct %	Proportion ownership interest held by the Company Indirect %	Proportion of voting power held by the Company	Principal activities
Infosky Group Limited	BVI	Limited liability	US$200	100	–	100	Investment holding
Chan Chao International Co., Limited	BVI	Limited liability	US$1,000	50.1	–	50.1	Exhibition organisation and provision of promotion and marketing services
Global Challenge Limited	Hong Kong	Limited liability	US$10	–	100	100	Exhibition organisation and provision of promotion and marketing services
Paper Communication Publications Limited	Hong Kong	Limited liability	HK$1,000	–	100	100	Publication of trade magazine
廣東訊展會議展覽有限公司 *(note)*	PRC	Limited liability	HK$1,000,000	–	100	100	Exhibition organisation
上海訊展會議展覽有限公司 *(note)*	PRC	Limited liability	US$140,000	–	100	100	Exhibition organisation

Note:

廣東訊展會議展覽有限公司 and 上海訊展會議展覽有限公司 were established as wholly-foreign owned enterprises under the laws of the PRC with limited liability on 27 December 2004 and 8 August 2006 respectively and are currently wholly-owned by Global Challenge Limited. Accordingly, 廣東訊展會議展覽有限公司 and 上海訊展會議展覽有限公司 prepare their PRC statutory financial statements up to 31 December each year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

22. TRADE AND OTHER RECEIVABLES

	2007 **HK$'000**	2006 HK$'000
Trade receivables	**1,708**	2,430
Amount due by a related company	**777**	984
Other receivables, deposits and prepayments	**5,528**	5,972
Total trade and other receivables, net	**8,013**	9,386

As at 31 March 2007, the accumulated provision for impairment loss was made for estimated irrecoverable trade and other receivables of approximately HK$2,082,000 (2006: approximately HK$659,000).

The following is an aged analysis of trade receivables net of impairment losses at the balance sheet date:

	2007 **HK$'000**	2006 HK$'000
Current	**341**	769
30 – 60 days	**394**	117
>60 days	**973**	1,544
	1,708	2,430

(i) Credit terms are normally negotiable between the Group and its customers and vary for the different business activities of the Group. For the exhibition organising business, customers are normally required to pay a 50% deposit upon signing of agreements and the remaining 50% prior to the opening of exhibitions. A credit period of up to 9 months may be given to those customers who have longstanding business relationships with the Group for the remaining 50% balance, following financial assessment by the senior management and based on the established payment records of the customers. For the promotion and marketing services, the Group normally requires full payment before rendering of services and the advertising fees from placement of advertisements in newspapers and magazines are normally payable on per issue basis 30 days before the date of publication. For the publication business, customers are required to make full payment at the time of subscription to the trade magazines published by the Group.

(ii) The amount due by a related company represents amount due by Chan Chao International Co., Limited ("Chan Chao Taiwan"), a company incorporated in Taiwan, Republic of China and in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests. The amount due is unsecured, interest-free and has no fixed terms of repayment. The highest balance during the year was HK$1,213,000.

(iii) The directors consider that the carrying amounts of trade and other receivables approximate their fair values.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

23. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank balances that are interest bearing at prevailing market rate and have original maturity of three months or less. The directors consider that the carrying amounts approximate their fair values.

The bank balances and cash of the Group are mainly denominated in Hong Kong dollars, Chinese Renminbi and US dollars. Included in the bank balances and cash as at 31 March 2007 was amount denominated in Renminbi of approximately HK$13,071,000 (2006: approximately HK$2,355,000). Renminbi is not freely convertible into other currencies. As at 31 March 2007 and 2006, all bank balances and cash of the Company are denominated in Hong Kong dollars.

24. TRADE AND OTHER PAYABLES

	2007 **HK$'000**	2006 HK$'000
Trade payables	**1,066**	1,708
Other payables	**3,826**	1,902
	4,892	3,610

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

	2007 **HK$'000**	2006 HK$'000
Current	**629**	595
30 – 60 days	**394**	1,099
>60 days	**43**	14
	1,066	1,708

The directors consider that the carrying amounts of trade and other payables approximate their fair values.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

25. SHARE CAPITAL

	Number of shares		Share capital	
	2007	2006	**2007**	2006
	'000	'000	**HK$'000**	HK$'000
Authorised:				
2,000,000,000 ordinary shares of HK$0.01 each	**2,000,000**	2,000,000	**20,000**	20,000
Issued and fully paid:				
845,640,000 ordinary shares of HK$0.01 each	**845,640**	845,640	**8,456**	8,456

26. SHARE OPTION SCHEME

Pursuant to the share option scheme (the "Share Option Scheme") adopted by the Company on 22 October 2001, the Directors may at their discretion grant options to (i) any director, employee or consultant of the Group or a company in which the Group holds an equity interest or a subsidiary of such company (the "Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any person or entity whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group, to subscribe for shares of the Company during such period as may be determined by the Directors (which shall not be more than ten years from the date of issue of the relevant options).

The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme(s) of the Company shall not exceed 30% of the shares of the Company in issue from time to time. Options may be granted without any initial payment at a price (subject to adjustments as provided therein) equal to the higher of (i) the nominal value of the shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. The options vest immediately upon grant, and are exercisable from the date of grant to the end of the scheme period ending on 9 July 2012. Each option gives the holder the right to subscribe for one share.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

26. SHARE OPTION SCHEME *(Continued)*

Details of the share options outstanding and exercisable as at 31 March 2007, all of which were granted without any initial payment, and the terms of these outstanding vested share options as at 31 March 2007 are as follows:

	Number of share options held					
Name or category participants	At 1 April 2006	Lapsed during the year	At 31 March 2007	Date of grant share of options	Exercise period of share options	Exercise price per share
Directors						
Mr. Cheng Kwok Lai	8,000,000	–	8,000,000	10 July 2002	10 July 2002 – 9 July 2012	HK$0.08
Mr. Chan Wing Sum	8,000,000	–	8,000,000	10 July 2002	10 July 2002 – 9 July 2012	HK$0.08
Mr. Kwok Kam Tim	8,000,000	–	8,000,000	10 July 2002	10 July 2002 – 9 July 2012	HK$0.08
	24,000,000	–	24,000,000			
Employees	16,000,000	(4,000,000)	12,000,000	10 July 2002	10 July 2002 – 9 July 2012	HK$0.08
Consultant	4,000,000	–	4,000,000	10 July 2002	10 July 2002 – 9 July 2012	HK$0.08
	44,000,000	(4,000,000)	40,000,000			

Notes:

(i) The weighted average closing price of the shares immediately before the date on which the options were offered is HK$0.08.

(ii) No options were granted under the share option scheme during the years ended 31 March 2007 and 2006 and none of the share options expired during the years ended 31 March 2007 and 2006.

(iii) None of the directors, employees and consultant of the Company had exercised their share options during the years ended 31 March 2007 and 2006.

(iv) The exercise in full of the outstanding vested options would, with the capital structure of the Company as at 31 March 2007, result in the issue of additional 40,000,000 ordinary shares (2006: 44,000,000 ordinary shares).

(v) 4,000,000 share options lapsed during the year following the resignation of an employee from the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

27. RESERVES

The Group

	Share premium HK$'000	Capital reserve HK$'000	Retained profits HK$'000	Proposed dividend HK$'000	Total HK$'000
At 1 April 2005, as restated	4,552	900	11,329	1,691	18,472
Profit for the year	–	–	6,438	1,691	8,129
Dividends paid	–	–	(8,456)	(1,691)	(10,147)
At 31 March 2006	4,552	900	9,311	1,691	16,454
Profit for the year	–	–	15,559	4,228	19,787
Dividends paid	–	–	(10,147)	(1,691)	(11,838)
At 31 March 2007	**4,552**	**900**	**14,723**	**4,228**	**24,403**

The capital reserve of the Group comprises (i) an amount of HK$600,000 representing the difference between the nominal value of the capital of the subsidiaries/businesses acquired pursuant to the Group reorganisation, and the nominal value of the shares in the Company issued in exchange therefor; and (ii) an amount of HK$300,000 representing the cost of investment in Inforchain acquired by the Group pursuant to the Group reorganisation in October 2001.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

27. RESERVES *(Continued)*

The Company

	Share premium HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2005	4,552	4,588	9,140
Profit for the year	–	10,703	10,703
Dividends paid in respect of *(note 13)*			
– 2005 final dividend	–	(1,691)	(1,691)
– 2006 interim dividend	–	(8,456)	(8,456)
At 31 March 2006	4,552	5,144	9,696
Profit for the year	–	11,488	11,488
Dividends paid in respect of *(note 13)*			
– 2006 final dividend	–	(1,691)	(1,691)
– 2007 interim dividend	–	(10,147)	(10,147)
At 31 March 2007	**4,552**	**4,794**	**9,346**
Representing:			
Proposed final dividend *(note 13)*	–	4,228	4,228
Others	4,552	566	5,118
At 31 March 2007	**4,552**	**4,794**	**9,346**

Under the Companies Laws of the Cayman Islands, the share premium account is distributable to the equity holders of the Company provided that immediately following the distribution or payment of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's reserves available for distribution comprise the share premium account and retained profits. As at 31 March 2007, in the opinion of the Directors, the reserves of the Company available for distribution to the equity holders of the Company amounted to approximately HK$9,346,000 (2006: approximately HK$9,696,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

28. OPERATING LEASES

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2007	2006
	HK$'000	HK$'000
Within one year	**430**	–
In the second to fifth years inclusive	**318**	–
	748	–

As at 31 March 2007 and 2006, the Company had no commitment under operating lease.

29. COMMITMENTS

Pursuant to an agreement entered into between the Company and 中國吸煙與健康協會 (the "Association") in April 2004, the Association assigned to the Company the exclusive rights for the placement of advertisements in the advertising display panels which are to be built in primary and secondary schools in Guangzhou, the PRC, for a period of ten years. A fee would be paid to the Association for such exclusive rights in accordance with the terms of the agreement. As at 31 March 2007, the Company had future minimum payments under the non-cancellable terms of the agreement in respect of such exclusive rights amounting to approximately HK$1 million and such amount is payable within the next twelve months after the balance sheet date. According to the confirmation letter issued by the Association in August 2005, settlement of the amount would be deferred until the operation of the advertising display panels generates income. As income generated from the use of the aforementioned panels did not reach the Company's expected target, the Company had not paid the amount up to 31 March 2007. In the opinion of the Directors, the Company would not incur any legal liability to pay or to compensate the Association.

30. RELATED PARTY TRANSACTIONS

Rentals

During the year ended 31 March 2007, the Group paid rent totalling HK$240,000 (2006: HK$216,000) to an executive director of the Company for the lease of office premises owned by him. The Directors consider that the rental was calculated by reference to open market rentals.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

30. RELATED PARTY TRANSACTIONS *(Continued)*

Agency and management services agreements

During the year ended 31 March 2005, the Group has entered into the following agency agreement and management service agreement with Chan Chao Taiwan and in which a shareholder of the Company, who is also a director of the Company's subsidiary, has beneficial interests.

(i) *Agency agreement*

During the year ended 31 March 2005, an indirect wholly-owned subsidiary of the Company, Global Challenge Limited ("GCL"), entered into an agreement with Chan Chao Taiwan for a term of three years commencing from 1 April 2004, pursuant to which GCL agreed to appoint Chan Chao Taiwan to (i) act as its agent to grant licences of booth space of the exhibitions designated by GCL for use by exhibitors in Taiwan and South East Asia; (ii) conduct promotion and marketing of the exhibitions in Taiwan and South East Asia; and (iii) conduct market research of holding and/ or organising any exhibitions when instructed by GCL under the agency agreement.

During the year ended 31 March 2007, the aggregate commission paid by the Group to Chan Chao Taiwan was approximately HK$135,000 (2006: approximately HK$625,000).

(ii) *Management service agreement*

During the year ended 31 March 2005, a non-wholly-owned subsidiary of the Company, Chan Chao International Co., Limited ("Chan Chao BVI"), a company incorporated in the BVI, entered into an agreement with Chan Chao Taiwan for a term of three years commencing from 1 April 2004, pursuant to which Chan Chao BVI agreed to engage Chan Chao Taiwan to plan, direct and manage the exhibitions organised by Chan Chao BVI, namely, exhibitions entitled "Linkage Industry Vietnam", "Rubber Plas Malaysia" and "Print-Label Malaysia".

During the year ended 31 March 2007, the aggregate management service fee paid by the Group to Chan Chao Taiwan was approximately HK$82,000 (2006: approximately HK$203,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2007

30. RELATED PARTY TRANSACTIONS *(Continued)*

Agency and management services agreements *(Continued)*

(ii) Management service agreement (Continued)

The Directors consider that the consideration paid for the above significant related party transactions were based on rates mutually agreed with reference to the then market conditions and in the ordinary course of the Group's business. The Directors consider that these significant related party transactions, which also constitute connected transactions under the GEM Listing Rules, have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Compensation to key management personnel

The remuneration of directors and other members of key management during the year was as follow:

	2007	2006
	HK$'000	HK$'000
Short-term benefits	**7,060**	6,271
Post-employment benefits	**163**	161
	7,223	6,432

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Financial Summary

The following table summarises the results, assets and liabilities of the Group for the five years ended 31 March 2007:

	2007	2006	2005	2004	2003
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**79,621**	48,618	58,918	54,639	52,700
Profit attributable to equity holders of the Company	**19,787**	8,129	13,010	7,849	7,169
Total assets	**52,908**	37,315	34,646	34,274	29,267
Total liabilities	**(20,045)**	(12,401)	(7,718)	(9,786)	(9,039)
Net assets	**32,863**	24,914	26,928	24,488	20,228

Notes:

1. The results of the Group for the year ended 31 March 2007 have been extracted from the consolidated income statement and consolidated balance sheet as set out on pages 28 and 29 respectively of the accompanying consolidated financial statements.

2. The financial summary of the Group has been included for information only and does not form part of the audited financial statements.